

Grayson County Board of Supervisors  
Budget Work Session  
May 21, 2014 at 5:30 p.m.

Members attending were: Brenda Sutherland, David M. Sexton, Glen E. Rosenbaum and Kenneth R. Belton. John K. Brewer arrived at late and Glen E. Rosenbaum left the meeting early.

IN RE: CONSENT AGENDA

Vice Chair Brenda Sutherland opened the meeting. David M. Sexton made the motion to approve the agenda; duly seconded by Kenneth R. Belton. Motion carried 4-0.

IN RE: OLD BUSINESS

None

IN RE: GRAYSON COUNTY FY-15 BUDGET WORK SESSION

- FY-15 DEBT REDUCTION PLAN

Jonathan D. Sweet covered the FY-15 Debt Reduction Plan:

Purpose:

The purpose of this plan is to identify certain debt obligations being held and serviced by the county that harbor less than favorable interest rates in the context of today's the current market rates and effectively retire and/or refinance said debt. As of today, the county has a current General Fund Balance of \$7,501,226.32 with a Local Government Investment Pool interest yield of .102%. The County feels that it may be advantageous and prudent to apply a portion of the county's low interest yielding Fund Balance to retire a portion of the County's General Obligation Bonds that possess interest rates in excess of 5.0%. Additionally, the County will logically look at and evaluate the benefit of refinancing any remaining debt obligations that are not structured for or conducive to early retirement that would return a reasonable savings.

**Target:**

The County's current debt obligations we intend to target for payoff are as follows:

<u>Obligation</u>	<u>Original Par</u>	<u>Est. Par</u>	<u>Maturity</u>	<u>Rate</u>
2005-1 G.O. Bond	\$585,603.00	*\$384,749.00	2025	5.10%
2005-2 G.O. Bond	\$995,000.00	*\$595,000.00	2025	5.10%
		<b>Total: *\$979,749.00</b>		

(\*Amounts subject to adjustment once exact payoff amount is confirmed by VPSA)

**Strategy:**

The County will utilize a portion of existing Fund Balance to retire two (2) General Obligation Bonds in the aggregate amount of \$979,749.00 effectively saving the amortized 5.10% interest attached to servicing the debts through the year 2025. The transfer of funds will still allow the County to maintain a balance in our General Fund equal to or greater than 10% of expenditures/operating revenues to continue compliance with our Fund Balance Policy adopted Sept. 8<sup>th</sup>, 2011.

**Execution:**

The county will strategically budget for a transfer from the County's General Fund in the amount equal to the aggregate payoff amount of both G.O. Bonds. This transfer will have a one-time negative effect to our Fund Balance and show a one-time increase to our FY-15 County Budget of the same amount.

**Benefit:**

The benefits of executing this plan will yield an estimated savings of \*\*\$294,000.00 in interest payments over the remaining life of the loans. It will additionally free up approximately \*\*\$77,000.00 in principal and \*\*\$47,000.00 in interest payments within the County's current Fiscal Year budgets and an average annual savings to the County's operating budgets of \*\*\$116,000.00 over the remaining life of the loans.

Due to the structure of the loans and standing agreements by and between the Board of Supervisors and the Grayson County School Board, the benefit to early retirement of debt will be felt by both institutions. The Board of Supervisors will see an average principal and interest savings within their annual operating budget of approximately \*\*\$46,000.00 and a total of \*\*\$504,000.00

through maturity of the 2005-1 G.O. Bond. The Grayson County School Board will see an average principal and interest savings within their annual operating budget of approximately \*\*\$70,000 and a total of \*\*\$770,000.00 through maturity of the 2005-2 G.O. Bond.

