

Grayson County Board of Supervisors
Budget Work Session
April 4, 2016

Members attending were: Brenda R. Sutherland, Kenneth R. Belton, Glen E. Rosenbaum, John S. Fant and Michael S. Hash.

IN RE: CONSENT AGENDA

Glen E. Rosenbaum made the motion to approve the agenda; duly seconded by Michael S. Hash. Motion carried 5-0.

IN RE: OLD BUSINESS – APPOINTMENTS

Board of Equalization

- Kate Irwin, Wilson District; was approved in prior board meeting on March 10, 2016.
- Brenda R. Sutherland is waiting on a phone call from a potential nominee for the Elk Creek District
- Dan Boyer, Old Town District; Brenda R. Sutherland made the motion to approve; duly seconded by Glen E. Rosenbaum. Motion carried 5-0.

Mt. Rogers Planning District Commission – Executive Committee Minority Rep

- Laurel Dee Snyder – John S. Fant made the motion to approve; duly seconded by Glen E. Rosenbaum. Motion carried 5-0.

IN RE: NEW BUSINESS

Jonathan D. Sweet covered the FY-17 Budget Theme, Mission, Goals, Strategies and Objectives (listed below).

GRAYSON COUNTY FY-17 BUDGET

FY-17 Budget Theme

Continuing the momentum...

We shall continue to use logical budgeting and financial principles to make sound fiscal management decisions in preparing a functional and transparent budget that meets the current and future needs of the county and all its agencies, that support the citizens of Grayson County and carries on our positive momentum.

FY-17 Budget Mission

To collectively work to develop a balanced budget with a continued effort to protect and maintain a healthy Fund Balance, to effectively plan for future capital projects, to manage increases in operational expenditures, to strategically invest in initiatives, agencies and projects that advance our Comprehensive Plan Priorities, and to comprehensively support public education, all while sustaining the highest level of core services with minimal impact to the tax payers of Grayson County.

FY-17 Budget Goals:

- Continue the positive momentum...
- Arrive at a balanced budget
- Maintain the delivery of core services at the existing fee structures
- Continue to work toward building and maintaining a healthy Unassigned Fund Balance
- Update and Adopt a 5-Year Capital Improvement Plan
- Maintain the highest level of non-essential services
- Develop the FY-17 Budget with foresight toward future FY budgets
- To meaningfully invest in strategic categories that advance the public education system
- Execute identified Comprehensive Plan Priorities
- Establish expenditures based on conservative revenue projections
- Look for opportunities to develop new and creative programs/policies that will subsequently provide a long-term cost avoidance or savings to the county
- Adequately address cost of living adjustments and compensation for employee
- Maintain capacity to invest in economic and community development projects
- Invest in preventative maintenance of facilities and equipment

GRAYSON COUNTY FY-17 BUDGET

FY-17 Budget Goals (Cont'd):

- Continue to cultivate a culture of fiscal responsibility and strategic planning
- Implement creative financial solutions where possible
- _____
- _____
- _____

FY-17 Budget Strategies:

- To Evaluate and prioritize both 'new' and existing funding requests based on: meeting Grayson County Comprehensive Plan Priorities; their ability to leverage funding and/or resources; their potential for return on investment; and whether they will be an on-going expense that could potentially strain future County budgets
- Engage departments toward creative opportunities to increase revenues and sources of revenues

- To partner with the school system in developing the most effective approach to addressing the short- and long-term needs of the County’s public education system with a strategic focus on facility priorities and bolstering overall academics, athletics and Career and Technical Education
- Look for and seize available and creative opportunities to decrease expenditures
- Deliver a value-add across the spectrum of county services
- Look to strategically partner with both the public sector and private sector, where appropriate, to leverage and/or share resources to supplant or enhance programs, initiatives and/or facilities that serve and benefit the public
- Increase efficiencies in departmental operations and systems through various approaches such as technology, day report labor, cross-training, shared support, creative partnership, etc.
- Continue to identify, diagnose, prescribe and treat specific financial ailments and plan for or thwart short- and long-term financial threats
- Continue to cultivate a culture of fiscal responsibility, transparency and strategic planning
- Implement strategies to increase accountability for pre- and post-appropriations where oversight would yield financial, operational or other tangible benefits (e.g., Appropriation of Public Funds Policy)
- _____
- _____
- _____
- _____

