

**At a Budget Work Session of the Sussex County Board of Supervisors
Held in the General District Courtroom, Sussex Judicial Center
Thursday, March 4, 2010, 7:00 p.m.**

BOARD MEMBERS PRESENT

T. Wayne Birdsong
Harris L. Parker

Charlie E. Caple, Jr.
Rufus E. Tyler, Sr.

C. Eric Fly, Sr.

BOARD MEMBER ABSENT

Wayne M. Harrell

STAFF PRESENT

George E. Morrison, III, Deputy County Administrator
Henry A. Thompson, Sr., County Attorney
Jerry L. Whitaker, Director of Finance
Brenda H. Drew, Housing Programs Coordinator
W. Travis Luter, Building Official
Eddie T. Vick, Public Safety Coordinator
Deborah A. Davis, Assistant to County Administrator

Item 1) Call To Order

The March 4, 2010 budget work session was called to order by Chairman Parker.

Item 2) Adoption of Agenda

ON MOTION OF SUPERVISOR TYLER, seconded by SUPERVISOR BIRDSONG and carried: RESOLVED that the Sussex County Board of Supervisors hereby adopts the agenda of the March 4, 2010 meeting.

Voting aye: Supervisors Birdsong, Caple, Fly, Parker, Tyler

Voting nay: none

Absent: Supervisor Harrell

Item 3) Amendment to Crater Youth Care Commission

George E. Morrison, III, Deputy County Administrator, reported that included is an attachment given to the Board regarding the first amendment to the Crater Youth Care Commission Service Agreement. The member jurisdictions of the Cities of Petersburg, Emporia, Hopewell, and the Counties of Dinwiddie, Prince George, Surry and Sussex entered into a service agreement in 2002. Pursuant to this agreement, the member jurisdictions agreed to adjust per diem amounts throughout the fiscal year to reflect current enrollment numbers.

Since the 2002 Service Agreement was enacted, the usage numbers of the Commission have been within a consistent and predictable range. However, since the spring of 2009, the overall Commissions numbers have been dropping; thus causing per diem amounts to be significantly increased. In response to this unforeseen overall decreasing population, the Commission has made many prudent cuts to diminish the impact.

At the October 2009 meeting of the Commission, a finance subcommittee was formed to look closely at the operations of the Commission and its fiscal well being. As a result of this subcommittee, the recommendation was made to amend the current service agreement to reflect a usage charge for each member jurisdiction that would be calculated by using the percentage of detainees held at the detention center for each member jurisdiction, over the preceding three calendar years. This recommendation was approved by the full Commission at their November meeting.

By adopting the proposed amendment to the Service Agreement, three major advantages are realized:

1. The amendment provides a consistent cash flow for the detention center and its operations.
2. The amendment provides a fixed budgeted dollar amount for all member jurisdictions for the entire fiscal year.
3. The amendment reduces the possibility for per diem increases during the budgeted fiscal year.

The Amendment reads as follows:

THIS FIRST AMENDMENT to the Crater Youth Care Commission Service Agreement dated July 1, 2002 (the "Service Agreement") is entered into by and among the CRATER YOUTH CARE COMMISSION (the "Commission"), the CITIES OF EMPORIA, HOPEWELL AND PETERSBURG and the COUNTIES OF DINWIDDIE, PRINCE GEORGE, SUSSEX AND SURRY (collectively the "Member Jurisdictions"), each of which is a political subdivision of the Commonwealth of Virginia.

WHEREAS, the Commission was created as the Crater Juvenile Detention Home Commission in 1972 by resolutions of the governing bodies of the Member Jurisdictions, for the purpose of owning, maintaining and operating a regional facility for the secure detention of juvenile offenders; and

WHEREAS, the Member Jurisdictions adopted the current version of the Service Agreement dated July 1, 2002; and

WHEREAS, the Member Jurisdictions desire to amend the Service Agreement to change the method of calculation of the usage based portion of the formula which determines the cost to each Member Jurisdiction to operate the Commission from a current year usage formula to one based on the usage during the prior three calendar years of operation, which change will

eliminate major variances in one Member Jurisdiction's usage charge due to a significant increase in juveniles committed to the Commission during any one year.

NOW THEREFORE, IT IS AGREED by the Commission and the Member Jurisdictions that the Service Agreement be amended as follows:

1. The definition of "Per Diem Charge" in Article I, Definitions, shall be amended to read as follows, and all references in the Agreement to "Per Diem Charge" shall be changed to "Usage Charge":

"Usage Charge" means the usage-based portion of the charge to Member Jurisdictions for each Detainee held in the Detention Center, as set forth in Section 4.2.