*(\*amounts are rounded to the nearest thousand and are subject to adjustment based on actual payoff amounts at the time of payoff)*

Parlay:

The County will embrace and engage this Debt Reduction Plan with the following understandings:

1. That the citizens of Grayson County will benefit by this act of stewardship through a savings of interest payments in the approximate amount of \$294,000.00; and,
2. That the County will be required to remain diligent in maintaining and preserving an adequate Fund Balance per the adopted Fund Balance Policy; and,
3. That the School Board will benefit substantially by this strategic plan to reduce their debt obligation, freeing up approximately \$770,000 through the year 2025 to reinvest these monies by way of their Required Local Expenditure toward instruction and other meaningful investments in education; and,
4. That this measure will serve to replace the action of a previous Board of Supervisors made on June 1<sup>st</sup>, 2011 in requiring the annual population of the School Bus Replacement Fund and that this Fund will no longer be annually populated but spent out as intended until depleted.

Brenda Sutherland made the motion to approve; duly seconded by David M. Sexton. Motion carried 5-0.

Glen E. Rosenbaum gave comments concerning the Grant Computing Center and some problems with membership and the center not being open. The Board discussed how to keep the computing center operational. Jonathan D. Sweet recommended a proper hand-off to the community for a smooth transition and budget at a minimum of \$25,000 for the coming year or carry on at \$39,000 in the budget. The Board came to a consensus on \$25,000 for the budget.

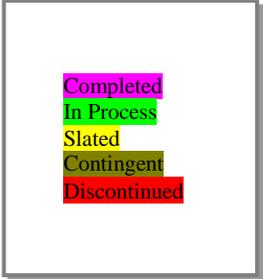
Brenda Sutherland brought up the lease on the Flat Ridge School and pointed out in the lease agreement the replacement of a roof is their responsibility. The Board will continue to discuss this at a future meeting when Glen E. Rosenbaum is present.

David M. Sexton asked consideration for the coyote bounty to be moved to the Animal Control budget and the Board consented to do so.

IN RE: GRAYSON COUNTY FY-15 CAPITAL IMPROVEMENT PLAN

Jonathan D. Sweet presented the updated Capital Improvement Plan:

**Grayson County Board of Supervisors’  
Five (5) Year - Capital Improvement Program**



The Grayson County Board of Supervisors’ Capital Improvement Program (CIP) is an instrument for prioritizing capital expenditures and a means of appropriate planning for the funding of facilities, equipment, vehicles and such, with a unit cost greater than \$24,900 or a project cost greater than \$34,900 over the next five (5) fiscal years.

- A. The CIP shall serve as a county-wide financial planning tool for capital projects and will be adopted as an addendum to the County’s Annual Budget.
- B. The instrument will be applicably used for the purposes of:
  - 1. Identifying appropriate funding options such as grants and other leveraged resources.
  - 2. Prioritizing projects in which to fund
  - 3. Scheduling the onset of capital projects
- C. The CIP will be developed by the County Administrator and presented to the Board of Supervisors for formal adoption.
- D. All projects that do not meet the CIP criteria are to be funded through the applicable department’s annual budget appropriation and shall not be funded through the CIP.
- E. Whenever possible, CIP projects shall be funded wholly or in part by non-debt sources (e.g., grants, donations, reallocation of unanticipated revenues, etc.) and/or offset through the department’s annual budget appropriation.
- F. The CIP may be adopted with the direction to proceed with specified projects and serve as approval to advance with the applicable procurement processes.
- G. The CIP plan shall consist of, at minimum, the project name, priority ranking, estimated cost, plan for funding, date to be engaged (include phases when a

phased approach is applicable), brief description of project and justification/purpose of said project.

