

February 27, 2018

Honorable Board of Supervisors
County of Pittsylvania, Virginia
1 Center Street
Chatham, Virginia 24531

Re: FY 2018-19 Budget Message

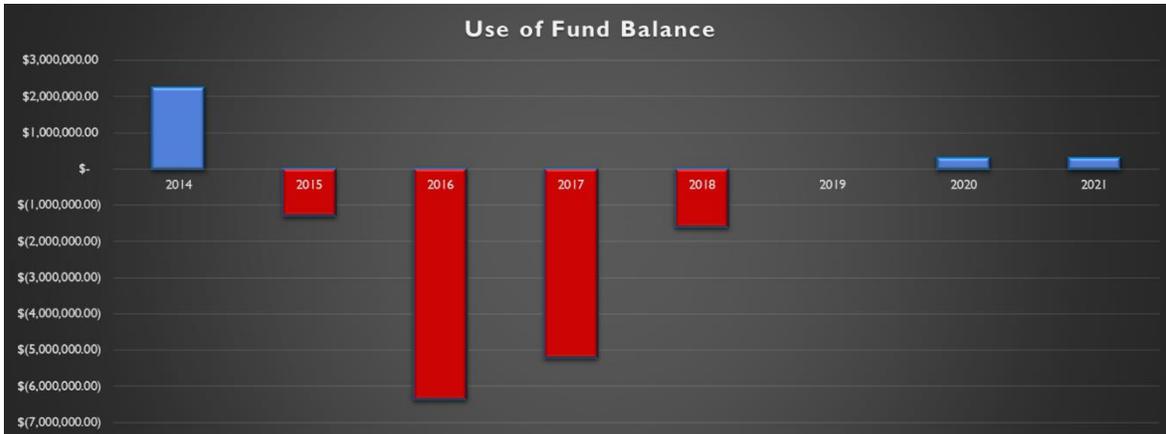
Dear Honorable Supervisors:

Presented herewith, in accordance with Virginia Code 152.2-1541 (4), is the FY 2018-19 budget for the County of Pittsylvania, Virginia. This \$187,078,620 budget is \$7,496,577 larger than the FY2018 budget of \$179,582,043. The General Fund budget of \$69,916,266 is supported by a proposed real estate tax rate of \$0.70 per \$100, an increase of \$0.11 over the current \$0.59 rate.

The 2018 reassessment realizes \$1,550,637 of additional real property revenue, equivalent to a \$0.04 increase if the Board of Supervisors did not adjust the rate from the current \$0.59. This proposal does utilize a modest \$625,000 of Fund Balance reserves; it is not expected that the amount will be expended due to the County's traditional conservative budgeting practices.

The County has been aware of this budget's funding difficulties since this time last year. The FY2018 budget was supplemented with \$3,007,153 Million of reserves. This reserve amount was applied to general operating costs and not for one-time expenses. Fund balance was utilized in FY2015 for debt retirement (\$4,946,648) and in FY2016 & 17 for Pittsylvania Pet Center construction (\$4,279,183).

The County has been on an unsustainable path for the previous three fiscal years; it has utilized \$12,850,977 of reserves (with the consideration of school carryover) and anticipates the use of at least \$1,600,000 in FY2018. We anticipate the June 30, 2018 General Fund balance amount to be approximately \$18,900,000, at least \$16,500,000 of which will be prepayments for the 2019 fiscal year. On June 30, 2014 the County had \$34,339,392 in reserve, \$14,400,000 of which was prepayments.



Last year the FY2018 budget development process began a few weeks before I was hired on December 1, 2016. I was on the job only four weeks before the requests were submitted and Finance Director Kim Van Der Hyde informed me of the County’s budget calendar. Due to the compressed schedule, I did not have meaningful process input and instead assumed an observational role. While I saw things that were concerning, it was too early to recommend substantial changes.

Last year we were directed by the BOS Finance Committee to:

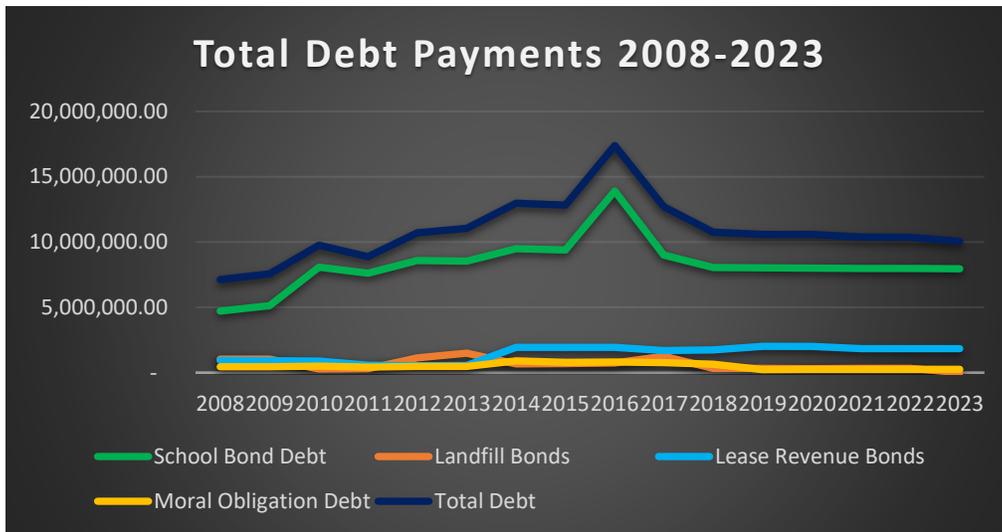
1. Not raise real estate taxes
2. Not increase indebtedness
3. Fund the employee pay study
4. Begin courthouse space study
5. Limit use of Fund Balance reserves to \$1.6 Million

This year we used a staff driven development process; the Finance Committee will recommend the Board’s response to the Administrator’s recommendations. Ms. Van Der Hyde and I began working on the FY2019 budget in Summer of 2017 with regular updates to the Board of Supervisors. We discussed service efficiencies, outsourcing initiatives, landfill options, future cost projections, and compared Pittsylvania with its peers. We spent time understanding and communicating pending challenges to the Board and publishing information for citizen understanding.

There were four well known primary funding challenges going into this budget development process: Fire & Rescue services, landfill operations, affording school debt payments and economic development project funding. This proposal adequately addresses each of these issues.

From 2008 to 2017, payments related to the 2007 \$70 Million high school bond referendum have been funded by “robbing Peter to pay Paul”. Even though taxpayers were informed that this new obligation would equate to a potential tax rate impact of \$0.20, only \$0.06 of this amount was ever raised (cumulative 2008, 09 and 10 rate increases). In 2015 the bonds were refinanced and the 2015-17 Board of Supervisors paid \$4,946,648 to principal retirement. During FY 2018, the County will spend a total of

\$5,451,758 to service the 2007 referendum and a total of \$8,047,933 annually in school-related debt expenses. School debt retirement accounts for 11.5% of the presented FY19 General Fund budget.



Paying school bond debt from existing sources has ravaged County operations and equipment maintenance. Landfill machinery has been neglected, Fire & Rescue system concerns have remained unaddressed for at least a decade and the Economic Development Fund is “in the red”. County employees have not received merit/performance-based pay since 2008 and funds have not been set aside for unplanned emergency expenses. Available County cash is so little that we had to borrow money this year to replace a failed courthouse chiller, fund committed economic development incentives and repair failed landfill equipment.

How did Pittsylvania County find itself in this challenging financial state? It is of opinion that the overwhelming cause was the failure to adequately raise the tax rate to cover the 2007 bond referendum debt payments. Other contributing factors include the Great Recession’s impact on property value and population growth, the absence of a dedicated Economic Development program, increased costs related to employee insurance and Children’s Services Act and the disproportional growth of the Sheriff’s Office (when compared to other general government functions).

There were also several decisions (or lack thereof) that compounded the County’s fiscal problems. In retrospect, and after speaking with many past Supervisors, it appears that County Administration may not have provided all of the relevant information necessary to help the Board make good decisions. A few of today’s impacts from previous decisions include:

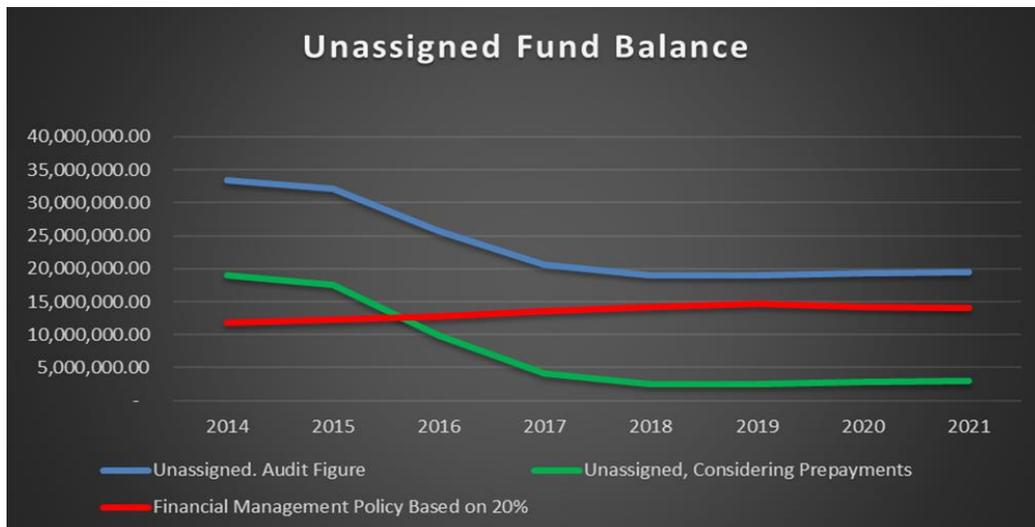
1. Absorbing 10 unfunded State positions in 2010. Today that expense is \$475,000.
2. Absorbing eight (8) grant funded School Resource Officer (SRO) positions at today’s cost of \$435,000.
3. Eliminating \$1,600,000 of revenue generated by the \$5/month solid waste collection fee
4. Failure to reserve funds for approximately \$9 Million of known landfill costs

Today's financial issues may also be traced to the 2007 change to twice-per-year billing. The problem surfaced when the collection date was moved to June 5th, prior to year end. The County collected an additional \$13.2 Million before year-end 2007, making the bank account about twice as rich as the day before. This \$13.2 Million in prepayments was obligated to future operations and not available to spend.

Bad information lends to bad decisions. Having a sense of an overabundance of cash on hand led to decisions that many of our current Board members have professed they'd like to reconsider. An obvious example is paying cash for the Pet Center. In retrospect it would have been a much better idea to leave that \$4.2 Million in the bank and finance the construction at approximately 2.3%. Same for the \$5M payoff of debt; we may should have stuck to a regular payment schedule and not made the significant one-time principal payment.

The Board revised its financial policies to account for the high fund balance amount after the change to twice-per-year billing and prepayment collection. The new policy stipulates that the County have at least 20% of the previous 3-year average expenses in the bank; today that number is about \$14 Million. Yes, \$14 Million is a lot of money only if you ignore the \$16.5 Million in 2017 prepayments. Reserving prepayments would result in an available fund balance of -\$2.5 Million. An appropriate fund balance policy would not count prepaid taxes and would keep at least two-month's expenses in the bank ready for emergency, just like we all try to do at home.

In FY2019 dollars, by policy, the effective fund balance should be around \$13.8 Million. We expect to have about \$2.4 Million of unobligated cash on June 30, 2018. That balance would be around \$11.6 Million if we had not made the one-time Pet Center and debt retirement payments. Regardless, we can build reserves back to a healthy level over time. We must make a concerted effort to add funds to our savings account and absolutely must not use any reserves until we reach \$14 Million of free and available cash. Unfortunately, this budget proposal does not appropriate specific funds to rebuild our precariously low fund balance reserve, but does suggest an annual \$300,000 reserve appropriation beginning FY2020, funded by Mountain Valley Pipeline proceeds.



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CHANGING THE CULTURE/MAKING GOOD DECISIONS

The most recent previous Board and the current group of Supervisors have been adamant that Pittsylvania County government espouse accountability and transparency as two of its highest priorities. The Board is also highly committed to a team-based environment among itself and its executive staff. Last year, we collectively read Lencioni's *Ideal Team Player* and began integration of the humble, hungry and smart principles contained therewith into hiring practices, expectation discussions and weekly Executive Team meetings. We used the book as the impetus for the recent Board retreat and an ongoing, year-long strategic planning and coaching project funded by the Danville Regional Foundation. Soon we will integrate the concepts into organization-wide initiatives to improve and reward employee performance.

