

At a Virtual Special Meeting (Budget Work Session) of the Board of Supervisors
Held on Thursday, March 11, 2021 at 6:00 pm

BOARD MEMBERS PRESENT

Marian D. Johnson
Debbie P. Jones
Wayne O. Jones
Susan M. Seward
Rufus E. Tyler, Sr.
Steve White, Tie Breaker

STAFF PRESENT

Richard Douglas, County Administrator
Ellen G. Boone, Commissioner of the Revenue
John Broderick, Public Schools – Director of Finance & Business Operations
Deste J. Cox, Treasurer
G. Reid Foster, Public Safety Coordinator
Ernest Giles, Sheriff
Kelly W. Moore, Director of Finance
Vincent L. Robertson, Commonwealth’s Attorney
Shilton R. Butts, Assistant to the County Administrator/Deputy Clerk

Item 1. Call to order/Determine Quorum (6:12 p.m.)

The March 11, 2021 Virtual Special meeting (Budget Work Session) of the Sussex County Board of Supervisors was called to order by Chairman Seward.

Item 2. Agenda Amendment

There were no agenda amendments.

Item 3. Approval of Agenda

ON MOTION OF SUPERVISOR W. JONES, seconded by SUPERVISOR D. JONES and carried: RESOLVED that the Sussex County Board of Supervisors hereby approves the March 11, 2021 Virtual Special Meeting (Budget Work Session).

Item 4. Budget Discussions

- a. Initial Review of Revenue

Supervisor Fly joined at 6:10 p.m.

Supervisor Johnson joined at 6:15 p.m.

County Administrator Douglas stated that the budget is a draft document. There may be mistakes. It is not a finished document. The entire budget, the revenues and expenditures, have been reviewed for operations. He stated the draft document had been emailed to the Board members and noted that it was not a balanced budget. County Administrator Douglas stated that he wanted to get the budget to Board to provide an overview of the entire process. It was advised the next Budget Work Session would be scheduled for outside agencies requests. He stated the he wanted to advertise the budget in mid-April for the public hearing in May.

County Administrator Douglas stated that all recommended revenues and expenditures had been identified along with recommendation from Administration in the document the Board received.

County Administrator Douglas reviewed the budget process. He noted that there was a “Big Ticket” Budget Work Session with the departments heads and constitutional officers to give the opportunity to present their capital needs, any additional personnel requests and any programmatic change. He stated that smaller items were done in current budget; some items were delayed.

There was inquiry in regards to across the board salary increases.

There was brief discussion of the American Rescue Plan Act COVID-19 Funds projections information received. The County is anticipating receiving \$2.16 million in funding. County Administrator Douglas stated that the funds could be used to offset losses in revenue that are COVID related and provide for Capital and other expenses. He noted that Administration has identified projected expenses that could be delayed to appropriate funds to cover.

Ms. Kelly Moore, Director of Finance, gave a brief update on fund use and the process. Ms. Moore stated that previous funds were called CARES Act. These funds are the American Rescue Plan Act. Ms. Moore discussed the anticipated timeframe of receiving funds. It was noted that these funds could be spent over a longer period of time, over a couple of fiscal years. It was reiterated that the biggest change is, the American Rescue Plan funds can be used for revenue loss offset. It was noted that the specific language states that the provision of government services to the extent of the reduction in revenue due to COVID-19 health emergencies. In summary, if any revenue shortfall can be identified related to COVID-19, funding can be used.

Ms. Moore stated that there were two (2) extra measures added that was not part of the \$2.16 million. Two separate funds have been added. There is a \$10 billion Coronavirus Capital Projects Fund that can be used specifically for enabling work, education, health monitoring and the working remote option. There is a Local Assistance Fund that is approximately \$2 Billion that is highly dependent upon taxes.

It was stated that State Funding that localities will receive can be used for water, sewer and broadband infrastructure. It can also be used to make premium payments directly to staff that are doing work directly related to the COVID-19 public emergency up to \$13 per hour by 2024. The same reporting process will be required just as for the CARES Funding such as reporting every month, every quarter. All monies that have been spent will have to be submitted. The Board will have to approve. A certification will have to be signed.

County Administrator Douglas stated that revenue shortfall and expenditures have been identified. Any items that are identified as related to COVID-19 that can be paid with these funds will not be listed in the operating budget. He stated that is anticipated completion and adoption by June to have the funding in place to be effective July 1, 2021.

There was discussion on not increasing the Operating Funds so as not to increase the Operating Budget.