GRAYSON COUNTY FY-17 BUDGET

FY-17 Budget Objectives:

- Make necessary adjustments to both revenues and expenditures that yield a balanced budget outcome
- Both core services and discretionary services are to remain in place and fees are to remain at current rates (Note: With possible exception of certain water rates subject to adjustments per purchasing contract)
- To protect the County’s Fund Balance, by not relying on it to fund long-term ‘operational’ expenses or to balance the budget beyond capital outlay components
- Continue to maintain a healthy Working Capital Reserve above the 10% required per the Fund Balance Policy
- Implement the employee wellness program to further increase employee productivity and help reduce overall health insurance rates for both the county and the employees
- Utilize the Public Service Authority to better pursue grant opportunities, better finance utility projects and to creatively and resourcefully advance public utilities and service offerings
- To adopt, fund and implement a 5-Year Capital Improvement Plan with the intent to complete projects slated for FY-17

- To keep overall operational expenses within a margin of 2% or less
- To provide, at minimum, a 2% COLA adjustments for County employees and constitutional officers
- To dedicate discretionary funding for Tier I Comprehensive Plan Priorities and/or to subsequent tier priorities if deemed logical based on leveraging, timing, ROI, etc.
- Dispose of or liquidate County assets deemed idle or disadvantageous to possess, for the purpose of lowering maintenance, insurance, operational and/or other carry-costs, and to strategically utilize any realized proceeds from liquidation to offset planned capital projects
- To afford an appropriation to the public education system, not less than the FY-16 appropriation, for S.T.E.M. programs, athletics, teacher raises, facilities, arts & culture, and career and technical education/workforce readiness
- To continue the ongoing review of existing county contracts, agreements and invoices for potential savings
- _____
- _____
- _____
- _____

John S. Fant inquired on when these could be amended if need be. Jonathan D. Sweet explained that with currently working with the budget, the sooner the better so all of these can be implemented and followed. John S. Fant requested to add “reduce pay gap” for our teachers and teacher’s aids. John S. Fant noted that the goal for the county should be to reduce the pay gap. Jonathan D. Sweet noted that he will work on the specificity and get back with the Board.

IN RE: BUDGET WORK SESSION
 FY-17 Budget Snap Shot

Jonathan D. Sweet presented the FY 17 Budget Snap Shot noting that staff has seen a 1% decrease in property values with the reassessment.

Budget Snapshot – Revenues FY-16 Adjusted Revenues: \$18,968,420.00
***FY-17 Projected Revenues: \$18,748,620.00**
Amount of Change: \$219,800.00
Percent of Change: -1.2% (* Subject to further adjustment)

Budget Snapshot – Expenditures
***FY-16 Adjusted Expenditures: \$19,403,513.00**
***FY-17 Requested Expenditures: \$19,832,538.00**
Year-Over-Year Variance: \$429,025.00

***FY-16 Adjusted Expenditures: \$19,403,513.00**
***FY-17 Staff Adjusted Expenditures: \$19,097,805.00**
Year-Over-Year Variance: \$305,708.00
(* Subject to further adjustment)

Budget Snapshot – Conclusion

***FY-17 Projected Revenues: \$18,748,620.00**
***FY-17 Requested Expenditures: \$19,832,583.00**
Difference: (\$1,083,963.00)
***FY-17 Projected Revenues: \$18,748,620.00**
***FY-17 Staff Adjusted Expenditures: \$19,097,805.00**
Difference: (\$349,185.00)

FY-17 Requested Exp. vs. FY-17 Staff Adjusted Exp. = \$734,778.00
(*Subject to further adjustment)

IN RE: DEPARTMENTAL BUDGET REQUEST PRESENTATIONS

Kelly Wilmore, Superintendent of Grayson County Schools gave the following presentation for Budget year 2016-2017.