Our efforts at transparency have resulted in a wider awareness of the County's strengths and weaknesses as well as better communication among staff. We held a first-in-a-decade all employee meeting last Spring and will hold another next week. We have transmitted many all-employee memos to provide updates on important current events. And, for the first time to anyone's knowledge, included Constitutional officers, the Library Director and Election Director in our monthly department head meetings.

We ensure that the Supervisors are well informed. Apparently, past Administrations may have only shared information with the majority and not with the whole. We want everyone to know that we're laying all of our cards on the table and inviting other perspectives and participation in our decisions.

Although change can bring disruption and fear, transparency breeds trust and trust lends to better decisions. The Board of Supervisors made some very difficult decisions in unanimity, possibly because they trusted one another's motives. One of the best recent decisions was contracting Pet Center operations to the Lynchburg Humane Society. The Board took a calculated risk to outsource this government service to a private provider with more experience and a better track-record while saving the County a few hundred thousand dollars annually.

The Pet Center is on pace to take in over 1,800 animals during its first fiscal year operations compared with 587 in 2016. It enjoys a 98% live release rate compare with 81% when the County operated the old landfill-based shelter. 714 fewer pet died in the Pittsylvania/Danville community due in large part to Pet Center efforts over the past seven months. The SPCA of Pittsylvania County continues to serve a vital role by helping to transfer 40% of the transfers to out-of-county facilities. Happy Tails Rescue has provided countless hours managing cat placements and supporting a challenging laundry issue that will soon be upgraded thanks to the generosity of the Community Foundation of the Dan River Region.

The Board also made a courageous and financially astute decision to reduce the number of green box collection sites and privatize collection services. This initiative will save up to \$200,000 per year. The County was able to eliminate about 50 boxes and \$500,000 in truck replacement costs. Pittsylvania enjoys

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a Cadillac collection system; few counties have as many controlled compactor sites. It is highly efficient because Pittsylvania adopted new technology and best practices many years ago to create a great collection system.

High expectations and organizational change initiatives have improved decision making at Pittsylvania County government. Our employees have experienced many changes the past year and can expect more in the coming months. Accountability for performance will increase, we will place greater emphasis on growing talent from within and will make good hiring decisions. The organization will continue to improve internal cooperation and outward customer service.

Efficiency has been a recurring theme the past 12 months and will be furthered through FY2019 budget initiatives. This recommended budget proposes \$735,087 of organizational efficiencies (net spending reductions) that save the County over \$3 Million during our 4-year planning horizon and more than \$7 Million over the next ten years. Customer service, cooperation and efficiency are the organization's internal imperative and will continue to guide as we strive to become a highly effective and professional local government.

We must look forward more than we look back to become a responsible professional government providing high-quality, valued services. Operating on a 12-month financial plan does not help us understand future impacts of our decisions. We must have a valid Capital Improvement Plan (CIP), reserves for known and unanticipated major expenses, a financial view of the next 10 years and a plan of finance for the coming four.

This presented budget incorporates a four-year funding plan that will eliminate the need for additional tax revenue, barring unforeseen circumstance. It also provides an option to reduce the tax rate in FY2021 by increasing revenue generated from landfill operations and reducing benefits related to the Land Use tax deferral program. It addresses major Fire & Rescue initiatives, considers future school funding, puts away money for future landfill expenses and restores the County's Economic Development Fund.

Investment Item	2019	2020	2021	2022	4 year total
Landfill	\$870,473	\$888,577	\$886,577	\$751,577	\$3,397,204
Fire & Rescue	\$995,570	\$1,178,453	\$1,352,943	\$1,178,293	\$4,705,259
Employee Study/COLA	\$455,000	\$480,000	\$300,000	\$300,000	\$1,535,000
Health Insurance	\$100,000	\$100,000	\$100,000	\$100,000	\$400,000
Merit-Based Pay Plan	\$0	\$150,000	\$150,000	\$150,000	\$450,000
School Funding	\$1,600,000	\$600,000	\$600,000	\$600,000	\$3,400,000
Economic Development Contribution	\$1,000,000	\$750,000	\$750,000	\$500,000	\$3,000,000
Operational Efficiencies	(\$735,087)	(\$753,464)	(\$772,301)	(\$791,608)	(\$3,052,460)
Fund Balance Contribution	\$0	\$300,000	\$300,000	\$300,000	\$900,000
Reassessment Contribution	\$250,000	\$250,000	\$250,000	\$250,000	\$1,000,000
Capital Reserve	\$100,000	\$100,000	\$100,000	\$100,000	\$400,000
Mountail Valley Pipeline proceeds	\$0	(\$1,200,000)	(\$1,200,000)	(\$1,200,000)	(\$3,600,000)

The proposed \$0.70 tax rate anticipates new revenue beginning FY2020 related to the Mountain Valley Pipeline (\$1.2 Million) and appropriates \$250,000 annually for the next property reassessment in FY2022. Future MVP-related revenue will be utilized to pay for additional school appropriations (\$600,000 annually), Fire & Rescue system improvements, capital reserves, a merit-based pay plan and increasing health insurance costs.

Current FY2018 operational expenses are anticipated to fall at least \$1.6 Million short of revenue. Luckily, the recent reassessment is anticipated to bring in almost exactly this amount in FY2018, making the budget nearly “whole”, but not addressing the organization’s many needs. These additional needs are proposed to be funded in the recommended \$0.11 tax rate increase. A chart that summarizes the impacts of the tax rate change is provided below.

Item	amount	rate	differ	source
Base budget (status quo)	\$65,405,187	\$0.600	\$0.050	reassessment and tax increase
organizational efficiency savings	(\$735,087)	\$0.582	(\$0.019)	cost reduction
Fire & Rescue enhancements	\$995,570	\$0.607	\$0.025	tax rate increase
Landfill operation and capital resv.	\$991,577	\$0.629	\$0.022	tax rate increase
School current expense funding	\$1,600,000	\$0.669	\$0.040	tax rate increase
Economic Development fund	\$1,000,000	\$0.694	\$0.025	tax rate increase
Children Services Act increase	\$368,630	\$0.703	\$0.009	tax rate increase
Reassessment reserve	\$250,000	\$0.709	\$0.006	tax rate increase
Master lease debt service	\$311,314	\$0.716	\$0.008	tax rate increase
Fund Balance appropriation (float)	(\$625,000)	\$0.700	(\$0.016)	fund balance reserve

The General Fund base budget for FY2019 is approximately \$993,915 less than the adjusted budget as of December 31, 2017. It includes a minimum of \$735,087 in ongoing expense reductions including the elimination of 10 unfilled positions, 5 of which are Sheriff’s Deputies. It also fully funds a 1.8% Cost-of-Living-Adjustment and the second phase of the 2017 Pay and Classification study, which includes the Commissioner of Revenue and Treasurer’s offices. The base budget also includes additional investments in the ongoing Justice Center space needs study and \$170,000 for Sheriff’s Office patrol vehicles. Finally, the base budget fully funds the FY2018 acquired Middle School SRO positions at a total cost of \$220,086, which are currently funded from fund balance reserves.

Operational Efficiencies

Reduction Item	Amount
Fire Marshal/Chief Code Official	-84492
Director of Code Compliance	-84596
Sheriff’s Deputies (5)	-235272
Truck Drivers (2)	-84384
Administrative Assistant	-49913
Green Box contracting	-146432
Other efficiencies	-\$49,998
TOTAL FY2019 SAVINGS	-\$735,087

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SCHOOL FUNDING

The largest single increase included in the proposed tax rate is four-cents to assist the School Division with personnel costs related to maintaining competitive teacher salaries. Additional challenges come from \$1.2 Million of decreased FY2018 state support due to declining enrollment. The School Board’s \$2.6 Million request is not fully satisfied herewith, but is funded at \$1,600,000. The FY2018 budget provided the School Division a \$500,000 increase, but required a reversion of \$500,000, effectively providing no funding increase over FY2017. It is further proposed that \$600,000 be added to the school’s budget annually during the remaining three years of this four-year plan, funded by proceeds related to the Mountain Valley Pipeline.

As everyone is aware, the Pittsylvania County School Division receives the fifth-lowest local contribution in the state, ranking 125 of 134 in FY2016 (Exhibit A). The tax revenue anticipated to be generated in FY2020 from Mountain Valley Pipeline is a great opportunity to help the County’s top-performing schools maintain its competitive edge and further invest in the outstanding workforce training programs that are providing well paying jobs for recent graduates and young families.

Fiscal Year	Local Funding
2022	\$20,136,709**
2021	\$19,536,709**
2020	\$18,936,709**
2019	\$18,336,709
2018	\$17,236,709*
2017	\$16,736,709
2016	\$16,910,298
2015	\$16,482,595
2014	\$15,979,601

**required \$500K reversion*

***planned*

There is great empathy for the School Division’s current funding challenges; however, additional County funding is not the only answer. It is suggested that the School Board seriously consider reducing the number of elementary schools to positively impact its annual operating cost. As that approximately 75% of school expenses are salaries, school closure appears to be an obvious opportunity to realize operational efficiencies and reduce reliance on local funding.

FIRE AND RESCUE EMERGENCY SERVICES

There are few of us that do not agree that among the County's highest priorities is the safety and security of its citizens. While the County has made sure its Sheriff's Office is well staffed, trained and equipped, it has not done likewise for Fire and Rescue services. Many of the County's Volunteer Emergency Medical Service (EMS) providers struggled to provide an acceptable minimum standard of response in 2017, and several ceased operations all-together. The County relies heavily on a paid back-up provider, which has extended service frequency and primary response area due to rescue squad closings. Major changes are necessary; complete reliance on volunteers to provide critical emergency services may not be a viable option in the very near future. County employee supplementation will soon be necessary to ensure performance, efficiency and accountability in the volunteer fire and rescue services

	2017	2017		
SQ NAME	Dispatched	Responded To	Rates	Response Times
SQ09 - North Halifax	78	71	92%	28:40
SQ 10 - Gretna Rescue	948	485	51%	18:02
SQ12 - Chatham Rescue	830	444	53%	17:23
SQ13 - Cool Branch Rescue	126	91	72%	16:23
SQ14 - 640 Comm. Rescue	177	85	48%	27:27
SQ20 - DLSC	72	61	85%	17:44
SQ23 - Ringgold ST/SQ	860	758	88%	13:50
SQ25-Tunstall ST/SQ	398	345	87%	15:31
SQ27 - Mount Cross ST/SQ	296	175	59%	14:30
SQ30 - Bachelors Hall ST/SQ	277	213	77%	18:12
SQ33 - Mount Hermon ST/SQ	482	346	72%	15:48
SQ34 - Blairs ST/SQ	728	560	77%	14:53
SQ35 - Callands ST/SQ	363	176	48%	26:43
SQ36 - Laurel Grove ST/SQ	67	16	23%	
SQ37 - Brosville ST/SQ	543	468	86%	18:04
SQ50 - Altavista Rescue	219	206	94%	

2017 EMS Response Rates

The Board of Supervisors has expressed concern regarding Fire & Rescue support and likewise a desire to assist volunteer emergency service agencies to a greater degree than decades past. Many of our volunteers have been underserved by the E911 communication system due to dead-coverage areas. The County borrowed \$2 Million to construct two communication towers in Tunstall and Bachelors Hall response areas in 2017. The Board also sustained funding for the Rescue 1 Special Operations apparatus after investing \$247,801 during the past two fiscal years.

FY2018 has seen Volunteer Fire and Rescue services begin its restructuring under the guidance and support of the County's new Public Safety Coordinator, Chris Slemp. Mr. Slemp is charged with implementing the November 2015 Fire & EMS Study authored by the Virginia Fire Services Board and endorsed by the volunteer members of the Pittsylvania Study Committee in June, 2017. This budget proposes major investments in firefighter training, enhanced funding for all departments and performance bonuses for departments responding to at least 85% of service calls (Exhibit B). This budget

adds the position of Training Captain and encourages increased coordination with the Danville Life Saving Crew's Training Center.

