

# Board of Supervisors Draft Minutes – March 5, 2014

*Shown below is a preliminary draft of the actions taken by the Hanover County Board of Supervisors on March 5, 2014. Detailed minutes in final form will be presented to the Board for approval at a future date.*

**VIRGINIA:** At a regular meeting of the Board of Supervisors for Hanover County held in the Board Room of the Hanover County Administration Building on the 5<sup>th</sup> day of March, 2014, at 2:00 p.m.

Present: Mr. Sean M. Davis, Chairman  
Mr. Wayne T. Hazzard, Vice-Chairman  
Mrs. Angela Kelly-Wiecek  
Mr. W. Canova Peterson  
Mr. Aubrey M. Stanley  
Mr. G.E. “Ed” Via, III  
Mr. Elton J. Wade, Sr.  
Mr. Cecil R. Harris, Jr., County Administrator  
Mr. Sterling E. Rives, III County Attorney

## **I. Call to Order**

The Chairman called the meeting to order at 2:00 p.m. All Board Members were present.

- A. The invocation was given by Mrs. Kelly-Wiecek
- B. The pledge of Allegiance was led by Mr. Via

## **II. Consideration of Agenda Amendments**

The Chairman asked if there were any agenda amendments. Hearing none, moved to Citizens’ Time.

## **III. Citizens’ Time**

The Chairman opened Citizens’ Time and offered to anyone who wanted to address the Board of Supervisors for up to five minutes on any matter within the scope of the Board’s authority that is not on the agenda for that meeting to come forward.

Seeing no one come forward, the Chairman closed Citizens’ Time.

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## IV. FY15 Budget Presentations

Mr. Davis noted that accolades were given at the last meeting for the Sheriff's Office and Fire/EMS staff. He wanted to also recognize the Emergency Communications staff for their hard work in helping out with Emergency Services.

### Overview

Ms. Shelly Wright, Budget Division Director, Department of Finance, gave an overview of the presentations to be made that afternoon.

### Revenues & Five Year Plan

Ms. Kathleen Seay, Director of Finance and Management Services, gave a presentation on *Revenues & the Five-Year Plan*. The *All Funds Revenue* total for FY15 is \$390.6 million. This is up 4.8% or \$18 million from FY14. The FY15 *General Fund Revenues* are \$214.6 million total; up 3.3% or \$6.8 million from FY14.

The *Five-Year Plan for Real Property Assumptions* maintains a real property tax rate of \$0.81. The FY15 budget assumes a 1.5% increase in reassessments and a 2.0% increase in the growth rate for a net increase of 3.5%. The FY15 budget assumes a 1.5% increase in reassessments and a 2.0% increase in the growth rate for a net increase of 3.5%.

*Total Funding Sources and Expenses* for the five-year plan are balanced with assumptions that revenues will start to increase at a slow but steady pace which will allow us to anticipate some future reduction in use of planned savings. The top three revenue sources are general property taxes, sales tax & local taxes, and federal & state revenue. These three categories account for 93% of our on-going revenues throughout the five year plan. Ongoing revenues do not include the use of planned surpluses.

There are proposed rate changes for Building Inspection fees (Standard permits = 10% and specialized permits = 24%). An increase of \$0.36 per residential lot or 1.5% is proposed for the recycling service district tax

Mrs. Kelly-Wiecek asked about the recycling fee. Mr. Harris responded that these are charged to the subdivisions who have decided to opt in. Mrs. Kelly-Wiecek wanted to reiterate that that increase does not represent any revenue to the County.

There was a discussion on rate assessments and other growth.

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### Commonwealth Attorney's Office

Mr. Tripp Chalkley, Hanover County Commonwealth Attorney, came forward and gave a presentation on the proposed FY15 budget for the Commonwealth Attorney's office. He explained the necessity of pay increases for his staff in order for them to be comparable to surrounding localities. Currently the salaries are significantly lower than those localities. He detailed how Hanover County compares to other localities in salaries. The main problem his office is experiencing in staff retention is compensation. The loss of attorneys causes many cases to be re-prepared. This causes increased workload for a variety of other employees and people involved in each case.

### Compensation and Benefits

Mrs. Janet Lawson, Director of Human Resources, came forward and gave a presentation on the proposed FY15 budget. The proposed FY15 budget includes the addition of 20.75 full-time equivalents (FTEs), stable health insurance costs, reinstatement of funds for the tuition assistance program, a 2% merit increase for all eligible employees, and pay grade adjustments to specific positions in public safety and judicial administrative departments.

There was a discussion on the requested positions and how this relates to positions that were previously lost.

There was a discussion about the DMV position. Hanover County is getting a commission for providing this service to DMV customers. The fees paid for DMV services provided at Hanover County are not higher than those paid at other DMV locations.

### Public Utilities

Mr. Steve Herzog, Director of Public Utilities, came forward and gave a presentation on the proposed FY15 budget. He explained in detail the business model. Operating expenses for FY15 were detailed for wages, benefits, operations, purchased services and debt service.

