

BOARD OF SUPERVISORS
STAFFORD, VIRGINIA
MINUTES
Budget Work Session
March 20, 2018

Call to Order A special meeting of the Stafford County Board of Supervisors was called to order by Meg Bohmke, Chairman, at 12:00 Noon on Tuesday, March 20, 2018, in the A/B/C Conference Room, 2nd Floor, George L. Gordon, Jr., Government Center, 1300 Courthouse Road, Stafford, VA.

Roll Call The following members were present: Meg Bohmke, Chairman; Gary F. Snellings, Vice Chairman; Jack R. Cavalier; Thomas C. Coen, L. Mark Dudenhefer; Wendy E. Maurer; and Cindy C. Shelton.

Also in attendance were: Thomas C. Foley, County Administrator; Rysheda McClendon, Deputy County Attorney; Marcia C. Hollenberger, Chief Deputy Clerk; associated staff and other interested parties.

County Administrator, Mr. Tom Foley began by saying that this budget work session was designed to pick up where the March 13, 2018 budget work session left off and items for discussion would be the Capital Improvement Program (CIP), the Children's Services Act (CSA), Non-Departmental, and budget ups and downs. The next scheduled budget work session would be on Tuesday, March 27th, 2:00 to 4:00 p.m., in the ABC Conference Room. In response to Mr. Cavalier's question, transportation will be a subject for discussion at that session.

Budget Division Director, Ms. Andrea Light discussed the different CIP scenarios; different because of elementary school capacity numbers and parity issues. There were also differences with the Schools' possible purchase (or not) of the Fredericksburg Christian School (FCS) building and how that would affect student capacity needs and the timing for building Elementary School #18. Mrs. Maurer spoke about the different sets of projections provided by the School Board, which changed in a six-week period. Mr. Snellings said that he was concerned because the numbers reflect that they will be at capacity but don't recommend opening a new elementary school until 2029 in the Schools' CIP. Regarding the purchase of FCS, Mr. Cavalier said that there had been numerous requests to the School Board for justification, which had yet to be received. He added that it was hard to make a judgment call without a response to those requests about FCS. Mr. Cavalier said that he thought it was a "band aid" purchase; one that parents would not be happy with as it did not have all of the amenities of a full school; it may take a lot of convincing.

Mr. Foley said that he believed that this should be sent back to the Joint Oversight Committee for resolution of the purchase of FCS, whether to renovate or rebuild Ferry Farm ES and/or Hartwood ES. Mrs. Maurer asked if the numbers provided were based on the first or second set of enrollment projections. Ms. Light said that it was the set of numbers provided in December, 2017. Mrs. Maurer spoke about timing and debt capacity and inquired about the cost of a new courthouse. Mr. Foley said that the final decisions had not been made but the estimated cost for a new courthouse was \$71 million.

Ms. Bohmke asked if Ferry Farm ES and Hartwood ES were in FY2030. Ms. Light said that with Hartwood ES, there was the issue of acquiring land, site development, roads, etc., whereas with Ferry Farm ES, they had the land if a rebuild was the final decision. They also had the capacity that the students would not have to be bused to another location while the renovation was in progress, if that was the chosen alternative. Ms. Bohmke asked why there was a plan to rebuild Ferry Farm ES; why not renovate it. Mr. Foley said that staff was awaiting additional information from the School Board about its CIP, including details about Ferry Farm ES and Hartwood ES, and the intended purchase of FCS.

Mr. Coen said that when Dr. Benson announced the new Schools' CIP, he spoke about redistricting and the rebuild of Hartwood ES and Ferry Farm ES. Mr. Coen said that he thought that was an approved plan but there were no numbers to back it up and he was at a loss as to how to approve a CIP without any data to back it up. He spoke about trailers (now called learning cottages) at Hartwood ES to alleviate capacity constraints and asked if trailers could also be used as Head Start classrooms. Ms. Light said that staff needed details and data that maybe the Oversight Committee could provide if it were to meet again, particularly about leaving in, or pulling out Pre-K from the equation.