Beginning July 1, 2018, we will also enter into formal funding agreements (Exhibit C) with each response agency. This will eliminate the current reimbursement system and require use of the County's Purchasing Policy for equipment acquisition. Fire and EMS agencies will have the added benefit of the County's purchasing agent ordering and stocking emergency supplies for ambulance replenishment.

The new funding formula will also limit the number of response vehicles that the County will insure. Currently, the County insures any equipment an agency may register; going forward we will generally limit the County's coverage to four pieces of apparatus for Fire Departments and three for Rescue agencies (Exhibit D) and seven for those agencies that provide both fire response and EMS transport. Specialty apparatus such as ladder trucks will not be counted against an agency's total allotted vehicles. Finally, the County will soon move forward with adoption of a new Fire Prevention section of the Pittsylvania County Code. Mr. Slemp has been working with local agencies to make the proposed Chapter 11 more agreeable than the initial draft distributed during the Summer of 2017.

The aim of all Fire and Rescue initiatives is to enable one County-wide fire and rescue system instead of a conglomeration of 25 individual agencies. Additionally, we will better support all volunteers in hopes of improving response times and the number of volunteers in the system. The County is poised to make major strides in implementing the 2015 Fire & Rescue Study and consequently improving our citizens' emergency response services.

ECONOMIC DEVELOPMENT

As I'm sure every citizen would agree, we would love to be able to provide double or triple the proposed funding to our emergency service providers. Unfortunately, the County's tax revenue is not growing at a pace that allows that type investment. The only way to raise revenue without raising the tax rate is to grow the tax base. The County's Economic Development Department was reestablished approximately two years ago and is actively bringing new investments and good jobs to the community.

This year we have announced investments by Intertape Polymer Group, Unison Tube, Author International and Eastern Panel Manufacturing totaling \$42 Million and 207 jobs. The rural broadband internet project saw its first customers in 2017 and the County repurposed the former Agriculture Development position to Economic Development Project Manager. The County's Berry Hill Mega-park achieved Tier 5 site certification and now has several shovel ready graded pads for industrial development. Finally, it is anticipated that the Staunton River Regional Industrial Facilities Authority (SRRIFA) will be created in the coming weeks to band together four localities to share in the expense and benefits of developing the Southern Virginia Multi-Modal Park.

The County must invest in its product and people to be successful in economic development. We need to continue previous investments in industrial parks, career and technical training, marketing and incentives. Unfortunately, after many years of budgeting for economic development initiatives, several years passed without setting aside economic development reserves. In other terms, we have no more “dry powder” to land prospects or invest in future tax base growth.

This budget proposes a \$1 Million contribution to the Economic Development Fund to ensure the County continues to aggressively seek and support new private sector job, real estate and equipment investments. Our plan will build a reserve fund with declining annual investments over the next four fiscal years. This fund will be used for grant matches, legal fees, incentives, marketing, Danville-Pittsylvania RIFA projects and the start-up costs related to SRRIFA.

Year	ED investment
2022	\$500,000
2021	\$750,000
2020	\$750,000
2019	\$1,000,000

SOLID WASTE/LANDFILL OPERATIONS

While it’s hard to grow the General Fund without new investment, we can grow revenue by maximizing the value of the County’s landfill assets. The landfill has been a tremendous cash consumer the past 30 years and will continue to be unless we find creative ways to reduce cost and generate revenue. Assistant County Administrator Richard Hicks has developed a 10-year plan that outlines the most cost-effective path forward to replace or repair equipment, improve operating efficiency and afford looming costs related to opening and closure of trash cells (Exhibit E).

This proposed budget begins an ongoing appropriation of approximately \$900,000 annually to adequately manage the County’s solid waste assets. These assets have not been well cared for the past 20 years; our plan will return the operation to an appropriate status and enable the County to consider accepting “outside” revenue-generating trash in 2021. In the meantime, this budget does provide \$700,000 for two new compactor sites in the Callands/Gretna/Banister area to address collection system deficiencies.

Year	SW investment
2022	\$751,577
2021	\$886,577
2020	\$888,577
2019	\$991,577

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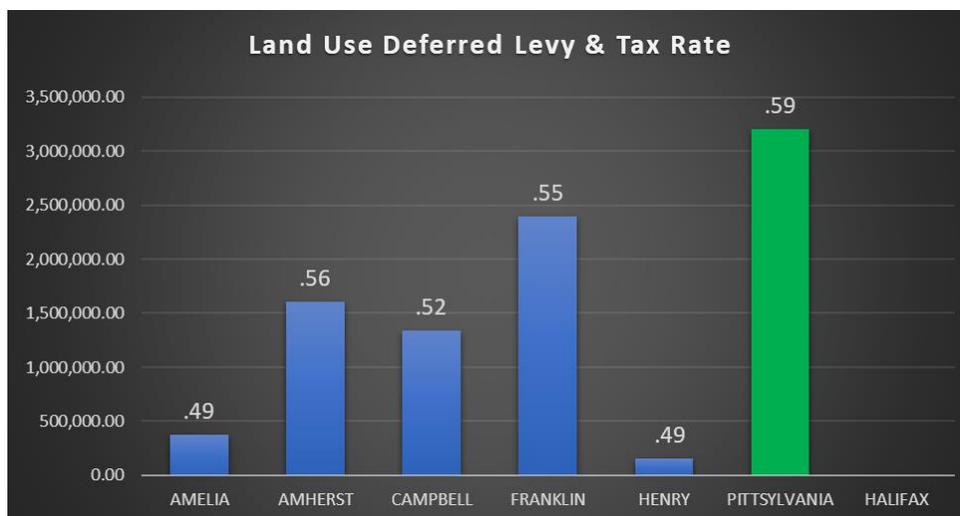
The County will continue striving for cost containment in the solid waste collection program. We are aware of system abuse by out-of-county and commercial users. There are presently no enforcement measures in place. We will soon begin a pilot program that utilizes cameras, fines and potentially reduced hours to curtail unauthorized dumping. Eventually, it may be necessary to implement a site-staffing plan to actively deter system abuse.

If the Board of Supervisors desires to open the landfill to other municipal trash it will likely be able to justify a lowering of the real property tax rate in FY2021. The landfill and solid waste collection system could rightfully become an enterprise fund and eliminate all reliance on property tax revenue. The establishment of a modest (\$10/month) household solid waste fee and an additional 50,000 tons of garbage annually may relieve the General Fund of this expense. Within weeks the Board will be receiving the results of a feasibility study to determine best available options going forward.

OPERATIONAL EFFICIENCY AND COST REDUCTION

It is necessary to spend equal time investigating cost savings opportunities as spent planning future expenditures. One area that deserves consideration is the Land Use tax deferral program. This program is intended to encourage the proper preservation and use of land for agricultural, horticultural, forest products and of open spaces. A qualified parcel receives a lower assessment than the fair market value. The County defers over \$3.3 Million in tax proceeds annually under the land use program. It may be prudent to revisit this program for slight alternations that may easily generate several pennies worth of additional revenue.

Pittsylvania’s tax relief program is generous; a parcel may qualify with as little as 5 acres, one cow and \$1,000 of annual income. Raising the annual income limit to \$10,000 may allow the Board to reduce the \$0.70 tax rate by several pennies. It should be noted that neighboring Halifax County does not have a land use deferral program and also enjoys a significantly lower tax rate than Pittsylvania.



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There are many business activities that can be modified to realize greater efficiency, reduced costs and timely revenue. We are implementing new processes and best practices to reduce CSA expenses, will change the process for registering new agricultural buildings and streamline the process by which new construction is registered with the Commissioner of Revenue's Office. We will also modify how we traditionally acquire and maintain large trucks and heavy equipment. The County will also continue the success found in the Commissioner of Revenue's audit program, which has realized approximately \$435,000 of proceeds by reviewing business tax filings (Exhibit F).

Several new strategies implemented in FY2018 provide the Board with fiscal management tools to aid financial accountability. These tools include curtailing expenditures, budgeting for contingencies, reducing budgets mid-year and placing a freeze on large expenses, hiring and travel. The Board also tightened-up prior year "roll-over" funds and has refrained from making any mid-year appropriations.

The County will again reorganize operations to realize efficiencies in staffing, equipment sharing, purchasing, training and other areas. Effective March 15, 2018, Assistant County Administrator Greg Sides will lead a transformation of the Building Inspections, Code Compliance, Planning and GIS functions to create a new Community Development Department. We will reset the organization chart to realign reporting relationships and increase accountability (Exhibit G).

Recently, the County embarked upon a rebranding effort to symbolically reflect the new attitude at Pittsylvania County government. We are slowly rolling out the new "Business Savvy, People Friendly" message on letterhead, business cards, vehicles and building entrances. We also hereby announce a new Welcome Sign sponsorship program aimed at reflecting our community pride in the major County roadway entrances. Business will be asked to sponsor an entry for four-years; proceeds will be used to create a new landscape and rebrand the Welcome to Pittsylvania County sign (Exhibit H). We have launched efforts to improve the County website, Facebook presence and other public relations initiatives. Soon the County may reclassify an existing position to create a Public Information Officer function to sustain our outflow of valuable information to the constituency.

Regardless of how much effort goes into planning our successful future, we will never be able to accurately anticipate or budget every necessary expenditure. For example, Blairs school is currently a tremendous liability; we should look for ways to turn this former school into a community asset like soccer fields. The Courthouse is major pending expense as we contemplate new construction versus rehabilitation. Options may include building an annex, relocating school administration and/or build a new jail or relocate County inmates regionally. Expenses related to Cherrystone Dam rehabilitation and house relocation could cost the County as much as \$5 Million if the Commonwealth provides no funding assistance.

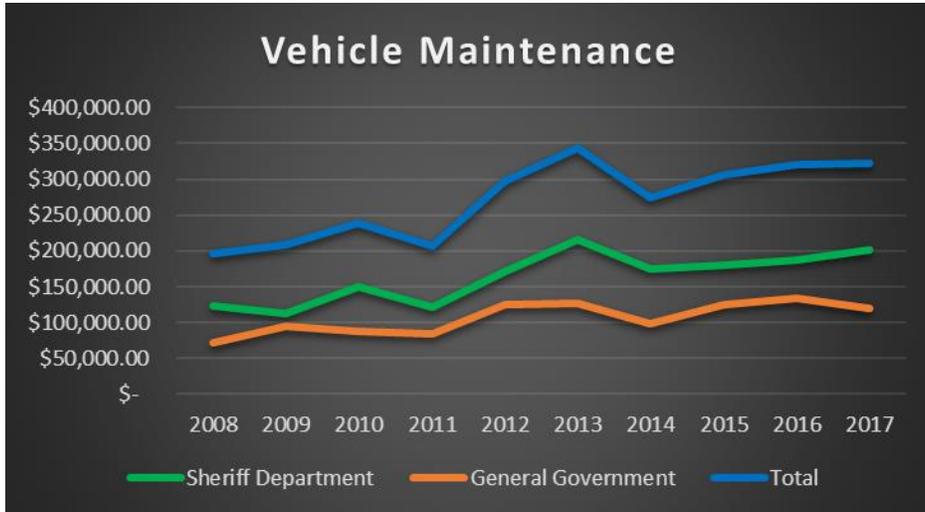
Unaddressed Expenses	Estimate
Courthouse	\$30 Million
Jail	\$100 Million
Blairs School	\$400,000
Armory renovations	\$500,000
E911 Center	\$2.5 Million
School capital	\$45 Million
TOTAL unaddressed needs	\$178,400,000

This budget does propose initiatives designed to improve efficiency, customer service and cooperation and reduce the cost of county government. We plan to continue our thorough review of all County programs, processes and services to ensure best practices and appropriate budget management. This budget reclassifies a Finance Department position to establish an analyst function which will assist with budget management, efficiency audits and spending oversight.

