

MINUTES
JAMES CITY COUNTY BOARD OF SUPERVISORS
BUDGET WORK SESSION
County Government Center Board Room
101 Mounts Bay Road, Williamsburg, VA 23185
April 18, 2017
4:00 PM

A. CALL TO ORDER

B. ROLL CALL

Ruth M. Larson, Vice Chairman, Berkeley District
Michael J. Hipple, Powhatan District
P. Sue Sadler, Stonehouse District
John J. McGlennon, Roberts District
Kevin D. Onizuk, Chairman, Jamestown District - Absent

Bryan J. Hill, County Administrator
Adam R. Kinsman, County Attorney

Mr. Hill took the roll and noted that everyone was present except Mr. Onizuk. He noted that he anticipated Mr. Onizuk to arrive a little late.

C. BOARD DISCUSSIONS

1. Overview of the Budget

Mr. Hill gave an overview of the budget process thus far, including the pre-budget work session the five Board of Supervisors supervisor community meetings, as well as the budget public hearing. He noted the extra position for the Sheriff's Department and the funding for the Neighborhood Basketball League (NBL) were the only changes suggested by the Board to this point. He noted staff would entertain any other items at this meeting.

Ms. Sadler thanked staff for guidance in better understanding the budget process in general. She asked for clarification on employee compensation, particularly with respect to the proposed merit based increases.

Mr. Hill stated that it is a 0-4% scale, but the average cannot go above 3%. This is based on job performance, with supervisors identifying the job the employee has done.

Ms. Larson asked how our public safety employees, particularly those in Police and Fire, are doing compared to adjacent localities.

Mr. Hill stated that there are operational initiatives that will be undertaken during future fiscal years that will be a part of the next biennial budget. We are also implementing additional increases this year in the Fire Department to increase the salaries of those with special certifications.

Ms. Sadler asked if this was related to the \$235,000.

Mr. Hill noted that it was, and that it was related to employee retention, and that this would hopefully help keep employees that would have otherwise left to go to other jurisdictions.

Mr. McGlennon asked about the timeline for the future compensation study.

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Board of Supervisors
James City County, VA

Mr. Hill stated that in 2019 and 2020 we would see a drop in debt services and we would anticipate looking at that time. He also noted that we do not have the same retention issues County-wide.

Ms. Sadler asked if we had any problems with low-merit evaluations.

Mr. Hill had not had any employees contact him about that issue.

Ms. Sadler asked if the County considered using a zero-based budget process. She noted that some of the metrics in the budget book seemed to indicate that service was declining.

Ms. Mellen noted that these drops were due to staffing levels that were insufficient to meet previously adopted standards. She further noted that operational items are reviewed from a zero-based standpoint, and the base budget for supplies are zeroed every other budget cycle. These are very labor intensive reviews.

Mr. Hill called the roll for the James City Service Authority (JCSA) Board, and all members were present except Mr. Onizuk.

Ms. Sadler asked about JCSA community wells and whether they were included in the Capital Improvements.

Mr. Powell stated that they were. He clarified that these are wells outside the Primary Service Area and JCSA takes over the maintenance of the operation. JCSA avoids the upfront costs, but not the long-term maintenance.

Ms. Sadler asked about strategic goals for Economic Development, including increasing revenue streams. She also asked if we knew how much our revenue increased based on the new businesses we get per month.

Mr. Hill stated that specific Economic Development strategies that are identified in the Strategic Plan will be implemented in coming years and will show up in those future budgets. He stated that he would need to see updated reassessment data before he could answer specific questions about increases based on new businesses.

Ms. Sadler asked about the Ambler House improvements and the impact on tourism.

Mr. Hill stated that the building is in disrepair and we are renovating it. Once it is structurally sound the County will put out a Request for Proposals and see if we can reinvigorate the area.

Ms. Sadler asked if this meant the County was going to be operating a business.

Mr. Hill noted that the brewery going into the Jamestown Marina site would be a good comparable. We are leasing space to a private business.

Mr. Hipple noted that Williamsburg Indoor Sports Complex, or the event venue at Jamestown Beach, were also similar situations.

Ms. Larson asked if we were rehabbing it to suit a specific type of business or to maintain the residential feel.

Mr. Hill stated that we are really focused on getting it structurally sound, but the scope will allow for a business.

Ms. Sadler asked how much the County saved this year on the refinance.

Ms. Mellen stated that the County did not refinance this year.

Ms. Sadler asked how the County could ensure infrastructure would be in place for an adequate water supply if we do not yet know the water source.

Mr. Powell noted that the existing infrastructure ages and it takes more and more to maintain in the future. Furthermore we need to identify an alternate source of water. This budget takes a new fund and puts money away towards that alternate source. Regardless of the direction the Board takes, the alternate source will cost significant capital.

Mr. Hill noted that the JCSA is still "15 of 16" in terms of water cost in the surrounding area.