## Grayson County Board of Supervisors' Five (5) Year - Capital Improvement Plan (FY 2015 – FY 2020)

Project Purpose	*Est. Cost	**Financing Plan	*Time Table	Description
1. Water Meter Replacement Project (Water Dept.)	PI - \$80k PII - \$80k \$160,000	To identify and pursue grant and loan opportunities to fund the cost of each phase and fund the remaining expense of project through an allocation from the CIP Fund and/or budget appropriately for debt service (Ex: SERCAP Grant and Loan Programs)	Phase I – Fall of 2013 (COMPLETED)  Phase II – Fall of 2014	To replace failing and obsolete county water meters in Fairview and Oldtown  Current water meters are failing and parts are no longer available. Note: Current meters do not meet the new code requirements (lead components). Utilize this opportunity to incorporate technology in meter reading. Greater revenue capture based on lower reading tolerances
2. Courtroom Renovation Project (Court Services)	PI - \$5,000 PII - \$20k \$25,000	To use courthouse maintenance monies and/or a CIP allocation to fund the cost of the project	CY – 2014 (Phase I - COMPLETED) (Phase II – Fall of 2014)	To make FF&E improvements to the Circuit Court Room and Judge’s Chambers  To make needed FF&E repairs, replacement & improvements that have resulted from neglect within the Circuit Court room and the Judge’s chambers
3. Pedestrian Walking Trail Phase II (Community Project)	\$135K - L \$543K - G \$679,000	To primarily utilize Transportation Enhancement Act funding at 80% and match the remaining w/ in-kind contributions and a CIP allocation	CY - 2014	To complete Phase II of the Pedestrian Bike Trail  Completing the trail will satisfy the VDOT grant and provide safe thoroughfare to our recreation park, enhance the beauty of the town and expand recreational opportunities
4. Grayson County Shooting Range (County Partnership Project)	\$75,000	\$25,000 – NRA Grant \$25,000 – DGIF Grant \$25,000 – Local Match (CIP Fund)	CY - 2014	To site and develop a public shooting range for community use  To provide the public and various organizations in the community with a safe location to practice or qualify with their weapons, conduct educational courses and classes, host competitions, etc.
County Phone System Replacement Project (Maintenance Dept.)	\$43,860.00  (Grant Funded)	To make application for a VDEM grant to cover much of the cost of the project and use an allocation from the CIP Fund to match grant or execute project if VDEM funding is not available.	CY – 2014 (COMPLETED)	To replace the entire county courthouse phone system  To replace and upgrade the county’s obsolete phone system (equipment) with greater integration and features for ease of use w/ potential for cost savings

5. Courthouse ADA Upgrade Project (Elevator)  (Courthouse)	\$195K	To fund the cost of the purchase through an allocation from the CIP Fund	FY - 2015	To install an elevator within the courthouse to serve the citizens in accessing all 3 floors of the courthouse	To install an elevator within the courthouse to safely access all three floors, enhance ADA accessibility and provide convenience for our citizens and courthouse patrons.
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6. Softball Field Improvements and Walking Track  (Parks & Rec. Dept.)	\$169K – G <del>\$48K – L</del> \$217,000	To fund the cost of the project with a Recreational Trails Program Grant (78%) and match it at 22% with an appropriation from the CIP Fund	FY - 2015	The two new fields currently are without any restroom facilities, and port-a-johns are being temporarily used	To install much needed restroom facilities to replace port-a-johns and offer additional ADA compliant trails for the use by the general public
7. Compactor Truck  (Public Works Dept.)	\$150,000	To fund the cost of the purchase through an allocation from the CIP Fund	FY - 2015	To purchase a compactor truck to replace two (2) current ton trucks	To replace aging equipment for increased reliability and safety, and reduction in cost and time of maintenance
8. Transfer Station  (Public Works)	\$30,000	To fund the cost of the project through an allocation from the CIP Fund	CY – 2015	To construct a transfer station upon the grounds of the public works facility	To establish a transfer station to allow for the transfer of solid waste from smaller ton trucks to a compactor truck(s) in order to reduce trips to the landfill and save fuel costs, wear and tear on equipment, wasted man hrs, risk management, etc.