2. The definition of "Basic Monthly Charge" in Article I, Definitions, shall be amended to read as follows, and all references in the Agreement to "Basic Monthly Charge" shall be changed to "Population Charge":

"Population Charge" means the population-based portion of the charge to Member Jurisdictions, as set forth in Section 4.2.

3. Section 3.7 shall be amended to read as follows:

Section 3.7. Annual Budget. On or before March 1, or such later date as the Commission members may agree upon, the Commission shall provide to each Member Jurisdiction the Commission's Annual Budget for the next Fiscal Year, including any proposed capital expenditures. For each Fiscal Year, such Annual Budget shall set forth the amount to be paid by each of the Member Jurisdictions, including the amount of the Population Charge and the amount of the Usage Charge, with the latter determined by the percentage of Detainees from each Member Jurisdiction over the past three calendar years. This method shall be effective for the Annual Budget for the Fiscal Year beginning July 1, 2010.

4. Section 4.2 (b) and (e) shall be amended to read as follows:

Section 4.2. Calculation and Billing of Charges to Members.

- (b) The Usage Charge for each Member Jurisdiction shall be calculated by multiplying 50% of the Commission's budgeted Net Expenses for Secure Detention by the percentage of Detainees held at the Detention Center from each Member Jurisdiction over the preceding three calendar years (e.g. the Usage Charge for the 2010 Fiscal Year would be based on the percentage of Detainees from each Member Jurisdiction for calendar year 2007, 2008 and 2009). This change shall be effective for the Fiscal Year beginning July 1, 2010.

- (e) Deleted.

IN WITNESS WHEREOF, the parties have caused this Amendment to be executed by their duly authorized officers and pursuant to the approval of the respective governing bodies, as of the date of the last approval of the parties.

Supervisor Fly: "I'd like to table this item."

Supervisor Parker: "We need more information."

Supervisor Caple: "I don't see a problem with it."

Supervisor Fly: "We just got this two minutes ago. I suggest we table it. Why would they go to a three year average?"

ON MOTION OF SUPERVISOR FLY, seconded by SUPERVISOR BIRDSONG and carried: RESOLVED that the Sussex County Board of Supervisors hereby tables the First Amendment for Crater Youth Care Commission until the March 18, 2010 Board meeting.

Voting aye: Supervisors Birdsong, Caple, Fly, Tyler

Voting nay: Supervisor Parker

Absent: Supervisor Harrell

Item 4) Budget Overview

Jerry L. Whitaker, Director of Finance, provided information regarding the Fiscal Year 2011 Budget.

Supervisor Parker: "Mr. Whitaker, look at a reduction of \$500,000.00 in the schools' budget, instead of \$400,000.00."

Supervisor Fly: "There have been no proposed cuts in County Administration's budget. The state has cut all constitutional officers and the schools' budgets."

Dr. Harris (Superintendent of Schools): "I sent a letter 2 or 3 weeks ago regarding the impact of state cuts on the Schools' budget, a \$1.3 million dollar cut. The least reduction could be \$733,000.00. I will ask the School Board to look at level funding. If the Board of Supervisors cuts the Schools' budget, you might as well close schools. We may have to lay off employees, cut contracts, eliminate after school tutoring, reduce summer school services; sports programs, band, chorus may have to be eliminated."

Supervisor Fly: "Mr. Whitaker, does this budget document include the \$195,000 reduction?"

Mr. Whitaker: "No, it is not included in this document that I distributed tonight."

Dr. Harris: "You all are just grabbing stuff out of the sky. How many of the Board of Supervisors departments have not had an increase in their budgets? You reduced our budget by \$400,000.00 then we returned \$200,000.00. If the General Assembly approves their budget, the schools will be operating on FY 2005-2006 budget."

Mr. Whitaker: "If the Board keeps the Constitutional Officers' budgets the same, the County will be absorbing the state cuts of \$310,000.00."

Supervisor Parker: "Can we cut 3%, 6%, or 9% from everyone's budgets?"

Supervisor Fly: "We need to go back and look at the \$310,000.00 figure; what makes up those budget cuts?"

Mr. Whitaker: "We won't know what the governor's budget will be until May, possibly."

Supervisor Parker: "We have got to make tough decisions."

Supervisor Fly: "We need to let the Constitutional Officers tell us how the state's cuts on their budgets will impact their offices."

Mr. Whitaker: "Please refer to Page 7 of the February 11, 2010 budget document."

Supervisor Parker: "We need to find out what the savings would be with a 3%, 6% and 9% reduction. We can use these figures as guidelines."

Mr. Whitaker: "A 9% across the Board would be a cost savings of \$781,000.00."

