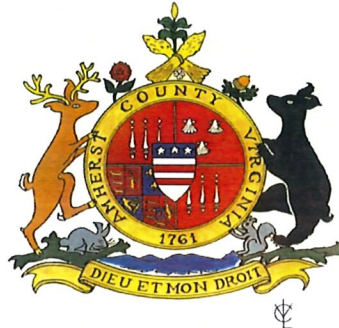


**Board of Supervisors**

Claudia D. Tucker, Chair  
District 2  
L. J. Ayers III, Vice-Chair  
District 3  
David W. Pugh, Jr., Supervisor  
District 4  
Kenneth M. Campbell, Supervisor  
District 1  
Jennifer R. Moore, Supervisor  
District 5



**County Administrator**  
Dean C. Rodgers

**County Attorney**  
Michael W. S. Lockaby

**AMHERST COUNTY BOARD OF SUPERVISORS**

**MINUTES**

**AGENDA**

July 17, 2018  
Administration Building - 153 Washington Street - Public Meeting Room  
Amherst, Virginia 24521  
Meeting Convened - 7:00 p.m.

- I. Call to Order**
- II. Approval of Agenda**
- III. Invocation and Pledge of Allegiance**
- IV. Citizen Comment**
- V. Public Hearing**
  - A. Rezoning Request for Dodds Store Waste Convenience Center (2018-181)
  - B. Special Exception Request for Dodds Store Waste Convenience Center (2018-183)
- VI. Consent Agenda**
  - A. Minutes – June 5, 2018
  - B. Phelps Road School Agreement Addendum
  - C. Appropriation Request – Sheriff's Office
  - D. Supplemental Appropriations - 2017-2018 School Operational Budget
  - E. Commemorative Resolution 2018-0004-CR celebrating Hazel Wood Thompson's 90<sup>th</sup> Birthday
  - F. Transfer Request - School Bus Purchase
- VII. Old Business**
  - A. New Staff Positions
- VIII. New Business**
  - A. Reassessment Contract
  - B. Brown Edwards Audit Report of Capital Spending
  - C. Purchase of Boxwood Farm Road Parcel
- IX. County Administrator's Report**

- A. Boards/Commissions/Committees – Vacancy update
- B. Boards/Commissions/Committees – Library Board vacancy

**X. County Attorney's Report**

**XI. Departmental Reports**

- A. Treasurer's Monthly Report - May 2018
- B. Robert E. Lee Soil & Water Conservation District
- C. Building Permits and Inspections – Monthly Report

**XII. Citizen Comment**

**XIII. Matters from Members of Board of Supervisors**

**XIV. Closed Session**

- A. A closed session, pursuant to Section 2.2-3711(A)(3) of the Code of Virginia, 1950, as amended, for the purpose of discussion or consideration of the acquisition of real property for a public purpose, or of the disposition of publicly held real property, where discussion in an open meeting would adversely affect the bargaining position or negotiating strategy of the public body, specifically relating to the Pleasant View School property and property in Madison Heights.

**XV. Adjournment**

## **MINUTES**

At a Regular Meeting of the Amherst County Board of Supervisors and held at the Amherst County Administration building, Amherst, Virginia, thereof on Tuesday, the 17<sup>th</sup> day of July, 2018, at 7:00 p.m., the following members were present:

**BOARD OF SUPERVISORS:**

**PRESENT:** Claudia D. Tucker, Chair  
L. J. Ayers, III, Vice-Chair  
David W. Pugh, Jr., Supervisor  
Kenneth M. Campbell, Supervisor  
Jennifer R. Moore, Supervisor

**ABSENT:** None

**STAFF PRESENT:** County Administrator Dean C. Rodgers, Deputy County Administrator David R. Proffitt; County Attorney Michael W. S. Lockaby; and Executive Assistant Regina M. Rice

**OTHERS PRESENT:** Assistant Zoning Planner Dylan Bishop  
Finance Director Stacey Wilkes

**I. Call to Order**

Chair Tucker called the meeting to order at 7:05 p.m.

**II. Approval of Agenda**

By motion of Supervisor Campbell and with the following vote, the Board amended the Agenda for July 17, 2018 as follows: Item IX., added item D. introduction of Public Works Director Keith Stevens; and XIV. Closed Session, last sentence, struck "Madison Heights" and added "parsonage and Winton Country Club".

**AYE:** Mrs. Tucker, Mr. Ayers, Mr. Pugh, Mr. Campbell, and Ms. Moore

NAY: None  
ABSTAIN: None

**III. Invocation and Pledge of Allegiance**

Vice-Chair Ayers led the Invocation and Pledge of Allegiance.

**IV. Citizen Comment**

There was no public comment.

**V. Public Hearing**

**A. Rezoning Request for Dodds Store Waste Convenience Center (2018-181)**

Assistant Zoning Planner Dylan Bishop provided the Board with her report regarding rezoning of property located on Route 60 West across from Buffalo Spring Turnpike for construction of a solid waste disposal convenience center. The property is currently zoned as V-1 Village Center District and would be rezoned as P-1 Public Lands. Ms. Bishop stated that an amendment would be required to the Amherst County Comprehensive Plan 2007-2027 future land use.