Ms. Sadler asked about the County staff turnover rate and whether it could be attributed to retirements.

Mr. McGlennon noted that it declined from FY 15 to FY 16, but that the numbers for FY 17 were only projections.

Mr. Hill noted that the rates are below those of the Commonwealth and the national average.

Ms. Sadler asked about the projected workload increase noted by the Clerk of Courts. There was a significant increase, but that she was not asking for additional personnel.

Ms. Mellen noted that there is additional personnel, but it is part of the Special Project Grant Fund. Since it is an alternate source it is not a part of our budget.

Ms. Sadler asked about a reduction in Emergency Communications personnel.

Mr. Hill noted that the adopted two-year budget includes a plan for the second year. The second year was not previously approved, so it was not a reduction per se. He also noted that turnover in this area was high within five years on the job. We are looking at ways to deal with increases in workload.

Ms. Sadler asked for clarification on what constitutes a PCard and why there has been a fluctuation in their usage.

Ms. Mellen stated that they are credit cards and that the number she was referring to was based on the percentage spent. The County had more high-dollar purchases in one year versus the next.

Mr. McGlennon noted that we can save money since we do not have to process checks in some instances.

Ms. Sadler asked about the security system in place, as it relates to technology.

Mr. Hill noted that there is a lot of spam out there, but that we have a very secure system.

Mr. McGlennon stated that he agreed we needed to be mindful of safety.

Ms. Mellen stated that cyber security is a part of our budget. The County included an increased training budget for IT during the last fiscal year.

Ms. Sadler noted that full-time personnel in General Services was up 2.5.

Mr. Hill noted that these positions were not new, but rather were changing divisions, so they were not net increases.

Ms. Sadler also noted that Fleet equipment numbers were down.

Mr. Hill noted that staff needed to provide accurate numbers and we had to alter based on what is actually occurring.

Ms. Sadler closed her comments by stating her request for a one penny decrease in the tax rate.

Mr. McGlennon asked if there were any updated numbers for this budget.

Ms. Mellen stated that staff was working with the Commissioner of the Revenue on the retail sales figures, but that those would not be finalized as a part of this budget.

The Board members and staff discussed possible solutions based on the Commissioner's software and whether there was potential to be inaccuracies in other areas, such as personal property.

Mr. McGlennon stated that we need to be fair in our collection of taxes.

Ms. Mellen noted that we can only go back three years, but that we are actively working with the Commissioner's office to resolve any issues.

Mr. McGlennon asked if the Business, Professional and Occupational License rate could be based on other taxes collected or whether we need to look at that rate in general.

Mr. Hipple also noted that in York County it was tied to sub-contractors in some instances.

Ms. Mellen noted that we could look into that in next year's budget.

Mr. McGlennon asked for clarification on consensus for the new Sheriff's Deputy position.

Mr. Hill noted that if the Board agreed to add that and the \$10,000 for the NBL, it could be added to the budget.

Ms. Larson clarified that the Board would like to see updated information about James City County participants in the NBL program as a part of next year's budget.

Mr. Hipple noted that a number of small items were discussed, but the staff and the Board did a great job in putting this year's budget together. He noted that staff and Board members live and work in James City County and are invested in the community. He stated that he was supportive of the proposed Sheriff's position and the NBL.

Mr. McGlennon stated he was supportive of the NBL funding. For the Sheriff position he would like to see additional data on court security and document processing. He is interested in how things could be processed electronically. He wants to understand why there is a gap between what the state is saying the needs of the office are and what the Sheriff is requesting.

Ms. Sadler noted that the Compensation Board and safety issues are different.

Mr. McGlennon noted that prisoners are not held at the Courthouse. He is fine supporting it this year, but wants to see if there are any potential efficiencies.

Ms. Larson noted that judges often want things done a specific way, and given the different interests of these groups, as well as the Compensation Board, County and the City of Williamsburg, we need to look for as many efficiencies as possible.

Ms. Larson also discussed the difference between the schools funding request and what the County was able to provide.

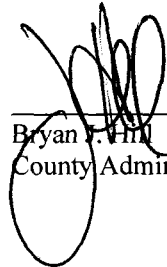
Mr. Hill noted that the difference was approximately \$700,000. The County was able to provide the number that we planned for last year, and County expenditures went down in order to make that feasible. The Superintendent and County Administration have had good discussions about needs and future funding.

Ms. Larson wanted to acknowledge conversations with citizens about fully funding school requests and further noted that the County is outpacing the state funding increases. She also noted that citizens have spoken to her about the need to focus on parks, particularly in the Grove area. She also wants the County to put aside land for schools, fire stations and other public needs in order to fully take advantage of our bond rating. We need to make proactive decisions, rather than act in the moment.

Mr. Hill confirmed that the Board wished to cancel the work session on April 21.

D. ADJOURNMENT

The Board adjourned the JCSA Board of Directors and Board of Supervisors until April 25 at 5 p.m.



Bryan J. Hill
County Administrator