Budget breakdown

- ▶ **Federal Funds: \$2,376,376.18**
- ▶ **State Funds: \$11,110,896**
- ▶ **Local funds:**
- ▶ **Local Required funding: \$4,197,766**
- ▶ **Above LRE/ \$1,424,656.65**
- ▶ **Total local funding with capital outlay \$4,751.44 and debt service:\$117,994**
\$5,745,168.09

Total budget

- ▶ **State: \$11,110,896**
- ▶ **Federal: \$2,376,376.18**
- ▶ **Other funds: \$686,654**
- ▶ **City/county funds: \$5,745,168.09**
- ▶ **Total: \$19,919,094.27**

School foods

- ▶ **Separate Account as requested by auditors:**
- ▶ **No local match required: \$238,000**

Budget Includes:

- ▶ **2% raise for all employees.**
- ▶ **1% required match to VRS**
- ▶ **Covers employees 13.5% increase for health insurance**
- ▶ **Adds 2 art positions for elementary**
- ▶ **Adds stipends for coaches to keep school athletic facilities open.**
- ▶ **Adds funding for classroom teachers and each school. All schools were given an increase for funding.**
- ▶ **Some slight renovations to the high school and middle school.**

Travis W. Staton, Chief Executive Officer with United Way of Southwest Virginia gave his presentation. Mr. Staton listed the agencies served by United Way in our area which include Virginia Early Childhood Foundation, Smart Beginnings and the Department of Social Services on Virginia quality. This helps to improve kindergartner readiness. The back pack program through Fairview Elementary School serves 20 students each week. In addition they work with Rooftop and Grayson County 4-H as well. Also they are looking at bringing a “reality store” to Independence Middle School in the near future. Upcoming projects: 20/20 Summit and would like to locate a financial stability center here in the Twin County area.

Dr. Dean Sprinkle, President of Wytheville Community College gave the following presentation: Members representing Grayson County are Charles W. Smith and Robert “Robby” Wingate.

Grayson County and WCC Enrollment – Fall 2015

- **Total enrollment in WCC Service Region – 2,398 Students (2,434 prior year)**
- **Total enrollment from Grayson County – 312 Students (352 prior year)**
- **Dual Credit Enrollment – 147 Grayson County students enrolled in college credit classes during school day (168 prior year)**

Student Services for Grayson County

- **Heather Cole is the WCC Career Coach for Grayson County High School**

Scholarships for Grayson County Students

- **79 scholarships were awarded from the WCC Educational Foundation and WCC Scholarship Foundation totaling \$73,498.00**
- **The WCC Educational Foundation awards a \$300.00 scholarship at each high school in the WCC service region**
- **2 High School Students awarded Local Board Scholarships**

Grayson County and WCC Foundations

- **Citizens and Businesses contributed \$8,673.00**

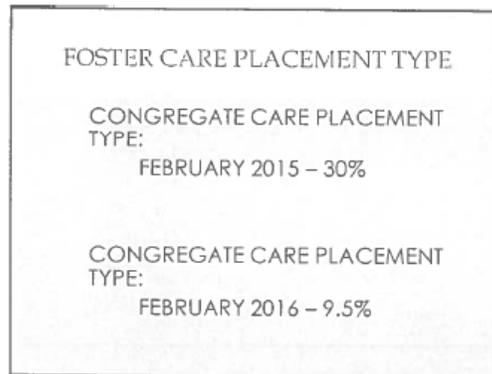
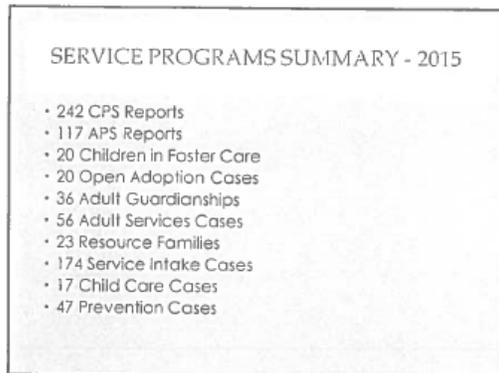
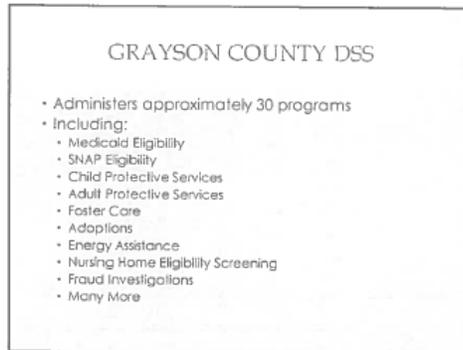
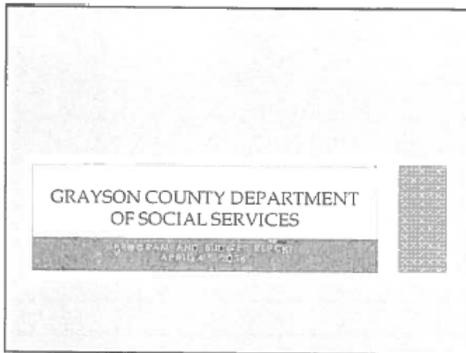
- Ricky Anderson and J.L. Reedy serve on the WCC Educational Foundation Board of Directors
- Carl Richardson serves on the WCC Scholarship Foundation Board of Directors