Ms. Bishop advised that the Planning Commission on June 21, 2018 recommended approval of this request.

The Public Hearing was opened.

Proponents: None

Opponents: None

The Public Hearing was closed.

By motion of Vice-Chair Ayers and with the following vote, the Board approved amending the Comprehensive Plan 2007-2027 future land use map from village to public land, and approved the rezoning request from V-1 Village Center District to P-1 Public Lands District for the parcel at tax map number 47-A-4B.

AYE: Mrs. Tucker, Mr. Ayers, Mr. Pugh, Mr. Campbell, and Ms. Moore  
NAY: None  
ABSTAIN: None

**B. Special Exception Request for Dodds Store Waste Convenience Center (2018-183)**

Assistant Zoning Planner Dylan Bishop provided the Board with her report regarding a special exception to allow waste containers in an FH-Flood Hazard District. The proposed convenience center would be located in a flood zone, which requires that all equipment and containers to be flood-proof and bolted to concrete pads. The property is located on Route 60 West across from Buffalo Springs Turnpike.

Ms. Bishop advised that the Planning Commission on June 21, 2018 recommended approval of this request.

The Public Hearing was opened.

Proponents: None

Opponents: None

The Public Hearing was closed.

By motion of Supervisor Pugh and with the following vote, the Board approved the special exception request with staff recommended conditions.

AYE: Mrs. Tucker, Mr. Ayers, Mr. Pugh, Mr. Campbell, and Ms. Moore  
NAY: None  
ABSTAIN: None

**VI. Consent Agenda**

A. Minutes – June 5, 2018

By motion of Supervisor Campbell and with the following vote, the Board approved the Minutes for June 5, 2018.

AYE: Mrs. Tucker, Mr. Ayers, Mr. Pugh, and Mr. Campbell  
NAY: None  
ABSTAIN: Ms. Moore

- B. Phelps Road School Agreement Addendum
- C. Appropriation Request – Sheriff's Office
- D. Supplemental Appropriations - 2017-2018 School Operational Budget
- E. Commemorative Resolution 2018-0004-CR celebrating Hazel Wood Thompson's 90<sup>th</sup> Birthday
- F. Transfer Request - School Bus Purchase

Supervisor Pugh asked about Item B. and those changes made to the Phelps Road School Agreement.

County Attorney Lockaby advised the language clarifies the original intent of the agreement and the windows facing Phelps Road and Center Street would be covered with construction fabric; however, those inside the "U" in the back of the building were not to be covered.

By motion of Supervisor Campbell and with the following vote, the Board approved Items B-F on the Consent Agenda. **(See Attachment 1 – signed Resolution 2018-0004-CR)**

AYE: Mrs. Tucker, Mr. Ayers, Mr. Pugh, Mr. Campbell, and Ms. Moore  
NAY: None  
ABSTAIN: None

**VII. Old Business**

A. New Staff Positions

County Administrator Rodgers addressed the Board on the issue of adding three new staff positions, which are an Administrative EMS Captain in Public Safety, a grounds technician for Public Works and an administrative staff person to be shared by the CSA Coordinator and HR Director.

Mr. Rodgers advised those three positions have been prioritized by the Board and funding for them is in the budget approved by the Board.

Chair Tucker suggested that the Board table this matter until after the Board has received the report from the Finance Director on the capital spending matter.

Supervisor Pugh agreed and requested the report before making a decision on these three positions.

The Board continued to VIII. New Business - B. Brown Edwards Audit Report of Capital Spending.

B. Brown Edwards Audit Report of Capital Spending

Finance Director Stacy Wilkes stated she provided a copy of her report to the Board this afternoon. She explained that Brown Edwards was assigned to test the County's numbers and noted that the revenues were off about \$10,000 in several places, however, Brown Edward felt the report was prepared accurately. **(See Attachment 2)**

Ms. Wilkes explained each section of the report and asked for Board questions.

Supervisor Pugh commented that he had received this report on July 16<sup>th</sup> about 5:00 p.m. and was disappointed by the late release. He had asked that the Board to put this matter off until the next meeting so the Board had time to study and prepare pertinent questions; however, the Board had approximately 24 hours to examine the report. He hoped in the future that the Board and the public would have more than one day to look at future reports.

The Board continued a discussion regarding the general fund and reduction, assigned funds and committed funds.

Chair Tucker remarked that the County had to spend the money because it had not invested in capital improvements in the past.

County Administrator Rodgers explained the three different reserves; the rainy day reserve which is 15% of the County's operating budget; the committed funds, which is a regular flow of money coming in for specific purposes; and the assigned funds, which are for specific purposes that the Board instructs staff how to spend.

Chair Tucker remarked that the County is "sitting on" double of what the rainy day fund needs to be, which shows prudent spending by the County.

Supervisor Pugh believed that the County is spending a substantial amount and that we should be more fiscally conservative.

Chair Tucker noted that in the last forty years Amherst County only increased taxes by only five cents.

Chair Tucker thanked Ms. Wilkes for this information, which will help guide the Board when making decisions on the budget going forward.

