

April 12, 2017

The Regular Meeting of the Rockingham County Board of Supervisors was held on Wednesday, April 12, 2017, at 3:00 p.m. at the Rockingham County Administration Center, Harrisonburg, Virginia. The following members were present:

- PABLO CUEVAS, Election District #1
- FREDERICK E. EBERLY, Election District #2
- RICKY L. CHANDLER, Election District #3
- WILLIAM B. KYGER, JR., Election District #4
- MICHAEL A. BREEDEN, Election District #5

Also present:

- LOWELL R. BARB, Commissioner of the Revenue
- L. TODD GARBER, Treasurer
- BRYAN F. HUTCHESON, Sheriff - attended afternoon meeting only

- STEPHEN G. KING, County Administrator
- THOMAS H. MILLER, JR., County Attorney
- CASEY B. ARMSTRONG, Director of Community Development
- PATRICIA D. DAVIDSON, Director of Finance
- ANN MARIE FREEMAN, Director of Court Services
- LISA B. GOODEN, Registrar
- BARRY E. HERTZLER, Director of Public Works
- JEREMY C. HOLLOWAY, Fire & Rescue Chief
- KATHARINE S. McQUAIN, Director of Parks & Recreation
- JENNIFER J. MONGOLD, Director of Human Resources
- TERRI M. PERRY, Director of Technology
- CELEST D. WILLIAMS, Director of Social Services - attended afternoon meeting only
- RHONDA H. COOPER, Director of Planning - attended afternoon meeting only
- JAMES B. MAY, Senior Planner - attended afternoon meeting only
- TAMELA S. GRAY, Deputy Clerk

In addition, the following were present for the Budget Hearing:

- DR. CAROL S. FENN, School Superintendent
- ELLEN D. HARRISON, Executive Director of the Community Services Board
- JAMES L. JUNKINS, Emergency Communications Director
- CHERYL Y. MAST, Director of School Finance
- JUSTIN S. MOYERS, Deputy Finance Director

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CALL TO ORDER
INVOCATION
PLEDGE OF ALLEGIANCE.

Chairman Chandler called the meeting to order at 3:00 p.m. Supervisor Breeden gave the Invocation and Public Works Director Hertzler led the Pledge of Allegiance.

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APPROVAL OF MINUTES.

On motion by Supervisor Eberly, seconded by Supervisor Kyger, and carried by a vote of 5 to 0, voting recorded as follows: BREEDEN - AYE; CHANDLER – AYE;

CUEVAS - AYE; EBERLY - AYE; KYGER - AYE; the Board approved the minutes of the regular meeting of March 22, 2017.

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RECOGNITION – DEANNA BOLTON, CHIEF DEPUTY OF THE COMMISSIONER OF THE REVENUE.

Commissioner of the Revenue Barb thanked retiree Deanna Bolton for her service in the Commissioner of the Revenue’s Office. He said Ms. Bolton has been an inspiration and dedicated employee, who is extremely knowledgeable about the tax code. Commissioner Barb said Ms. Bolton would be greatly missed. He wished her an enjoyable retirement.

On behalf of the Board, Chairman Chandler presented a clock to Ms. Bolton in recognition of her retirement on May 1, 2017, after 36 years of service.

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INTRODUCTION OF CELEST WILLIAMS, DIRECTOR OF SOCIAL SERVICES.

Administrator King introduced Celest D. Williams, who was appointed as Director of the Harrisonburg Rockingham Social Services District (HRSSD) on February 27, 2017. He and City Manager Kurt Hodgen interviewed applicants for the position and Ms. Williams clearly was the best candidate, Administrator King said.

Ms. Williams lives in Rockingham County and has been with the HRSSD 18 years. She noted it has been a challenging month, but she is up for the challenge.

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CONSIDERATION – RESOLUTION APPROVING THE ISSUANCE OF BONDS BY THE ECONOMIC DEVELOPMENT AUTHORITY OF ROCKINGHAM COUNTY, VIRGINIA, FOR THE BENEFIT OF SUNNYSIDE PRESBYTERIAN HOME.

Daniel R. Lauro, Bond Counsel with BotkinRose PLC, explained that Sunnyside Presbyterian Home requested the issuance of revenue bonds, in an aggregate principal amount up to \$16,000,000 through the Economic Development Authority (EDA) of Rockingham County, as required by the tax code. As bond counsel for the County and EDA, Mr. Lauro reviewed the bond documents and found them to be in order.

The Economic Development Authority adopted a Resolution on April 11, 2017, to approve the issuance of Economic Development Authority Revenue Bonds for the benefit of Sunnyside Presbyterian Home.

The Board acts as a conduit and is required to approve the issuance of the bonds. Mr. Lauro indicated there is no cost to the Economic Development Authority or County. Sunnyside paid an application fee of \$4,000 and will pay an annual administrative fee based on the principle during the life of the bonds. Mr. Lauro noted that Jack Broaddus, President of Sunnyside Presbyterian Home, was in attendance to answer questions about the projects.

On behalf of Chairman Chandler, on motion by Supervisor Kyger, seconded by Supervisor Breeden and carried by a roll call vote of 5 to 0, voting recorded as follows: BREEDEN – AYE; CHANDLER – AYE; CUEVAS – AYE; EBERLY – AYE; KYGER – AYE; the Board adopted the following Resolution:

RESOLUTION OF THE ECONOMIC DEVELOPMENT AUTHORITY OF ROCKINGHAM COUNTY, VIRGINIA APPROVING THE ISSUANCE OF UP TO \$16,000,000 REVENUE BONDS (SUNNYSIDE PRESBYTERIAN HOME) AND AUTHORIZING THE EXECUTION AND DELIVERY OF BOND DOCUMENTS SUBJECT TO CERTAIN BOND TERMS FOR THE BENEFIT OF SUNNYSIDE PRESBYTERIAN HOME

The Economic Development Authority of Rockingham County, Virginia, a political subdivision of the Commonwealth of Virginia (the "Authority"), is empowered by the Industrial Development and Revenue Bond Act, Chapter 49, Title 15.2, Code of Virginia of 1950, as amended (the "Act") to issue its revenue bonds to finance or refinance the construction and equipping of facilities for the residence or care of the aged to protect and promote the health and welfare of the inhabitants of the Commonwealth of Virginia (the "Commonwealth").

The Authority has received a request from Sunnyside Presbyterian Home (the "Organization"), a nonstock, not-for-profit Virginia corporation, to issue its revenue bonds (the "Bonds"), in one or more series at one time or from time to time.

The Organization operates the following continuing care retirement communities: (1) Sunnyside, located at 3935 Sunnyside Drive, Harrisonburg, Virginia 22801 (which is located in Rockingham County, Virginia) (the "Sunnyside Community"), (2) Summit Square, located at 501 Oak Avenue, Waynesboro, Virginia 22980 (the "Summit Square Community") and (3) Kings Grant, located at 350 King's Way Road, Martinsville, Virginia 24112 (the "Kings Grant Community").

The Organization has requested that the Authority issue the Bonds and loan the proceeds to the Organization to finance the plan of finance (the "Plan of Finance") described below:

(1) to finance at the Sunnyside Community certain projects, including, but not limited to (A) the acquisition, construction and equipping of dining and other common resident areas in the Sunnyside Community's main hall and existing apartment and independent living buildings, (B) the acquisition, construction and equipping of an approximately 4,300 square foot, two story expansion to the dining facilities at the Highlands apartments, (C) the acquisition, construction and equipping of an approximately 12,000 square foot, one story wellness facility, to be located on the existing Sunnyside Community campus and (D) the acquisition of an approximately 50 acre parcel of land located at Massanutten Springs Road and Shen Lake Road, Harrisonburg, Virginia 22801;

(2) to finance at the Summit Square Community certain projects, including, but not limited to (A) the acquisition, construction and equipping of an approximately 18,000 square foot, two story memory care facility, to be located on the existing Summit Square Community campus and (B) the acquisition, construction and equipping of a replacement or renovated primary generator system;

(3) to finance at the Kings Grant Community certain projects, including, but not limited to (A) the acquisition, construction and equipping of an approximately 8,000 square foot, one story memory care facility, to be located on the existing Kings Grant Community campus and (B) the acquisition, construction and equipping of a replacement or renovated HVAC and valence system within the existing structures at the Kings Grant Community campus;

(4) to finance other capital projects at one or all of the Sunnyside Community, Summit Square Community and Kings Grant Community, including but not limited to the construction, improvement, renovation and equipping of the existing facilities; and

(5) to finance, if and as needed, capitalized interest on the Bonds, a debt service reserve fund for the Bonds and costs of issuance related to the issuance of the Bonds.