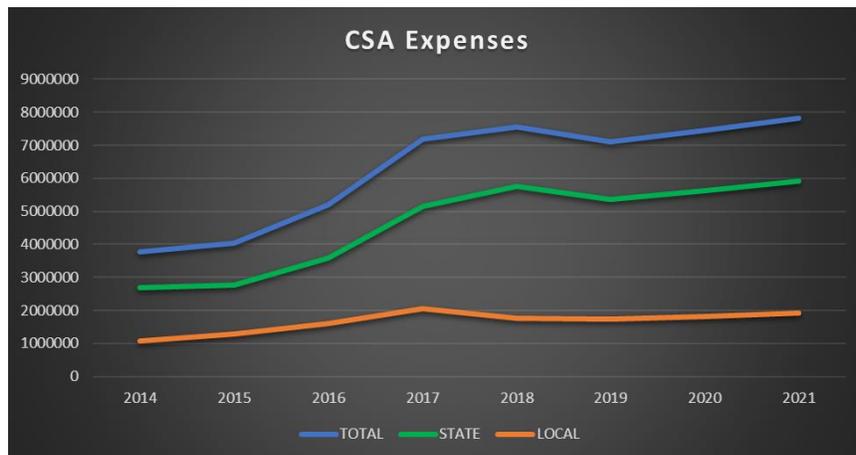
We will also begin a multi-year process of centralizing Information Technology investments, including an extension of the hardware lifecycle and reduction of peripheral devices such as printers. An obvious savings opportunity is to eliminate all ink-jet printers, which cost the County nearly \$30,000 annually in replacement cartridges alone. The County has approximately 200 employees with “desk jobs” and 150 printers, 45 in the Sheriff’s Department alone (Exhibit I). Surely, we can creatively find savings here and other common business practices by implement work groups that utilize leased Multi-function devices instead of individual desktop peripherals.

Another area of potential cost savings is the outsourcing of inmate management. While we do not currently know the true County cost of managing the jail, we do know the total cost per inmate is more than \$100 per day. However, nearly 50% of the County’s inmate population is contracted to Blue Ridge Regional Jail Authority at \$27 per day. Of course, the County cost is greatly subsidized by the Commonwealth, but we do need to better understand if there may be savings opportunities in this service. Completion of the state-required Community Based Correction Plan in FY2019 may help illuminate critical data points to assist in this decision.

Cooperation, within the organization and with external stakeholders, is a value we will pursue to increase efficiency and performance in FY2019. Our amicable relationship with the School Division lends to opportunities to create a joint purchasing program and shared resources for diesel equipment maintenance. We are also in the process of engaging private sector service contracts for all vehicle maintenance. The County spends approximately \$270,000 annually (based on a 5-year average) for these services, but has no contracts with negotiated pricing.



We will also be pursuing a cooperative arrangement with the School Division to provide services to children struggling with emotional or educational deficiencies. Presently, the majority of these services are outsourced to private providers, which is driving the recent dramatic increase in CSA spending. Our preliminary conversations indicate that the School Division may be able to provide a portion of these services at a reduced County cost.

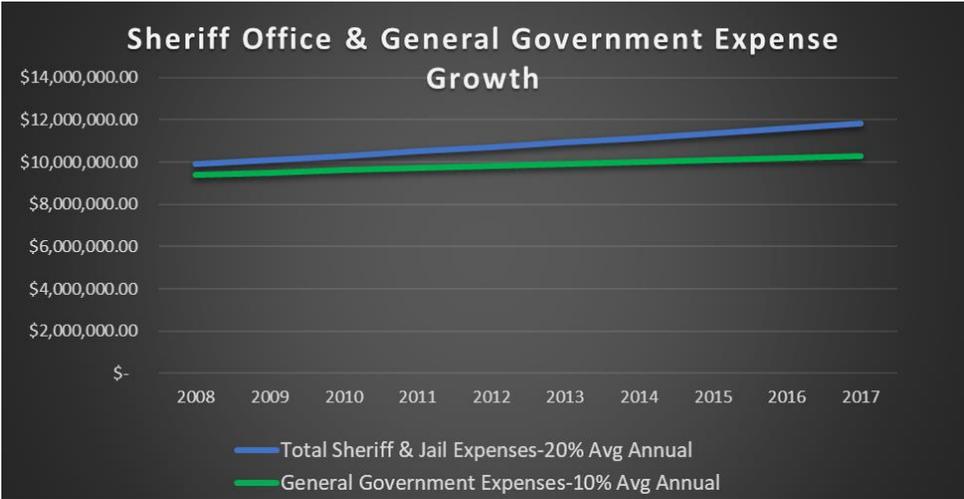


GROWTH OF LOCAL GOVERNMENT

No one enjoys paying taxes. Few Pittsylvania citizens think the answer for a better life is to pay for more government. Pittsylvania County government expanded during the past 10 years; not a lot, but enough to generate costs. We added a Recreation Department in 2011 that will cost \$361,619 in FY2019, we added SROs in the middle and high schools, we increased library investments and grew the Sheriff’s Department by 25%. This growth resulted in net total of four new general government employees (three in Recreation, the other is the County Attorney) and 21 public safety positions. We never raised revenue to cover these costs.

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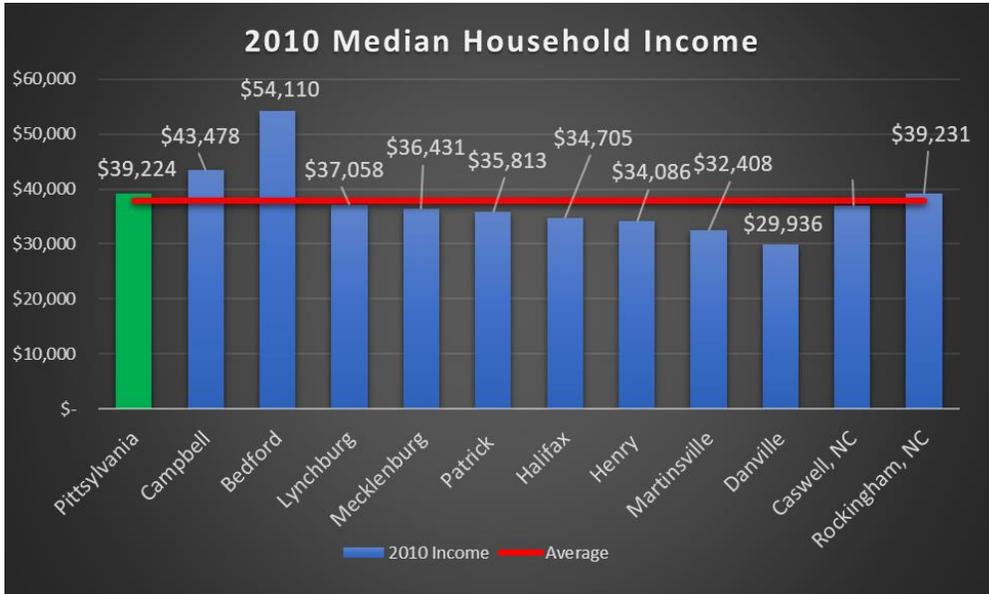


PAYING FOR THE TAX INCREASE

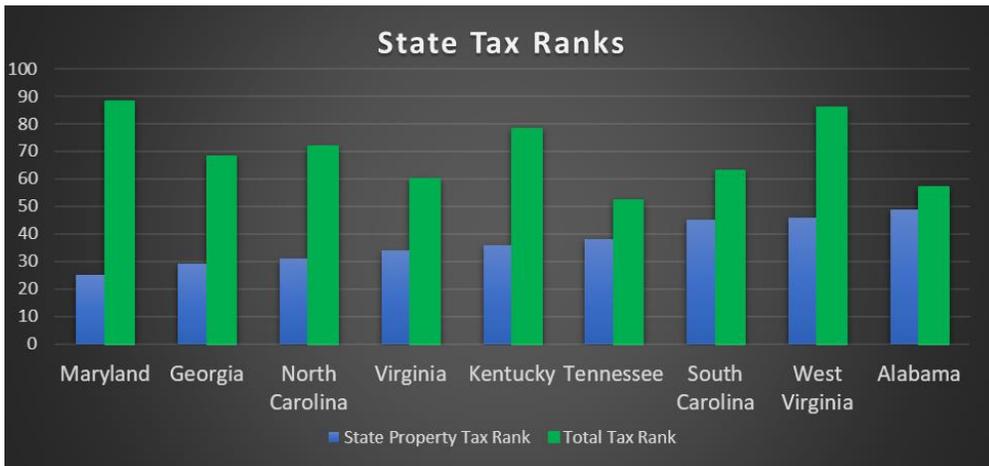
To pay for Recreation, Library and Public Safety resources, the County must have tax revenue; without it we cannot have these service enhancements. The only other revenue options available are fees and landfill revenue. The Virginia General Assembly does not allow the County to arbitrarily raise gas or sales or use taxes; as a Dillion Rule state, we are only allowed to do things expressly allowed by Virginia Code.

This budget does include modest increase in some fees, particularly those related to Building Inspections, but does not budget for landfill revenue. This budget also anticipates operational cuts that will save \$3.2 Million over the next four years. Even with these savings and \$1.6M of reassessment revenue, the proposed budget would be \$4.4 Million in the red without a \$0.11 tax rate increase.

We all believe we pay too much in taxes; to some, any amount is too much. Of course, these are individual opinions and should always be considered as relative to one’s ability to pay and in comparison to other communities.



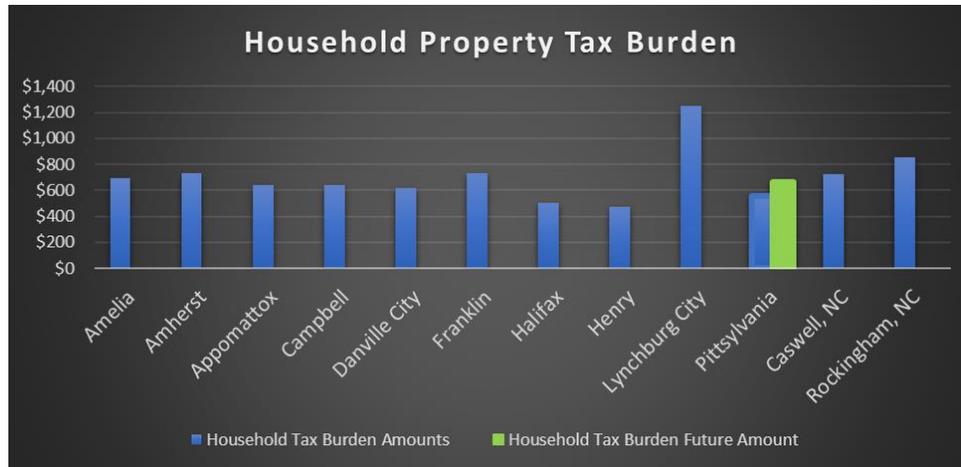
Generally, as the below chart illustrates, Virginian households enjoy a low tax burden in comparison to other Southeastern and Mid-Atlantic states. Only 10 States have a lower tax burden than Virginia according to tax-rate.org.



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The average Virginian paid \$1,862 in local government taxes in 2017; the average Pittsylvania citizen paid \$557 during the same period according to tax-rates.org. Below is a chart of household property tax burden in other area localities compare with the current and proposed burden in Pittsylvania County.



A \$0.11 tax rate increase will cause many families and businesses to make personal financial sacrifices to pay the annual property tax bill. Below is a chart that illustrates the impact of the proposed tax increase.

	Actual	Proposed		monthly
Home Value	FY2018	FY2019	change	impact
\$100,000	\$590.00	\$740.00	\$150.00	\$12.50
\$225,000	\$1,327.50	\$1,665.00	\$337.50	\$28.13
Business Value				
\$1,500,000	\$8,850.00	\$11,100.00	\$2,250.00	\$187.50
\$7,000,000	\$41,300.00	\$51,800.00	\$10,500.00	\$875.00

FOCUS ON THE FUTURE

Becoming the Best County in the Commonwealth, a Board stated goal since my initial employment interview, is a high hurdle to cross. Of course, we'll likely never have the amenities of Fairfax County or the tourism opportunities of the Shenandoah Valley, but we can strive for the best schools, job opportunities, household income and recreation relative to the overall Pittsylvania cost of living. Regardless of the measurement, it is a goal that requires investment and performance accountability of our schools, public safety, human services as well as general government. The Board stated it believes that the best County status will be defined by a skilled workforce, economic development accountability, financial stability, professional government, adequate infrastructure and an engaged citizenry. The proposal contained herewith are all pointed in this direction.

At its retreat this month the Board unanimously identified complacency, fear and inappropriate economic growth as the most significant threats to achieving its vision. This budget proposal is loaded with difficult proposals aimed at advancing the County's economy, public safety, education, efficiency and financial

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health. It is much easier to let fear and complacency consume the proposition of raising taxes and righting a listing ship. This will be the most difficult set of decisions the Board has ever made, but a vote in the affirmative will set the table for better days. The Board identified lack of vision and financial instability as its greatest weakness; this budget proposal is an opportunity to make vision and financial strength an asset. I hope the Board will rise to the challenge lay a firm foundation for success.

