

July 10, 2012

County of Greene, Virginia

THE GREENE COUNTY BOARD OF SUPERVISORS MET ON TUESDAY, JULY 10, 2012,
AT 5:30 P.M. IN THE COUNTY MEETING ROOM.

Present were: Clarence Peyton, Chairman
Davis Lamb, Vice Chairman
David Cox, Member
Eddie Deane, Member
Jim Frydl, Member
Ray Clarke, County Attorney
Tracy Morris, Finance Director

RE: EXECUTIVE SESSION

Upon motion by Davis Lamb and unanimous vote, the Board entered into Executive Session to discuss legal and personnel matters pursuant to Section 2.2-3711 Subsection (a, 1-7) of the Code of Virginia.

Contract Matters:

- Water and Sewer

Land Acquisition:

- Water and Sewer

Legal:

- None

Personnel:

- Administration
- Emergency Services

Various Appointments:

- JABA

Recorded vote:	Clarence Peyton	-	Yes
	Davis Lamb	-	Yes
	David Cox	-	Absent
	Eddie Deane	-	Yes
	Jim Frydl	-	Yes

Motion carried.

Upon motion by Eddie Deane and unanimous vote, the Board returned to Open Session.

Recorded vote:	Clarence Peyton	-	Yes
	Davis Lamb	-	Yes
	David Cox	-	Yes
	Eddie Deane	-	Yes
	Jim Frydl	-	Yes

Motion carried.

By unanimous vote, all members certified that only public business matters lawfully exempted from the Open Meeting requirement and only such matters as identified by the motion to enter into Executive Session were discussed.

Recorded vote:	Clarence Peyton	-	Yes
	Davis Lamb	-	Yes
	David Cox	-	Yes
	Eddie Deane	-	Yes
	Jim Frydl	-	Yes

Motion carried.

RE: OPEN MEETING

The Chairman opened the meeting with the Pledge of Allegiance followed by a moment of silence.

RE: QUARTERLY MEETING WITH VDOT REPRESENTATIVE

VDOT representative was not able to attend meeting.

Mr. Frydl said the traffic signal on Route 33 at the intersection of Route 29 heading west has three lights but there are only two lanes. He asked VDOT to review.

Mr. Peyton noted the bridge on Route 619 is being replaced. Mr. Cox said the project is on the schedule.

Mr. Peyton also said he had asked if the bridge over the Conway River is in Greene or Madison. Expecting answer from VDOT.

Mr. Cox said the project to extend the turn lane on Route 29 north at the intersection with Route 33 has gone to design. Buggs – 29 North – extend turn lane – DC – gone to design

Mr. Deane noted there are a lot of limbs and debris along side Route 33 west of Stanardsville. He will contact VDOT.

The floor was opened for public comment.

Bill McMullen – Route 637/Route 1001 – daughter and son in-law live on Route 637 - problem with sight distance – people driving too fast – asked VDOT lower speed limit to 25mph or move 45 mph sign back towards lake – have mirror put on sharp curve - road is narrow – hardly room for school bus and truck to pass – reduce to 25 mph and enforce

Daniel Bledsoe – Warmar Road – checking on status of accepting Warmar Road into State secondary system – sight distances issues – main culvert was replaced by homeowner even though they don't own the road – referred to punch list for road – VDOT never recorded easement and does not maintain - ten residences on road

RE: FUND BALANCE POLICY

Mr. Peyton said the Board has reviewed the proposed policy and will be considering adoption of policy tonight. It was the consensus of Board previously to agree with 15% unassigned fund balance of general fund expenditures net of inter-fund transfers which totals about \$6 million based on current budget. Average monthly cash flow is \$4.5 million based on information received from Treasurer. It was the majority consensus of the Board to agree to \$4.5 million monthly average cash flow in addition to \$6 million. The Board also agreed to

earmark \$2 million for water/sewer project and \$2 million for water impoundment to be placed in capital improvement fund.

Mr. Peyton said, in looking at fund balance, monthly cash flow, earmarks, etc., plus the unprecedented educational budget fund increase, the total is \$16 million. That would run through or finish off all the so called "rainy day fund" we have. Then the question becomes: how does the Board plan to fund the short term capital or immediate capital needs such as fire/rescue support facilities, immediate needs for school expansion projects? Basically there is nothing left for the capital budget beyond this.

Mr. Peyton said he has experienced the "spend/tax mentality" and borrowing to meet debt obligations. He believes there have been expenditures that were based on emotions and thinks it has been caving into fear tactics, threats, intimidation. This has happened twice in his years in local government. He would plead with the Board to base expenditures on justification and need, not emotions and intimidation.

Mr. Peyton said his greatest fear is that if we continue to spend at current levels, with the number of projects we've had, the result will be the unintended consequence of destroying the safety net and reserve fund and a tax increase. He said, in his mind, the \$16 million is exhausted and funds will have to be borrowed for any capital projects that come up. The capital debt is going to be \$50 to \$52 million by the end of this budget cycle. Mr. Peyton said he does not believe we can support any further increase in debt service and adoption of this policy is necessary as first step in right direction.