The Board then revisited Old Business - Item VII. A. New Staff Positions.

Supervisor Pugh asked about the three new staff positions and said he believed that three additional positons were added to this budget, thus making a total of six positions in this budget cycle.

Mr. Rodgers advised an equipment operator was added and one part-time staff position was increased to a full time position at the Registrar's office. This was a total increase of five and one-half positions.

By motion of Chair Tucker and with the following vote, the Board redistributed \$147,273 in the personnel budget to allow for the creation of three new positions, as requested.

AYE: Mrs. Tucker, Mr. Ayers, Mr. Campbell and Ms. Moore  
NAY: Mr. Pugh  
ABSTAIN: None

**VIII. New Business**

**A. Reassessment Contract**

Purchasing Agent David Proffitt advised the procurement process has been completed and Wampler-Eanes Appraisal Group LTD was selected. The contract has been reviewed by the County Attorney and Commissioner of the Revenue, and is now ready for the Board's consideration and approval

Mr. Proffitt reported that the contractor will begin work in July 2018 with completion by December 31, 2019.

By motion of Vice-Chair Ayers and with the following vote, the Board authorized the County Administrator to execute the property reassessment contract with Wampler-Eanes Appraisal Group LTD, as presented.

**B. Brown Edwards Audit Report of Capital Spending (See Page 549)**

**C. Purchase of Boxwood Farm Road Parcel**

Mr. Rodgers reported that the Board previously directed him to make an offer to owner of the property located at 2334 Boxwood Farm Road for a potential convenience center site. The owner has accepted the County's offer, and the County will demolish the structure and pay the outstanding tax bill.

Mr. Rodgers asked the Board for an appropriation of \$30,000 from the unobligated general fund for the purchase of this parcel.

By motion of Supervisor Campbell and with the following vote, the Board authorized the County Administrator to execute the purchase agreement and appropriate \$30,000 from the unobligated general fund for the purpose of purchasing the parcel at 2334 Boxwood Farm Road, demolishing the structure thereon and the payment of back taxes owed.

AYE: Mrs. Tucker, Mr. Ayers, Mr. Pugh, Mr. Campbell, and Ms. Moore  
NAY: None  
ABSTAIN: None

**IX. County Administrator's Report**

**A. Boards/Commissions/Committees – Vacancy update**

Mr. Rodgers addressed the Board regarding several upcoming vacancies. Mr. George Brine's term on the Planning Commission will expire on August 31, 2018, and staff has advertised the vacancy. He also advised both the Broadband Authority Board Selection Committee and the Supervisors' Building Committee have vacancies due to Mr. Eldon Cox's resignation from both committees.

Mr. Rodgers asked if the Board wished to continue the Building Committee and to have a citizen representative for that committee. He also asked the Board if they wished to continue having a citizen representative on the Broadband Authority Board Selection Committee.

Mr. Rodgers said that presently there are two Board of Supervisor members on the Building Committee, Mr. Kenneth Campbell and Mr. John Marks, Jr. Mr. Marks's seat became vacant after his term expired; therefore, another Board member would need to be appointed to serve on the Building Committee.

Vice-Chair Ayers agreed to serve on the Building Committee.

Mr. Rodgers asked if the Board wished to appoint a citizen representative on the Broadband Authority Board and the Building Committee.

Supervisor Campbell said the two Board members on the Building Committee are basically a liaison and believed there was no need to have a citizen representative.

Chair Tucker said to go forward with that since there is not a requirement to have one.

The Board continued a discussion of having a citizen representative on the Broadband Authority Board Selection Committee. The Board concluded that because a selection has been made regarding broadband and pending a contract approval, it would not be necessary to continue with the Selection Committee vacancy.

B. Boards/Commissions/Committees – Library Board vacancy

Mr. Rodgers advised that Jean Higginbotham's term expired June 30, 2018. Ms. Higginbotham indicated she did not wish to seek reappointment. Staff advertised the vacancy and received one applicant, Ms. Sandy Jennings-Neblett.

It was the Board's consensus not to conduct an interview and to appoint Ms. Jennings-Neblett to the Library Board.

By motion of Supervisor Pugh and with the following vote, the Board appointed Sandy Jennings-Neblett as the District 2 representative on the Library Board of Trustees

AYE:	Mrs. Tucker, Mr. Ayers, Mr. Pugh, Mr. Campbell, and Ms. Moore
NAY:	None
ABSTAIN:	None

C. Projects Status Report

Mr. Rodgers advised that many of the items on the Project Status Report have changed and some items have been moved forward.

D. Introduction of Keith Stevens

Mr. Rodgers introduced Mr. Keith Stevens as the new Public Works Director.

Mr. Stevens provided the Board with an overview of his duties including management of the landfill, fleet management and grounds keeping and facilities management.

**X. County Attorney's Report**

**XI. Departmental Reports**

A. May 2018 Monthly Treasurer's Report

Supervisor Moore asked that the Treasurer be invited to an upcoming meeting to "walk us through" and understand the monthly Treasurer's report.

B. Robert E. Lee Soil & Water Conservation District

For the Board's information.

C. Report on Permits and Inspections

For the Board's information.