Grayson County Economic and Workforce Development

- WFD Training at 1 area business – 11 Participants
- Truck Driver Courses – 3 students
- Water/Wastewater Courses – 5 students
- Basic Contractor Course – 2 students
- American Heart Association and Nurse Aide Classes – 26 students
- Education 2 Go Classes – 23 students
- Veterinary Assistant Course – 16 students
- Welding Course – 2 students
- Computer Training – 15 students
- Concealed Weapons Permit Class – 1 student

WCC respectfully asks Grayson County to consider our budget request of \$18,171.48 for FY-17.

Anthony Isom, Director of Grayson County Department of Social Services, gave the presentation for Social Services listed below.



LOCALLY APPROVED FOSTER HOMES VS. CPA HOMES

- FEBRUARY 2015 - 16 % LOCALLY APPROVED HOMES
- FEBRUARY 2016 - 78% LOCALLY APPROVED HOMES
- RESULT OF AGGRESSIVE RESOURCE FAMILY RECRUITMENT PROGRAM
- AVERAGE CPA MONTHLY COST - \$2,895.00
- AVERAGE LOCAL APPROVED COST - \$637.67
- AVERAGE ANNUAL SAVINGS - \$270,879.60
- LOCAL FUNDS SAVINGS - \$57,128.51

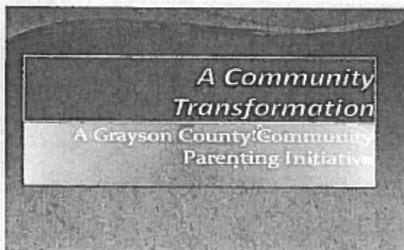
RESOURCE FAMILY RECRUITMENT

MINIMAL INVESTMENT FOR MAXIMUM RETURN

RECRUITED AND APPROVED 19 HOMES THIS FY



GRAYSON COUNTY FAMILY INITIATIVE



GRAYSON COUNTY FAMILY INITIATIVE

- PROGRAM CENTERED ON CHILD ABUSE PREVENTION AND FAMILY REUNIFICATION AND STABILITY
- PROVIDES CLASSES ON PARENTING AND LIFE SKILLS
- FACILITATED BY ROOFTOP OF VIRGINIA STAFF
- CLASSES CONDUCTED BY COMMUNITY PARTNERS
- NO COST TO TAXPAYERS

CHILDREN'S SERVICES ACT

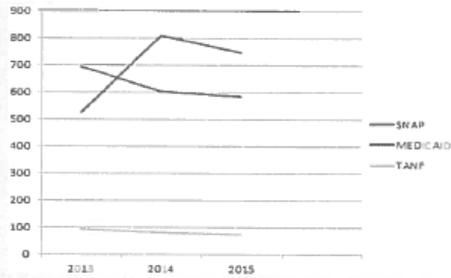
- Projected Expenditures for FY 16 are: \$502,126.78
- Actual Expenditures for FY 15 were: \$721,719.99
- Savings of \$219,593.21
- Local Match Savings of Approx. \$46,312.21
- Largely Due to recruitment of local foster homes
- Budgeting Methodology
- Prevention / Diversion Program