NEXT STEPS

The Board of Supervisors' Finance Committee will meet March 5th to begin its thorough review of the FY2019 budget proposal. Additional scheduled budget development milestones include:

1. March 5: Budget review with Constitutional Officers and outside agencies
2. March 7: Advertise tax rate and budget amount
3. April 9: Public hearing on tax increase and proposed budget
4. April 17: Adoption of FY2019 budget for County government and School Division

This proposed budget will likely be met with resistance by the average Pittsylvania citizen. Much of the resistance may be from lack of awareness that the 2007 Bond Referendum was never properly funded by previous Boards. We will be taking this budget proposal throughout the county during March to hold community meetings in each magisterial district. Additionally, there will be charts, graphs and other information published on the County website, Facebook page and left at popular gathering places county-wide to ensure every citizen has an opportunity to learn more about this proposal. Our aim is to arm every desirous citizen with the information necessary to form an educated opinion of County government.

We take no pride in pointing out the County's financial shortcomings, but we do take seriously staff's statutory responsibility to provide a sustainable budget proposal. On behalf of Finance Director Kim Van Der Hyde and our entire team, we look forward to supporting the Board during the coming weeks' deliberations as the Board considers how best to build a strong foundation for the future.

Sincerely,



David M. Smitherman
County Administrator

BUSINESS SAVVY. PEOPLE FRIENDLY.

David M. Smitherman, County Administrator
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FY 2018-19 BUDGET MESSAGE EXHIBITS

- A. School funding ranking
- B. Fire & Rescue agency recommended appropriations
- C. Draft Fire & Rescue agency funding agreement
- D. Apparatus insurance amounts
- E. 10-year Solid Waste expense plan
- F. Commissioner of Revenue audit performance
- G. Revised Organization chart
- H. Welcome Sign sponsorship program application
- I. Printer inventory

Table 15 of the Superintendent's Annual Report for Virginia

Sources of Financial Support for Expenditures, Total Expenditures for Operations ^{1,2} and Total Per Pupil Expenditures for Operations

Fiscal Year 2016

April 5, 2017

EXHIBIT A

School Division	End-of-Year ADM for Determining Cost Per Pupil ²		Local ³		State		State Retail Sales And Use Tax ⁴		Federal		Total	
	Pupil ²	Amount	Per Pupil	Amount	Per Pupil	Amount	Per Pupil	Amount	Per Pupil	Amount	Expenditures for Operations ³	Per Pupil Expenditure ⁵
COUNTIES												
001 Accomack	5,261.60	17,894,526	3,401	25,864,551	4,878	4,890,485	929	6,734,738	1,280	55,184,300	10,488	
002 Albemarle	13,709.34	124,263,045	9,064	29,198,728	2,130	15,798,228	1,152	9,116,934	665	178,376,936	13,011	
003 Alleghany	2,203.95	9,415,638	4,272	12,034,359	5,460	2,389,183	1,084	2,023,333	918	25,862,513	11,735	
004 Amelia	1,811.55	5,093,848	2,812	8,584,578	4,739	1,957,836	1,081	1,425,611	787	17,061,874	9,418	
005 Amherst	4,185.89	15,805,251	3,776	20,958,098	5,007	4,882,095	1,166	3,983,967	952	45,629,411	10,901	
006 Appomattox	2,267.83	5,622,247	2,479	11,044,918	4,870	2,382,773	1,051	1,597,634	704	20,647,571	9,105	
007 Arlington	25,509.87	415,514,506	16,288	40,533,802	1,589	23,093,967	905	13,774,753	540	492,917,028	19,323	
008 Augusta	10,372.30	42,341,665	4,082	42,928,354	4,139	11,382,797	1,097	9,391,595	905	106,044,431	10,224	
009 Bath	579.94	8,189,374	14,121	1,043,451	1,799	613,712	1,058	795,174	1,371	10,641,711	18,350	
010 Bedford County	9,822.32	36,700,842	3,736	41,793,798	4,255	13,356,738	1,360	7,616,195	775	99,467,573	10,127	
011 Bland	800.59	3,130,459	3,910	3,885,454	4,853	886,388	1,107	791,087	988	6,693,388	10,859	
012 Botetourt	4,730.54	25,552,371	5,402	18,939,535	4,004	5,494,841	1,162	2,359,191	499	52,345,939	11,066	
013 Brunswick	1,728.87	5,595,097	3,236	10,806,421	6,251	2,356,641	1,363	3,325,800	1,924	22,083,959	12,774	
014 Buchanan	2,991.22	11,293,651	3,776	14,931,189	4,992	3,151,429	1,054	3,679,307	1,230	33,055,576	11,051	
015 Buckingham	2,025.33	7,326,556	3,617	10,445,410	5,157	2,825,571	1,148	3,790,710	1,872	23,888,247	11,795	
016 Campbell	7,957.26	27,610,026	3,470	34,037,730	4,278	8,703,101	1,094	5,569,302	700	75,920,159	9,541	
017 Caroline	4,302.81	12,310,931	2,861	20,263,805	4,709	4,764,005	1,107	3,491,078	811	40,829,820	9,489	
018 Carroll	3,893.98	12,973,742	3,332	20,052,634	5,150	4,373,388	1,123	4,018,317	1,032	41,418,080	10,636	
019 Charles City	703.66	4,922,174	6,995	3,383,089	4,808	948,807	1,348	824,086	1,171	10,078,157	14,322	
020 Charlotte	1,918.86	4,207,604	2,193	14,474,403	7,543	2,045,361	1,066	2,182,625	1,137	22,909,993	11,939	
021 Chesterfield	59,845.52	234,495,077	3,931	243,775,243	4,087	60,840,194	1,017	33,203,100	557	572,113,614	9,592	
022 Clarke	2,005.55	12,713,892	6,339	6,573,063	3,277	2,300,921	1,147	981,363	489	22,569,239	11,253	
023 Craig	616.60	1,890,047	3,065	3,473,272	5,633	800,177	1,298	784,489	1,272	6,947,985	11,268	
024 Culpeper	8,090.36	29,777,862	3,681	34,716,253	4,291	8,733,376	1,079	5,584,875	690	78,812,367	9,742	
025 Cumberland	1,373.37	3,614,281	2,632	8,266,190	6,019	1,573,935	1,146	1,906,337	1,388	15,360,741	11,185	
026 Dickenson	2,292.19	7,788,094	3,398	12,347,523	5,387	2,353,809	1,027	2,571,797	1,122	25,061,223	10,933	
027 Dinwiddie	4,350.47	14,832,523	3,409	21,829,983	5,018	4,599,484	1,057	3,232,842	743	44,494,832	10,228	
028 Essex	1,464.76	7,111,273	4,855	6,768,253	4,621	1,705,005	1,164	1,441,088	984	17,025,619	11,623	
029 Fairfax County/City6	185,581.97	1,953,468,131	10,526	414,972,703	2,236	191,322,647	1,031	112,446,940	606	2,672,210,420	14,399	
030 Fauquier	11,059.78	86,202,750	7,794	34,179,779	3,090	12,132,562	1,097	5,499,052	497	138,014,143	12,479	
031 Floyd	2,063.27	6,822,314	3,307	9,437,044	4,574	2,425,415	1,176	1,654,782	802	20,339,555	9,858	
032 Fluvanna	3,528.85	16,765,356	4,751	14,201,780	4,024	4,138,222	1,173	1,775,301	503	36,880,658	10,451	
033 Franklin	7,283.69	31,753,036	4,359	30,021,042	4,122	8,305,342	1,140	8,030,227	1,102	78,109,646	10,724	
034 Frederick	13,157.37	73,768,437	5,607	54,910,917	4,173	14,338,077	1,090	6,992,800	531	150,010,232	11,401	
035 Giles	2,383.54	7,376,580	3,095	12,443,950	5,221	2,718,996	1,141	2,254,142	946	24,793,668	10,402	
036 Gloucester	5,559.27	24,041,296	4,325	22,474,313	4,043	5,805,852	1,045	3,286,043	591	55,607,503	10,004	
037 Goochland	2,556.33	6,243,733	3,740	8,236,919	4,463	3,246,824	1,270	1,368,525	535	28,896,963	11,304	
038 Grayson	3,173.03	11,130,718	3,508	14,526,063	4,933	2,102,781	1,259	2,338,118	1,400	18,921,551	11,333	
039 Greene	2,555.42	5,561,744	2,176	14,635,612	4,578	2,548,177	997	3,506,253	1,372	31,072,316	9,793	
040 Greensville/Emporia 6	5,316.56	81,562,156	2,981	28,335,650	5,330	5,735,124	1,079	5,917,976	1,113	26,251,787	10,273	
041 Halifax	18,076.21	15,848,567	4,512	68,562,429	3,793	18,672,637	1,033	7,851,232	434	55,837,317	10,503	
042 Hanover	51,455.04	253,904,508	4,934	160,239,938	3,114	53,470,181	1,039	28,641,680	557	176,648,454	9,772	
043 Henrico	7,402.80	14,285,809	1,930	41,301,703	5,579	7,884,413	1,065	8,902,248	1,203	72,374,173	9,644	
044 Highland	209.11	2,096,835	10,027	1,522,939	6,327	233,428	1,116	370,609	1,772	4,023,812	9,777	
045 Isle Of Wight	5,441.62	25,529,852	4,692	21,534,472	3,957	5,900,702	1,084	3,309,252	608	56,274,277	19,243	
046 King George	4,315.32	14,576,214	3,378	17,180,655	3,981	4,628,766	1,073	2,290,375	531	38,676,010	10,341	
049 King & Queen	848.40	3,936,116	4,639	3,897,590	4,594	1,061,773	1,252	1,032,336	1,217	36,676,010	8,962	
050 King William	2,221.34	8,893,245	4,004	10,808,036	4,866	2,130,057	959	1,380,236	621	23,211,575	11,702	
051 Lancaster	1,221.11	10,121,624	8,289	2,362,551	1,935	1,297,455	1,063	1,488,028	1,219	15,269,658	12,505	
052 Lee	3,275.78	7,685,517	2,346	19,234,915	5,872	3,569,940	1,090	5,477,656	1,672	35,968,028	10,980	
053 Loudoun	76,870.07	725,450,176	9,437	221,997,858	2,888	72,532,148	944	21,500,211	280	1,041,480,393	13,549	

Table 15 of the Superintendent's Annual Report for Virginia
Sources of Financial Support for Expenditures, Total Expenditures for Operations ^{1,8} and Total Per Pupil Expenditures for Operations
Fiscal Year 2016