Mr. Dudenhefer said they were a month away from adopting a budget and wondered when the Board would get answers and numbers from the School Board. Mr. Foley said there would be another budget work session on March 27th and another one on April 17th and that he hoped to get the Oversight Committee together as soon as possible; that right now there was wedge in the CIP while the School Board decided the value of purchasing FCS.

Mrs. Maurer said that she spent a year on the Joint CIP Committee, which worked well together and made several decisions but then the School Board's follow-up recommendations did not resemble what the 3-on-3 group or the 7-on-7 group discussed at its joint CIP meeting in December. Mr. Cavalier said that the CIP was widely different and questioned if it could be worked out in a few weeks' time. He added that if decisions were not made, certain items should be dropped off the proposed CIP. Mrs. Maurer said that she thought the Board needed to make decision as time was of the essence. She said that the School Board documents were not close to the conclusions of the Oversight Committee.

Mrs. Bohmke asked when the last meeting with the Joint Finance, Audit, and Budget (FAB) Committee was held. Mrs. Maurer said that it was in December, 2017 and it was a 7-on-7

meeting with consensus and healthy discussions. Mrs. Bohmke said that the Schools had cancelled a joint FAB meeting. Ms. Shelton said that with the inclusion of FCS, the delay for a new elementary school was one or two years. She said that she met with the School Board and that Ferry Farm ES enrollment projections were flat and that Hartwood ES was already overcrowded.

Mr. Cavalier asked if the School Board had voted on its CIP. Ms. Light said that it voted on infrastructure but not bond-funded items. Mr. Foley said the Schools' vote was pending a decision on the purchase of FCS (or not) and addressing the problems at Hartwood ES within the next 10 years. He added that additional data and debt capacity issues would be addressed at the next budget work session on March 27th. Mr. Foley said that the Joint Oversight and Joint CIP committees could continue its work or the work completed in December could be it. Mrs. Maurer said that the Oversight Committee would meet again in the next fiscal year but not anymore in this fiscal year. Mr. Foley said that when the two got together, the numbers changed and that caused some confusion, and there was no consensus on Elementary School #18 or the purchase of FCS. Mr. Cavalier said that in December, the Schools were asked for justification for the purchase of FCS, which to date the Board had not received. Ms. Shelton said that originally she was in support of the FCS purchase but now she was not in favor of it. Ms. Bohmke asked when the Board could expect the School Board's study and data include a cost estimate for FCS renovations, etc.

Mr. Foley said that if staff received direction regarding building Elementary School #18, and not buying FCS, it would focus on the financial analysis and mentioned the possibility of moving up construction of High School #6. He said there would still be a 500 seat deficit. Mr. Coen said he was leery of false data and/or the lack of data to rationalize either the purchase of FCS or the Hartwood ES and/or Ferry Farm ES rebuild or renovation, or the need for Elementary School #18; he wanted data to determine which moves were the more fiscally sound, not an either/or proposition with limited data that he was not comfortable with. He agreed that Ferry Farm ES needed work, which would free up enrollment in other schools along with redistricting. Mr. Smith said that if it were to be rebuilt, it would add 637 seats, which was not enough to fill the 10-year projection and building Elementary School #18 costs less than renovating or rebuilding Ferry Farm ES and/or Hartwood ES. He added that consideration of all those costs (including FCS) led up to ultimate decisions regarding building High School #6. Mrs. Maurer said that she did not like the options or Board assumptions regarding the rebuild of Ferry Farm ES at \$229,000 per additional seat; there were no options provided for a renovation. She said that she could not make a decision without the request data and numbers from the School Board. Ms. Shelton said that Ferry Farm was flat but that she supported the rebuild of Hartwood ES.

Ms. Bohmke said there were considerations about rebuilding Hartwood ES such as land needed for the rebuild, as the current site lacked water and sewer. She said that Westlake, who proffered land for a school, was not going to be ready in time to fulfill the needed Hartwood ES

rebuild. Mr. Presley said that the School Board was looking at alternate sites for the rebuild. Mr. Foley said then that land costs would have to be added in; that was a lot to get in place by 2024, and the Board needed clarity about rebuilding or renovating, purchasing FCS, building Elementary School #18, etc. Ms. Bohmke said that looking at Stafford ES, Falmouth ES, Moncure ES, etc., that Ferry Farm ES was the only school with the land already available and was big enough to not have to move the children to another location during a renovation. Mr. Coen mentioned the proffered site at Embrey Mill. Mr. Dudenhefer said that it was up on a hill and not really suitable.