**XII. Citizen Comment**

Mr. Jim Thompson of Madison Heights, Virginia, addressed the Board and said that he, the Planning Commission and the Broadband Selection Committee made much progress concerning broadband in the County.

Mr. Thompson said the County still maintains the special exception process when looking at cell towers for public review. He asked the Board to be opened-minded and to understand that we do have the right to maintain the special exception of towers over 50 feet. He said that counties need some control to continue to have the right to look at towers under the Comprehensive Plan, especially if there is public outcry.

The citizen comment session was closed.

**XIII. Matters from Members of Board of Supervisors**

Supervisor Moore had no matter to discuss.

Supervisor Campbell requested that a dumpster be placed inside of the gate at the landfill so citizens do not have to drive into the landfill.

Supervisor Pugh asked about special exceptions for cell towers and if that will still exist relating to new cell phones using 5G.

Mr. Lockaby explained that the County will still continue with the special exception process. The County can look at other issues, especially if it would destroy a historic view shed, but will have a much shorter list.

Supervisor Pugh commented on the increase of building permits issued from January through June 2018 versus same time last year. He said he has seen an increase in building permits for new homes, which indicates the economy is turning around.

Vice-Chair Pugh had no matter to discuss.

Chair Tucker had no matter to discuss.

**XIV. Closed Session**

A. A closed session, pursuant to Section 2.2-3711(A)(3) of the Code of Virginia, 1950, as amended, for the purpose of discussion or consideration of the acquisition of real property for a public purpose, or of the disposition of publicly held real property, where discussion in an open meeting would adversely affect the bargaining position or negotiating strategy of the public body, specifically relating to the Pleasant View School property and property in Madison Heights.

Supervisor Moore moved that the Amherst County Board of Supervisors convene in closed session pursuant to Section 2.2-3711(A)(3) of the Code of Virginia, 1950, as amended, for the purpose of discussion or consideration of the acquisition of real property for a public purpose, or of the disposition of publicly held real property, where discussion in an open meeting would adversely affect the bargaining position or negotiating strategy of the public body, specifically



relating to the Pleasant View School property; and pursuant to Section 2.2-3711(A)(3) of the Code of Virginia, 1950, as amended, for the purpose of discussion or consideration of the acquisition of real property for a public purpose, or of the disposition of publicly held real property, where discussion in an open meeting would adversely affect the bargaining position or negotiating strategy of the public body, specifically relating to District 2 and District 3 properties

AYE: Mrs. Tucker, Mr. Ayers, Mr. Pugh, Mr. Campbell and Ms. Moore  
NAY: None  
ABSTAIN: None

Vice-Chair Ayers stated for the record that he would recuse himself from the discussion concerning Winton.

Supervisor Moore motioned to come out of closed session and was approved with the following vote:

AYE: Mrs. Tucker, Mr. Ayers, Mr. Pugh, Mr. Campbell and Ms. Moore  
NAY: None  
ABSENT: Mr. Ayers  
ABSENT None

#### **CERTIFICATION OF CLOSED MEETING**

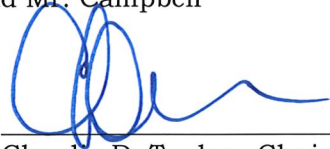
Supervisor Moore moved that the Amherst County Board of Supervisors certify by a recorded vote that, to the best of each Board member's knowledge, only public business matters lawfully exempted from the open meeting requirements of the Virginia Freedom of Information Act and identified in the motion authorizing the closed session were heard, discussed, or considered in the closed session.

Mrs. Tucker	AYE
Mr. Ayers	ABSENT
Mr. Pugh	AYE
Mr. Campbell	AYE
Ms. Moore	AYE

#### **XV. Adjournment**

By motion of Supervisor Moore and with the following vote, the Board adjourned at 8:52 p.m.

AYE: Mrs. Tucker, Mr. Ayers, Mr. Pugh and Mr. Campbell  
NAY: None  
ABSENT None

  
\_\_\_\_\_  
Claudia D. Tucker, Chair  
Amherst County Board of Supervisors

  
\_\_\_\_\_  
Dean C. Rodgers, Clerk



Amherst County Board of Supervisors  
County Commemorative Resolution No. 2018-0004-CR

For consideration on July 17, 2018

**A COMMEMORATIVE RESOLUTION, NO. 2018-0004-CR**

A commemorative resolution, honoring Hazel Wood Thompson in celebrating her 90<sup>th</sup> birthday on July 21, 2018.

---

Approved as to form by the County Administrator

---

**BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF THE COUNTY OF AMHERST, VIRGINIA:**

**I. That the Board of Supervisors of the County of Amherst, Virginia, hereby expresses its profound honor to Hazel Wood Thompson in celebrating her 90<sup>th</sup> birthday on July 21, 2018, as follows:**

**WHEREAS**, July 21, 2018, will be Hazel Wood Thompson's 90th birthday upon which she will be celebrating with her family and friends; and

**WHEREAS**, Ms. Thompson has served Amherst County as a longstanding member of the Amherst County Home Demonstration Club as well as other community and church related activities; and

**WHEREAS**, Ms. Thompson is a member of the Rose Chapel Baptist Church where she has served in a variety of positions, including Deaconess and the Missionary Circle; and

**WHEREAS**, she has been a regular participant in the Social for Seniors sponsored by the Amherst County Sheriff's Office, and Recreation and Parks Department; and

**WHEREAS**, it is fitting and proper to officially celebrate her long life with this resolution to commemorate the occasion.

**NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF THE COUNTY OF AMHERST, VIRGINIA:**

That the Board of Supervisors of the County of Amherst, Virginia, hereby recognizes Hazel Wood Thompson as a dedicated resident, and a true friend of Amherst County.

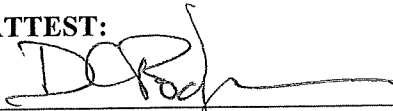
**BE IT FURTHER RESOLVED:**

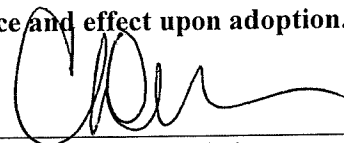
That the Board wishes Ms. Thompson all the best in celebrating her 90<sup>th</sup> birthday with her family and friends, and thanks her in advance for all her good works yet to come.

**II. That this resolution shall be in force and effect upon adoption.**

Adopted this 17<sup>th</sup> day of July, 2018.

**ATTEST:**

  
\_\_\_\_\_  
Dean C. Rodgers, Clerk  
Amherst County Board of Supervisors

  
\_\_\_\_\_  
Claudia D. Tucker, Chair  
Amherst County Board of Supervisors



# INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

Mr. Dean Rodgers, County Administrator  
Ms. Stacey Wilkes, County Finance Director  
County of Amherst, Virginia

We have performed the procedures enumerated in the attached schedule, which were agreed to by the County of Amherst, Virginia (the "County") and management of the County, to certain projections of the General Fund through fiscal year 2028. Those projections consist of the Revenue and Expenditure Analysis and Projection – Detail and Revenue, Expenditure and Fund Balance Projection – Summary schedules (the "Projection Worksheets"). We applied no procedures, and neither examined nor reviewed other related graphs, schedules, conclusions and discussions prepared by management related to these forecasts, and therefore we express no opinion thereon. The County's management is responsible for the projections. The sufficiency of these procedures is solely the responsibility of those parties specified in this report and County management. Consequently, we make no representation regarding the sufficiency of the procedures described above either for the purpose for which this report has been requested or for any other purpose.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to, and did not, conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively on (1) whether the presentation of the forecast (or projection) is in accordance with the guidelines for the presentation of a forecast (or projection) established by the American Institute of Certified Public Accountants, (2) whether the underlying assumptions are suitably supported, and (3) whether the underlying assumptions provide a reasonable basis for the forecast or a reasonable basis for the projection given the hypothetical assumptions. Accordingly, we do not express such an opinion or conclusion. Also, we express no opinion on the effectiveness of the County's internal control over financial reporting or any part thereof. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you. Our responsibility is limited to the period covered by our agreed-upon procedures and does not extend to any later periods for which we are not engaged. The prospective results shown in the Projection Worksheets may not be achieved, depending upon many factors such as the local and national economy, inflation, federal or state regulations, and other circumstances.

This report is intended solely for the information and use of the specified users listed above and is not intended to be and should not be used by anyone other than these specified parties. The purpose of this report is to inform the County of the results of our procedures as applied to the Projection Worksheets, and should not be used for any other purpose.

*Brown, Edwards & Company, L.L.P.*

CERTIFIED PUBLIC ACCOUNTANTS

Lynchburg, Virginia  
July 17, 2018

*Your Success is Our Focus*

319 McClanahan Street, S.W. • P.O. Box 12388 • Roanoke, VA 24025-2388 • 540-345-0936 • Fax: 540-342-6181 • [www.BEcpas.com](http://www.BEcpas.com)

**PROCEDURES TO BE PERFORMED IN CONNECTION WITH  
GENERAL FUND BUDGET PROJECTIONS PROCEDURES AND FINDINGS  
COUNTY OF AMHERST, VIRGINIA**

We applied the procedures below to the two spreadsheets prepared by management as part of management's projections through fiscal year 2028. These spreadsheets are entitled "Revenue and Expenditure Analysis and Projection – Detail" and "Revenue, Expenditure and Fund Balance Projection – Summary" (together, the "Projection Worksheets").

- Tie historical revenues and expenditures for fiscal year 2013 through fiscal year 2017 on spreadsheet to audited financial reports available on the County's website, noting any discrepancies.

**Findings:** *We agreed the historical amounts used in the Projection Worksheets to audited financial reports; management identified several differences for us which were attributed to the exclusion of CSA revenues and expenditures from the analysis, and other less significant differences. We noted that the net excluded amounts for the five year period were less than 0.1% of total expenditures for the five year period.*

- Tie projected fiscal year 2018 revenues and expenditures to the County Finance Director's projected June 30, 2018 results, which were based on projections calculated using actual amounts through May 30, 2018.

