

At a budget workshop meeting (first draft of budget distributed – discussion focused on General and Financial Administration, Judicial Administration, Public Safety) held in the Board Room of the Southampton County Office Center, 26022 Administration Center Drive, Courtland, Virginia on April 4, 2012 at 7:00 PM.

SUPERVISORS PRESENT

Dallas O. Jones, Chairman (Drewryville)
Dr. Alan W. Edwards, Vice-Chairman (Jerusalem)
Glenn H. Updike (Newsoms)
Carl J. Faison (Boykins-Branchville)
Barry T. Porter (Franklin)
Ronald M. West (Berlin-Ivor)
S. Bruce Phillips (Capron)

SUPERVISORS ABSENT

None

OTHERS PRESENT

Michael W. Johnson, County Administrator (Clerk)
Jon Mendenhall, Assistant County Administrator
Lynette C. Lowe, Finance Director
Cynthia J. Edwards, Administrative Secretary

Chairman Jones called the meeting to order.

After the pledge of allegiance Supervisor Faison gave the invocation.

Chairman Jones stated that they need a motion to recess for a closed meeting.

Supervisor Edwards made a motion that the Board recess into closed session.

Supervisor West seconded the motion.

Supervisor Edwards read the certification resolution.

RESOLUTION OF CLOSED MEETING

WHEREAS, the Southampton County Board of Supervisors had convened a closed meeting on this date pursuant to an affirmative recorded vote and in accordance with the provisions of the Virginia Freedom of Information Act; and

WHEREAS, Section 2.2-3712 (D) of the Code of Virginia requires a certification by the Board that such closed meeting was conducted in conformity with Virginia law.

NOW, THEREFORE, BE IT RESOLVED that the Southampton County Board of Supervisors hereby certifies that, to the best of each member's knowledge, (i) only public business matters lawfully exempted from open meeting requirements by Virginia law were discussed in the closed meeting to which this certification resolution applies, and (ii) only such public matters as were identified in the motion convening the closed meeting were heard, discussed and considered by the Southampton County Board of Supervisors.

Supervisor Phillips made a motion to go back into open session.

Supervisor Faison seconded the motion which carried unanimously.

April 4, 2012

Supervisors Voting Aye: Dallas O. Jones
Barry Porter
Glenn Updike
Carl J. Faison
Alan Edwards
Ronald M. West
Bruce Phillips

Supervisors Voting Nay: None

Chairman Jones said we are now back in open session. He stated that nothing was discussed other than what they were supposed to discuss.

Chairman Jones said he needed a motion to extend the Enviva sale agreement 45 days.

Supervisor West made a motion to extend Enviva's sale agreement for 45 days.

Supervisor Faison seconded the motion which carried unanimously.

Chairman Jones stated the next item of business was the budget workshop.

Mr. Michael Johnson gave an introductory power point presentation.

Fiscal Year 2013 Initial Draft Budget

Wednesday, April 4, 2012

7:00 p.m.



Budget Approval Process

January 26, 2012	Budget request forms issued
February 15, 2012	BOS/School Board Workshop (compensation/benefits)
February 17, 2012	Budget request forms returned
February 20, 2012	BOS/School Board Workshop (state revenue estimates)
March 14, 2012	BOS/School Board Workshop (state/local revenue estimates)
March 21, 2012	BOS Budget Workshop (department/agency presentations)
March 28, 2012	BOS/School Board Workshop (finalize draft school budget)
April 4, 2012	BOS Budget Workshop (initial draft budget distributed) Focus on General & Financial Administration, Judicial Administration, Public Safety
April 11, 2012	BOS Budget Workshop Focus on Public Works, Health & Welfare, Culture and Community Development
April 18, 2012	BOS Budget Workshop School Budget Public Hearing; Focus on Social Services
April 23, 2012	BOS Regular Session Focus on Building Fund

Budget Approval Process

April 25, 2012	BOS Budget Workshop Adopt School Budget; Focus on Enterprise Fund, Finalize Draft Budget
May 21, 2012	Public Hearing on FY 2013 Budget and Tax Rates
May 23, 2012	BOS Budget Workshop (if necessary)
May 29, 2012	BOS Regular Session Board adopts final budget and tax rates