Next, Ms. Donna Krauss spoke about the Children's Services Act (CSA). Ms. Bohmke thanked Ms. Krauss for its work on behalf of the County and with the General Assembly. Ms. Krauss spoke about the cost drivers inherent in the CSA and explained the differences between localities and the average per student expenditure, and reviewed a Spotsylvania vs. Stafford comparison of the numbers of children in the program(s), the cost per student, and public vs. private day school placements. The changes in the proposed FY2019 CSA budget included projecting increases initially in an attempt to avoid mid-year requests; proposing an increase in the CSA reserve to offset overages through strategic use of one-time funds; proposed use of both school and local government carry-over funds; and proposed expansion by one classroom for public day school use.

Ms. Krauss explained that Stafford had fewer children in foster care (154 in Spotsylvania vs. 44 in Stafford). She said that Stafford County has a higher residential placement rate with a longer stay per child, but that the numbers varied year-to-year. Mrs. Maurer inquired about who decided on residential placement. Ms. Krauss said that those decisions were made by one of five agencies in CSA, who then sent recommendations to area FAPT teams. The FAPT team worked with the families of the children and a final determination was made based on the collaborate effort of the Schools, families, FAPT team, prior historical data, services already in place, and resources available to house the child in a residential placement. The typical stay was 3 to 18 months depending on the needs of the child and when he/she could be assimilated back into mainstream classes or special education classes in the public school system. Mrs. Maurer asked for a cost model/spreadsheet with all the comparison numbers side-by-side, which would show why (or how) Stafford's numbers are higher than comparative localities and higher than the state average. Ms. Shelton asked for success rates for placement of special needs children, and the recidivism rates. She asked how successful the programs were and if children bounced back into more intensive therapies after being moved back into the public school system; Ms. Shelton said she was more concerned with success rates than with dollars and cents. Ms. Krauss said that she would assemble all the requested data and provide it to the Board prior to its next budget work session. Mrs. Maurer said that \$93,000 for 11 children was a lot of money and asked if Stafford's numbers were trending with the rest of the State and for the bottom line. Mrs. Krauss said that she would include those details on her spreadsheet. Mr. Snellings asked if Stafford's provisions were the same as Spotsylvania. Ms. Krauss answered, "Some, not all."

Mrs. Maurer said that she disagreed on who should fund CSA since it was the Schools' decision on who was funded, where they were placed and for how long. Ms. Krauss spoke more about FAPT's participation in the placement process. Mr. Coen said that in Arlington, lawyers for the children's families played a large part in placement decisions for children with IEPs; that funding was pretty much out of the County's control.

Ms. Bohmke asked about the location of the proposed additional classroom. Ms. Krauss said that she was working with Wendy Martin-Johnson but could not recall the location of the new classroom. Mr. Cavalier asked why if these were Schools' decisions why not place the funding 100% within the Schools' budget. Ms. Light said that CSA was a joint Schools/County program. Mr. Cavalier asked again why not give 100% funding and responsibility to the Schools. Mr. Foley said that the County was slowly moving the burden from 100% County to 50/50 County and Schools. Ms. Shelton said that was a good compromise.