Supervisor Birdsong: "I agree with some of what has been said. We have not talked about cutting County Administration. If we cut Selective Enforcement, but have not deducted the revenue they generate from this budget, then the budget is not accurate. We need to keep the schools accredited, so we don't need to cut the schools' budget. We need to hear from all departments to find out what they can cut. But it is naïve for us to tell departments what they can do when the Board has not listened to what they can deal with."

Supervisor Parker: "If we want to be fair, everybody has to bite the bullet; a 3%, 6%, 9% reduction across the board."

Sheriff Bell: "I have already told you Mr. Chairman, that you are asking the Sheriff's Department to cut even more; we are already operating on a 2006 budget. Inflation has gone through the roof. This is not sound management. You cannot continue to ask us to keep cutting. If you take Selective Enforcement, that is not realistic. But if that is what the Board approves, we will have to bite the bullet and do the best we can with what you give us. We have 74 inmates now and by tomorrow, we will have 122; the crime rate is up. I am asking the Board to reconsider."

Supervisor Fly: "Tonight, do we have the documents that will provide the Board with information on merging departments? And about the grand jury information, I thought those documents were sealed."

County Attorney Thompson: "That was a special grand jury. The County was under investigation."

Commonwealth's Attorney Ramsey: "That was not made public."

Supervisor Fly: "We could possibly save money by combining departments, such as the Treasurer's Office and the Director of Finance. I'd like to hear from Mr. Tyler."

Supervisor Tyler: "There have been several options placed before us. I am tired of talking. We have to make some decisions because we need closure. Education is a priority; if we don't educate our children, then the crime rate will certainly increase. We must maintain our accreditation. I am hoping that at the next meeting, we can come together and make a decision. We have the information that we need and it is good information."

Mr. Whitaker: "The Board can eliminate overtime, but keep selective enforcement."

Supervisor Parker: "Selective enforcement is okay, but does it have to be done on overtime hours? We need to take into consideration, the extra wear and tear on the vehicles, and other expenses. I am not knocking selective enforcement because it is needed. But there are some costs involved."

Supervisor Fly: "I have been working with Susan Chappell and we tracked one deputy one day. That deputy wrote 19 tickets; taking out the deputy's salary for that day, he made \$2,000.00 for the County in that one day. So you see, Selective Enforcement does generate revenue."

Supervisor Birdsong: "About Mr. Tyler's comments. We need to maintain schools and emergency services; all the other services can go away. We have gone around the budget and still have not cut anything. We are looking at the wrong departments to cut; if you cut the Sheriff's Department, you're cutting law enforcement over the entire County, except for Wakefield because Wakefield has a contract."

Supervisor Fly: "I agree with Mr. Tyler, we need to move forward, but not to balance, can we put Selective Enforcement back in?"

Supervisor Caple: "We don't want to accept facts. We don't want to give credit where credit is due. We come to meetings; we direct Mr. Whitaker to go back to do this and to do that. He is doing a pretty good job. We told him what to do. Dr. Harris has advised what can and cannot be done with the schools' budget. We cannot do everything tonight, for three (3) years down the road. Whatever we do, it won't be perfect, but we have to balance the budget."

Supervisor Parker: "If we were to go back to Page 7 - \$310,000.00 is what we have to find, is that right?"

Mr. Whitaker: "That is correct."

Supervisor Parker: "So we need to get \$310,000 .00 from the reserves to balance the budget?"

Mr. Whitaker: "Please look at Page 5 on tonight's handout."

Supervisor Parker: "Any recommendation?"

Supervisor Fly: "This sheet is not balanced, the deficit is \$2.3 million."

Dr. Harris: "There is inequity in across the board cuts, based on prior year budgets. When other departments have increased, then to reduce some others is not equitable."

Mr. Whitaker: "Page 5 does not affect the schools."

Supervisor Birdsong: "Or we can take it all out of Administration's budget?"

Supervisor Tyler: "What are they recommending?"

Supervisor Birdsong: "Don't know. Administration has not told the Board anything. Every department's budget has fat built in it. You have not asked that anything under Administration be cut. The School Board has stepped up to the plate, but Administration has not."

Supervisors Parker: "There are no sacred cows. I don't have a problem cutting everybody."

Supervisor Tyler: "We should prioritize; education is so important, public safety is important. We need to look at everything and make a decision."

Supervisor Tyler: "At the next meeting, our ultimate goal should be to make a decision. I am wondering if the Board does not know what decision to make. Perhaps we could let the Finance Committee make a recommendation to the Board of Supervisors and then allow the Board to vote."

