

Virginia: At the regular work session meeting of the Essex County Board of Supervisors held on Tuesday, March 14, 2023 at 5:30 p.m. in the School Board Meeting Room, at 109 S. Cross St., Tappahannock, Virginia:

Board of Supervisors Present:                 Robert Akers, Jr., Chairman  
  Ronnie G. Gill, Vice Chairman  
  Edwin E. Smith, Jr., Supervisor  
  Sidney N. Johnson, Supervisor  
  John C. Magruder, Supervisor

County Administration Present:                 April Rounds, Interim County Administrator, Deputy Clerk

**CALL TO ORDER**

Chairman Akers called the Regular Board of Supervisors Work Session of March 14, 2023, to order.

**ROLL CALL**

The Clerk called out the roll for the Board of Supervisors; a quorum was met.

**AGENDA**

No changes.

**DISCUSSION**

**Social Services Presents Proposed Budget – Candace Mickelborough**

Candace Mickelborough stated that they are on track to finish out this year as projected. For fiscal year 2024 they are requesting \$2,690,493 for staff, operations and client services. The local match for that would be \$828,672.

The DSS budget gets the base budget from the state which requires a 15.5% local match and then they get a second budget from the state which is much smaller that pays for two of our positions at 100% with no local match. Once they exhaust the two base budgets then they start using pass thru money. This is Federal Money with a 64.19% local match. When you look at what is needed to fully operate when you consider both base budgets and the pass thru dollars the amount of spending the locality will have to put in is 30.8%. We have managed to get that down from 34% to 30.8%.

For FY24 aside from salary infringes they are requesting an increase of approximately \$4,000 primarily due to inflation. Those are in the areas of professional services, workers compensation, computer software maintenance and surety. The state has already approved 5% and the general assembly is considering another 2%. Contingent of the state approving a 7% increase they are requesting the required local match of \$12,952 to support that 7% for their staff. If the state only gives the 5% that number would lower to match the 5%. They did not ask the board to match the 5% increase that they gave last time as they were able to find it within their budget but are asking the board to support the increase this year. They did this by leaving 2 positions vacant and not filling them.

There could also expect a downward trend with benefit cases coming up because the state has authorized to redetermine eligibility for the first time in 2.5 years. They are also working really hard to get our citizens employment and become self-sufficient in the community.

Chairman Akers asked about the local match and that Bobbie Tassinari had a place holder in there for \$670,496 to an actual of \$635,255 which saves us \$35,000. Is that due to the decrease from the 34% to the 30%? Mrs. Mickelborough stated she believes that number is from salary infringes and purchases services for clients. Everything as a whole is \$828,672. There is a lower local contribution.

Supervisor Johnson asked what the Pass Thru was this year? Mrs. Mickelborough stated that they haven't reached that point yet. Initially she requested \$650,000 in pass thru dollars and they have not requested any more right now. They are currently using Pass Thru dollars now.

Supervisor Johnson asked if that will reduce next year for what they use this year? Mrs. Mickelborough stated that it would not. Pass thru dollars they can get as much as they want as they know it is just a higher amount that the locality has to match.

Chairman Akers asked if our goal was to minimize the pass thru dollars. Mrs. Mickelborough confirmed. She stated they are always trying to reduce the amount of pass thru dollars that they spend and hoping to not spend any of that until at least March each year.

Supervisor Johnson asked if they were fully staffed. Mrs. Mickelborough stated they are not. They have 3 open positions and only 2 of them they are trying to fill right now because of the case loads.

Supervisor Smith asked if there was a pool in which to get the 3 employees? Mrs. Mickelborough stated that the HR Recruiting through the state has been down for a couple of months so they have been recruiting through INDEED which was a disaster. The HR site is back up as of 2 weeks ago and the job was posted immediately and there has been a lot of interest in those.

Vice Chairman Gill asked if it was a 7% pay raise or a 5% pay raise? Mrs. Mickelborough stated it is still up in the air. 5% has been approved but the General Assembly is considering an extra 2% for the total of 7%.

#### CSA – Candace Mickelborough

For the current CSA budget for FY23 the board allocated \$1,500,000 for the program. It looks like they will need an additional \$540,300 to finish out FY23. She will officially come before the board next month to make that request. As of 2/28 they have encumbered \$1,957,877 that was about \$458,000 over our initial allocation. As of today \$240,000 remaining of our initial allocation due to spending in March we encumbered \$100,394. There is a good chance that \$44,000 of that will be reimbursed by Medicaid. They also just found out they would have to pay transportation for foster care youth at about \$19,500. That will finish out the year for all of the cases.