**Findings:** *No exceptions noted.*

- Tie revenues and expenditures budgeted for fiscal year 2019 to calculated projections and adopted budget, as appropriate.

**Findings:** *No exceptions noted.*

- Recalculate the annual increase in projected revenues for fiscal year 2020 through fiscal year 2028 using trends selected by management.

**Findings:** *We recalculated the annual increase in projected revenues using the trend rates assumed by management below for projections from fiscal year 2019 forward to the fiscal year 2020 through fiscal year 2028. No variances for any one year were more than \$10,000, in total, from the below trend rates.*

Trend Used	Description	Trend Used	Description
0.50%	Real Property Taxes	2.50%	Reimbursement Account
0.00	Public Service Taxes	5.00	Interest On Bank Deposits
3.00	Personal Property Taxes	5.00	Revenue From Use Of Property
0.50	Mach & Tool Taxes	0.50	Charges For Services
1.00	Merchant's Capital Taxes	0.00	Miscellaneous Revenue
0.00	Penalties And Interest	0.00	Recovered Costs
0.00	Real Estate Sale Forfeitures	-0.50	Non-Categorical Aide
1.50	Local Sales & Use Taxes	2.00	Shared Expenses
0.00	Consumer Utility Taxes	2.00	Welfare
0.50	Business License Taxes	0.00	State Reimb For Criminal Jurors
1.00	Motor Vehicle Licenses	5.00	Other Categorical Aide
0.00	Bank Stock Tax	4.00	Federal Revenue
0.00	Taxes On Recordation & Wills	0.00	Federal Grant Revenue
1.00	Lodging Tax	0.00	Non Revenue Receipts
1.50	Meals Tax	0.00	Recovered Revenue
0.00	Animal Licenses	0.00	Recovered Capital Cost – Bond Proceeds
4.00	Permits, Fees & Licenses	0.00	Revenue Transfer Account
0.00	Fines & Forfeitures		

(Continued)

**PROCEDURES TO BE PERFORMED IN CONNECTION WITH  
GENERAL FUND BUDGET PROJECTIONS PROCEDURES AND FINDINGS  
COUNTY OF AMHERST, VIRGINIA**

- Recalculate the annual increases in projected expenditures using the County's 2% annual increase assumption.

**Findings:** *We noted that all projected expenditure increases used 2% except where management provided explanations for use of a different rate.*

- Tie CIP projected expenditures to the CIP plan approved in the fiscal year 2019 budget.

**Findings:** *CIP projected expenditures used in the Projection Worksheets tied to the CIP for fiscal years 2019 through 2023, plus adjustments upwards of approximately \$571,000 for fiscal year 2019 and \$400,000 for fiscal year 2020, included by management for supplementals and items not included in the CIP plan.*

- Compare projected Community Development expenditures for incentive agreements to a schedule of incentive commitments currently in place, provided by management.

**Findings:** *No exceptions noted.*

- Agree annual debt service amounts to the debt service schedules in the 2017 audited financial statements and/or debt service schedules prepared by Davenport and Company in January 2017.

**Findings:** *We compared the debt schedules from the 2017 audited financial statements to the amounts used in the Projection Worksheets and noted a total variance of approximately 0.2%.*

- Compare the annual totals on the detailed projection worksheet to the summary projection worksheet.

**Findings:** *No exceptions noted.*

- Foot, crossfoot, and recalculate information on schedules as appropriate to verify no errors in formulas or in rolling of expectations from year to year.

**Findings:** *We identified no formula errors in the Projection Worksheets.*

- Recalculate months of expenditures in fund balance, based on expenditures in the year then ended.

**Findings:** *No exceptions noted.*

## **FINANCIAL FORECAST**

The Finance Director has collected five years of historical data from FY 2013- FY 2017 to develop the trends associated with Amherst County's financial history. Forecasting can become complex, however, the Finance Director has made some simple assumptions to be applied within the forecast. The average revenue trend is that it will increase on average 1.3% each year with no changes in tax rates and thus this rate was applied through FY 2028. The Consumer Price Index (CPI) is a good measure of the rate operating costs will increase. The Index for calendar years 2016 and 2017 has been approximately 2% and so this rate of increase was applied to all operating expenses from FY 2019 to FY 2028. The County does have some expenses, which are debt service and outstanding economic development incentives, that are known and therefore the 2 % is not applied to those in the future years. Capital project costs were taken from the Capital Improvement Plan for FY 2019-2023 and estimated at \$1M per year for FY 2024-FY 2028.

Capital Expenditures are a necessary and important component of both budgeting as well as forecasting those funding needs in the future. History shows that the County has spent the majority of capital expenditures on large public safety and school needs. The existing CIP shows capital projects planned for FY 2019-FY 2023. No funds have been appropriated for these projects, except for FY 2019, and any project in future years may be dropped. However, by FY 2021 public safety equipment replacements should be on a replacement rotation so as not to have more than one per year. This brings the forecasted average capital and supplemental expenditures to \$1M per year. With all of these facts in place, it would be a

recommendation of the Finance Director to turn the current process for the Capital Improvement Plan development into a County Capital Planning Policy that includes prioritization methods for all future projects. Having a Capital Planning Policy is a Best Practice of the Government Finance Officers Association (GFOA), and would allow the Board to follow established guidance when there are fiscal constraints, as well as, publicly show how the County will plan for future needs. This gives the citizens and staff a basis to understand the prioritization of future projects.