Initial Draft

- Not a proposed budget
- Not a recommended budget
- A snapshot of where we are in the process
- We've reached a point where we may have meaningful discussion – but we have a long way to go
- Worse than 2 years ago
- Budget is out of balance by more than \$3.2 million

Revenue – All Funds

Millions



FY 2012 \$52,143,961

FY 2013 \$50,845,262

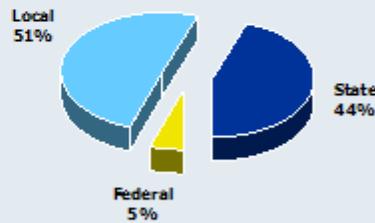
Decrease \$ 1,298,699

**Budgetary Decrease
(2.49%)**

Initial Draft FY 2013 Budget

Revenue Sources

State	\$22,553,389
Federal	2,720,043
Local	<u>25,571,830</u>
TOTAL	\$50,845,262

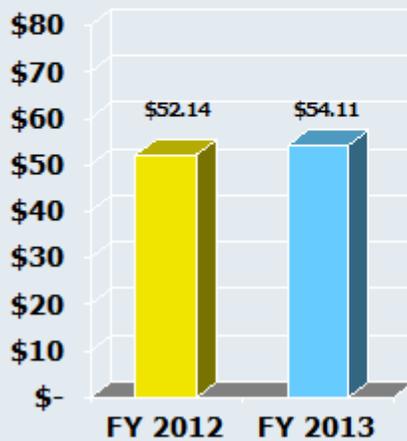


Initial Draft FY 2013 Budget

REVENUES	FY 2012	FY 2013	Variance	Percent Change
General Property Taxes	\$ 18,154,870	\$ 18,436,637	\$ 281,767	1.6%
Other Local Taxes	1,594,349	1,596,105	1,756	0.1%
Permits, Fees, Licenses	105,050	105,930	880	0.8%
Fines & Forfeitures	589,000	597,250	8,250	1.4%
Interest	35,000	4,000	(31,000)	-88.6%
Charges for Services	396,664	408,773	12,109	3.1%
Miscellaneous Revenue	979,128	823,268	(155,860)	-15.9%
Transfer - General Fund Reserve	1,400,777	530,709	(870,068)	-62.1%
Transfer - Inmate Enterprise	160,000	207,013	47,013	100.0%
Other County Sources	403,600	435,700	32,100	8.0%
Enterprise Fund	1,952,259	1,123,460	(828,799)	-42.5%
Building Fund	1,645,507	1,302,985	(342,522)	-20.8%
State Revenue	22,303,849	22,553,389	249,540	1.1%
Federal Revenue	2,423,908	2,720,043	296,135	12.2%
	<u>\$ 52,143,961</u>	<u>\$ 50,845,262</u>	<u>\$ (1,298,699)</u>	<u>-2.5%</u>

Expenses – All Funds

Millions



FY 2012 \$52,143,961

FY 2013 \$54,110,415

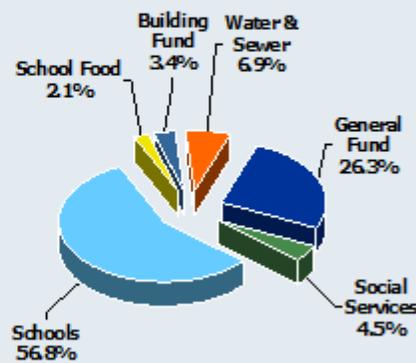
Increase \$ 1,966,454

**Budgetary Increase
(3.77%)**

Initial Draft FY 2013 Budget

Expenditures

General Fund	\$14,225,444
Social Services	2,430,304
Schools	30,749,154
School Food	1,137,620
Building Fund	1,836,203
Water & Sewer	<u>3,731,690</u>
	\$54,110,415