Each series of Bonds is expected to be sold by the Authority to BB&T Community Holdings Co., or one or more of its affiliates (collectively, the "Bank"), pursuant to the terms of one or more Bond Purchase and Loan Agreements to be dated the date determined by the Organization (each a "Bond Purchase and Loan Agreement"), between the Authority, the Bank, and the Organization.

The foregoing arrangements will be reflected in the following documents, preliminary forms of which have been presented to the Authority and filed with the records of the Authority, and which are necessary to carry out the transaction described above:

the form of the Bonds, to be dated the date of their delivery, bearing interest and payable as provided therein and in the applicable Bond Purchase and Loan Agreement;

the initial Bond Purchase and Loan Agreement; and

the Organization's Promissory Note, with the Authority's assignment thereof (the "Note" and together with the Bond Purchase and Loan Agreement, the "Bond Documents").

The Bonds and the Bond Purchase and Loan Agreement shall reflect the following terms for the Bonds (the "Bond Terms"): (1) the aggregate principal amount of all series of Bonds shall not exceed \$16,000,000, (2) the final maturity date of any Bonds shall not be later than June 30, 2048, and (3) each series of Bonds shall bear interest at a variable rate as set forth therein, with the initial interest rate not exceeding 5.00% per annum.

On April 11, 2017, the Authority adopted an inducement resolution (the "Inducement Resolution") that provided a preliminary authorization for the issuance of tax-exempt bonds to finance the plan of finance described in the Inducement Resolution.

(1) No Director of the Authority is an officer or employee of the Organization, (2) each member has, before entering upon his duties during his or her present term of office, taken and subscribed to the oath prescribed by Section 49-1 of the Code of Virginia of 1950, as amended and (3) at the time of their appointments and at all times thereafter, including the date hereof, all of the members of the Board have satisfied the residency requirements of the Act.

No Director of the Authority has any personal interest or business interest in the Organization, the Bonds, or any of the transactions contemplated therein or has otherwise engaged in conduct prohibited under the Conflict of Interests Act, Chapter 31, Title 2.2 of the Code of Virginia of 1950, as amended in connection with this resolution or any other official action of the Authority in connection therewith.

NOW, THEREFORE, IT IS RESOLVED BY THE ECONOMIC DEVELOPMENT AUTHORITY OF ROCKINGHAM COUNTY, VIRGINIA:

The Authority hereby approves of the Plan of Finance and approves and authorizes the financing and refinancing of the facilities related thereto. The Authority hereby authorizes and approves of the issuance of the Bonds, in one or more series as may be directed by the Organization, and with principal amounts, maturities, and interest rates consistent with the Bond Terms. Each series of Bonds shall be in substantially the form attached as an exhibit to the applicable Bond Purchase and Loan Agreement and shall be styled "Economic Development Authority of Rockingham County, Virginia Revenue Bond (Sunnyside Presbyterian Home)," with an applicable series designation. If directed by the Organization, the Authority shall issue one or more series of Bonds the interest on which is taxable for federal income tax purposes. The Authority hereby affirms its findings and authorizations from the Inducement Resolution.

The Authority hereby authorizes and directs the Chairman of the Authority (the "Chairman") to execute and deliver on behalf of the Authority each Bond Purchase and Loan Agreement upon approval by such executing officer of their final forms, terms and conditions, provided that such forms, terms and conditions are consistent with the Bond

Terms. The Authority hereby approves and authorizes the sale of each series of Bonds to the Bank, provided the terms of such sale shall be consistent with the Bond Terms.

The Authority hereby authorizes the execution, delivery and performance by the Authority of the Bond Documents to which the Authority is a party, in substantially the forms presented at this meeting, with such changes (including to the dates thereof), insertions or omissions consistent with the Bond Terms as may be approved by the Chairman, whose approval shall be evidenced conclusively by their execution and delivery thereof. The Authority hereby authorizes the execution of each series of Bonds and their delivery against payment therefor and the amount of such payment to be disbursed in accordance with the terms of the applicable Bond Purchase and Loan Agreement.

The Authority hereby authorizes and directs the Chairman to execute and deliver, on behalf of the Authority, the Bonds and the Bond Documents to which the Authority is a party and the Secretary/Treasurer of the Authority (the "Secretary/Treasurer") to affix the seal of the Authority to the Bonds and, if required, the Bond Documents and to attest such seal. The signatures of any officer and the seal of the Authority may be by facsimile. The Authority hereby authorizes each officer of the Authority to execute and deliver, on behalf of the Authority, such instruments, documents or certificates, including without limitation a tax certificate and documents that may be necessary to obtain credit enhancement and/or liquidity facilities for the Bonds. The Authority hereby authorizes each officer of the Authority to do and perform such other things and acts, as such officer deems necessary or appropriate to carry out the transactions authorized by this Resolution or contemplated by the Bonds, the Bond Documents or such other instruments, documents or certificates, and all of the foregoing, previously done or performed by such officers of the Authority, are in all respects approved, ratified and confirmed.

The Authority determines that the issuance of each series of Bonds in accordance with the terms of the Bond Documents, including the Bond Terms, and all action of the Authority contemplated by them will be in furtherance of the purposes for which the Authority was organized.

At the request of the Organization, the Authority approves McGuireWoods LLP, as Bond Counsel in connection with the issuance of each series of Bonds.

All costs and expenses incurred in connection with the issuance of any Bonds, including without limitation the fees and expenses of the Authority, Bond Counsel and Authority Counsel, will be paid by the Organization or, to the extent permitted by applicable law, from the proceeds of any Bonds. If for any reason no Bonds are issued, all such expenses shall be paid by the Organization, and the Authority will have no responsibility for them.

The Bond Documents shall provide for indemnification and limitation of liability of the Authority, its members, and its officers, all in usual form.

The Bonds will not constitute a debt or pledge of the faith and credit or taxing power of the Commonwealth or any of its political subdivisions, including the Authority and Rockingham County, Virginia. Neither the Commonwealth nor any of its political subdivisions, including the Authority and Rockingham County, Virginia, will be obligated to pay the principal of, premium, if any, or interest on any Bonds or other costs incident to them except from the revenues and monies pledged for such purposes, and neither the faith and credit nor the taxing power of the Commonwealth or any of its political subdivisions, including the Authority and Rockingham County, Virginia, is pledged to the payment of principal of, premium, if any, or interest on any Bonds or other costs incident to them.

The Authority will not knowingly take or approve any action, investment or use of Bond proceeds that would cause the Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended, and the applicable regulations thereunder.

Any authorization of an officer of the Authority under this Resolution entitles such officer to exercise his or her discretion in taking action on behalf of the Authority, unless

expressly provided otherwise. The authorizations granted in this Resolution to the Chairman may be carried out by the Vice Chairman in the absence of the Chairman, and the authorizations granted in this Resolution to the Secretary/Treasurer may be carried out by any Assistant or Acting Secretary/Treasurer in the absence of the Secretary/Treasurer.

This resolution shall take effect immediately upon its adoption.

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RECOGNITION.

Chairman Chandler congratulated Nolan Stout, reporter for *The Daily News-Record*, for receiving a first place award for government reporting.