BENEFITS PROGRAMS APPLICATION SUMMARY - 2015

Applications Received Calendar Year 2015

- Medicaid - 747
- SNAP - 585
- TANF - 76

BENEFIT APPLICATION TRENDS

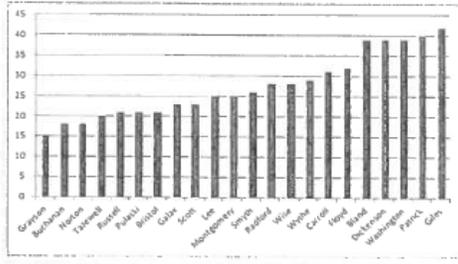


REDUCTION IN BENEFITS CASES

Benefit Clients Served (unduplicated)	Benefit Program ¹				Child Care ²
	SNAP ¹	TANF	Medicaid	Program ¹	
2010	3,767	312	3,745	5,023	NA
2011	3,953	274	3,855	5,230	NA
2012	4,075	263	3,956	5,368	NA
2013	4,222	251	4,123	5,495	NA
2014	4,027	251	4,094	5,404	28
2015	3,788	196	4,204	5,411	25

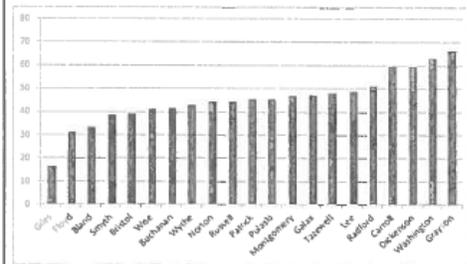
MEDICAID PROCESSING TIMELINESS

MARCH 2014



VIEW PARTICIPATION RATE

FUTURE MARKET REVENUE



OUR MISSION

- Virginia Department of Social Services Mission Statement:
- **People helping people triumph over poverty, abuse and neglect to shape strong futures for themselves, their families and communities**
- Are we Achieving this?

NO

- Programs focus on assistance, not self-sufficiency
- This creates multiple problems
- We are taking a new approach
- Change Agent for a Systemic Shift
- Work Requirement Exemption
- Workforce Program

WORKFORCE PROGRAM

- Almost 2,300 non-disabled, working age citizens in Grayson County are not employed
- Employment with living wage
- Soft skills Training
- Credentialing
- Apprenticeships
- Service to Industry

BEST PRACTICE INNOVATION

- WORKFLOW OPTIMIZATION
- CHANGE MANAGEMENT
- OTHER LOCALITY ASSISTANCE
- VISITED BY DSS COMMISSIONER TO REVIEW
- PROCESSING TIMELINESS
- PROGRAM ACCURACY
- RENEWAL COMPLETION
- DOCUMENT IMAGING
- LOCAL TRAINING PROGRAM



FRAUD PROGRAM

- 31 Fraud cases worked so far in FY 2016
- \$24, 937.00 in Fraudulent Benefits Determined and Claimed
- 3 Cases Prosecuted / In Process
- Increase in Fraud Program work for FY 2017

IMPACT ON LOCAL ECONOMY

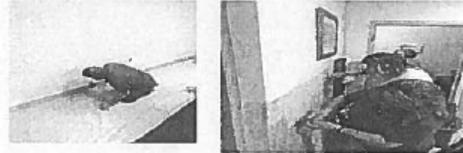
- MEDICAID - ~\$22.4 MILLION
INCREASE - ~\$200,000
- SNAP - ~\$3.5 MILLION
DECREASE - ~\$400,000
- TANF - \$91,728.00
DECREASE - ~\$50,000
- ENERGY ASSISTANCE - ~\$530,000
- CHILD CARE - \$47,285.00

ADDITIONAL PROJECTS

- Phone System
- Interns
- Leadership Training
- Office Remodel
- Community Outreach
- Local Representation
- Assistance to Other Localities

OFFICE REMODEL

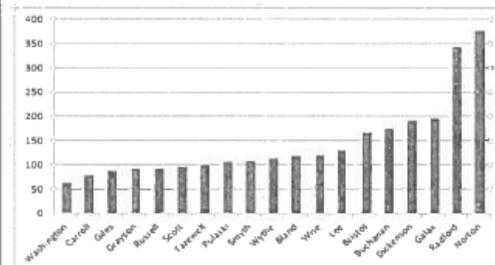
- No Extra Budget Appropriation
- Completed within existing budget
- Utilized Vacancy Savings, staff assistance