Mr. Peyton felt the Board needs to identify those funds so it's not a grab bag type thing where everyone is trying to pull funds from \$16 million for their pet projects. Capital projects need to be organized. The reserve fund can be depleted in short order if this is not identified. It is up to Board, on annual basis at budget time, to decide what level the reserve fund will be and amount needed for cash flow.

Mr. Lamb read the following from page 22 of the recent audit: "When fund balances resources are available for a specific purpose in more than one classification, it is the County's policy to use the most restrictive funds first in the following order: restricted, committed, assigned, and unassigned, as they are needed." Reserve would be last to be used. Mrs. Morris said the Board can designate the fund balance to any of those categories.

Mr. Frydl said the Board has been arguing over a minimum fund balance and what is being considered doesn't make sense. The proposed policy is 15% of general fund expenditures net of inter fund transfers plus additional amount to cover one months average cash flow of the County. This is the minimum amount not to go below. The fund will be replenished only if it dips below that amount. If this is truly a minimum it should be treated as a minimum. If we go below that amount there should be a policy to return it to that level or else the minimum doesn't make any sense. If we don't have a plan to return to that level, then it is arbitrary.

The one month average cash flow requirement includes local, state and federal funds. Mr. Frydl felt the one month cash flow should be just the County's responsibility. We should not be covering state and federal governments. Pass thru money is not the County's responsibility. Mr. Frydl felt the minimum amount is the least important part of the policy. He said the reality is the County is collecting tax money and a reserve fund means that we've collected more tax money than we have spent. We are pre-taxing the citizens of Greene County. We are taking and holding their money and there needs to be pretty good reason for doing that which needs to be

stated specifically. Mr. Frydl felt the Board has not justified to the citizens why the County is taking their money from them. That is the most important thing.

Mr. Frydl noted about 60% of citizens are on public water and sewer. The Board needs to make a clear determination on how much we are going to cover a fee based service out of tax dollars before we allot tax dollars to that service. There are benefits to having public water and sewer that all members of the community experience and those benefits are defined by economic development. We can't ask non-users to foot the bill for a fee based service. Fees need to cover service and users of service should be paying their fair share.

Mr. Deane asked Mr. Frydl about the 15% minimum fund balance being placed in the "lock box". Mr. Frydl noted the 15% minimum amount is recommended by Government Accounting Standards Board to cover monthly costs etc. He agreed the 15% should be kept there and if the Board wants to agree on an amount in addition to that and call it a minimum, then it needs to be treated like a minimum with a plan to restore to that level.

Mr. Frydl said he is not advocating spending the money. If the amount is above 15%, the Board needs to identify the reasons to keep it. That's the most important part of this policy - identifying why we are holding that money.

Mr. Deane asked if earmarking the money isn't giving a reason for keeping it. Mr. Frydl said the Board needs to specify reasons.

Mr. Frydl said borrowing money is a function of government. The County will not have a reserve large enough to pay for a school. The recent school project did not increase debt load as retired debt covered the amount. Mr. Frydl said the only thing he knew of that has increased the debt load is buying fire trucks.

Mr. Lamb noted the amounts for water/sewer project and water impoundment would be committed funds.

Mr. Frydl said the Board is supposed to make policy. If citizens do not like policies, they can vote the Board out at next election. He asked if anyone knew how much money the County should be holding for water and sewer. The estimate for the water impoundment project is \$40 million. Mr. Peyton said that is a capital project and has absolutely nothing to do with user fees. Mr. Peyton said user fees will not pay debt for those projects. Payments will have to come from the general fund which is tax dollars.

Mr. Frydl said the history in audits show the County with a 5% reserve and having to borrow to make payments. Also, shows the County with a 9% reserve and not having to borrow. Historically, 9% has been enough to cover our bills.

Upon motion by Eddie Deane and affirmative vote, the Board approved the Fund Balance policy as presented. (See Attachment "A")

Recorded vote:	Clarence Peyton	-	Yes
	Davis Lamb	-	Yes
	David Cox	-	Yes
	Eddie Deane	-	Yes
	Jim Frydl	-	No

Motion carried.

RE: MATTERS FROM THE PUBLIC

METROPOLITAN PLANNING ORGANIZATION

Mrs. Andrea Wilkinson, representative on TJPDC, attended a recent meeting of the MPO where there was discussion about inviting Greene County to join and to include the urban sections of Greene. The MPO is a regional transportation planning organization consisting of Charlottesville and parts of Albemarle County.

It was the consensus of the Board to invite a representative of TJPDC to attend the July 24 meeting to discuss the MPO.

RE: OTHER MATTERS FROM THE BOARD

RIVANNA RIVER BASIN COMMISSION

Mr. Frydl asked the Board to approve a letter of support for the RRBC to apply for a grant from the National Fish and Wildlife Foundation. The RRBC plans to complete a river basin "snapshot" which will provide an intensive, comprehensive baseline of the river basin. There is no additional cost or workload for staff.

It was the consensus of Board to approve letter of support as requested.

RECREATION PARK

Mr. Frydl said the convenience center at the Park is complete and the well installed. However, the well must be different criteria for drinking water standards. The additional cost is up to \$1,000.