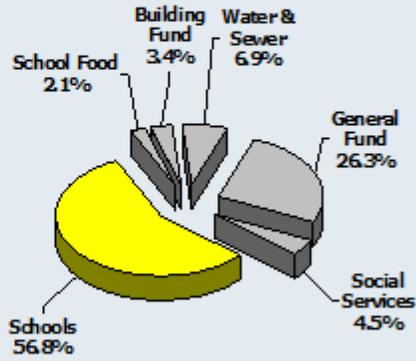
Initial Draft FY 2013 Budget

PROPOSED EXPENDITURES	FY 2012	FY 2013	Variance	Percent Change
General & Financial Administration	\$ 2,200,344	\$ 2,154,840	\$ (45,504)	-2.1%
Judicial Administration	1,726,487	1,749,800	23,313	1.4%
Public Safety	<u>6,263,798</u>	<u>6,488,351</u>	<u>224,553</u>	<u>3.6%</u>
Public Works	2,564,691	2,479,815	(84,876)	-3.3%
Health and Welfare	567,631	675,330	107,699	19.0%
Parks, Recreation, Culture	272,836	277,024	4,188	1.5%
Community Development	353,102	381,126	28,024	7.9%
Non-Departmental	19,100	19,158	58	0.3%
School Fund	<u>28,892,027</u>	<u>30,749,154</u>	<u>1,857,127</u>	<u>6.4%</u>
School Food	1,072,600	1,137,620	65,020	6.1%
Public Assistance Fund	2,446,506	2,430,304	(16,202)	-0.7%
Building Fund	2,210,971	1,836,203	(374,768)	-17.0%
Enterprise Fund	<u>3,553,868</u>	<u>3,731,690</u>	<u>177,822</u>	<u>5.0%</u>
	\$ 52,143,961	\$ 54,110,415	\$ 1,966,454	3.8%

Initial Draft FY 2013 Budget

Expenditures

General Fund	\$14,225,444
Social Services	2,430,304
Schools	30,749,154
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Water & Sewer	3,731,690
	\$54,110,415



Initial FY 2013 Public Schools Budget

Revenues

	FY 2008 Actual	FY 2010 Actual	FY 2011 Actual	FY 2012 Budgeted	FY 2013 Requested	Increase (Decrease)	% Change
State	\$ 19,353,500	\$ 16,838,779	\$ 15,893,495	\$ 16,039,646	\$ 16,426,202	\$ 386,556	2.41
Federal	1,807,990	4,168,870	2,708,679	1,773,908	2,005,423	231,515	13.05
Local	9,230,800	9,432,482	11,568,060	11,076,473	12,281,829	1,205,356	10.88
Other	985,058	554,127	1,016,490	2,000	35,700	33,700	1,685.00
	\$ 31,377,348	\$ 30,994,258	\$ 31,186,724	\$ 28,892,027	\$ 30,749,154	\$ 1,857,127	6.43

Initial FY 2013 Public Schools Budget

Expenditures

		FY 2012 Budgeted	FY 2013 Requested	Increase (Decrease)	% Change
61000	Instruction	\$ 15,950,784	\$ 18,086,141	\$ 2,135,357	13.39
62000	Administration	1,220,657	1,201,463	(19,194)	(1.57)
63000	Transportation	2,818,191	2,928,764	110,573	3.92
64000	Maintenance	3,392,690	3,354,960	(37,730)	(1.11)
65000	Food Service	129,818	64,909	(64,909)	(50.00)
66000	Facilities	154,026	154,026	-	-
68000	Technology	409,236	458,972	49,736	12.15
67000	Debt Service	2,524,381	2,297,795	(226,586)	(8.98)
	Textbooks	78,175	166,342	88,167	112.78
	Technology	206,000	206,000	-	-
	State Programs	245,661	320,126	74,465	30.31
	Federal Programs	1,762,408	1,509,656	(252,752)	(14.34)
		\$ 28,892,027	\$ 30,749,154	\$ 1,857,127	6.43

Initial FY 2013 Public Schools Budget

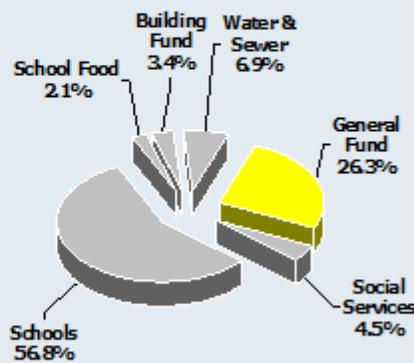
Local Funds for Operating (Total Less Debt Service)						
FY 2009 Actual	FY 2010 Actual	FY 2011 Actual	FY 2012 Budgeted	FY 2013 Requested	Increase (Decrease)	% Change
\$7,414,063	\$8,764,514	\$8,628,330	\$8,552,092	\$9,984,034	\$1,431,942	16.74