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COUNTY ADMINISTRATOR’S STAFF REPORT.

The Board received and reviewed Administrator King’s staff report dated April 7, 2017.

Administrator King brought attention to an item in his report requesting permission to serve on the Valley Health Plan Board. This could be an educational opportunity, especially with the increasing healthcare insurance challenges being faced by the County. He will serve voluntarily and will receive no pay. The meetings are in the evening so they will not conflict with his work schedule. Administrator King said he discussed this opportunity with Attorney Miller.

By consensus of the Board, Administrator King was granted permission to serve on the Valley Health Plan Board.

Since Sheriff Hutcheson was there, but would not be available to attend the budget public hearing later in the evening, Administrator noted that the Sheriff’s department identified nine vehicles that needed to be replaced in the fiscal year 18 budget. Due to budget constraints, Sheriff Hutcheson agreed to reduce the number of vehicles to be replaced from nine to six.

Supervisor Kyger confirmed the transient occupancy tax and food and beverage tax items in Administrator King’s staff report will be included as part of the legislative agenda for the upcoming legislative year. Supervisor Kyger asked Administrator King if he had determined if there are other local optional taxes with legislative authority, which are not at the maximum. Administrator King said these are the only items he is aware of currently but that staff would review.

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COUNTY ATTORNEY’S STAFF REPORT.

County Attorney Miller did not have a written report. He requested a closed meeting pursuant to 2.2-3711 A. and (7), Consultation with legal counsel and staff members pertaining to actual or probable litigation where such consultation or briefing in open meeting would adversely affect the negotiating or litigating posture of the County; and consultation with legal counsel regarding specific legal matters requiring the provision of legal advice by such counsel.

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FINANCE DIRECTORS STAFF REPORT.

The Board received and reviewed Mrs. Davidson’s staff report dated April 12, 2017.

Mrs. Davidson requested action on two items:

The Request for Proposal (RFP) Review Committee interviewed three consultants for health insurance consultant and COBRA administration services, and recommends entering into a \$35,000 contract with BB&T Insurance Services.

One bid was submitted to improve lighting at the jail. She noted the bid from Capital Tristate is on a per unit basis for a total of approximately \$135,000 in the FY17 budget. The individual items with prices were listed with Mrs. Davidson’s staff report. The bid was compared to other public contracts and it was determined that the quoted prices were favorable.

On behalf of the Finance Committee, on motion by Supervisor Breeden, seconded by Supervisor Kyger and carried by a vote of 5 to 0, voting recorded as follows: BREEDEN – AYE; CHANDLER – AYE; CUEVAS – AYE; EBERLY – AYE; KYGER – AYE; the Board authorized Administrator King to enter into a \$35,000 contract with BB&T Insurance Services to serve as the County’s health insurance consultant and provide COBRA administration services; and authorized Administrator King to enter into a contract with Capital Tristate to provide lighting at the Rockingham County Regional Jail under the following per unit pricing structure:

Type	Manufacturer	Part Number	Cost/Each
64	Newstar Lighting	RUD2-B-LE401-3/B-UN-LN	\$275.00
68	Newstar Lighting	37M24-B B-L7-35-2-3/A-27-E2	\$499.00
9	Newstar Lighting	RUD4-B-LE402-3/B-UN	\$377.00
4	Newstar Lighting	57M24-BB-L3402-3/B-UN-EL2-WL	\$699.00
3	Lithonia	2BLT4 48L ADP EZ1 LP840	\$107.00
2-14	Lithonia	2BLT4 48L ADP EZ1 LP840	\$107.00
6	Newstar Lighting	51CB4-L140-1-UN-EL2	\$495.00
5	Newstar Lighting	51CA4-L140-1-UN	\$248.00
2-8	Lithonia	LBL4 4000LM 80CRI 35K MIN1 ZT MVOLT EL14L	\$296.00
2-23	Lithonia	RV8 RO8AR 35/20 277	\$136.00
2-23F	Lithonia	RV8RGIN IFB	\$25.00
2’ LED Lamp	GreenCreative	Ballast ByPass	\$12.90
4’ LED Lamp	GreenCreative	Ballast ByPass	\$12.90
Occ. Sensor		WSX PDT EZ D WH	\$81.00

Administrator King noted that the lighting contract is for materials. County maintenance and facilities staff will install the parts. He appreciates staff’s willingness to perform the work rather than hire an outside firm.

Supervisor Breeden thanked Mrs. Davidson for her hard work on the budget, particularly since many revisions were requested by the Finance Committee and staff.

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HUMAN RESOURCES DIRECTOR’S STAFF REPORT.

The Board received and reviewed Mrs. Mongold’s staff report dated April 12, 2017.

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PUBLIC WORKS DIRECTOR'S STAFF REPORT.

The Board received and reviewed Mr. Hertzler’s staff report dated April 12, 2017.

Mr. Hertzler reminded the Board of the Rockingham County Clean-up Days on April 14 and 15, 2017, and Household Hazardous Waste Collection Day to be held in partnership with the City on April 22, 2017. The hazardous waste collection will be held at the landfill since the City’s Beery Road facility is under construction.

Supervisor Breeden thanked Mr. Hertzler for the excellent work and quick turn around on the water line break on Route 33. Mr. Hertzler noted there was good coordination with Fire and Rescue personnel.

Administrator King interjected that determining how to get the line under the road for temporary service was difficult. Public works, fire and rescue, and other staff worked together on this project, he said

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COMMUNITY DEVELOPMENT DIRECTOR'S STAFF REPORT.

The Board received and reviewed Mr. Armstrong’s staff report dated April 12, 2017.

Mr. Armstrong announced that VDOT approved the Reservoir Street widening plans. The project will be advertised on April 14, 2017 with a bid opening on May 12, 2017.

Ms. Cooper provided an update on the Rockingham Bicycle Advisory Committee (RBAC). Soon after RBAC was created, they started drafting an annual work plan. The Metropolitan Planning Organization (MPO) started its own bicycle and pedestrian plan, creating the opportunity to complete the two plans concurrently. While the Bicycle and Pedestrian Plan was being drafted, the RBAC delayed the annual work plan until a working document was developed. Ms. Cooper and Mr. May, along with the committee, assembled elements from the Bicycle and Pedestrian Plan that could fall under authority of the RBAC. She noted much of the work in the Bicycle and Pedestrian Plan is outside of the MPOs expertise. The RBAC is bringing together elements they want to pursue over the next year. Ms. Cooper requested that the Board review The Annual Work Plan: 2017 to consider adopting it at the April 26, 2017, Board meeting so the RBAC can move forward.

On motion by Supervisor Breeden, seconded by Supervisor Kyger, and carried by a vote of 5 to 0, voting recorded as follows: BREEDEN - AYE; CHANDLER - AYE; CUEVAS - AYE; EBERLY - AYE; KYGER - AYE; the Board removed from the table REZ16-194 Riverglen, LLC / Cave Hill Farm, LLC, & Diane Workman Derzis, c/o Lisa A. Hawkins, Esq. P.O. Box 1287, Harrisonburg, VA 22802, to rezone TM# 143-(A)- L15 and 15C, totaling 13.076 acres, located on the south side of Island Ford Road (Route 649) approximately 1300 feet east of Power Dam Road (Route 650), from Recreational and Residential District with Conditions (RR-1C) to Prime Agricultural District with Conditions (A-1C). This property is identified as Agricultural Reserve in the Comprehensive Plan. Election District 5.

As Supervisor Breeden requested on October 26, 2016, Ms. Cooper and Attorney Miller reviewed the rights permitted in A-1 zoning districts, to avoid hardships for the six existing properties, and he is satisfied with the outcome.