Supervisor Parker: "That sounds good, but we may be in the same position that we are now."

Mr. Whitaker: "Please refer to Page 4. The Board can opt to leave the overtime for Selective Enforcement."

ON MOTION OF SUPERVISOR BIRDSONG, seconded by SUPERVISOR FLY and carried:
RESOLVED that the Sussex County Board of Supervisors hereby authorizes the restoration of \$150,000.00 to the Sheriff's Department budget for Fiscal Year 2011.

Voting aye: Supervisors Birdsong, Caple, Fly, Parker, Tyler

Voting nay: none

Absent: Supervisor Harrell

County Attorney Thompson advised that the Sheriff can use compensatory leave, according to the Sheriff and Attorney Phyllis Katz.

Mr. Whitaker (Referring the Board to Page 5): "The Board could opt to restore \$500,000.00 to the schools."

ON MOTION OF SUPERVISOR TYLER, seconded by SUPERVISOR CAPLE and carried: RESOLVED that the Sussex County Board of Supervisors hereby restores \$500,000.00 to the School Board's budget for Fiscal Year 2011.

Voting aye: Supervisors Birdsong, Caple, Fly, Tyler

Voting nay: Supervisor Parker

Absent: Supervisor Harrell

Mr. Whitaker: "The Board has options: Cut general government budget, increase taxes, take funds from reserves."

Supervisor Parker: "The chair will entertain a motion to take funds from reserves."

ON MOTION OF SUPERVISOR CAPLE, seconded by SUPERVISOR TYLER that the Sussex County Board of Supervisors take \$1.25 million from reserves.

Supervisor Fly: "This vote will put us in a position where we won't have any money. To vote to take money out of reserves before we make cuts is irresponsible. We still need to look at duplication of services. We also need to talk to constitutional officers. I offer a substitute motion."

ON MOTION OF SUPERVISOR FLY, seconded by SUPERVISOR BIRDSONG that the Sussex County Board of Supervisors hereby directs County Administration to review services, meet with the Constitutional Officers and agency heads to look for other ways to find reductions and report findings to the Board.

Supervisor Parker: "That motion is counterproductive; we are spinning our wheels and slowing down the process."

Supervisor Birdsong: "This budget does not address cuts in Administration at all and not done in due diligence. We need to look at where cuts can be made without affecting education and public safety."

Supervisor Caple: "I am looking at figures – the \$1.2 million to come out of reserves; now you talk about looking at Administration; we may be able to get a few dollars. But we need to do something, stop spinning our wheels. We all know what we got."

Supervisor Fly: "Yes, we all have the numbers, but these numbers jeopardize Sussex County."

The Chairman called for the vote on the substitute motion.

Voting aye: Supervisors Birdsong, Fly, Tyler

Voting nay: Supervisors Parker, Caple

Absent: Supervisor Harrell

Supervisor Parker asked the Board to then vote on the main motion.

County Attorney Thompson: "The main vote is null and void. However, the Board can make a separate motion to take funding for the Schools and Selective Enforcement out of the reserves, if they choose."

Supervisor Parker: "The Board is afraid to make decisions."

Supervisor Tyler: "I agree. However, staff may come back with other findings."

Supervisor Parker: "Mr. Whitaker, take the money out of reserves."

Supervisor Fly: "Mr. Parker, you don't have the authority to direct staff to take money out of reserves. Call for point of order."

Supervisor Parker: "Recommendation stands to direct Mr. Whitaker to take money out of reserves. Call for the vote."

Voting aye: Supervisors Caple, Parker, Tyler

Voting nay: Supervisors Birdsong, Fly

Absent: Supervisor Harrell

County Attorney Thompson: "Point of order withheld."

Supervisor Fly: "Now the Board of Supervisors has become a communist state with a dictator."

Supervisor Parker: "I have been called worse."

Supervisor Fly: "This does not make sense, what we just did. I have never seen any Board do this before, where the Chairman directs staff to take money out of reserves. I got a problem with your action."

County Attorney Thompson: "The chairman's point of interpretation is sustained."

Supervisor Fly: "How do you interpret that the motion passed?"

Supervisor Parker: "I don't mean to be a dictator, but I can move on the agenda. That is legal."

Supervisor Fly: "I apologize for my comment."

Item 5: Recess

ON MOTION OF SUPERVISOR TYLER, seconded by SUPERVISOR BIRDSONG and carried: RESOLVED that the Sussex County Board of Supervisors shall hereby recess until 5:30 p.m. on March 18, 2010.

Voting aye: Supervisors Birdsong, Caple, Fly, Parker, Tyler

Voting nay: none

Absent: Supervisor Harrell