	<u>FY14</u>	<u>FY15</u>	<u>Change (\$)</u>	<u>Change (%)</u>
Wages	\$4,689,682	\$4,696,720	\$7,038	0.2%
Benefits	1,513,653	1,496,620	(17,033)	(1.1%)
Operations	6,850,850	6,912,258	61,408	0.9%
Purchased Services	4,534,061	4,531,326	(2,735)	(0.1%)
Debt Service	3,441,515	3,366,555	(74,960)	(2.2%)
Total	<u>\$21,029,761</u>	<u>\$21,003,479</u>	<u>(\$26,282)</u>	<u>(0.1%)</u>

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The capital improvement program expenses were detailed for renewal/replacement as well as expansion/enhancement projects.

	<b>FY15</b>	<b>FY16</b>	<b>FY17</b>	<b>FY18</b>	<b>FY19</b>	<b>Total</b>
Renewal & Replacement	\$5,295	\$8,463	\$8,851	\$7,509	\$5,789	\$35,907
Expansion & Enhancement	\$3,422	\$530	\$2,955	\$2,745	\$1,503	\$11,155
<b>Total</b>	<b>\$8,717</b>	<b>\$8,993</b>	<b>11,806</b>	<b>10,254</b>	<b>\$7,292</b>	<b>47,062</b>

Proposed inflationary type rate increases are as follows: 4% water and 1% sewer fee increase for combined 2.1% increase for typical residential customer and a 2.5% capacity fee increase.

<b>User Rate Increases</b>	<b>Water</b>	<b>Sewer</b>	<b>Combined*</b>
FY12	3%	2%	2.3%
FY13	1%	1%	1.0%
FY14	5%	1%	2.4%
<b>FY15 Proposed</b>	<b>4%</b>	<b>1%</b>	<b>2.1%</b>

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Typical Residential Bill	Water	Sewer	Combined
Current Bi-monthly Bill	\$41.47	\$74.61	\$116.08
Proposed FY15 Bi-Monthly Bill	\$43.16	\$75.36	\$118.52
Bi-monthly Increase	\$ 1.69	\$ 0.75	\$ 2.44
Annual Increase	\$10.14	\$ 4.50	\$ 14.64

### Capacity fees combined water and sewer

#### Proposed Inflationary 2.5% Increase

Meter Size	FY14	FY15
5/8" & 3/4"	\$13,324	<b>\$13,657</b>
1"	\$33,309	<b>\$34,142</b>
1-1/2"	\$66,618	<b>\$68,283</b>
2"	\$106,588	<b>\$109,253</b>
3"	\$213,177	<b>\$218,506</b>

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There was discussion on the capacity fees and the difference in calculating between residential and commercial. Mr. Herzog answered questions from Board Members concerning increased capacity fees and future growth.

Mr. Davis left the room at 3:25 p.m.

Mr. Davis returned at 3:26 p.m.

### Future Challenges

- Chesapeake Bay TMDL/Virginia WIP
  - Phase I Ashland Nutrient Improvements (\$600 K) and Phase I Totopotomoy Nutrient Improvements (\$5.6 M)
    - \$130,000 annual operating impact
- City of Richmond Joint Capital Costs of approximately \$23 million over the next 5 years/Renewal and Replacement
- Decreasing per capita water use
- Infrastructure expansion/enhancement within the Suburban Services Area

Mrs. Kelly-Wiecek stated that many citizens are receiving emails stating there will be 18 cent per gallon increase in rate. Mr. Herzog confirmed this is incorrect. Mrs. Kelly-Wiecek noted that this is a rumor and should be cleared up as not true.

Mr. Davis announced a brief recess at 3:30 p.m.

The meeting reconvened at 3:35 p.m.

### **V. Request to Set Public Hearings and Authorization to Advertise the Notices of Public Hearings on the County Administrator's FY 15 Proposed Budget and Related Items**

Ms. Wright explained that a public hearing and the associated advertisement will be necessary to proceed with the budget process.

Mr. Hazzard made a motion to authorize a Public Hearing at 7:00 p.m. on March 26, 2014, in the Board Room of the Administration Building on the FY15 Proposed Budget, the

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FY15-19 CIP, the FY15-19 General Fund Financial Plan, the 2014 Tax Rates, and ordinance changes and to authorize the advertisement of the public hearing, seconded by Mr. Via.

Vote:

Sean M. Davis	Aye
Wayne T. Hazzard	Aye
Angela Kelly-Wiecek	Aye
W. Canova Peterson	Aye
Aubrey M. Stanley	Aye
G. E. Via, III	Aye
Elton J. Wade, Sr.	Aye

Motion Approved.

### **VI. Announcements**

Mrs. Kelly-Wiecek announced that her budget town hall has been rescheduled for March 10, 2014 at 7:00 p.m. at Chickahominy Middle School.

### **VII. Adjournment**

At 3:40 p.m., the Chairman adjourned the meeting to March 12, 2014 - Hanover County Administration Building – 2:00 p.m.