On motion by Supervisor Breeden, seconded by Supervisor Kyger, and carried by a vote of 5 to 0, voting recorded as follows: BREEDEN - AYE; CHANDLER - AYE; CUEVAS - AYE; EBERLY - AYE; KYGER - AYE; and subject to the following proffers, the Board approved REZ16-194 Riverglen, LLC / Cave Hill Farm, LLC, & Diane Workman Derzis, c/o Lisa A. Hawkins, Esq. P.O. Box 1287, Harrisonburg, VA 22802, to rezone TM# 143-(A)- L15 and 15C, totaling 13.076 acres, located on the south side of Island Ford Road (Route 649) approximately 1300 feet east of Power Dam Road (Route 650), from Recreational and Residential District with Conditions (RR-1C) to Prime Agricultural District with Conditions (A-1C). This property is identified as Agricultural Reserve in the Comprehensive Plan. Election District 5.

Proffers:

Tax Map Parcels: 143-(A)-L15 and 143-(A)-L15C

Owners of Record: Diane Workman Derzis and Cave Hill Farm, L.L.C., respectively Two parcels totaling 13.0760 acres (Parcel 143-(A)-L15 containing 6.538 acres and Parcel 143-(A)- L15C also containing 6.538 acres) to be rezoned from RR-1 Conditional to A-1 Conditional

Cave Hill Farm, L.L.C. and Diane Workman Derzis were the owners of a 13.0760 acre parcel that was assigned the Tax Map number 143-(A)-L15 (the "Property"). The Property was part of a previous rezoning in April of 2000 to RR-1 Conditional that included certain proffered conditions. A copy of the original proffers is reproduced below. One of those proffers was that, once formed, none of the seven lots of the original rezoning would be further divided. The Property became the seventh lot in the original rezoning. Contrary to the original proffers, the Property was divided into two lots (the Division), one bearing the number 143-(A)-L15, containing 6.538 acres, and the second given the new number 143-(A)-L15C, also containing 6.538 acres. The owners now request that the County rezone the Property to A-1 Conditional with the conditions as proffered below.

Pursuant to the Rockingham County Zoning Ordinance, the Owners hereby voluntarily proffer the conditions listed below which shall be applied to the Property if it is rezoned to A-1. These conditions are proffered as a part of the requested rezoning, and the Owner acknowledges that the conditions are reasonable in that they are intended to carry forward the existing uses and restrictions with the exception of allowing the Division.

1. The Property, which is the residue of the original rezoning, is in the 100 year flood plain and is intended to be used for recreational purposes.
2. The Division of the Property into two lots now known as Tax Parcel 143-(A)-L15, containing 6.538 acres, and Tax Parcel 143-(A)-L15C, also containing 6.538 acres, is authorized and accepted by the Board of Supervisors. No additional divisions of either parcel are permitted.
3. Each lot shall have access to a publicly maintained highway.
4. Each of the other six lots created after the original rezoning, those created for single family residential purposes, shall continue to have access for recreational use to the Shenandoah River by easement.

Mr. May reported that Brian Goldstein with Preston Lake requested an amendment to the proffers on the Preston Lake Marketplace, located at the intersection of Stone Spring

Road (Route 280) and Spotswood Trail (Route 33), and is requesting a waiver of the public hearing.

Pursuant to Code of Virginia §15.2-2302.B, the Board may waive the requirement for a public hearing when a proffer amendment does not affect conditions of use or density. If the Board waives the requirement for a public hearing, the request will be presented to the Planning Commission for a recommendation, followed by consideration by the Board.

Mr. May reported that staff reviewed the proposed amendments to the proffers and raised several concerns with the applicant, TMC Harrisonburg, LLC. Mr. May provided Board members with a letter received from the applicant’s representative, Valley Engineering. The letter indicates they do not believe the rezoning affects the current permitted use or density. However, County staff maintains the rezoning would change the use or density. The Board has the discretion to waive the public hearing, but staff recommends the public hearing not be waived.

Chairman Chandler asked Mr. May if there is time to relocate the current exit from the Preston Lake Marketplace property. Mr. May indicated the proffers can be revised until the Board takes action on the revision. Whether or not there is a change in use or density, there is enough concern to warrant a public hearing, Mr. May said.

On motion by Supervisor Breeden, seconded by Supervisor Eberly, and carried by a vote of 5 to 0, voting recorded as follows: BREEDEN - AYE; CHANDLER – AYE; CUEVAS - AYE; EBERLY - AYE; KYGER - AYE; the Board denied the applicant’s request to waive the public hearing.

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TECHNOLOGY DIRECTOR’S STAFF REPORT.

The Board received and reviewed Mrs. Perry’s staff report dated April 2017.

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FIRE AND RESCUE CHIEF’S STAFF REPORT.

The Board received and reviewed Chief Holloway’s staff report dated April 2017.

Chief Holloway noted air packs requested under a grant were received and will be placed in all stations the first week in May. Training will be provided on the new features of the packs. He said the timing is good, as several packs in the Elkton area need repairs.

He also noted six personnel attended training at the New River Gorge in West Virginia on how to operate a boat in swifter and floodwaters. Supervisor Kyger noted this is valuable training as a family in a boat almost went over a dam in Loudon County on April 11, 2017.

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PARKS & RECREATION DIRECTOR’S STAFF REPORT.

The Board received and reviewed Mrs. McQuain’s staff report dated April 2017. Mrs. McQuain reported the Kids Fishing Day was held on April 8, 2017, with over 300 children attending. She noted two other kids fishing days and the opening day for little league baseball were held the same day.

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COURT SERVICES DIRECTOR’S STAFF REPORT.

The Board received and reviewed Mrs. Freeman’s staff report.

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COMMITTEE REPORTS.

The Board heard committee reports from Board members and staff.

AIRPORT

Supervisor Kyger advised that Michael Heatwole, who was appointed to the Shenandoah Valley Regional Airport Commission on March 22, 2017, toured the airport to meet staff and receive an update on airport operations. An airport meeting is scheduled the week of April 17, 2017.

BUILDINGS AND GROUNDS

Supervisor Eberly announced there is a meeting on April 19, 2017.

COMMUNITY CRIMINAL JUSTICE BOARD (CCJB)

Supervisor Kyger indicated the CCJB will meet April 24, 2017.

FINANCE

On behalf of the Finance Committee, on motion by Supervisor Breeden, seconded by Supervisor Eberly and carried by a vote of 5 to 0, voting recorded as follows: BREEDEN – AYE; CHANDLER – AYE; CUEVAS – AYE; EBERLY – AYE; KYGER – AYE; the Board approved the following supplemental appropriations and supplemental reduction:

Harrisonburg-Rockingham Social Services District

1. Independent Living

A supplemental appropriation in the amount of \$8,987 for Independent Living. Funding will be provided 80% by Federal and 20% by State funds with no local funding required.

Supplemental Appropriation: \$8,987

\$5,320	GL Code: 1220-05302-10100-000-505770-000	Independent Living Purchased- County
\$3,667	GL Code: 1220-05302-10200-000-505770-000	Independent Living Purchased- City
\$7,189	GL Code: 1220-00000-13303-000-338983-000	Public Assistance-Federal
\$1,798	GL Code: 1220-00000-12401-000-324983-000	Public Assistance- State

2. Refugee Cash Assistance

A supplemental appropriation in the amount of \$5,000 for refugee cash assistance. Funding will be provided 100% by Federal with no local funding required.

Supplemental Appropriation: \$5,000

\$5,000	GL Code: 1220-05302-10100-000-505715-000	Refugee Settlement- County
\$5,000	GL Code: 1220-00000-13303-000-338983-000	Public Assistance-Federal

3. Chapfee (ILP) Ed/Trng

A supplemental appropriation in the amount of \$2,500 for youths aging out of foster care. Funding will be provided 80% Federal and 20% State with no local funding required.