Reduced Debt Service	\$ 226,586
Unspent FY 2011 Funds	530,709
Additional Local Funds	674,647
	\$ 1,431,942

Initial Draft FY 2013 Budget

Expenditures

General Fund	\$14,225,444
Social Services	2,430,304
Schools	30,749,154
School Food	1,137,620
Building Fund	1,836,203
Water & Sewer	3,731,690
	\$54,110,415



Initial Draft FY 2013 General Fund Budget

GENERAL & FINANCIAL	FY 2012	FY 2013	Variance	Percent Change
Board of Supervisors	\$ 188,732	\$ 177,328	\$ (11,404)	-6.0%
County Administrator	307,871	307,098	(773)	-0.3%
Commissioner of the Revenue	286,717	301,358	14,641	5.1%
Property Assessment	211,212	8,839	(202,373)	-95.8%
Treasurer	274,817	323,039	48,222	17.5%
Delinquent Tax Collection	5,000	10,959	5,959	119.2%
Accounting	211,721	226,931	15,210	7.2%
Data Processing	312,012	342,613	30,601	9.8%
Insurance/County Code	227,800	296,203	68,403	30.0%
Registrar	174,462	160,472	(13,990)	-8.0%
	\$ 2,200,344	\$ 2,154,840	\$ (45,504)	-2.1%

Initial Draft FY 2013 General Fund Budget

JUDICIAL	FY 2012	FY 2013	Variance	Percent Change
Circuit Court Judge	34,890	34,535	\$ (355)	-1.0%
General District Court	22,839	22,559	(280)	-1.2%
Magistrates	908	658	(250)	-27.5%
Clerk of Circuit Court	472,498	502,463	29,965	6.3%
Sheriff - Bailiff	388,181	363,199	(24,982)	-6.4%
Courthouse Security	239,975	237,156	(2,819)	-1.2%
Commonwealth's Attorney	497,105	515,240	18,135	3.6%
Victim-Witness Program	70,091	73,990	3,899	5.6%
	\$ 1,726,487	\$ 1,749,800	\$ 23,313	1.4%

Initial Draft FY 2013 General Fund Budget

PUBLIC SAFETY	FY 2012	FY 2013	Variance	Percent Change
Sheriff - Law Enforcement	1,647,790	1,674,722	\$ 26,932	1.6%
Enhanced 911	163,880	175,771	11,891	7.3%
Wireless 911	46,022	47,796	1,774	3.9%
School Resource Officer	50,528	52,637	2,109	4.2%
Volunteer Fire Departments	301,647	302,396	749	0.2%
Volunteer Rescue Squads	929,278	951,112	21,834	2.3%
State Forestry Service	21,730	21,730	-	0.0%
Sheriff - Detention	2,657,239	2,811,708	154,469	5.8%
Probation	102,701	91,669	(11,032)	-10.7%
Inspections	131,379	131,187	(192)	-0.1%
Animal Control	98,031	99,327	1,296	1.3%
Medical Examiner	500	420	(80)	-16.0%
Emergency Services	113,073	127,876	14,803	13.1%
	\$ 6,263,798	\$ 6,488,351	\$ 224,553	3.6%

Partial List of Sensitivities

Revenues

- Utilize additional reserve funds (\$500,000)
- Leave the tax rate at 77¢ (\$290,000)
- Consider semiannual collection (\$4,800,000)

Expenditures

- Reduce school request (up to \$1,431,942)
- Reduce general fund expenditures (???)
- Reduce enterprise expenditures (???)

Mr. Michael Johnson stated that he needed some direction on whether they wanted to abort the separate budget processes for the county and the school board and combine into one process or stay on course to do separate budget approvals. He said they needed to decide tonight because on May 21 they are supposed to have a public hearing on FY 2012-2013 annual budget and proposed tax rates.

Chairman Jones asked if anyone had any questions on Mr. Michael Johnson's presentation.

Supervisor West said it will take a week to digest all of it.