School Division	End-of-Year ADM for		Local ³		State		State Retail Sales And Use Tax ⁴		Federal		Total	
	Determining Cost Per Pupil ²	Pupil ²	Amount	Per Pupil	Amount	Per Pupil	Amount	Per Pupil	Amount	Per Pupil	Expenditures for Operations ³	Per Pupil Expenditure ⁵
054 Louisa	4,832.60		31,860,660	6,593	14,681,470	3,079	5,102,628	1,056	2,880,091	596	54,724,848	11,324
055 Lunenburg	1,548.33		3,689,580	2,383	9,237,938	5,966	1,763,077	1,132	1,874,524	1,211	16,555,118	10,692
056 Madison	1,809.63		9,202,948	5,086	7,131,413	3,941	2,130,600	1,177	1,307,592	723	19,772,552	10,926
057 Mathews	1,107.15		7,164,902	6,471	3,891,983	3,515	1,193,925	1,078	797,764	721	13,048,575	11,786
058 Mecklenburg	4,469.34		14,503,525	3,245	21,016,069	4,702	4,588,351	1,027	5,264,915	1,178	45,372,861	10,152
059 Middlesex	1,242.35		8,562,308	6,892	2,376,832	1,913	1,278,197	1,029	1,034,737	833	13,252,073	10,667
060 Montgomery	9,747.79		46,317,152	4,752	39,950,274	4,098	10,793,909	1,107	6,989,547	717	104,050,883	10,674
062 Nelson	1,943.34		14,843,488	7,638	6,560,013	3,376	2,072,745	1,067	1,718,980	885	25,195,225	12,965
063 New Kent	3,043.05		13,675,569	4,494	10,490,362	3,447	3,241,151	1,065	1,293,122	425	28,700,203	9,431
065 Northampton	1,654.09		7,764,044	4,694	7,495,053	4,531	1,650,785	998	2,343,299	1,417	19,253,182	11,640
066 Northumberland	1,351.52		10,828,824	8,012	2,622,781	1,941	1,435,623	1,062	1,254,205	928	16,141,433	11,943
067 Nottoway	2,244.72		21,031,542	2,234	12,579,032	5,604	2,170,666	967	2,591,329	1,154	22,356,773	9,960
068 Orange	5,117.94		10,269,194	2,958	20,879,734	4,080	5,458,173	1,066	5,193,146	1,015	52,562,595	10,270
069 Page	3,471.23		16,365,573	2,215	16,089,878	4,869	3,675,919	1,059	2,996,048	863	33,843,421	9,750
070 Patrick	2,874.37		18,208,957	1,991	48,900,958	5,348	2,610,609	908	2,558,414	890	27,624,474	9,611
071 Pittsylvania	9,143.83		22,009,344	5,170	16,709,828	3,925	9,637,322	1,054	8,033,389	879	84,780,626	9,272
072 Powhatan	4,257.52		8,407,554	4,030	10,387,299	4,979	4,596,983	1,080	1,748,596	411	45,064,752	10,585
073 Prince Edward	2,086.05		16,839,808	2,650	33,204,491	5,225	5,665,765	892	8,650,289	1,361	24,022,603	11,516
074 Prince George	6,354.74		431,784,048	4,911	379,508,607	4,316	85,219,294	969	60,078,239	683	64,360,352	10,128
075 Prince William	4,314.83		14,472,383	3,354	21,070,648	4,883	4,702,978	1,090	4,628,172	1,073	956,590,188	10,800
077 Pulaski	893.93		8,697,298	9,729	1,733,168	1,939	1,084,386	1,213	765,129	856	12,279,981	13,737
078 Rappahannock	1,283.71		5,371,172	4,164	6,800,745	5,298	1,151,432	897	1,005,685	783	14,329,034	11,162
079 Richmond	14,268.53		64,655,290	4,531	57,213,154	4,013	14,901,942	1,044	7,072,974	496	143,843,360	10,081
080 Roanoke	2,608.05		13,168,195	5,049	10,517,031	4,033	3,049,350	1,169	2,192,584	841	28,927,160	11,091
081 Rockbridge	11,799.72		61,058,498	5,175	48,004,641	4,068	13,139,249	1,114	7,246,602	614	129,448,990	10,971
082 Rockingham	4,047.74		8,322,207	2,056	21,632,676	5,344	4,099,256	1,013	4,721,586	1,166	36,775,724	9,580
084 Scott	3,799.90		5,907,277	1,555	22,624,857	5,954	3,216,449	846	3,040,638	800	34,789,220	9,155
085 Shenandoah	6,063.12		26,569,592	4,382	25,779,195	4,252	6,721,802	1,109	3,847,400	635	62,917,988	10,377
086 Smyth	4,562.25		10,527,569	2,308	25,336,488	5,554	4,916,806	1,056	4,513,723	989	45,194,606	9,906
087 Southampton	2,797.28		14,191,592	5,073	17,415,418	5,261	2,796,311	1,000	2,365,913	846	34,069,233	12,179
088 Spotsylvania	23,498.64		112,280,793	4,778	97,325,182	4,142	24,566,289	1,045	14,237,482	606	248,409,746	10,571
089 Stafford	27,962.20		124,250,493	4,444	115,309,288	4,124	27,830,873	995	15,869,644	568	283,260,297	10,130
091 Surry	833.95		12,250,020	14,689	1,203,509	1,443	1,005,758	1,206	1,042,821	1,250	15,502,108	18,589
092 Sussex	1,063.78		8,319,406	7,821	6,124,702	5,757	1,392,336	1,309	1,710,738	1,608	17,547,182	16,495
093 Tazewell	6,044.77		14,065,593	2,327	30,688,241	5,072	6,531,039	1,080	5,667,470	938	56,922,342	9,417
094 Warren	5,406.89		20,981,655	3,881	21,241,154	3,929	6,465,748	1,196	3,978,924	736	52,687,481	9,741
094 Washington	7,323.32		28,916,729	3,949	30,003,718	4,097	7,837,928	1,070	6,263,986	855	73,022,361	9,971
095 Westmoreland	1,663.76		6,974,760	4,192	8,107,446	4,873	1,894,218	1,139	1,980,545	1,190	18,956,969	11,394
096 Wise	5,929.24		11,910,744	2,009	30,074,859	5,072	5,890,366	993	5,542,745	935	53,418,714	9,009
097 Wythe	4,213.19		13,360,712	3,171	19,967,146	4,739	4,424,739	1,050	3,375,766	801	41,128,363	9,762
098 York	12,711.78		49,482,083	3,893	47,743,837	3,756	12,594,334	991	19,897,535	1,565	129,717,789	10,205
CITIES												
101 Alexandria	14,921.51		201,179,821	13,483	25,277,842	1,694	15,329,810	1,027	13,245,978	888	285,033,450	17,092
102 Bristol	2,299.57		6,695,943	2,912	11,629,496	5,057	2,691,323	1,170	3,326,073	1,446	24,342,834	10,586
103 Buena Vista	993.18		1,420,669	1,430	6,063,420	6,105	1,036,960	1,044	919,343	926	9,440,391	9,505
104 Charlottesville	4,370.62		49,067,097	11,227	11,936,216	2,731	4,521,469	1,035	4,782,125	1,094	70,306,906	16,086
106 Colonial Heights	2,824.96		19,567,210	6,927	10,676,866	3,779	2,760,716	977	1,848,061	654	34,852,854	12,337
107 Covington	997.34		3,982,669	3,993	5,333,041	5,347	979,723	982	796,604	799	11,092,037	11,122
108 Danville	6,198.51		16,934,137	2,732	34,103,454	5,502	6,400,685	1,033	9,519,553	1,536	66,957,838	10,802
109 Falls Church	2,489.76		41,378,007	16,619	3,450,926	1,386	2,472,385	993	625,957	251	47,927,275	19,250
110 Fredericksburg	3,478.76		28,353,294	8,150	10,059,242	2,892	3,520,270	1,012	4,126,640	1,186	46,059,447	13,240
111 Galax	1,371.85		3,586,691	2,614	7,399,532	5,394	1,140,300	831	1,573,784	1,147	13,700,307	9,987

Table 15 of the Superintendent's Annual Report for Virginia Sources of Financial Support for Expenditures, Total Expenditures for Operations ^{1,2} and Total Per Pupil Expenditures for Operations Fiscal Year 2016

School Division	End-of-Year ADM for Determining Cost Per Pupil ³			State			State Retail Sales And Use Tax ⁴			Federal			Total	
	Pupil ²	Amount	Per Pupil	Amount	Per Pupil	Amount	Amount	Per Pupil	Amount	Per Pupil	Amount	Expenditures for Operations ³	Per Pupil	Expenditure ⁵
112 Hampton	20,488.99	75,030,367	3,662	100,244,754	4,893	21,434,790	1,046	21,771,054	1,063	218,480,965	10,663			
113 Harrisonburg	5,891.27	31,300,110	5,313	27,122,125	4,604	5,417,383	920	5,976,305	1,014	69,815,923	11,851			
114 Hopewell	4,311.50	10,529,920	2,442	22,868,153	5,309	3,938,961	914	7,305,119	1,694	44,662,153	10,359			
115 Lynchburg	8,515.43	44,166,740	5,187	37,449,483	4,398	10,253,347	1,204	12,331,593	1,448	104,201,162	12,237			
116 Martinsville	2,191.79	7,539,928	3,440	12,711,351	5,800	2,029,969	926	3,527,868	1,610	25,809,116	11,775			
117 Newport News	28,880.52	110,415,698	3,823	145,030,647	5,022	29,292,620	1,014	38,460,030	1,332	323,198,795	11,191			
118 Norfolk	31,858.84	122,995,064	3,861	152,983,109	4,802	32,400,377	1,017	55,351,233	1,737	363,729,763	11,417			
119 Norton	829.41	2,094,636	2,525	4,321,138	5,210	664,081	801	738,326	890	7,818,182	9,426			
120 Petersburg	4,273.69	11,232,818	2,628	25,122,363	5,878	4,442,693	1,040	10,776,447	2,522	51,574,320	12,068			
121 Portsmouth	14,749.20	53,547,113	3,631	75,029,308	5,087	15,046,394	1,020	17,078,890	1,158	160,701,704	10,896			
122 Radford	1,647.03	4,920,358	2,987	8,311,799	5,047	1,562,594	949	1,454,128	883	16,248,878	9,866			
123 Richmond	23,679.44	146,515,211	6,187	101,538,963	4,288	24,836,560	1,049	54,901,785	2,319	327,792,539	13,843			
124 Roanoke	13,583.14	67,328,897	4,957	67,048,443	4,936	14,390,767	1,059	19,731,061	1,453	168,499,168	12,405			
126 Staunton	2,639.63	11,892,181	4,505	11,370,702	4,308	3,276,323	1,241	2,622,393	993	29,161,599	11,048			
127 Suffolk	14,368.86	59,291,860	4,126	62,062,967	4,319	16,010,066	1,114	12,548,726	873	149,813,618	10,433			
128 Virginia Beach	68,879.80	375,395,399	5,450	264,156,229	3,835	72,382,607	1,051	58,485,297	849	770,421,531	11,185			
130 Waynesboro	3,231.67	14,489,245	4,487	13,484,026	4,172	3,372,534	1,044	3,554,532	1,100	34,910,337	10,803			
131 Williamsburg/James City 6	11,606.88	80,228,988	6,912	32,719,821	2,819	4,194,688	952	4,698,713	509	131,157,032	11,300			
132 Winchester	4,407.65	28,946,525	6,567	18,241,977	4,139	12,302,835	1,060	5,905,388	1,066	56,081,904	12,724			
135 Franklin	1,141.39	5,975,461	5,235	6,578,201	5,763	1,461,895	1,281	2,136,335	1,871	16,150,891	14,150			
136 Chesapeake	39,913.11	187,520,971	4,698	172,026,791	4,310	42,404,641	1,062	27,718,001	694	429,670,404	10,765			
137 Lexington	657.36	3,094,751	4,708	2,364,447	3,597	575,297	875	258,046	393	6,292,540	9,572			
139 Salem	3,783.05	19,215,016	5,079	15,809,692	4,179	3,726,838	985	2,326,810	615	41,078,357	10,859			
142 Poquoson	2,092.57	10,520,684	5,028	8,202,303	3,920	2,292,067	1,095	977,564	467	21,992,618	10,510			
143 Manassas	7,586.30	46,465,353	6,125	39,357,096	5,188	7,469,916	988	5,572,252	735	98,891,617	13,036			
144 Manassas Park	3,462.61	13,139,434	3,795	20,412,340	5,895	2,831,110	818	2,440,281	705	38,823,165	11,212			
TOWNS														
202 Colonial Beach	602.28	2,703,763	4,489	3,183,624	5,286	513,594	853	814,040	1,352	7,215,021	11,980			
207 West Point	769.03	4,321,197	5,619	3,787,100	4,925	669,787	871	368,009	479	9,146,093	11,893			
State 7	1,279,145.20	7,782,624,245	6,084	4,876,808,079	3,813	1,325,354,106	1,036	1,038,140,436	812	15,022,928,866	11,745			

¹ Operations include regular day school, school food services, summer school, adult education, pre-kindergarten, and other education, but do not include non-regular day school programs, non-local education agency (LEA) programs, debt service, or capital outlay additions. Non-LEA programs include expenditures made by a school division for state-operated education programs (in hospitals, clinics, and detention homes) that are located within the school division and reimbursed with state funds.

² The Average Daily Membership (ADM) calculated at the end of the school year includes the ADM of pupils served in the school division and the ADM of resident pupils for whom tuition is paid to another school division, regional special education program, or private school. It excludes students for whom the division receives tuition payments from another division or entity (i.e., out-of-state school division, Comprehensive Services Act, Interstate Compact Agreement).

³ Expenditures exclude tuition payments (revenue source code 1901010 and 1901020) received from other LEAs.

⁴ Sales Tax amounts are as reported on the Annual School Report and include both the one percent and one-eighth percent.

⁵ Support by fund source may not equal total expenditures due to rounding.

⁶ Data for jointly-operated school divisions (Fairfax City and Fairfax County; Emporia City and Greensville County; and Williamsburg City and James City County) is reported under the fiscal agent division only. Fairfax County, Greensville County and Williamsburg City are the fiscal agent divisions.