Supplemental Appropriation: \$2,500

\$2,500	GL Code: 1220-05302-10200-000-505743-000	ETV-YTHS Aging Out Foster Care- City
\$2,000	GL Code: 1220-00000-13303-000-338983-000	Public Assistance- Federal
\$500	GL Code: 1220-00000-12401-000-324983-000	Public Assistance- State

4. Refugee Cash Assistance

A supplemental appropriation in the amount of \$17,000 for refugee cash assistance. Funding will be provided 100% Federal with no local funding required.

Supplemental Appropriation: \$17,000

\$17,000	GL Code: 1220-05302-10100-000-505715-000	Refugee Settlement- County
\$17,000	GL Code: 1220-00000-13303-000-338983-000	Public Assistance-Federal

5. Independent Living

A supplemental reduction in the amount of \$4,800 for Independent Living.

Supplemental Reduction: \$(4,800)

\$(4,800)	GL Code: 1220-05302-10100-000-505770-000	Independent Living Purchased- County
\$(3,840)	GL Code: 1220-00000-13303-000-338983-000	Public Assistance-Federal
\$(960)	GL Code: 1220-00000-12401-000-324983-000	Public Assistance- State

6. Chapfee (ILP) Ed/Trng

A supplemental appropriation in the amount of \$5,000 for youths aging out of foster care. Funding will be provided 80% Federal and 20% State with no local funding required.

Supplemental Appropriation: \$5,000

\$5,000	GL Code: 1220-05302-10200-000-505743-000	ETV-YTHS Aging Out Foster Care- City
\$4,000	GL Code: 1220-00000-13303-000-338983-000	Public Assistance- Federal
\$1,000	GL Code: 1220-00000-12401-000-324983-000	Public Assistance- State

7. Independent Living

A supplemental appropriation in the amount of \$4,800 is requested for Independent Living. Funding will be provided 80% Federal and 20% State with no local funding required.

Supplemental Appropriation: \$4,800

\$4,800	GL Code: 1220-05302-10200-000-505770-000	Independent Living Purchased- City
\$3,840	GL Code: 1220-00000-13303-000-338983-000	Public Assistance-Federal
\$960	GL Code: 1220-00000-12401-000-324983-000	Public Assistance- State

HARRISONBURG-ROCKINGHAM METROPOLITAN PLANNING ORGANIZATION (MPO)

Chairman Chandler said the meeting scheduled for April 20, 2017, will be rescheduled.

MASSANUTTEN REGIONAL LIBRARY

Chairman Chandler noted the Library finance committee will meet regarding the budget next week.

SOCIAL SERVICES

Supervisor Breeden stated Celest Williams is an excellent selection for the Director of HRSSD position. The Foster Care Appreciation Dinner will be held on May 4, 2017.

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INTRODUCTION OF STUDENTS.

Students from Turner Ashby and East Rockingham high schools introduced themselves to the Board.

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COMMITTEE APPOINTMENTS.

Administrator King informed the Board that John Knepper, Vice President at Trumbo Electric, expressed interest in serving on the Building Appeals Board. He believes Mr. Knepper is a strong candidate as he has the expertise needed.

On motion by Supervisor Cuevas, seconded by Supervisor Kyger, and carried by a vote of 5 to 0, voting recorded as follows: BREEDEN – AYE; CHANDLER – AYE; CUEVAS – AYE; EBERLY – AYE; KYGER – AYE; the Board appointed John Knepper to a term that will expire October 31, 2021.

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CLOSED MEETING.

On motion by Supervisor Breeden, seconded by Supervisor Kyger, and carried by a vote of 5 to 0, voting recorded as follows: BREEDEN - AYE; CHANDLER - AYE; CUEVAS - AYE; EBERLY - AYE; KYGER - AYE; the Board recessed the meeting from 3:35 p.m. to 4:42 p.m., for a closed meeting pursuant to 2.2-3711. A (7), Consultation with legal counsel and staff members pertaining to actual or probable litigation where such consultation or briefing in open meeting would adversely affect the negotiating or litigating posture of the County; and consultation with legal counsel regarding specific legal matters requiring the provision of legal advice by such counsel

MOTION: SUPERVISOR BREEDEN RESOLUTION NO: 17-05
SECOND: SUPERVISOR KYGER MEETING DATE: APRIL 12, 2017

CERTIFICATION OF CLOSED MEETING

WHEREAS, the Rockingham County Board of Supervisors has convened a Closed Meeting on this date pursuant to an affirmative recorded vote and in accordance with the provisions of The Virginia Freedom of Information Act; and

WHEREAS, Section 2.2-3712 of the Code of Virginia requires a certification by this Board of Supervisors that such Closed Meeting was conducted in conformity with Virginia law;

NOW, THEREFORE, BE IT RESOLVED that the Rockingham County Board of Supervisors hereby certifies that, to the best of each member’s knowledge, (i) only public business matters lawfully exempted from open meeting requirements by Virginia law were discussed in the Closed Meeting to which this certification resolution applies; and (ii) only such public business matters as were identified in the motion convening the Closed Meeting were heard, discussed or considered by the Board of Supervisors.

VOTE:
AYES: BREEDEN, CHANDLER, CUEVAS, EBERLY, KYGER
NAYS: NONE
ABSENT:

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RECESS.

At 4:42 p.m., Chairman Chandler recessed the meeting for dinner.

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RECOGNITION – RESOLUTION HONORING THE BROADWAY HIGH SCHOOL GIRLS’ VARSITY BASKETBALL TEAM FOR WINNING THE GROUP 3A STATE CHAMPIONSHIP.

At 5:50 p.m., Chairman Chandler opened the meeting to recognize the Broadway High School Girls’ Varsity Basketball Team for winning the 3A State Championship.

Administrator King read a resolution honoring the Broadway High School Girls’ Varsity Basketball Team.

On motion by Supervisor Cuevas, seconded by Supervisor Eberly, and carried by a vote of 5 to 0, voting recorded as follows: BREEDEN - AYE; CHANDLER – AYE; CUEVAS - AYE; EBERLY - AYE; KYGER - AYE; the Board approved the following resolution:

RESOLUTION

WHEREAS, the **Broadway High School Girls’ Varsity Basketball Team** brought great honor and esteem to Rockingham County and the Broadway area by winning the Group AAA State Championship on March 10, 2017, which was held at Virginia Commonwealth University in Richmond, Virginia; and

WHEREAS, the Broadway Gobblers, under the tutelage of Head Coach Bobby Mongold, defeated Brookville High School (52-50) in a hard-fought overtime game in the semifinals before defeating Magna Vista High School (51-41) in the championship game to end the season as state champion, compiling an outstanding 27-4 record; and

WHEREAS, Coach Mongold, was named Coach of the Year for Virginia Group AAA, Conference 29, and the Valley District; and

WHEREAS, senior forward Faith Funkhouser was named First Team All-State, First Team West Region, and Conference 29 Player of the Year; senior guard Ally Repko was named Second Team West Region, First Team Conference 29, and First Team Valley District; senior guard Kailey Landis was named Second Team Conference 29 and First Team Valley District; sophomore forward Nakaila Gray was named First Team Conference 29 and Second Team Valley District; and junior forward Sarah Wimer was named Honorable Mention Valley District; and

WHEREAS, the Broadway High School Girls’ Varsity Basketball Team comprised of Brooke Davis, Faith Funkhouser, Nakaila Gray, Lauren Hulvey, Caroline Lohr, Kailey Landis, Kelsey Landis, Ravyn Mongold, Keairria Reedy, Ally Repko, Destiny Ritchie, Lauryn Shirkey, Lindsey White, Sarah Wimer, head coach Bobby Mongold, assistant coaches Dave Reedy, Marlin Fulk, Amy Showalter, Tiffany Moxley and Bo Morris, assisted by managers Bethany Crews, Chloe Cosner, and Bailey Hanson, and athletic trainer Chuck Wenger are to be congratulated for their dedication, hard work, and accomplishments.

