

**Board of Veterans Services
Cemeteries Committee
Meeting Minutes
April 4, 2012**

A meeting of the Board of Veterans Services (BVS) Cemeteries Committee was held on Wednesday, April 4, 2012 at the Albert G. Horton, Jr. Memorial Veterans Cemetery, 5310 Milners Road, Suffolk.

Members Present

- George Melnyk, Chairman
- Don Kaiserman
- George Corbett, representing the Joint Leadership Council of Veterans Service Organizations

Members Absent

- Al Sample

Department of Veterans Services Officials Present

- Steven Combs, Department of Veterans Services (DVS) Director of Policy and Planning
- Dan Kemano, DVS Cemeteries Director

Others Present

None

Materials Distributed

- Agenda
- Copy of Executive Order 29 (EO29)
- Copy of Commissioner Galanti's letter to the Board of Veterans Services regarding EO29, dated March 19, 2012
- Copy of the FY11-12 Appropriations Act, Item 414, showing the FY11-12 appropriation for the state veterans cemeteries
- Copy of the FY13-14 Budget Bill, Item 463, showing the proposed FY13-14 appropriation for the state veterans cemeteries
- Spreadsheet – FY12 Cemetery Operations
- Spreadsheet – State Veterans Cemeteries Maintenance Reserve and Equipment Replacement Schedule: 2012 to 2023

Call to Order, Quorum Determination, and Agenda Approval

Chairman George Melnyk called the meeting to order at 10:30 a.m. Three of four members were recorded as present and a quorum was determined. The agenda was approved by unanimous consent.

Review Executive Order 29

Chairman Melnyk called the committee members' attention to Governor McDonnell's Executive Order 29, which directs "*...the Board of Veterans Services and the Joint Leadership Council of Veterans Service Organizations to develop legislation to be considered by the Governor for introduction in the 2012 and subsequent General Assemblies. Such proposals shall be submitted, via the Commissioner of the Department of Veterans Services, to the Governor's Office no later than August 15, 2011, and by August 15 of each subsequent year this Executive Order is effective.*"

Chairman Melnyk next called the member attention to Department of Veterans Services (DVS) Commissioner Paul Galanti's letter of March 19, 2012, in which the Commissioner requests Board of Veterans Services (BVS) assistance with two issues related to the state veterans cemeteries:

1. *Review all cemetery operating policies, endorse those you feel correctly support the cemeteries' mission, and recommend improvements for those that do not. Also, recommend new policies if required.*
2. *Review the cemeteries' 12-year maintenance reserve and equipment replacement plan, endorse the plan if you feel it correctly supports the cemeteries' mission, and recommend improvements to the plan if you feel it does not. Also, identify and endorse potential funding sources to implement the plan, identify potential funding shortfalls, and recommend the additional resources required to implement the plan.*

Chairman Melnyk stated that he believed that, of the two items, the review of the 12-year maintenance reserve plan and identification of funding sources was the more critical task for the BVS Cemeteries Committee, and would therefore be the focus of the April 4 meeting. He said that the agenda reflects this priority, and that the Committee can tackle the other issue at a subsequent meeting.

Review and Discuss Cemetery Budget in Light of Additional Funding

Mr. Combs reviewed the FY12 appropriation for the state veterans cemeteries, as reflected in the FY11-12 Appropriation Act approved by the 2011 General Assembly. He noted that the General Assembly has authorized \$1,711,609 for cemetery operations in FY12. Projected FY12 expenditures as of March 1 totaled \$1,593,392. DVS expected to bring in \$1,949,393 from all funding sources in FY12, leaving a projected year-end balance of \$356,000. Mr. Combs noted that because the balance would be in non-general funds, most if not all would be available for cemetery projects in FY13.

Mr. Combs stated that the difference between the appropriated amount and the projected revenue was the result of an increase in the U.S. Department of Veterans Affairs (USDVA) veteran burial allowance from \$300 per veteran burial to \$700.

Mr. Kemano noted that he had been told by USDVA officials that the intent of the increase in the burial allowance was to provide state veterans cemeteries with funds for equipment replacement;

maintenance and repair of the cemetery grounds and structures; and cemetery improvements. He stated that USDVA officials told him that the increased funding was not intended to supplant state operating funds, but rather to provide the financial resources required for state veterans cemeteries to achieve and maintain national shrine standards through the effective repair, upkeep, and/or replacement of cemetery equipment, grounds, and buildings.

Mr. Combs added that DVS expects to run a surplus of approximately \$240,000 per fiscal year for the near future because of the increase in the federal burial reimbursement, and that these funds would be available for key cemetery maintenance reserve projects and equipment replacement.

Maintenance Reserve and Equipment Replacement Plans

Mr. Kemano reviewed the maintenance reserve and equipment replacement plans for the three veterans cemeteries. The members noted that in some years, the total amount of maintenance reserve and equipment replacement projects exceeded the amount of non-general funds – approximately \$240,000 – that was expected to be available each fiscal year.

Mr. Combs explained that maintenance reserve equipment replacement projects were funded through a combination of general fund and non-general fund sources. He said that the \$240,000 could be used to fund the non-general fund portion of the maintenance reserve and equipment replacement projects, but that there would also likely be general fund support available for the cemeteries as part of the state's central maintenance reserve account. He said that by combining the non-general funds generated by cemetery operations with the general funds available from the central account, DVS should be able to cover most maintenance reserve and equipment replacement requirements without having to seek additional general fund support from the Governor and General Assembly. The committee discussed this and all agreed that being able to self-generate the non-general fund portion of the maintenance reserve and equipment replacement funding would help Virginia's state veterans cemeteries better serve Virginia's veterans and would ease the budget pressures faced by state decision-makers.

Discuss and Vote on uses for Additional Funding

Chairman Melnyk stated that, in order to make an informed decision on the use of the additional \$240,000 in non-general funds, the Committee should review options for the use of all or part of the funding. He outlined four possible uses:

1. Use the \$240,000 to fund the non-general fund portion of the maintenance reserve and equipment replacement requirements;
2. Decrease or eliminate the \$300 spousal burial charge;
3. Decrease or eliminate the \$400 charge for outer burial containers;
4. Decrease general fund operating support for the cemeteries.

The committee members discussed each option at length. All agreed that Option 1 presented the best long-term solution for cemetery funding requirements and would best position Virginia's

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state veterans to achieve and maintain national shrine status and honor Virginia's veterans and the honored dead interred at the cemeteries.

Chairman Melnyk volunteered to prepare a draft position paper for the May 16 BVS meeting, detailing the Committee's recommendations regarding the use of the additional \$240,000.

Adjournment

There being no further business before the committee, the meeting adjourned at 2:25 p.m.