Attached is a report that shows the revenues and expenses projected through FY 2028 based on the assumptions stated earlier. With those assumptions in place, the operating revenues will not be adequate to cover the operating expenses as of FY 2023. This is a full five years into the future and the projection is subject to change. There is a residual amount of unspent funds left after each year for pay-as-you-go projects until FY 2023. As all departments strive to be good stewards of taxpayer dollars while providing necessary services there is a natural increase to expenses based on the CPI. As these costs rise the County could be faced with revenues that are not adequate and thus may need a tax increase to accommodate the natural increase of expenses. It is helpful at this early stage to see how expenses, going at 2% annually, will eventually surpass revenues which are only going at 1.3%. Currently the County looks to be in good shape through the end of FY 2023 for the operations of the County.

Unobligated General Fund Balance (UGFB) is always a great concern for the Board of Supervisors as well as senior staff. The Finance Director's analysis shows how the UGFB will decline over the forecast period of FY 2019- FY 2028. The current County Fund Balance Policy requires that there be 15% of General fund expenditures including the transfer to the School



Board held in the UGFB. It is also a best practice of the GFOA to have a minimum of 2 months of expenses held in the UGFB. Based on the best practice and the County Fund Balance Policy, FY 2025 would be the last year it would meet both guidelines. Currently our policy of 15% of general fund expenditures holds more months than recommended in the GFOA best practice. This represents a fiscally conservative management of funds by the Board of Supervisors, which has been its' intention. Based on the projections FY 2026 would be the year the County could no longer meet its' Fund Balance Policy of 15% of general fund expenditures. Of course, based on the assumptions employed in this analysis, that time frame is shortened when revenues increase less than 1.3%, expenses increase more than 2%, or capital and supplemental expenditures exceed \$1M per year. That time frame will be extended when the opposite is true. Any changes to the current CIP (2019-2023) also affect this projection.

When making projections, assumptions are developed based on historical data. The Finance Director has done this and the conclusion is that FY 2025 would be the last year the County would be meeting its Fund Balance Policy. The current fund balance policy allows for any funds above the 15% reserve to be used for pay-as-you-go capital projects at the discretion of the Board, However after that year, there will be no extra funds for pay-as-you go capital projects. This is only a projection and as the year closes, solid figures for FY 2018 will be reached. Once the audit is complete, this projection will be updated and an analysis for FY 2020 budget planning will be in place.

The management of the County has prepared the forecast described above. However, the County has also engaged its auditors Brown, Edwards & Co. PLLC to assist by applying

certain agreed-upon procedures to certain components of the forecast discussed above. Their procedures are limited in nature and are described in their report.

## **ASSUMPTIONS**

The analysis has been built on the following assumptions.