NOW, THEREFORE, BE IT RESOLVED that the Rockingham County Board of Supervisors, on behalf of our community, hereby recognizes the **Broadway High School Girls' Varsity Basketball Team**, its coaches and managers for the exemplary skill they displayed on the court in these accomplishments, and calls upon the citizens of this community to join the Board in congratulating this outstanding group of young citizens; and

BE IT FURTHER RESOLVED, that the Board of Supervisors joins with these players, their coaches and managers in thanking the families of team members for their time and strong support, which helped to make these accomplishments possible.

Supervisors Cuevas and Eberly presented a framed resolution to Coach Mongold and Principal Donna Abernathy, to be displayed in a prominent place in Broadway High School.

Supervisor Cuevas thanked the team and coaching staff for their enthusiasm and the honor they brought to the community. He provided green teddy bears wearing a Broadway shirt to all the team members, coach, assistant coaches, managers, principal and Dr. Fenn. He asked the basketball players to remember what they did as a group of outstanding ladies, not just for winning the State championship, but their special relationship with each other, the coaching staff and other students, as they will always be a part of Broadway High School.

Supervisor Cuevas closed by stating the effort put forth by the team meant a lot to the County, and the community is proud of them.

Chairman Chandler noted the Valley is well represented with girls' basketball state champions, and Valley teams are respected for the character and integrity shown during the season.

Administrator King noted a Rockingham County High School Girls' Varsity Basketball team has won the State Championship each year since 2012, with two County teams from different groups winning in 2013.

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PUBLIC HEARING – PROPOSED BUDGET FOR THE FISCAL YEAR 2017-2018 AND PROPOSED TAX RATES FOR THE CALENDAR YEAR 2017.

At 6:02 p.m., Chairman Chandler declared the meeting open for a public hearing pursuant to Section 15.2-2506, Code of Virginia, 1950, as amended, on the Proposed Budget for the Fiscal Year 2017-2018, Proposed Tax Rates for the Calendar Year 2017, and Proposed Water and Sewer Rates as follows:

**COUNTY OF ROCKINGHAM, VIRGINIA
 PROPOSED BUDGET FOR THE FISCAL YEAR COMMENCING JULY 1, 2017,
 PROPOSED TAX RATES FOR THE CALENDAR YEAR 2017
 AND PROPOSED WATER AND SEWER RATES**

REVENUES

	AMENDED FY 2016-17	PROPOSED FY 2017-18
<u>GENERAL FUND</u>		
General Property Taxes	\$ 79,562,500	\$ 85,274,500
Other Local Taxes	10,991,300	11,521,350
Other Local Revenue	12,402,878	12,011,315
State Revenue	17,427,331	17,402,035
Federal Revenue	1,982,566	1,410,594
Insurance Recoveries	8,750	0

Transfers from Other Funds	0	0
Balance Carried Forward	8,027,887	2,849,380
TOTAL GENERAL FUND	\$ 130,403,212	\$ 130,469,174
Capital Projects Fund	\$ 20,432,742	\$ 550,000
School Capital Projects Fund	6,086,624	19,363,000
School Fund	131,434,538	137,118,400
School Cafeteria Fund	5,396,946	5,460,535
Massanutten Technical Center	5,536,364	5,913,027
Asset Forfeiture Fund	115,900	115,900
H'burg Rockingham Soc Services District	17,875,569	18,029,644
H'burg Rockingham Children's Services Act	9,235,150	9,287,883
Central Stores Fund	45,000	45,000
Self-Funded Health Insurance Plan Fund	27,810,885	29,956,000
Water & Sewer Utilities Fund	13,069,609	14,054,087
Lilly Subdivision Sanitary District	53,958	53,740
Smith Creek Water & Wastewater Auth	414,999	414,943
Countryside Sanitary District	19,145	19,042
Penn Laird Sewer Authority	29,031	29,024
Solid Waste Fund	9,601,261	4,998,800
Laird L Conrad Law Library Fund	50,585	50,585
Economic Development Authority	0	7,500
Human Resources Rental Fund	232,774	232,774
Emergency Medical Services Transp Fund	1,312,926	1,460,000
TOTAL REVENUES	\$ 379,157,218	\$ 377,629,058

EXPENDITURES

	AMENDED FY 2016-17	PROPOSED FY 2017-18
GENERAL FUND		
General Government Administration	\$ 6,491,487	\$ 6,653,019
Judicial Administration	4,023,834	4,325,410
Public Safety	30,126,274	31,600,832
Public Works	3,527,272	2,741,657
Human Services	2,004,295	2,118,834
Parks, Recreation & Cultural	2,407,827	2,552,573
Community Development	3,073,159	2,460,400
Contributions	518,394	594,513
Contingency	500,000	304,557
Other Expenses	85,000	80,000
Transfers to Other Funds	66,275,904	66,840,301
Debt Service – County	2,220,801	2,186,118
Debt Service – Schools	9,148,965	8,010,960
TOTAL GENERAL FUND	\$ 130,403,212	\$ 130,469,174
Capital Projects Fund	\$ 20,432,742	\$ 550,000
School Capital Projects Fund	6,086,624	19,363,000
School Fund	131,434,538	137,118,400
School Cafeteria Fund	5,396,946	5,460,535
School Textbook Fund	0	0
Massanutten Technical Center Fund	5,536,364	5,913,027
Asset Forfeiture Fund	115,900	115,900
H'burg Rockingham Soc Services District	17,875,569	18,029,644
H'burg Rockingham Children's Services Act	9,235,150	9,287,883
Central Stores Fund	45,000	45,000
Self-Funded Health Insurance Plan Fund	27,810,885	29,956,000
Water & Sewer Utilities Fund	13,069,609	14,054,087
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Laird L Conrad Law Library Fund	50,585	50,585
Economic Development Authority	0	7,500
Human Resources Rental Fund	232,774	232,774

Emergency Medical Services Transp Fund	1,312,926	1,460,000
TOTAL EXPENDITURES	\$ 379,157,218	\$ 377,629,058

PROPOSED TAX RATES

<u>Classification of Tax</u>	Actual 2016	Proposed 2017
Real Estate	\$ 0.70	\$ 0.74
Manufactured Home	0.70	0.74
Countryside Sanitary District	0.29	0.29
Personal Property	2.90	3.00
Recreational Vehicles	2.90	3.00
Machinery & Tools	2.55	2.55
Merchants Capital	0.87	0.87
Farm Machinery	0.44	0.44

Property taxes are levied for each one hundred dollars of assessed value as of January 1. Property is assessed at fair market value for all classes, except personal property vehicles, which are assessed at loan value, and merchants capital, which is based on 67% of fair market value. Tax rates are effective January 1, 2017.

Proposed Water / Sewer Rates

Changes to the Rockingham County Code Section 2-33 are proposed below:

Monthly Service Fees

Water	Current Rate	Proposed Rate
Base Rate (up to 3.5kgal)	\$11.50	\$12.50
3,500 to 5,000 gallons	\$2.58	\$3.80
Over 5,000 gallons	\$3.80	\$3.80

Sewer	Current Rate	Proposed Rate
Minimum to 999 gallons	\$0.00	\$6.00
Over 1,000 gallons	\$5.09	\$5.15

The effective date for the new water rates is July 1, 2017.

Administrator King provided the following presentation on the proposed Fiscal Year 2017-2018 Budget:

Administrator King indicated preparation of the 2017-2018 proposed budget was challenging, but it meets the mandated and identified needs, priorities, and commitments. Unfortunately, in order to meet those needs, priorities and commitments, the proposed budget includes an increase in both real estate and personal property tax rates.

Rockingham 2020 Plan

In 2015, the Board developed the Rockingham 2020 plan, which includes projects and initiatives for the instructional technology initiative; school renovation projects; road improvements; fire and rescue station construction, apparatus and staffing increases; court expansion; Harrisonburg-Rockingham Emergency Communications Center; technology improvements; development of the County’s first full park; water and sewer expansion projects; and landfill expansions. Administrator King noted this was a plan, subject to revision based on changing factors and priorities; it was not a commitment but rather a guide.