Chairman Akers asked if the largest part of that was for the Private Day. Mrs. Mickelborough stated that it was. Foster care - \$347,000; School Cases \$ 685,000; Chins \$127,000

Chairman Akers asked if we went into a budget with each of the categories to track it? Mrs. Mickelborough stated that we did not but there was discussion on doing that for next fiscal year.

Chairman Akers asked if the numbers were allocated out? Mrs. Mickelborough stated that not for this fiscal year but she does have it for next fiscal year.

Vice Chairman Gill asked what she thought the balance at the end of the fiscal year to be? Mrs. Mickelborough initially she thought it would end up around \$2.3 - \$2.4 million as we stand today we are looking at roughly \$2 million.

Supervisor Magruder asked if other counties are seeing the same trend? Mrs. Mickelborough stated that she knows Gloucester has seen an increase but we are higher in our CSA dollars than our sistering counties.

Supervisor Johnson asked if the CSA person that is in charge of this need some help? Mrs. Mickelborough stated that she has hired a fiscal assistant and put that person under our CSA Coordinator to provide some support.

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For FY24 they are requesting for the CSA budget \$1,844,930 which does not include any new cases. She is only requesting what she knows she needs right now for the next Fiscal year.

The CSA program requires a 38.53% local match that require a \$710,852 contribution from Essex County. This covers all foster care, Chins cases, and private day school placements. We do expect our foster care cases to continue to decrease. We have 5 foster care children that will be adopted by the end of this fiscal year. Next fiscal year we have one child who will be returned home and 3-4 that we could expect to see adopted by the end of the fiscal year next year.

Due to Dr. Thomas and his team we could also see a decrease in the number of kids being sent to Private Day School.

Chairman Akers stated that they met with the school about some of the budget numbers including the \$513,000 which reduced from the schools budget for Private Day. They got a commitment from Dr. Thomas that will work to put a program in place to potentially bring those transfer outs back internally.

The tier rate increases that they were expecting to see will most likely never go into effect. She believes it is about 99% off the table which would be good news.

Vice Chairman Gill asked how the 38.53% calculated or is it a fluctuating number from year to year? Mrs. Mickelborough stated it is a fluctuating number and she has even asked and there are a lot of components. She will get the answer and get back with them on that.

Chairman Akers asked if it is also different depending on locality. Mrs. Mickelborough said yes each county could have a different percentage.

#### Deferred by request of Superintendent Thomas – April Rounds/Rob Akers

Chairman Akers stated that the school board did not come to an agreement on their budget. At best all we have to go by is from the previous meetings. Based on there ADM count of 1180 and the governors approved bill it is at \$7,578,375 that would be a total required local effort and required local match. They spoke about grant funds that didn't get spent that were 2 year grant and the surplus money that we saw were grants. He is recommending providing guidance to the school of \$7,100,000 in general operating funds and \$474,000 in the surplus grant funds.

Vice Chairman Gill the audit is what co-mingled the grant and the local appropriation money. So by classifying the \$474,000 as reimbursement we could meet their budget request.

Chairman Akers if we took the \$7,578,375 and reduce the \$513,000 for the transfer outs that's what brings it down to the \$7,100,000. And then adding the \$472,000 it takes it back up to that.

Supervisor Johnson asked what is the composite index requiring the local match for the school. Chairman Akers stated that there is a house version and a senate version it is not final. We can only go by the Governor's approved right now based off an ADM of 1,180 it is \$5,132,431. If you add in the full incentive programs, categorical programs and the lottery funded the total is \$7,578,375. Vice Chairman Gill stated that is similar to what we did last year. The Composite index is .4675.

Chairman Akers stated that he was on the phone with Scott Croxton and Libbie asking about the supplemental increase for the biennium. The schools had given an 7% increase plus the 1% step and were proposing 5% increase plus 1% step this year. The question was if the intent of the bill was for 10% over the biennium could you include the 8% plus whatever you did this year to meet that 10%? Unfortunately, the way the language is you cannot be averaged out over two periods of time. They met with the budget director of the DOE and they said you do have to have 5%. That 5% could be stepped where you give the teachers 7% and the admin 3% but when it balances out it has to be 5%. The state funding is already maxed out since we have more SOQ positions than what is required by the state.