This item will be placed on the agenda for the next meeting.

POULTRY LITTER

Mr. Lamb said a request has been made for the Board to consider an ordinance revision. Mr. Svoboda noted setbacks for manure storage is 600 feet from a residence and 1,000 feet from streams which is greater than setbacks required by DEQ. The issue is not on the work program for the Planning Department. Mr. Svoboda asked for permission to research the issue and discuss at the next meeting.

The priority list for the Planning Department will also be on the agenda for discussion at the next meeting.

TAX DEADLINE

Mr. Deane asked about the possibility of a grace period for the payment of taxes. Penalty and interest begin the day after taxes are due.

STORM

Mr. Peyton expressed appreciation to employees of Rappahannock Electric Co-op and Century Link as well as County staff for their work during the recent storm.

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Sheet 6

RE: CONTINUED MEETING

The meeting ended at 9:11 p.m. The continued meeting will be held on Tuesday, July 24, at 5:30 p.m. in the County Meeting Room.

A handwritten signature in black ink, appearing to read 'Clarence Peyton', written over a horizontal line.

Clarence Peyton, Chairman
Greene County Board of Supervisors

County of Greene, Virginia Fund Balance Policy

The County of Greene recognizes that sound financial principles require sufficient funds be retained to provide a stable financial base at all times. An adequate fund balance is essential to maintain a good credit rating, to provide for operating and future capital budgets, to protect against temporary revenue shortfalls, and to cover emergency or unforeseen expenditures.

The Board of Supervisors is ensuring the economic stability of the County by establishing a policy to maintain a target level for reserve balances. Fund Balance is the cumulative difference, over time, of all assets and liabilities reported in governmental funds. It is a measure of resources available for current operations. The fund balance policy is based on recommendations of the Governmental Accounting Standards Board.

I. Components of Fund Balance:

The types of fund balance components are nonspendable, restricted, committed, assigned and unassigned as defined below. This policy will focus on the amount remaining after accounting for non-spendable and restricted fund balance.

A. Nonspendable Fund Balance: Amounts that cannot be spent because of their form (inventory or prepayments) or for legal or contractual reason must be kept intact.

B. Restricted Fund Balance: Amounts constrained for a specific purpose by creditors, grantors, contributors, or laws and regulations of other governments.

C. Committed Fund Balance: Amounts that can only be used for a specific purpose by formal action of the Board of Supervisors.

D. Assigned Fund Balance: Amounts set aside for a specific purpose established by the County Administrator or his/her designee.

E. Unassigned Fund Balance: Amounts in excess of non-spendable, restricted, committed, and assigned fund balance. The General Fund is the only fund that would report a positive amount in this category.

II. Minimum Fund Balance

A minimum unassigned fund balance shall be established at 15% of general fund expenditures net of inter-fund transfers plus an additional amount to cover one month's average monthly cash flow requirements of the County.

The Board of Supervisors may appropriate money that will reduce available funds below the 15% for purposes of a declared emergency. In such circumstances, the Board will adopt a plan to restore the available fund balances to the policy level within 36 months. If the restoration cannot be accomplished within such time period without severe hardship, then the Board will establish a different but appropriate time period.

III. Monitoring and Reporting

Fund balance shall be evaluated during the annual budget process. It shall be the goal of the Board of Supervisors to adopt a budget that maintains the minimum fund balance requirements.

**RESOLUTION FOR THE DECLARATION
OF A
LOCAL EMERGENCY**

WHEREAS, the Board of Supervisors of the County of Greene, Virginia does hereby find that:

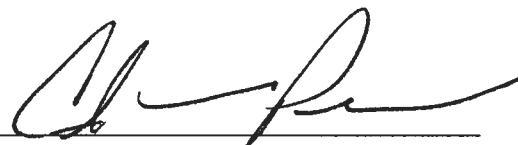
1. Due to the occurrence of the derecho storm, the County of Greene is facing a condition of extreme peril to the lives, safety and property of the residents of Greene County;
2. That as a result of this extreme peril, the proclamation of the existence of an emergency is necessary to permit the full powers of government to deal effectively with this condition of peril.

NOW, THEREFORE, IT IS HEREBY PROCLAIMED by the Board of Supervisors of the County of Greene, Virginia, that a local emergency now exists throughout the County of Greene; and

IT IS FURTHER PROCLAIMED AND ORDERED that during the existence of said emergency, the powers, functions and duties of the Director of Emergency Management and the Emergency Management organization and functions of the County of Greene shall be those prescribed by state law and the ordinances, resolutions and approved plans of the County of Greene in order to mitigate the effects of said emergency.

In order to carry out the effect of this resolution, a sum of money, not to exceed \$25,000, is hereby appropriated from the county's unappropriated fund balance to cover the reasonable operational cost of Emergency Management pending further report to this Board and such additional appropriations as shall be deemed necessary to cover the expected scope of this emergency.

Affirmed and adopted this 30th day of June, 2012 due to the emergency conditions caused by the derecho.



Clarence Peyton, Chairman
Greene County Board of Supervisors

Attest: 
Barry Clark, County Administrator