⁷ State level per pupil amounts are calculated based on statewide totals. For example, state level "local per pupil amount" = state level "local per pupil amount" divided by the state level "End-of-Year ADM for determining Cost Per Pupil".

⁸ State revenues for regional Alternative Education programs and Academic Governor's Schools are allocated to divisions according to participation, rather than as paid to the fiscal agents for these programs.

EXHIBIT B

Proposed Fire and EMS Funding Formula					
Department	base amount	FY19 recommended Appropriation	10% Bonus for 85% response	Total potential funding	
Bachelors Hall VFD	\$35,000	\$40,250	\$4,025	\$44,275	
Blairs VFD & Rescue	\$60,000	\$69,000	\$6,900	\$75,900	
Brosville VFD	\$48,000	\$55,200	\$5,520	\$60,720	
Callands VFD & Rescue	\$36,500	\$41,975	\$4,198	\$46,173	
Cascade VFD	\$15,500	\$17,825	\$1,783	\$19,608	
Chatham VFD	\$22,000	\$25,300	\$2,530	\$27,830	
Climax VFD	\$20,500	\$23,575	\$2,358	\$25,933	
Cool Branch VFD	\$26,500	\$30,475	\$3,048	\$33,523	
Dry Fork VFD	\$22,500	\$25,875	\$2,588	\$28,463	
Gretna VFD	\$25,000	\$28,750	\$2,875	\$31,625	
Hurt VFD	\$25,000	\$28,750	\$2,875	\$31,625	
Keeling VFD	\$20,000	\$23,000	\$2,300	\$25,300	
Kentuck VFD	\$25,000	\$28,750	\$2,875	\$31,625	
Laurel Grove VFD & Rescue*	\$22,500	\$25,875	\$2,588	\$28,463	
Mt. Cross VFD & Rescue	\$36,000	\$41,400	\$4,140	\$45,540	
Mt. Hermon VFD & Rescue	\$47,500	\$54,625	\$5,463	\$60,088	
Renan VFD	\$15,000	\$17,250	\$1,725	\$18,975	
Riceville-Java VFD	\$15,500	\$17,825	\$1,783	\$19,608	
Ringgold VFD	\$60,000	\$69,000	\$6,900	\$75,900	
Riverbend VFD	\$10,000	\$11,500	\$1,150	\$12,650	
Smith Mt Lake Marine V.F.	\$10,000	\$11,500	\$1,150	\$12,650	
Tunstall VFD & Rescue	\$47,500	\$54,625	\$5,463	\$60,088	
640 Rescue Squad	\$15,500	\$17,825	\$1,550	\$17,050	
Angel Search & Rescue	\$2,000	\$2,300	\$200	\$2,200	
Chatham Rescue	\$35,500	\$40,825	\$3,550	\$39,050	
Cool Branch Rescue	\$35,500	\$40,825	\$3,550	\$39,050	
Gretna Rescue	\$21,000	\$24,150	\$2,100	\$23,100	
Totals:		\$868,250	\$86,825	\$955,075	
Altavista EMS					
Axton Life Saving Crew					
North Halifax VFD		\$250 per call			
Danville Life Saving Crew		\$250 per call			
* reduced by \$9,000 for Capital & \$2,695 avg EMS supplies - no EMS Service					

FIRE AND EMS DEPARTMENT SERVICE AGREEMENT

This Fire and EMS Department Service Agreement (the "Agreement") is hereby made and entered into by and between the County of Pittsylvania, Virginia (the "County"), and _____ (the "Volunteer Agency"); (individually the "Party," collectively the "Parties").

A. PURPOSE:

The purpose of this Agreement is to outline in reasonable detail the mutual obligations of the County and the Volunteer Agency in regard to the eligibility by the Volunteer Agency for County funds/contributions related to Fire and EMS provision/response in the County.

The Parties to this Agreement hereby agree to be fully legally bound in all aspects to the below terms and conditions contained in this Agreement.

B. THE COUNTY/VOLUNTEER AGENCY'S OBLIGATIONS:

1. The County shall provide property and casualty insurance for the Volunteer Agency; however, the County will only cover the cost of insuring up to four (4) vehicles per Volunteer Agency that provides Fire or EMS only service, and eight (8) vehicles per Volunteer Agency that provides both Fire and EMS transport (note: not included in the above numbers is specialty apparatus (including ladder trucks and heavy rescue vehicles, boats and trailers, MCI trailers, RTVs, and ATVs). Any Volunteer Agency may insure more than the allotted vehicles under the County's insurance policy, but the cost will be taken out of approved funds to said Agency.
2. The County shall maintain accident and sickness insurance coverage on the Volunteer Agency's members.
3. The County shall allocate direct funds/contributions to the Volunteer Agency in three (3) allocations as described more fully below.
4. The County's first fiscal year allocation of funds/contributions to the Volunteer Agency shall occur in August, and contain fifty percent (50%) of the Volunteer Agency's annual funds/contributions. Said first allocation shall contain no contingencies or milestone performance requirements.
5. The County's second fiscal year allocation of funds/contributions to the Volunteer Agency shall occur in January, and contain twenty-five percent (25%) of the Volunteer Agency's annual funds/contributions. Said second allocation shall only be given to the Volunteer Agency by the County, if the following conditions/milestones are fully and completely met:

- a. The Volunteer Agency is current with all applicable State and Federal laws, Virginia Office of EMS Rules and Regulation, and National Fire Protection Association (“NFPA”) standards;
 - b. All of the Volunteer Agency’s equipment and apparatus is maintained in good working order and a condition of readiness;
 - c. The Volunteer Agency complies with all Pittsylvania County Standard Operating Procedures (“SOPs”) and guidelines;
 - d. The Volunteer Agency submits an annual financial audit to the County’s Public Safety Department.
 - e. When the County Capital Improvement Plan (“CIP”) is used to purchase equipment, the Volunteer Agency complies with the Virginia Public Procurement Act and all other County purchasing guidelines;
 - f. The Volunteer Agency, if it conducts EMS transports, has an “on call” roster duty roster, and said Agency shall contact the County’s E-911 center at the beginning of the duty shift and notify it that the Agency has a duty crew and are prepared to answer calls for that shift; and
 - g. The Volunteer Agency practices the proper Incident Command System (“ICS”) while responding to and mitigating emergency scenes.
6. The County’s third fiscal year allocation of funds/contributions to the Volunteer Agency shall occur in June, and contain twenty-five percent (25%) of the Volunteer Agency’s annual funds/contributions. Said third allocation shall only be given to the Volunteer Agency by the County, if the following conditions/milestones are fully and completely met:
- a. The Volunteer Agency continues to comply with all provisions/conditions contained in the Section B(5)(a)-(g) above;
 - b. To date in the current fiscal year, the Volunteer Agency has responded to at least seventy percent (70%) of its calls; and

- c. To date in the current fiscal year, for a dispatched call, the Volunteer Agency must respond with the appropriate ambulance or fire truck (depending on the type call) within eight (8) minutes of the call being dispatched to the Agency.
7. At the same time as the first allocation/funding as described above, the County shall also provide the Volunteer Agency a ten percent (10%) bonus allocation (based on its total fiscal year allocation), if the following conditions/milestones are fully and completely met:
- a. For the previous fiscal year, the Volunteer Agency complied with all provisions/conditions contained in the Section B(5) above;
 - b. For the previous fiscal year, the Volunteer Agency complied with all provisions/conditions contained in Section B(6) above; and
 - c. For the previous fiscal year, the Volunteer Agency responded to at least eighty-five percent (85%) of its calls.

C. IT IS MUTUALLY UNDERSTOOD AND AGREED BY AND BETWEEN THE PARTIES THAT:

1. VIRGINIA FREEDOM OF INFORMATION ACT ("FOIA"). Any information furnished to the County under this Agreement may be subject to FOIA.
2. ENTIRE AGREEMENT/MODIFICATION. This Agreement contains the entire agreement of the Parties with respect to the subject matter of this Agreement, and supersedes all prior negotiations, agreements and understandings with respect thereto. This Agreement may only be amended/modified by a written document duly executed by all Parties.
3. PARTICIPATION IN SIMILAR ACTIVITIES. This Agreement in no way restricts the County or the Volunteer Agency from participating in similar activities with other public or private agencies, organization, or individuals.
4. PRINCIPAL CONTACTS. The principal contacts for this Agreement are: David M. Smitherman, Pittsylvania County Administrator, c/o Christopher C. Slep, Pittsylvania County Public Safety Director (for the County), and _____ for the Volunteer Agency.
5. COMMENCEMENT/EXPIRATION DATE/TERMINATION. This Agreement is executed as of the date of the last signature below, and is effective through _____ at which time it will expire, unless extended for another fiscal year. Either party may terminate this Agreement by providing ___ days' notice to the

other Party. In the event that said termination notice provided by _____ is during a current fiscal year, _____ shall reimburse to County any unexpended funds allocated to it within thirty (30) days' receipt by County of termination notice.

6. GOVERNING LAW, VENUE, MEDIATION, LEGAL FEES/COSTS:

- a. Governing Law: This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Virginia.
- b. Venue: If legal action by either party is necessary for or with respect to the enforcement of any or all of the terms and conditions hereof, then exclusive venue therefore shall lie in the County of Pittsylvania, Virginia.
- c. Mediation:
 - i. Good faith mediation shall be a condition precedent to the filing of any litigation in law or equity by either Party against the other Party relating to this Agreement. Before the remedies provided for in this Section may be exercised by either Party, such Party shall give written notice to the other Party that such Party believes that an event of default or impasse under this Agreement may have occurred, specifying the circumstances constituting the event of default or impasse in sufficient detail that the other Party will be fully advised of the nature of the event of default or impasse. The responding Party shall prepare and serve a written response thereto within ten (10) business days of receipt of such notice. A meeting shall be held within ten (10) business days after the response between the Parties to attempt in good faith to negotiate a resolution of the dispute.
 - ii. If the Parties are unable to resolve the dispute through the above- process, the Parties shall attempt to resolve the controversy by engaging a single mediator, experienced in the subject matter, to mediate the dispute. The mediator shall be mutually selected by the Parties, to the controversy and conduct mediation at a location to be agreed upon by the Parties or absent agreement, by the mediator. Within two (2) business days of selection, the mediator shall be furnished copies of the notice, this Agreement, response, and any other documents exchanged by the Parties. If the Parties and the mediator are unable to settle the same within thirty (30) days from selection, or such other time as the Parties agree, the mediator shall make a written recommendation as to the resolution of the dispute. Each Party, in its sole discretion, shall accept or reject such recommendation in writing within ten (10) days. Should the Parties be unable to agree upon a single mediator

within five (5) business days of the written response of the responding Party, the Parties jointly, shall agree upon the selection of a neutral third-party agreed upon by the Parties, to appoint a mediator, experienced and knowledgeable in the matters which are the subject of the dispute. The costs of the Mediator and the mediation shall be shared equally by the Parties to the dispute.

iii. Notwithstanding the preceding paragraphs, the Parties reserve the right to file suit or pursue litigation. The Parties consent to selection of a mediator by any Court shall not constitute consent to jurisdiction of such court or waiver of defenses as to venue or jurisdiction.

d. Legal Fees/Costs: At all times under this Agreement, each Party shall be responsible for its own legal fees and costs.

7. WAIVER OF BREACH. The failure of the County to enforce one (1) or more of the terms or conditions of the Agreement, from time-to-time, shall not constitute a waiver of such terms or conditions upon subsequent or continuing breach.
8. BENEFIT. This Agreement shall inure to the benefit of, and shall bind the heirs, successors, and assigns of the Parties.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the last date written below.

WITNESS the following signatures and seals:

THE COUNTY OF PITTSYLVANIA, VIRGINIA

By: _____

Title: _____

Print Name: _____

COMMONWEALTH OF VIRGINIA

County of Pittsylvania, to-wit:

I, _____, a Notary Public for the Commonwealth of Virginia at large, do hereby certify that _____, whose name is signed to the foregoing Agreement, bearing date of the ____ day of _____, 2018, has acknowledged the same before me in the jurisdiction aforesaid.

Given under my hand this ____ day of _____, 2018.