The proposed budget includes funding for Schools to proceed with Phase IV of the technology initiative to provide devices to high school students. Schools are also

continuing with Phase 1 of School renovation projects at John W. Wayland Elementary School, Pleasant Valley Elementary School and Dayton Learning Center. The renovations do not affect the 2017-2018 budget, but will add \$1.5 million in debt service beginning with the fiscal year 2019 budget. These two projects moved from the plan, to a commitment stage. Administrator King stressed that it is critical for the Board of Supervisors and School Board to consider how the timing of debt service will affect future budgets.

The 2020 Plan also considered road improvement projects to be completed through VDOT's 50/50 Revenue Sharing program, as well as contributions from private developers for those road projects. The Reservoir Street project is going out for bid. Work is being performed on utility relocations for a third lane on Route 33 between the newly constructed Stone Spring Road and Massanetta Springs Road, as well as improvements to Massanetta Springs Road from Route 33 to shortly before the Massanetta Springs Conference Center. Staff recommends taking a break in road construction once these projects are complete in order to re-evaluate priorities.

The 2020 Plan included a County-constructed fire and rescue station in the Port Republic – Stone Spring Road area. No funds are included in the proposed budget for that project because the 2017-2018 budget reflects absolute minimums. If the project proceeds as staff thinks it should, after the timing and scope of the project have been identified, the Board will determine whether to finance the project by using a fund balance or borrowing the funds.

The budget includes funds to replace a 1986 model tanker truck currently in use. Participating more in capital expenses (buildings, apparatus, and equipment) may help reduce the continued demands placed on volunteers. Funding those issues will relieve some of the burden on volunteers and reduce the need to add staffing. Administrator King noted the County was awarded a federal Staffing for Adequate Fire & Emergency Response (SAFER) Grant in FY17 to hire nine new fire and rescue employees. Funding for those positions will partially be the County's responsibility beginning in January 2019 (\$265,000) with full funding at double that amount paid by the County starting in FY20.

The proposed budget includes a one-time expense of \$1.5 million for the computer aided dispatch and data management system (CAD/DMS) project. The City included the same amount in their budget for this project. The exact cost and timing of the project are uncertain but there will be a significant cost. A portion of the expenditure may be transferred to FY19, Administrator King said.

There continue to be growing space needs in both the District, and Juvenile and Domestic Relations courts. The budget includes \$50,000 for an architect to help evaluate space options. The evaluation will consider efficient use of existing space and the potential use of Circuit courtroom space.

The County is moving away from in-house developed and maintained software systems for the Treasurer and Commissioner of the Revenue, to a package through the County's current financial software vendor, Munis. Implementation costs included in the budget are approximately \$600,000. Administrator King noted this amount is offset by a reduction in technology staffing. The project creates a challenge when compared to the way the County operated in-house software in the past. Administrator King thanked the Treasurer and Commissioner of the Revenue for committing to this necessary project.

Albert Long Park, which was recently renamed Rockingham Park at the Crossroads, is under construction. The proposed budget does not include funding for park projects so capital funds for the park may need to be carried over at the end of 2017. Similar to the road projects, it is suggested that after Phase 1 of this project is complete, County staff get a sense of the park usage before beginning construction on Phase 2.

Administrator King said a water line extension in McGaheysville will go out for bid in the fall and a contract has been awarded for the landfill expansion. He noted a new

landfill entrance should open later in April 2017. He explained that water and sewer, and landfill projects are funded by revenue from the connection fees, user fees and tipping fees. No general fund dollars are used for projects or operations in these areas.

FY 2017-2018 Proposed Budget

The current fiscal year (FY17) proposed budget totaled \$361 million. Revenue projections at the close of FY17 (June 2017) from the five major sources below shows revenue projections are about \$1.1 million less than what was budgeted:

	Budget	Projection
Real Estate	\$52,100,000	\$51,500,000
Personal Property	\$12,500,000	\$13,000,000
Machinery & Tools	\$8,420,000	\$8,200,000
Sales Tax	\$5,800,000	\$6,000,000

The County expects FY17 expenses to come in as follows:

	Budget	Projection
General Fund	\$126,118,415	\$125,000,000
School Transfer	\$59,353,791	\$58,000,000

It is anticipated that approximately \$2.5 million of one-time expenses will not be spent by year-end. Even though FY17 revenues are projected to fall about \$1.1 million below what was budgeted, it is anticipated that expenditures will be approximately \$1.1 million below budget as well. So projected revenues are essentially equal to projected expenses for the current fiscal year.

The Commissioner's Office is actively working on the calendar year 2018 real estate reassessment, which is performed every four years. The first billing to reflect the reassessment will be in June of 2018. The Commissioner expects an increased assessment of 1.5 to 2.0 percent. The proposed budget reflects a three percent increase. A one percent increase in reassessment equates to \$300,000 in additional revenue. The gap in revenue versus expenses cannot be made solely with an increase in revenue that may come with a reassessment. As with any reassessment, some real estate values will decrease, some will remain flat, and some will increase. The County's goal is to avoid the need for tax adjustments next year.

The FY 2018 general fund budget reflects an increase of \$4.3 million or 3.45 percent over the FY 2017 adopted budget, with a \$3.0 million increase to the school operating transfer.

Administrator King stated the FY 2018 budget proposal commitment will:

- Follow the County's financial policies
- Address the needs for both County and Schools
- Attempt to maintain competitive compensation for employees
- Attempt to minimize the impact on County taxpayers
- Continue progress on goals and objects identified in the Rockingham 2020 plan
- Sustain the County's AAA bond rating
- Not use the fund balance for ongoing expenses
- Maintain a lean budget; reduce contingencies and re-evaluate all open positions prior to filling them; and remove unneeded positions
- Maintain a healthy revenue stream for the general fund and enterprise funds to support continued operations
- Obtain health insurance rates that responsibly reflect claims and projections

Staff commits to evaluate staffing needs, both of existing positions and positions when they become vacant, at all levels of the organization.

The impact on the health insurance rates equals five percent for the County and five percent for the employee. The proposal takes some funds from the health insurance reserve to cover expenses.

The commitment to Schools:

- Increase of \$3.0 million, or 5.05 percent, over FY17 for transfer to the School operating fund. Schools represent 47.8 percent of the general fund disbursements
- A 2 percent salary increase for school employees
- One full-time school resource officer
- K-9 officer and drug dog for Schools and the County
- Health insurance premiums and Virginia Retirement System benefits
- Phase IV of the instructional technology initiative with devices provided to all high school students in the upcoming year

The commitment to the County:

- A 2 percent salary increase for employees
- Pay adjustments and position reclassifications based on current and future needs
- One new building inspector to meet demand (position is covered by fees in that department)
- Reorganize Fire and Rescue to allow for better communication and chain of command
- Reorganize technology to have personnel in place to administer planned technology upgrades
- Fund a compensation and classification study
- Increase contributions to the health insurance fund - approximately five percent for the County and five percent for the employee

The commitment to citizens:

- Spend wisely
- Focus on planned, steady growth
- Continue to provide quality education
- Continue to provide quality fire and rescue response
- Improve landfill facilities
- Improve water and sewer services

Balancing the Budget

When making a decision on the tax structure for FY18, several future considerations will impact FY19. The County anticipates an additional \$470,000 in local cost to deploy devices for elementary school students; the addition of \$1.5 million in debt service payments to cover Phase 1 of the School renovation projects; under the SAFER grant, the County will begin to pay for nine fire and emergency response positions in FY19. These additional factors stress the importance of ensuring fiscal integrity for the FY18 operational budget (\$2.2 million in expenses).