Supervisor Updike said we can't take a stand until we know what the state revenue is going to be. He thinks it is premature. He said we don't have any choice but to put the school budget back with the regular budget at this point.

Mr. Michael Johnson said the Senate hoped to reach an agreement before Easter weekend. They hope to vote on their budget on April 16th or 17th. We should have more clarity in ten days.

Supervisor Faison said they needed to deal with what they have and hope more revenue comes in.

Supervisor Edwards agreed that they need to keep both budgets together.

Supervisor Phillips said now they have the budget information, but they need time to digest it. They don't know what they have to do until they get a chance to read through it and get the information from the state budget.

Chairman Jones stated they would go ahead with the budgets together like they had been doing.

Supervisor West said they can't leave the school at the end for them to become the whipping box.

Chairman Jones stated they needed to look at everything.

Supervisor West said he would like to hear from Supervisor Porter.

Supervisor Porter said they needed to look at the draft budget and make some assessment because if they don't now they are going to be working 24/7 to meet the deadlines. They have got to understand what they have. He stated they needed to go through their books and see where they are. He said he went through last year's budget book, but when you have a question and are by yourself you can't get your answers then.

Chairman Jones asked if anyone else had any questions or comments.

Supervisor Edwards said well we are all sitting here knowing we are not going to get a blessing in revenue. Some painful, drastic cuts are going to have to be cut in expenditures. We need to look at where we can cut. We aren't going to get any more money from Richmond or the feds.

Chairman Jones asked if anyone had anything else.

Supervisor West wants to see this book as a synopsis. He said he really feels it is counter active to say we need to cut this, this, and this until we know where we are with the state. If we leave the schools to the end it doesn't paint a good picture. We know we are going to have to deal with the library again. He stated he really needed time to look at the draft budget book.

Supervisor Updike said this was the last comment he was going to make. We are going to have to make a big cut. We have robbed the general funds for years. We can't continue down this road spending money we don't have. People have got to understand this. We need to send this message tonight.

Chairman Jones called on Supervisor Porter.

Supervisor Porter said this is not going to be a fun process. We have a \$3 million gap. The revenues aren't there. We have got to live within our means.

Supervisor Faison stated this is a difficult situation. We have to make some choices.

Supervisor Edwards said we have got to get the budget down to marginal size. We have some hard decisions to make. We are just going to have to bite the bullet. It things are better next year so be it.

Supervisor West said we are beating a dead dog. He stated if we are not going to make recommendations this year to balance the budget what are we going to be looking at down the road. He agrees with Supervisor Edwards we have got to get the budget balanced.

Supervisor Phillips said he really doesn't have any further comment. They have a lot to look at. It is the first time he has looked at a draft budget and it is a lot to take in.

Chairman Jones said you have the budget draft to review. Please plan to give your thoughts and ideas when we continue the budget discussion next Wednesday.

Chairman Jones stated that in your agenda you have some possible dates for the VACo Regional Meeting.

Mr. Michael Johnson stated that the dates are all on Friday nights and the location will be the Airfield Conference Center.

Supervisor West said this is one way to save a few bucks.

Supervisor Phillips said by eating out.

Supervisor West said look at the bottom figure.

Supervisor Faison said he thought it was good to get together and discuss issues.

Supervisor Updike said he thought they should each pay for their meal themselves.

Supervisor Edwards said he thought they should set an example by paying for their own meals. He made a motion that they pay for their own meals and not drive the county cars to the meeting.

Supervisor Updike seconded the motion.

Chairman Jones said they usually car pool anyway.

Supervisor Edwards said he agreed they should lead by example.

Supervisor West said he thought the meal is \$15.00.

Supervisor Edwards said to Supervisor West you have to eat anyway.

Chairman Jones asked Mr. Michael Johnson to find out the cost of the meal. He asked what was their preference for the date of the meeting the 4th, or 11th of May or the 8th of June.

Supervisor Edwards said May 11th.

Chairman Jones said the majority want to see the meeting scheduled for May 11th.

Supervisor West said he would not be there; he had other plans.

There being no further business, the meeting was adjourned.

Dallas O. Jones, Chairman

Michael W. Johnson, Clerk

April 4, 2012