Notary Public

My commission expires: _____

APPROVED AS TO FORM

J. Vaden Hunt, Esq.
Pittsylvania County Attorney

By: _____

Title: _____

Print Name: _____

COMMONWEALTH OF VIRGINIA

County of Pittsylvania, to-wit:

I, _____, a Notary Public for the Commonwealth of Virginia at large, do hereby certify that _____, whose name is signed to the foregoing Agreement, bearing date of the ____ day of _____, 2018, has acknowledged the same before me in the jurisdiction aforesaid.

Given under my hand this ____ day of _____, 2018.

Notary Public

My commission expires: _____

Volunteer Fire & Rescue**Insurance**

Total paid for 2017-2018: \$156,764.00

Department	# of Vehicles	County		notes
		Responsibility	Agency Cost	
Bachelors Hall	7	\$5,284		
Blairs	9	\$5,284	\$1,761	
Brosville	8	\$5,284	\$881	
Cascade	5	\$4,404	\$1,761	
Callands	10	\$5,284	\$2,642	
Chatham	6	\$5,284	\$1,761	1 ladder trk
Climax	5	\$4,404	\$1,761	
Cool Branch	4	\$3,523		1 ladder trk
Dry Fork	4	\$3,523	\$881	
Gretna	6	\$5,284	\$2,642	
Hurt	8	\$5,284	\$3,523	1 boat trlr
Laurel Grove	7	\$5,284	\$3,523	
Mt. Cross	5	\$4,404		
Mt. Hermon	7	\$5,284		
Renan	6	\$5,284	\$2,642	
Riceville	8	\$5,284	\$4,404	
Ringgold	16	\$5,284	\$7,046	1 ladder trk
Keeling	7	\$5,284	\$3,523	
Kentuck	6	\$5,284	\$2,642	
River Bend	5	\$4,404	\$1,761	
Tunstall	8	\$5,284	\$881	
Chatham Rescue	7	\$5,284	\$3,523	
Cool Branch Rescue	5	\$4,404	\$881	1 heavy rescue
Gretna Rescue	5	\$4,404	\$1,761	
640 Community Rescue	2	\$1,761		
Pittsylvania Co.	5	\$4,404		
Angel Search & Rescue	2	\$1,761		
Specail Ops.	2	\$1,761		
Board of Sup.	1	\$881		
	176	\$128,582	\$50,200	

The total number of Vehicles includes trailers

Solid Waste Landfill and Collection 10-year projections

Equipment Purchases

	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY2025	FY 2026	FY 2027	FY 2028
10 Yard Paddle Scraper	\$250,000			\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000
Bulldozer	\$250,000			\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000
Rehab Existing Bulldozer	\$65,000										
Rolloff Truck		\$130,000	\$130,000	\$130,000	\$130,000	\$130,000	\$130,000	\$130,000	\$130,000	\$130,000	\$130,000
Compactor Replacements		\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000
Boom Truck		\$130,000									
Replace 40 Yard Open Boxes		\$12,000	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000
1 Ton Pickup Truck			\$35,000								
Scale Replacement		\$75,000									
20 Ton Trailer				\$35,000							
Landfill Trash Compactor		\$100,000	\$100,000	\$100,000	\$100,000						\$100,000
Supplemental Maintenance Fund		\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000

Capital Purchases

Opening of Cell C						\$529,729					
Permits/Design							\$4,278,579				
Construction							\$427,430	\$427,430	\$427,430	427,430	\$427,430
10 Year Loan Payments											

Closure of Phase II/Opening Phase III

		\$439,577	\$439,577	\$439,577	\$439,577	\$439,577	\$439,577	\$439,577	\$439,577	\$436,577	\$436,577
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Construction of Compactor Sites

		\$350,000	\$350,000								
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Total Costs

	\$565,000	\$1,306,577	\$1,136,577	\$886,577	\$751,577	\$1,181,306	\$5,357,586	\$1,079,007	\$1,079,007	\$1,176,007	\$1,276,007
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Offsetting Revenues

2018 Loan Proceeds	-\$565,000	-\$315,000									
Insurance Proceeds/Compactor			-\$248,000								
Replace Existing Landfill Loan						-\$529,729	-\$4,278,579				
Current Loan Payments								-\$318,000	-\$318,000	-\$318,000	-\$318,000

Total Costs

	\$0	\$991,577	\$888,577	\$886,577	\$751,577	\$651,577	\$761,007	\$761,007	\$761,007	\$858,007	\$958,007
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Closing of Cell C Projected for 2039/2040 @ \$5,892,000
 Opening of Phase III Projected for 2038/2039 @ \$6,500,000
 Total Cost for Both: \$12,392,000

2015-2017 Business Compliance Officer Audit Recap

Year	Increase Due to BOC Audit	Decreases Due to BOC Audit	Even/No Change.not Liability	Pending at end of calendar Year	Total Audits Completed
July – Dec 2015	31	24	30	N/A	85
2016	93	65	109	N/A	267
2017	87	41	91	45	264
Total for 3 year	211	130	230	45	616

Supplements Due to BOC Audit

Year	MC1 (Merchants Capital)	MT1 (Machinery & Tool)	PPE (BOT-Business, Office, Tools Equipment)
2015	21,706.03	48.15	9,302.13
2016	316,945.75	41,704.65	64,435.00
2017	6,080.25	596.70	75,814.38
Grand Totals	344,732.03	42,349.50	149,551.51

Abatements Due to BOC Audits

Year	MC1 (Merchants Capital)	MT1 (Machinery & Tool)	PPE (BOT-Business, Office, Tools Equipment)
2015	4,312.98		3,511.53
2016	6,728.00		21,599.80
2017	34,257.03		5,994.44
Grand Totals	45,298.01		31,105.77

Refunds issued due to audits 2015-2017 - \$23,947.09

Total Supplemented assessments \$ 536,633.04

Total Abated assessments \$76,403.78

Total Refunds issued \$23,947.09

Net Revenue \$436,282.17

Pittsylvania County Organizational Chart

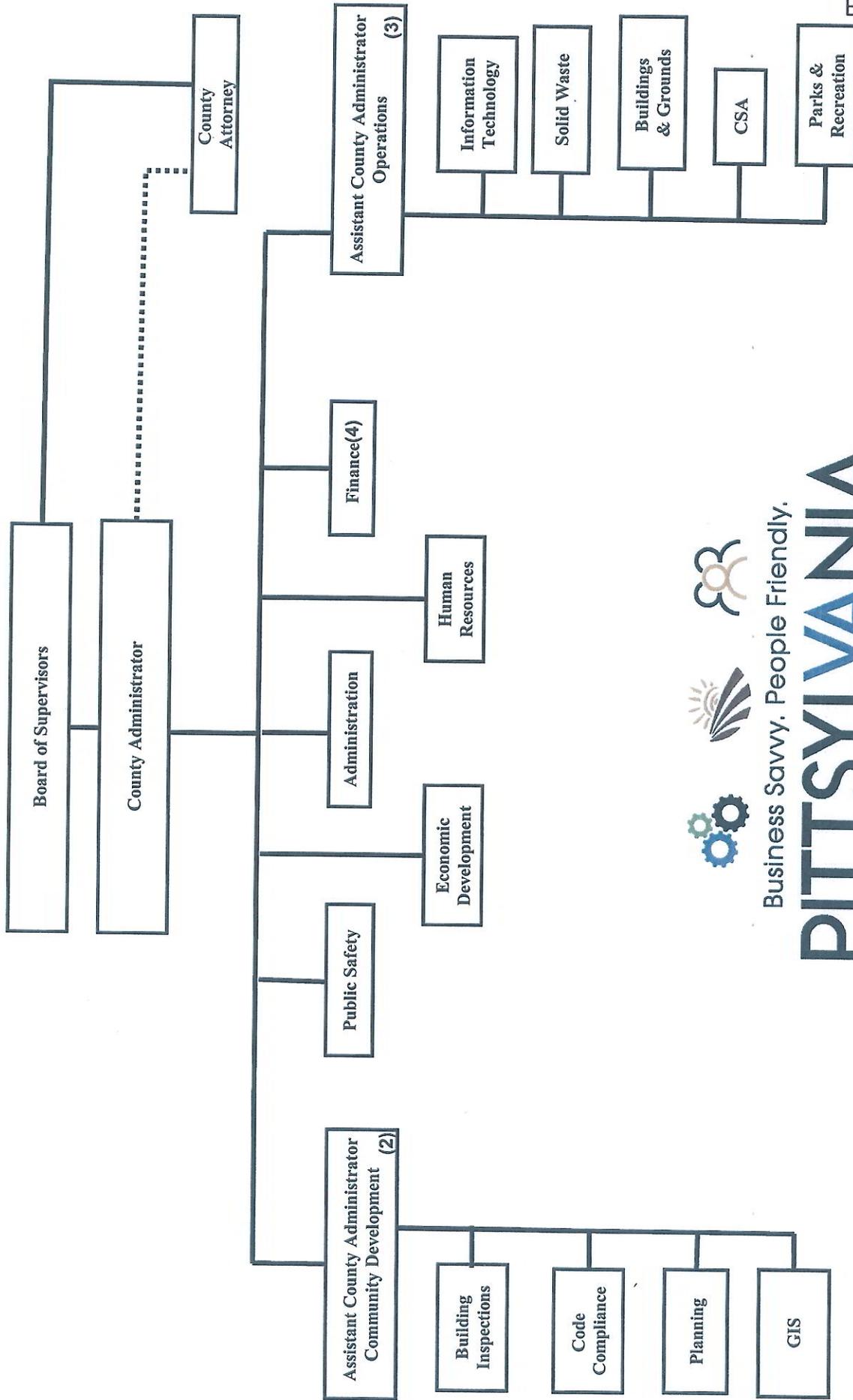


EXHIBIT G



2,3,4 – Designates Chain of Command for Chief Administrative Officer in the absence of the County Administrator

Rev 9-11-17



Agreement to Sponsor Maintenance/Landscaping of Pittsylvania County Welcome Signs

Welcome Sign Locations:

<u>Tier 1 Locations</u>	
US 29 Corridor - \$5,000 per site annually	
<ul style="list-style-type: none"> ○ US 29 South (PC/Campbell Co. line) ○ US 29 South/58 West (Near Danville Interchange) 	<ul style="list-style-type: none"> ○ US 29 North/265 Bypass North (360 exit)
<u>Tier 2 Locations</u>	
Other Major Highways - \$3,000 per site annually	
<ul style="list-style-type: none"> ○ US 58 West (PC/Halifax Co. line) ○ US 58 West (Near Westover Drive) 	<ul style="list-style-type: none"> ○ US 58 East (PC/Henry Co. line)
<u>Tier 3 Locations</u>	
Secondary Roads - \$2,000 per site annually	
<ul style="list-style-type: none"> ○ US 40 East (PC/Franklin Co. line) ○ US 40 West (PC/Halifax Co. line) ○ US 57 East (PC/Henry Co. line) 	<ul style="list-style-type: none"> ○ US 57 West (PC/Halifax Co. line) ○ US 62 North (VA/NC state line) ○ 360 West (PC/Halifax Co. line)

Company/Organization Information:

Representative's Name _____

Company/Organization _____

Address _____

City _____ State _____ ZIP _____ Phone _____

We wish to contribute to the maintenance and landscaping of the Pittsylvania County Welcome Sign located at _____ . We agree to donate \$ _____ per year to Pittsylvania County for five (5) years. The first annual donation is due at the signing of this document. Subsequent donations are due by January 15 for the next four (4) years. A sign will be erected on-site bearing the sponsor's name.

Agreement to Sponsor Maintenance and Landscaping of Pittsylvania County Welcome Sign(s)

This agreement is renewable at the discretion of both parties. This agreement may be cancelled by either party with 30 days written notice.

If, for any reason, the sponsor sign must be removed the sponsor will receive a refund, prorated for the time remaining under the current annual payment.

Accepted By:

 SPONSOR

 DATE

Approved By:

 COUNTY ADMINISTRATOR

 DATE

County Printer Totals

<u>Department</u>	<u>Count</u>
Animal Control Total	3
Attorney Total	2
Building & Grounds Total	2
COR Total	16
County Admin Total	7
CWA Total	14
Economic Dev Total	2
Emergency Man Total	8
Finance Total	4
IT Total	2
Landfill Total	7
Literacy Total	3
Purchasing Total	2
Reassessment Total	2
Recreation Total	2
Registrar Total	5
Sheriff Total	45
Treasurer Total	14
Zoning Total	9
	149