Management recommended the Board authorize the advertisement of a four-cent increase in the real estate tax rate (from \$.70 per \$100 of assessed value to \$.74). While the impact on each taxpayer will vary, the real estate tax increase impact for a \$200,000 home is \$40 with each tax bill that is received semiannually. Management acknowledges the tax burden is in addition to what citizens are already paying. Administrator King noted management does not take this decision lightly.

In addition, management recommends a ten-cent increase in the personal property tax rate (from \$2.90 per \$100 of assessed value to \$3.00) for the coming year. Management believes these increases are necessary to maintain the integrity of the operating budget and fully fund ongoing expenses with ongoing revenues.

Administrator King displayed a graph indicating how reliant the County is upon real estate taxes, which make up 43.3 percent of the 2018 general fund revenues. The County’s transient occupancy tax revenue is about \$230,000 per year at the currently permitted two percent rate. If the County had the authority to increase to five percent, the added revenue (\$345,000) could be utilized to cover tourism/marketing efforts as required per State Code for funds in excess of two percent. Additionally, if the County could increase the four percent food and beverage rate (which is committed 100 percent to Schools) to match the City of Harrisonburg’s current 6.5 percent rate, increased revenue would be approximately \$625,000 per year. If increased transient occupancy and food & beverage revenues were combined, they could potentially offset more than one cent from the real estate tax rate.

Next, Administrator King highlighted a graph based on the following FY 2018 expenditures:

- Increase School Operating by \$3.0M
- Transfer to Capital Project fund in the amount of \$550,000
- Reduce Contingencies by \$650,000
- Fund existing operations
 - 2% salary increase
 - Health insurance increase (for both County and Employees)
 - Necessary vehicle replacements

Administrator King shared with the Board and those in attendance the continued, positive, and professional working relationship with the County’s Constitutional Officers. The proposed budget reflects their continued efforts to provide quality service to the citizens of Rockingham County in a cost-conscious manner. He noted the Commonwealth’s Attorney and Sheriff’s offices, with the use of asset forfeiture revenues, were able to cover needed one-time expenses. The Sheriff reduced the original request for nine replacement vehicles to six in the proposed FY18 budget and will delay the purchases until January of 2018.

The budget as proposed requires approximately \$2.8 million from the County’s general fund reserve to balance. This is offset by one-time items proposed to be funded. Good financial practice dictates that one-time unassigned balances in the General Fund continue to be used to fund capital investments, a pay-as-you-go funding approach for important capital replacements that are limited in size and scope.

Below is the projected fund balance for FY 2017:

	Ending Fund Balance, 6/30/2016	\$27
		,066,722
School Radio		1,2
		02,124
School HVAC		900
		,000
Capital Projects Fund		800
		,000
Grant Matches		240
		,998
Vehicle Replacement		39,
		160
FY17 Budget Balancing		2,3
		27,823
Projected Fund Balance, 6/30/2017		\$21
		,556,617

The County’s financial policy requires a minimum fund balance of 15 percent, or approximately \$19.5 million and the proposed budget projects \$21,556,617.

Staff reviewed the County's water and sewer authorities and sanitary districts, and recommended the consolidation of the Penn Laird Sewer Authority and the Three Springs Water and Sewer Fund.

Management also recommended an increase to the Three Springs Water Rates of \$1.00 per month to the minimum and eliminating the middle tier. The recommended sewer rate adjustment includes instituting a \$6.00 minimum charge, which would generate approximately \$48,000 per year in the water and sewer fund.

Anticipated projects in the coming year are construction of the McGaheysville area water line at an estimated cost of \$6.1 million to be funded through Virginia Resources Authority. There are pump upgrades at Three Springs for \$600,000. That project is small enough to fund with reserves from that account.

As a taxpayer, Administrator King said his primary concern is that funds are spent wisely. He said the proposed budget was prepared with that philosophy. In conclusion, he noted the County:

- Is obligated to spend funds wisely
- Not increase rates unless necessary
- Lowers rates when appropriate
- Looks at the future, not just today

He noted management reluctantly included tax rate increases in the proposed budget.

Administrator King thanked the Board for the opportunity to serve as County Administrator. He takes his responsibilities very seriously and fortunately, there is a group of very qualified, capable, and equally serious people on the County's team. The proposed budget reflects hard work and significant input by constitutional officers, department heads, other staff members, County School staff, the School Board, and the Board of Supervisors.

Administrator King extended appreciation to Dr. Fenn, Schools Finance Director Cheryl Mast, and especially County Finance Director Trish Davidson, who has done a majority of the work putting the budget together.

Chairman Chandler thanked all the staff that worked on the budget and noted it is always a tough process.

At 6:32 p.m., Chairman Chandler opened the floor for public comment on the proposed FY17-18 budget.

Dr. Carol S. Fenn, Rockingham County School Superintendent, thanked Chairman Chandler, members of the Board and Administrator King for their work with the School Board to create a budget for Rockingham County Schools. She noted the School Board is involved with school superintendent interviews as they just entered the 15-day time period when they can meet with candidates.

Dr. Fenn read a note from School Board member Dan Breeden:

Members of the Board and Mr. King, I regret that I am unable to be with you in person this evening to voice my support for the upcoming budget. As with every year, I appreciate your willingness to talk and listen as we discuss the needs of our school age population, as well as the citizens who support them. At a time when elected officials only seem to want to be disagreeable, the cooperation between the School Board and the Board of

Supervisors is truly remarkable. Again, thank you for your work and service.

Dr. Fenn stated Schools is aware that two areas proposed require a reduction in the budget for 2017 and 2018. The proposed operating budget is \$1 million less than requested. Schools will resolve the reduction by continuing with the professional salary initiative to address the teacher's scale salaries with less money. It is the School Board's goal to proceed to make the teacher's salary scale competitive with surrounding divisions. Realizing there will be fewer funds in the first year to address the need, it will continue to be a work in process.

The capital budget for Schools proposes \$2.1 million less than requested by the School Board. They are aware of the need to reduce the County debt service. They are also mindful of the revenue and cost challenges the County faces. They will delay renovation projects scheduled for design work in 2017 and 2018. The design and architect work will resume in 2018-2019 followed by construction and renovations in 2019 and 2020 for Fulks Run Elementary School and John C. Myers Elementary School.

Dr. Fenn said the School Board has a plan on how to work to focus on those initiatives with a little delay. In preparation for the 2017 and 2018 school year, they appreciate the support for the school division budget of \$62,353,791 (five percent over the current local school budget allocation).

In closing, Dr. Fenn thanked the Board and Administrator King for the County's partnership.

Beth Bland, Regional Director of Senior Services for Valley Program for Aging Services (VPAS) in Harrisonburg and Rockingham County thanked the Board for their ongoing support of services offered to meet the demands of older adults in the County.

VPAS has received \$75,000 from the County in previous years for County residents, and requested \$80,000 this year. She noted many senior citizens cannot afford groceries or do not have transportation to go to the grocery store. Some seniors also have a fear of falling when they bathe, have a chronic illness, are caring for a declining spouse or live alone. These seniors are relieved to learn there is an organization in the community that is available to help them.

Ms. Bland reported that VPAS provided 3,851 meals at the senior centers in the past year and delivered nearly 22,000 meals to County residents via the Meals on Wheels program. They also provided 885 hours of personal services and provided 487 hours of adult daycare services through Generations Crossing. VPAS offers programs to help senior citizens manage chronic conditions and learn healthy habits so they can manage their aging.

Ms. Bland thanked the Board for their past support and stated she hopes VPAS can continue to count on that support.

At 6:39 p.m., Chairman Chandler closed the public hearing.

The Board of Supervisors will meet on Wednesday, April 26, 2017, at 6:00 p.m., at the Rockingham County Administration Center, to consider adoption of the budget for fiscal year 2017-18, to establish property tax rates for calendar year 2017 and set the water and sewer rates effective July 1, 2017.

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ADJORNMENT.

Chairman Chandler declared the meeting adjourned at 6:40 p.m.

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Chairman