Supervisor Magruder asked how consistent are the grants? We haven't done this before and they have managed to meet there budget with a surplus at the end of the year. Are these grants pretty consistent where we could track it to see the surplus? Chairman Akers stated that he feels they are pretty consistent and there are some new ones as well. This fiscal year we are in now is the first time the school board asked to just fund what was in the calc tool and we can do what we need to do within the calc tool.

Supervisor Magruder asked if the statute says that at the end of the year the leftover money goes back to the county? Vice Chairman Gill stated it did go back in.

Supervisor Magruder asked that after the conversation with Dr. Thomas and Libbie, the recommendation is allocate the 7.1 million plus the \$472,000 and that would be acceptable to them? Chairman Akers stated that gives them a good solid number to work off of.

Supervisor Magruder asked if there was discussion about the request that we had made that the school board allocate \$500,000 from their ESSR funds to help with the Broadband? He did not see that on the list when Dr. Thomas sent it to him. Chairman Akers stated they did not have that discussion with them with us funding the budget this way it will go a long way. Vice Chairman Gill stated that it had come up in a previous meeting and that they would supply some funds.

Supervisor Magruder asked to get a commitment letter from the school board as to what they will be funding for the broadband.

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Chairman Akers stated that right now with the \$513,000 reduction and without any funding of non required outside agencies we are at a \$1.3 million deficit. That is taking into account all of the capital projects listed out. When we meet next we will have a sheet and go through of what are we absolutely obligated to pay, what are the required fields, what is required to the schools, what is discretionary and we can start working those numbers out.

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Chairman Akers stated that given some of the Capital expenditures coming before us we need to look at our Capital Reserve Policy which is currently at 12% which he feels is too low. He thinks we should be more around 15%.

Supervisor Johnson stated he thought that's where we were all along.

Vice Chairman Gill asked when was that adopted? Supervisor Johnson stated it was when Reese Peck was here.

Supervisor Magruder asked what we would be looking at going from 12%-15% dollar wise? Chairman Akers stated we would be looking at 1.5-2 million dollars.

Chairman Akers stated that we would put in a general fund line item to build that up over time. We just need to be conscious about it to say how much can we put in to build it up over time.

Supervisor Magruder stated that his only concern is that we as a board need to be dedicated to a dollar amount rather than if we have a little extra here or there then we will pull it and put it in there.

Interim Administrator Rounds stated that the financial policy was adopted March 10, 2015.

Chairman Akers stated that a couple of the Capital projects that are in this are the joint vehicle maintenance facility that process is moving forward. He believes that the town will do a boundary line adjustment for the land to the school that is needed which is approximately 2 acres. Once that is done then the process can begin to get quotes for that. We originally approved \$640,000 that we will keep for 23/14. We also added in a split for a new EMS building that would split 23/24 and 24/25.

Supervisor Magruder asked does the \$640,000 include the water and sewer hookup and is the town donating the land to the schools or are they purchasing it? Chairman Akers stated that if they just do a boundary line adjustment as part of their contribution. The town sees the benefit of the bulk fuel buying. If we can't get the boundary line adjustment there is no point going forward.

Supervisor Magruder stated that we need to probably prepare for a purchase price in the budget in case the town does not do the boundary line adjustment.

Supervisor Johnson asked how recent the information was in regards to the town willing to do a boundary line adjustment. He asked this because when he toured some of the facilities he was under the impression that if they updated some of the industrial park on airport rd it would include the bus garage. Chairman Akers stated that his information was from Monday.

Chairman Akers asked if the board was good to change the policy to a higher amount. The Reserves are fine but the amount in the policy should be changed. He would like to have Davenport look at the policy.

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Supervisor Magruder stated that last year we received approximately \$7,000 in the forestry sustainability fund. That has to be used for three things: education, acquisition in parks, use of parks. He is asking the board since we have to use that money that we allocate the money to the parks and rec for the parks. Chairman Akers stated that he agrees.

Chairman Akers stated that if the Wares Wharf money is still there we should allocate that to parks and rec as well.

Chairman Akers stated that with the generous donation for the animal shelter we need to see what we need to do with those funds. Vice Chairman Gill stated that we need to earmark some of that for the possibility of a new facility.

**ADJOURN**

Having no further discussion, Chairman Akers adjourned the Work Session meeting of the Board of Supervisors.

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Chairman

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Clerk of the Board