

Grayson County Board of Supervisors
Budget Work Session
April 15, 2020

Members attending by conference call were: Brenda R. Sutherland, Kenneth R. Belton, John S. Fant, Michael S. Hash and Thomas R. Revels.

Staff attending in person: William L. Shepley, Mitchell L. Smith and Leesa A. Gayheart

IN RE: OPENING BUSINESS

Supervisor Fant made the motion to amend the agenda to discuss all line items of the budget except for the school line item which will be discussed at the April 22, 2020 budget meeting; duly seconded by Supervisor Hash. Motion carried 5-0.

IN RE: BUDGET WORK SESSION

Mr. Shepley opened with an update of COVID-19 regarding how to handle the effects on budgets from a regional and state level. Mr. Shepley recommended:

- a hiring freeze
- no discretionary spending for this fiscal year
- no capital purchases other than the essential
- frozen wage adjustment into the next fiscal year
- due to the impact of Covid-19 Administration is expecting about a -5% impact on our budget in the next fiscal year. Administration is proposing is taking the allotted expenditures from 2020 (current fiscal year) and reduce across the board by 5% and go into the next year with 5% less expenditures than we are accounting for in this fiscal year with the difference being approximately 1.6 million dollars. This way we would have a buffer of 1.6 million that would be in the budget and would only be accessed if things changed or became worse - this way we can still provide all services. Mr. Shepley and Supervisor Fant spoke previously and Supervisor Fant mentioned the idea of refinancing the county debt. With interest rates low, now would be a good time and it would save the county a substantial amount of money. It's a very complex formula and would need to be reviewed by a financial consultant to advise us. In the last 48 hours,

the state has been giving counties updated information and numbers on how Covid-19 is affecting the localities. If the Board approves the concept, Administration will meet with each department head regarding the 5% decrease in each of their budgets. Supervisor Fant inquired about VACo number and maybe some of the data is not accurate based on the data he received since it looks like VACo is using last year's real estate tax of .49 and not the current rate of .56 - if the new tax rate is being used, would the 1.6 million come down? Mrs. Gayheart noted that conceptually this is worst case scenario in calculating the 1.6 and hopefully after the 2nd quarter we can start looking back and readjust the budget – this is just a starting point. After speaking with the Treasurer, Pete Hall, today, next year is going to be a very active budget adjustment year – even the experts do not know where we are going. Supervisor Revels asked about applying the 5% across the board, how does the mandated expenses for salaries and other things, impact that number and what is the magnitude since mandated expenses can't be adjusted. Mrs. Gayheart responded that budgets would be adjusted through each departments budget. Mr. Smith noted that some of the departments will not be able to reduce due to the state mandates such as Emergency Services and the Voter Registrar office along with Circuit Court. Mrs. Gayheart noted the need to focus on the bottom line not each line item in each budget. Supervisor Hash inquired about salary from the Comp Board and Mrs. Gayheart noted we've not received that information yet but should in the next few days. Supervisor Fant stated he understands what Administration's goal is and he's never been a big fan of the across the board percentage but understands Administration has gone into this knowing we can't do 5% everywhere but there may be areas more than 5% can be reduced since those areas are basically shut down in the county. The overall goal of 5% in the county is good and we must remember that small budgets get impacted greater than larger budgets. Mr. Shepley agreed with Supervisor Fant and noted that Administration will cut where we must. Supervisor Revels noted that we need to approach this next fiscal year very cautiously. Supervisor Sutherland noted she feels the same. Supervisor Revels suggested moving quickly regarding the refinancing and we should take advantage of that as soon as possible. Mrs. Gayheart noted that with the Boards consensus, Administration will look to acquire a financial advisor who specializes in bonding and refinancing. Supervisor Revels made the motion to investigate acquiring a financial advisor; duly seconded by Supervisor Sutherland. Motion carried 5-0. Supervisor Revels suggested going after grant money and hiring a grant administrator. Supervisor Fant inquired about Mt. Rogers Planning District Commission helping us on grants – Mr. Shepley explained they helped us with the Eagle Bottom Phase II grant and feels we need to go in a different direction to get better help in grant writing even though Mt. Rogers has done excellent work for us. After further discussion, Supervisor Revels made the motion to contract a grant writer with experience; duly seconded by Supervisor Sutherland. Motion carried 5-0. Supervisor Belton inquired about the 5%

affecting agencies (local support) and Mrs. Gayheart and Mr. Shepley noted we haven't thought that far out. Supervisor Fant noted he's in favor of protecting those agencies (local support) to some degree – that's money well spent. Mr. Shepley and Mr. Smith both agreed. Mr. Shepley suggested Administration give the final recommendation at the next budget meeting on April 22, 2020. Supervisor Sutherland noted that the tipping line item in the Public Works budget may possibly increase due to more citizens being home more due to Covid-19 and Mr. Smith noted that since we are not recycling now, that's increased the trash pickup as well. Supervisor Revels made the motion for the 5% reduction concept on the FY21 budget; duly seconded by Supervisor Fant. Motion carried 5-0.

Mr. Shepley noted the plan was to have a discussion with Mr. Paul Hoyle, Emergency Services Coordinator, regarding emergency services. Mr. Smith noted this is an area that would not hold true to the 5% budget decrease. Supervisor Fant suggested splitting out the emergency services coordinator's section from the support the county gives to the agencies since they are separate and doesn't fall under the coordinator. Supervisor Fant stated that after last week's presentation, we need to have the agencies thoughts on those recommendations. Mr. Smith stated we could take some time and Mr. Hoyle could get with the agencies between now and next week regarding our concepts and ideas. Mr. Hoyle asked for clarification and Supervisor Fant stated an official person from the agency on the way forward in the future that Mr. Hoyle is recommending. Making sure we have buy-in from the Commission is important in moving in the right direction. Mr. Smith noted that Mr. Hoyle can move forward with this idea and get a consensus sometime within the next few weeks. Supervisor Revels agreed.

IN RE: ADJOURN

Supervisor Fant made the motion to adjourn the meeting; duly seconded by Supervisor Revels. Motion carried 5-0.