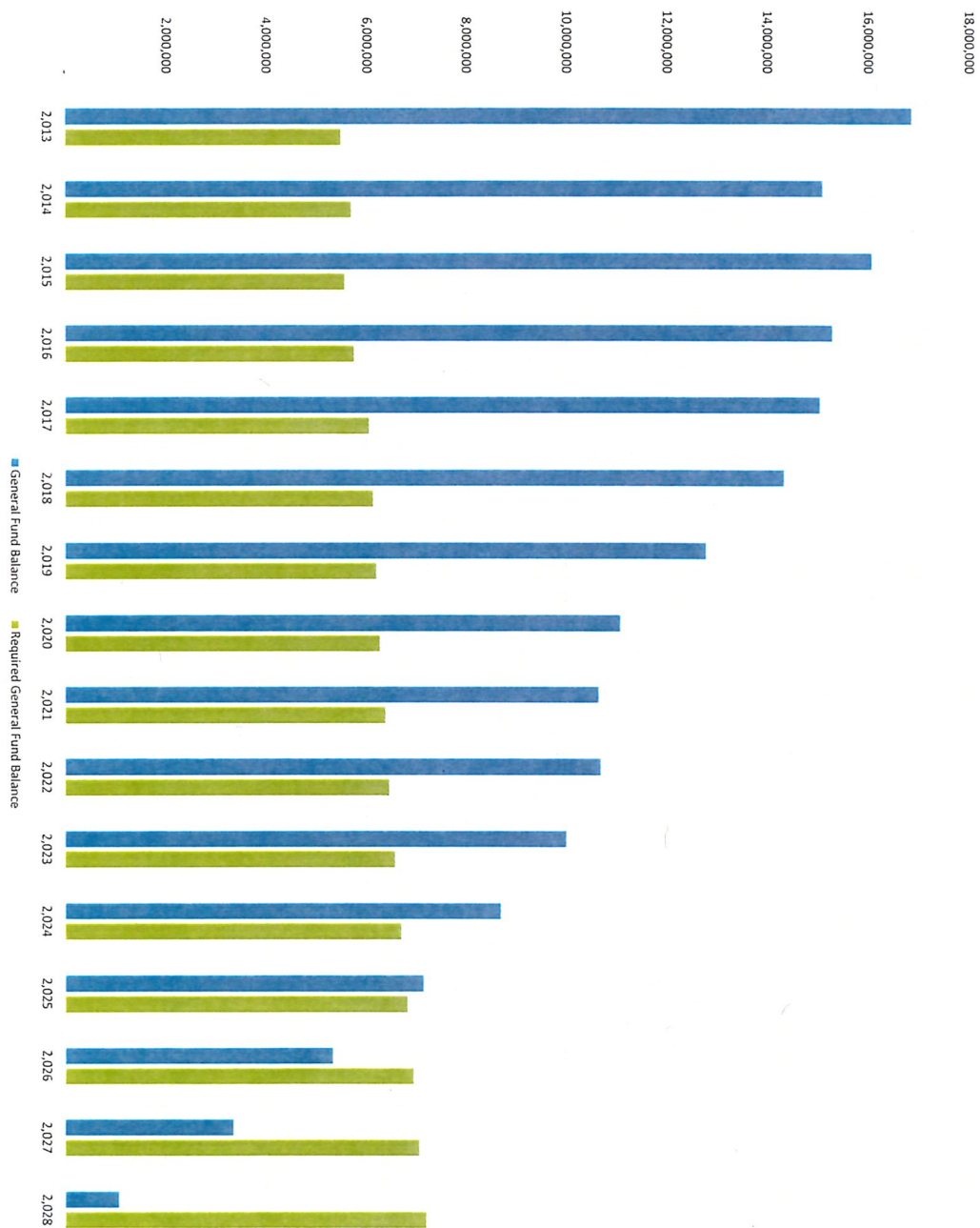
- 1 Revenue changes were averaged from 2013 to 2017.
- 2 The average revenue was rounded down to remain conservative in the estimate and no trend % used was higher than 5%.
- 3 Most expenses have a 2% increase per year starting with FY 2019. However, if projected expenses exceeded the adopted FY 2019 budget the expense was limited to match the adopted budget. Expenses cannot exceed those appropriated and that is a known number for FY2019.
- 4 All supplemental and CIP projects have been separated from the operating expenses from FY 2018 forward.
- 6 Community Development/Projects is calculated for outstanding incentives
- 7 Debt Service is adjusted to the actual debt service for each year.
- 8 Capital projects are estimated from FY 2024 to 2028 at \$1 Million per year..

Assumptions are just that assumptions. There are many factors that could make them fly sideways.

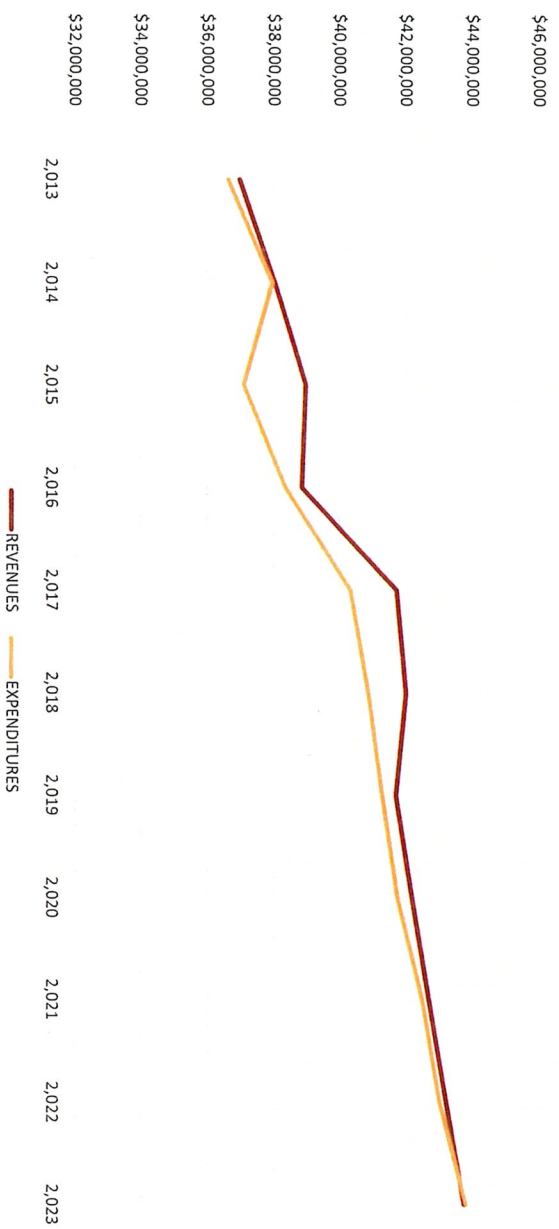
Such as:

changes in state funding  
changes in local economy  
changes in national economy  
population changes that affect revenue  
federal mandates for schools  
environmental regulations  
etc.

General Fund Balance vs General Fund Required 15% Reserve



Operating Revenues vs Operating Expenditures 2013-2023



**Prepared July 17, 2018**

**Note 1 - Beginning fund balance for FY 2014, 2015, and 2016 were restated by the auditors**