9. ACO Vehicle  (Animal Control)	\$30,000	To fund the cost of the purchase through an allocation from the CIP Fund	CY – 2015	To purchase an ACO Vehicle	To replace aging equipment
10. Inspections Vehicle  (Building Official)	\$25,000	To fund the cost of the purchase through an allocation from the CIP Fund	CY - 2015	To purchase an inspections vehicle	To replace aging equipment
11. Recreation Park Lighting Replacement Project  (Parks & Rec. Park)	PI - \$150K PII - \$150K \$300,000	To fund the cost of each phase of the project through two separate allocations from the CIP Fund	Phase I – Winter of 2015 Phase II – Winter of 2016	To replace the outdoor polls and lighting at the Grayson County Rec. Park	To replace the outdoor polls and lighting due to the age and condition of the structures. <i>Note: We have already experienced one poll to fall due to age and condition</i>
12. Courthouse Roof Replacement Project  (Maintenance Dept.)	\$80,000	To fund the cost of the project through an allocation from the CIP Fund	FY – 2016	To replace the three (3) remaining portions of the roof of the courthouse	To replace the aging and leaking roof system that was not accommodated during our previous renovation project
13. Softball Field Improvements  (Parks & Rec. Dept.)	\$45,000	To fund the cost of the project through an allocation from the CIP Fund	CY – 2017	To construct and install concession stands, press box at the new ball fields	The addition of concession stands will yield opportunity for commerce and enhance the offerings along with a press box for regional events

14. Security Fencing Project at Public Works Facility (Public Works Dept.)	\$25,000	To fund the cost of the project through an allocation from the CIP Fund	CY – 2017	To enclose the public works property with security fencing	To enclose the public works property with security fencing to secure the premises for safety, liability and security
15. Courthouse Paving Project (Maintenance Dept.)	\$95,000	To fund the cost of the project through an allocation from the CIP Fund	CY – 2018	To resurface the courthouse parking lot	To repave the parking lot of the courthouse to make proper repairs and corrections
16. Pool Repair Project (Parks & Rec. Dept.)	\$40,000	To fund the cost of the project through an allocation from the CIP Fund	CY – 2019	To make necessary repairs to the pool	Replace and repair pool components such as filter system due to age and life span of the equipment
17. Tennis Court Repair Project (Parks & Rec. Dept.)	\$30,000	To fund the cost of the project through an allocation from the CIP Fund	CY – 2019	To make necessary repairs to the tennis courts	Install a new topcoat surface to allow for continued and expanded use
18. Tractor-Trailer Purchase (Public Works Dept.)	\$75,000	To fund the cost of the purchase through an allocation from the CIP Fund	CY – 2019	To purchase a tractor trailer for use in the Public Works Dept.	To allow Public Works the capabilities to haul recyclables and off-set freight charges
19. Library Carpet Replacement Project (Community Library)	\$35,000	To fund the cost of the purchase in part through an allocation from the CIP Fund	CY – 2019	To replace the carpet in the community library facility	To remove and replace the worn out carpet in the library facility with new carpeting
20. Community Center Project (Community Partnership)	\$2,500,000	To fund a portion of the project through an allocation from the CIP Fund; secure available grant funding, Town(s) partnership, business community, private capital raise, etc. (Breakdown TBD)	CY – 2020	To renovate or construct a community center	To develop a partnerships to pursue various funding sources to construct or renovate a facility (Ex: Robert Shaw Building) for a community center for wellness activities, community mtng space, for/non-profit/gov't office space, afterschool activities, training rms, cmmnty functions

**Total Remaining:**            **\$4,989,860**            **(\*Estimated and/or Projected)**            **(\*\*Funding Plan is subject to B.1 & E. of the adopted Program)**

**Grants:**                            **\$748,000**  
**Local:**                             **\$443,000**  
**Total for FY-15:**            **\$1,191,000**

**Note: Total to be Transferred: \$393,000**

**Current CIP Fund Balance:**            **\$501,324**  
**Estimated to be Carryover:**        **\$211,511**  
**Total:**                                        **\$712,835**  
**FY-15 Budgeted**                            **\$50,000**  
   **\$762,835**  
**(To be Transferred Out)**                **(\$393,000)**  
**Anticipated Remaining Balance**    **\$319,835**

John K. Brewer made the motion to approve the Grayson County FY-15 Capital Improvement Plan; duly seconded by David M. Sexton. Motion carried 4-0 (Glen E. Rosenbaum left the meeting before the motion was voted on).

IN RE: CLOSED SESSION

None

IN RE: ADJOURN

John K. Brewer made the motion to continue the meeting until June 4, 2014 at 5:30 p.m.; duly seconded by Kenneth R. Belton. Motion carried 4-0.

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Brenda Sutherland, Vice Chair