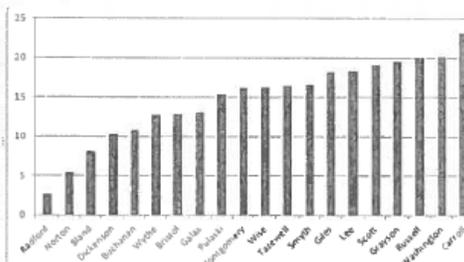
COUNTY ADMIN. ASSISTED ALSO



ADMINISTRATIVE COST PER CITIZEN



BENEFITS DIST. PER ADMIN. DOLLAR



ADMINISTRATIVE COST COMPARISON

Local Administrative Cost Per Citizen

Regional Average: \$48.73
Grayson County: \$23.83

Benefits Distributed Per Admin. Dollar

Regional Average: \$14.49
Grayson County: \$19.58

FY 2016-2017 BUDGET REQUEST

- FY 16-17 Requested Amount – DSS: \$1,995,543.00
Local Funding: \$344,299.05
State / Federal Funding - \$1,651,243.95

- FY 16-17 Requested Amount – CSA: \$700,000.00
Local Funding: \$147,630.00
State / Federal Funding: \$552,370.00

FY 16 VS. FY 17

FY 15 16	CURRENT	FY 16-17	PROPOSED	\$ CHG.	% CHG.
LOCAL	\$ 385,268.66	4500 LOCAL	\$ 344,299.05	\$ (40,969.61)	-10.63%
CSA LOCAL	\$ 147,630.00	45701 CSA LOCAL	\$ 147,630.00	\$ -	0%
STATE/FEDERAL	\$ 1,697,384.54	45202 STATE	\$ 1,651,243.95	\$ (46,140.59)	-2.72%
CSA STATE	\$ 552,370.00	45702 CSA STATE	\$ 552,370.00	\$ -	0%
TOTAL DSS:	\$ 2,625,133.00	TOTAL DSS	\$ 1,995,543.00	\$ (629,590.00)	-23.98%
TOTAL CSA:	\$ 700,000.00	TOTAL CSA:	\$ 700,000.00	\$ -	0%

BUDGET ITEMS OF NOTE

- 2% COLA
- Health Insurance Cost Increases
- VRS Multiplier Reduction
- ADP Payroll Processing
- Medicaid Performance Funding
- Public Official Liability Insurance

QUESTIONS???



Mr. Isom noted that the Department of Social Services local request for FY-16-17 is \$344,299.05 and the CSA local request is \$147,630.00.

Kevin Spurlin, Ag Extension Agent, addressed the Board and noted that their local budget is \$68,000. They have also secured a \$30,000 Tobacco Commission Grant which will help sheep and goat producers in our area. Mr. Spurlin also introduced Suzanne Slack who is the local commercial horticulture agent (farm visits) serving 3 counties: Carroll, Grayson and Wythe – with each county paying 11% of her salary. Mr. Spurlin also noted that Sandy Stoneman is the Family Consumer Science Agent for our area which includes food safety and food entrepreneurship with Ms. Stoneman serving 6 counties. Also, Erin Cox, Grayson County 4-H Agent works with 4th and 5th graders in the county each year and works with the In-School Enrichment Program which gives students hands-on experience. Ms. Cox has also been involved in fundraisers, after school programs (like Century 21 which is grant funded), 4-H Day at the Capital where 48 of our local youth traveled to Richmond to meet legislators, held a Career Emersion Day this year for youth to be exposed to different local businesses in the area, secured a 4-H Mentoring Grant.

Jimmy Osborne spoke for the Grayson County Youth Livestock Program and their budget request is \$4,000 which will be used to help keep the program going – even with fundraisers the needs for additional funds have increased. Mr. Osborne explained that

through the years this program has really grown and expanded to include 7 species currently.

IN RE: Q & A

The Board took a brief recess at approximately 8:05 p.m. and Glen E. Rosenbaum left the meeting.

Meeting reconvened and Mitchell L. Smith, PSA Director, briefed the Board on addressing a water extension on the Oldtown water system that is immediate in nature. The PSA Board will ratify actions in the next PSA meeting.

IN RE: EXECUTIVE SESSION

None

IN RE: ADJOURN

Michael S. Hash made the motion to continue the meeting to April 12th, 2016; duly seconded by Kenneth R. Belton. Motion carried 4-0.