Ms. Light continued with an overview of Non-Departmental saying that the purpose was to provide a deeper review of Non-Departmental expenditures and to address Board members' questions. The total Non-Departmental budget equaled \$3.9M including a 1% market pay adjustments; unemployment insurance; and employee's tuition assistance. Operating expenses included the contingency; general liability insurance; computer cyclical replacement; staff training; vehicle auction fees (\$35,000); radio maintenance and tower site expenses; and special events funding. Ms. Bohmke asked for the percentage of employees getting the 1% market pay adjustment. Ms. Light replied that it was mostly the E-911 dispatchers and Social Services workers but that HR was working on a complete analysis. Ms. Bohmke and Mrs. Maurer asked if the 1% was a wedge number. Mr. Foley said that it represented 1% of the County's total payroll including the 2% cost of living (COLA) increase for all staff. Ms. Light said that DSS was \$240,000 and the remaining \$385,000 was as yet unassigned, but that the E-911 workers were the logical recipients. Mr. Smith said that the 1% would help to bring them towards market. Mrs. Maurer asked if those positions were identified in a study. Ms. Bohmke said the study was three years old. Mr. Smith said that it was old but would still serve to help to get some positions to market. Mrs. Maurer said it was concerning, not confusing that it created a wedge and that the budgeted funds should go to the individual departments budgets. Mr. Foley said there was a new study underway as well as a system that would be put into place to keep current with market analyses rather than HR having to work from outdated data. He said that Stafford County was in a very difficult market but that more information would be available to the Board when the new E-911 study was complete. Ms. Bohmke asked that the FAB Committee be kept apprised of all the studies before the money is moved.

Mr. Cavalier asked for the cost on the vehicle auction, which Ms. Light replied was \$35,000. The amount for tuition assistance is \$15,000 or \$1,500 per employee per year. Mrs. Maurer said that the wedge for tuition assistance gave her pause. Mr. Foley said it benefited 10

employees out of 1000. Mrs. Maurer said she needed numbers next to the bullets on Slide 3 of Ms. Light's power point presentation and a full breakdown should be given to the Board.

Regarding the vehicle replacement program, there are currently 18 vehicles in the fleet that are more than 10 years old and with more than 100,000 miles, which will be targeted for removal. Ms. Light said that staff was working towards a more holistic process for the process of determining utilization of the County's fleet vehicles. Mrs. Maurer said that she did the math and that the number of vehicles in the County's fleet is the equivalent of one vehicle for every 43 employees and there are several vehicles that are driven less than 10,000 miles per year. She said that if it were reworked, it could save the County \$100,000 per year and \$400,000 in the proposed FY2019 budget. Mr. Presley said it was not that simple and explained that some of the older vehicles are located in parks or County facilities and never driven outside those boundaries but were very necessary to the smooth operation of those parks and facilities. Newer vehicles were driven between parks and County facilities and tended to rack up the higher mileage. Mrs. Maurer spoke about macro levels. Mr. Cavalier said that some were pool vehicles, not assigned to specific individuals. Mrs. Maurer asked for a greater analysis of the 118 listed vehicles, adding that it did not look good. Mr. Snellings asked if the goal was to reduce the number of vehicles in the County's fleet. Mr. Foley agreed saying that it was the goal to reduce the size of the fleet. Mr. Snellings said that when he pulls into the parking lot and sees the sea of white vehicles, he could only imagine what that must look like to County citizens who wonder if that is how their tax dollars are being spent.

Regarding Capital Outlay of \$1.8M, there is a proposed change to the budget whereby only projects under \$100,000 would be expenses in the General Fund and would be funded from one-time and current revenues (3% cash capital). Ms. Bohmke said that the Board needed to know what projects those were and which were the most critical projects. She said there could be a problem with new Board members vying for "their" projects and other long-standing projects could be pushed back after waiting five or six years. Mr. Foley said there was no criteria this year but that criteria would be developed when the new CIP process began in August, 2018 and there would be a better use of one-time funds. Mrs. Maurer said there should be a method in place.

In talking about transfers to other funds, Mr. Dudenhefer asked if the transfer from the General Fund to the Transportation Fund was being done for the first time. Mr. Foley said that it was, and Mr. Dudenhefer said it set a dangerous precedent. Mr. Dudenhefer spoke about the Courthouse Road project debt.

Ms. Bohmke thanked staff and said that it had been a healthy dialogue. In the Ups and Downs, there was a \$58,000 decrease in the County Attorney's budget. Ms. Perrotte said that another attorney was already accounted for in the County Attorney's budget; that this \$58,000 decrease had nothing to do with hiring another attorney.

Adjournment At 1:33 p.m., the Chairman declared adjourned the March 20, 2018 budget work session of the Stafford County Board of Supervisors.

Thomas C. Foley
County Administrator

Meg Bohmke
Chairman