There was inquiry as to whether the public schools will receive the American Rescue Funding. Mr. John Broderick, Director of Finance & Business Operations confirmed that the public school division will receive the American Rescue Funding. Mr. Broderick stated that the amount is not currently known because funding for the private schools are being separated

There was inquiry as to whether the County has begun to develop an itemized listing of proposed expenditures. County Administrator Douglas noted economic development support and human resource support.

There was inquiry of whether funding for broadband was incorporated in the budget. There was discussion and dialogue or developing a plan to expand broadband to the Stony Creek and Jarratt area in the County. It was suggested to schedule a meeting with the electric cooperatives and Dominion on that end of the county and have them attend the May meeting.

There was inquiry as to whether funding could be used for salaries. It was noted that the pay for eligible employees had to be performing essential work in the pandemic at a per hour rate. There was discussion of salary increases for Compensation Board employees and all employees and bonuses.

1. Landfill Revenue

Ms. Deste Cox, Treasurer, advised that Atlantic Waste Disposal, Inc. (landfill) lost the contract which has reduced their tonnage per month. Ms. Cox stated that indications from the Atlantic Waste Disposal, Inc. is that the contract will not be filled anytime soon. The tonnage has been reduced to about 80,000 – 85,000 tons which is approximately \$400,000 a month. It has been reduced down for FYE22 to \$5,000,160 which is less than the current fiscal year.

2. Court Fines and Forfeitures

Ms. Cox stated that court fines and forfeitures were also affected by COVID-19. Court Fines and Forfeitures were reduced in the budget to \$940,000 which is assuming approximately \$75,000 a month. Other items related Court Fines and Forfeitures such as courthouse maintenance, courtroom security, etc. has been reduced in the budget as well.

Ms. Cox stated that interest on deposits is another major decrease because interests are down. Investments have decreased from approximately \$11,000 a month to \$900 a month.

There was a brief discussion of Transient Tax.

Ms. Cox stated that there was a figure placed in the budget based on if there was a one cent (1¢) tax increase on the 2020 tax assessment on real estate.

County Administrator Douglas discussed to slowly move from relying on the landfill revenue. Public safety costs aren't decreasing. There is the radio system maintenance agreement, NG911 upgrades of GIS improvements and the Fire and EMS budget increases. County Administrator Douglas stated that he recommends an increase over time for public safety fund to offset cost.

There was discussion of options should VDOC not provide payment for in lieu of taxes.

There was discussion of finding funding in budget instead of tax increase. There was discussion to place tax increase on a Referendum for residents' approval.

There was discussion of "unspent" money that carryover to the next year to place in the upcoming budget knowing that monies will not be spent.

b. Initial Review of Expenses

1. Public Schools

County Administrator Douglas stated that there was a \$250,000 decrease that was programmed in the budget. He stated that in early January that due to the landfill losing the contract and the anticipated revenue shortfall, he requested the Superintendent of the Public School System to share in that burden of loss. Mr. Douglas stated that he had anticipated that the schools would request \$250,000 less than year; however, the school requested level funding from the previous year.

County Administrator Douglas stated that he requested the schools to go back and try to reduce the budget by \$250,000. He stated that they would do it; however, he was notified the schools would move forward with making a presentation to the School Board with a local request of level funding.

There was discussion of categorical funding. There was discussion of the State not reducing funding in the absence of operation. It was recommended to have the schools to come before the Board to explain why the schools cannot forfeit the surplus to balance the County budget.

There was inquiry of when the Sussex students would be returning to school.

2. Health Insurance

County Administrator Douglas stated that there was a 3.7% increase in the health insurance rate. The total costs decreased by \$4,200.00 due to the elimination of a few positions.

County Administrator Douglas stated that staff is working on a position allocation. There's an appropriation for personnel for every department. He stated by doing the position allocation, the

Board will adopt for every department, Administration and Constitutional Officers, the number of each of positions.

County Administrator Douglas stated that although it's not a balanced budget, it noted what has been requested and what's recommended.

There was discussion that the Code states that the County Administrator provides a balanced budget. It was recommended that comments be submitted to staff the next week.

It was noted that capital items were placed under the corresponding department.

Item 5. Citizens' Comments

There were no citizens' comments.

Item 6. Adjournment

ON MOTION OF SUPERVISOR W. JONES, seconded by SUPERVISOR TYLER and carried: RESOLVED that the Sussex County Board of Supervisors hereby adjourned the March 11, 2021 Special Meeting (Budget Work Session) at 7:50 p.m.

Voting aye: Supervisors Fly, Johnson, D. Jones, W. Jones, Seward, Tyler

Voting nay: none