

June 9, 2016

At the special meeting of the Board of Supervisors of Prince Edward County, held at the Court House, thereof, on Tuesday, the 9<sup>th</sup> day of June, 2016, at 6:00 p.m., there were present:

Pattie Cooper-Jones

Calvin L. Gray

Odessa H. Pride

Howard F. Simpson

C. Robert Timmons, Jr.

Jerry R. Townsend

Jim R. Wilck

Absent: Robert M. Jones

Also present: Wade Bartlett, County Administrator.

Chairman Simpson called the reconvened meeting to order to discuss protocol and criteria for the funding of donations.

Mr. Bartlett, County Administrator, said that during the May 31, 2016 meeting, the Board of Supervisors directed County Staff to research the policies of other local governments concerning funding of non-profit or outside organizations. Several members of the Board of Supervisors have expressed an interest in creating a policy or specific criteria to help guide the Board when determining which organizations to fund.

Staff research has determined the majority of localities had few if any formal policies or criteria. Governing bodies more often than not want to maintain maximum flexibility on such funding decisions. Due to the recession that began in 2009 most localities had agreed to stop adding new organizations to the list receiving tax-payer funds, in fact, many had begun a process to decrease either the amount provided or the number of organizations receiving funds or both.

Of those that had policies, the following were some of the stipulations:

1. The majority required the organizations receiving funds to be a 501(c)(3) organization.
2. Many required the organizations to provide audited financial statements.
3. A few required the organizations to be existing, example: be at least three years old.

4. Some required the organizations to be community based service organizations which must provide a direct service to the citizens. This would be a service that if the non-profit didn't provide would require the County to increase spending to provide the service.
5. One locality had a policy of providing a set percent of the real estate tax (one-half of one cent) as the total amount of funding set aside for such contributions. Then the various organizations would compete for funding. The amount usually provided to each non-profit was based on past funding. Because this policy was tied to the real estate tax, the amount would increase or decrease based on the change in assessments.

Supervisor Timmons stated that in their process, the Board would be prudent to limit donations to 501(c)(3) designated organizations; the Board could not be construed as giving to a for-profit organization.

Supervisor Wilck questioned the status of the YMCA and the Farmville Chamber of Commerce.

Mr. Bartlett said the YMCA is a 501(c)(3) organization; the Chamber may be a 501(c)(7).

Supervisor Townsend asked how they are validated and it would "knock out" rural areas, as the organizations there don't have the resources like the ones in town. He said that may be too stringent.

Supervisor Timmons stated a pot of funds could be set aside for discretionary funding for all small non-profits that are not 501(c)(3).

Supervisor Gray suggested designating certain organizations as recreational programs.

Supervisor Townsend agreed the Board needs to come up with categories, such as Education and Recreation, and they would be required to list how the money is spent. If there is any left, they would need to show that. He said he doesn't want to cut the benefit to citizens.

Supervisor Timmons said there is no issue with the 501(c)(3) and other non-profits. He said a fund could be set up for discretionary recreation organizations; they would still be required to provide a financial report. Some new organizations could be added, but just because someone has a passion for doing something, it doesn't necessarily mean that the government or the citizens should fund it.

Supervisor Wilck stated he has been approached by 15 citizens, each one stating they do not like their tax dollars going to any charity. He said no one said to keep the practice.

Supervisor Gray said one thing that makes us, as a nation, so relevant is our willingness to help others. He said he understands the importance of considering where the money goes as the Board is responsible for how the Board spends the County's money; but the Board needs to be considerate of those

that can't help themselves and the organizations and agencies that help such people. He said the Board needs to consider the needs of the people who legitimately need help. He advised the Board to let that never to be taken from our character as leaders and those that are responsible for the well-being of the entire community.

Supervisor Wilck said he is in agreement because of organizations such as Meals on Wheels and FACES, but speaking generally, as in the Chamber, there is no effect when the Board doesn't donate.

Supervisor Gray said they must look at the criteria for legitimate requests. He said the criteria would hold as a benchmark for giving.

Supervisor Timmons said he has no problem giving to the smaller groups; there can be two sets of designations but they still have to have monitoring and criteria. The larger organizations need to present audited financial statements. He stated Legal Aid has a budget of over \$100 million annually and asked why they need the \$3,000 from the County. He said they need to look at the organizations that provide a service to the citizens, such as SVCC, which provides job training; they also have the documents and scrutiny the Board would need them to have. Supervisor Timmons then pointed out the Chamber isn't a donation; it is a membership. That could be contained in the criteria for discussion.

Supervisor Timmons proposed the reclassification of the Fire Departments and the EMS as Safety classification and as a part of the budget. He suggested the reclassification of the Library as a standing contribution, along with SVCC, as Education.

Chairman Simpson stated that every item named by the other Board members, the main items listed that would be funded each year. For the other items on the donations list, if Board saves 1 ¼ cents of the real estate tax revenue, put it in a category for the donations, the Board would have funding available. He said in the coming year, make it known to those on the donation list there will be no increase unless they can show a benefit to the County and the money from the real estate tax could provide funds to something else that would come in.

Mr. Bartlett stated SVCC's request varies as it is contingent upon the number of students enrolled. One cent equals \$146,000; 1 ¼ cents equals \$182,500 this year. He said Farmville is classified "Government"; the Farmville Area Bus is the largest recipient, along with the airport and the fireworks. He added the Heart of Virginia festival is a function of the Chamber.

Supervisor Wilck questioned the purpose of the meeting, adding that it was to cut back on donations.

Supervisor Gray said the purpose was to establish criteria and then determine whether or not those areas can be funded. Discussion followed.

Supervisor Wilck asked the function of the Cooperative Extension. Mr. Bartlett stated it provides space for several organizations, including Master Gardeners, 4-H, Cloverbuds, and Manpower. The County is responsible to pay one-third of the cost of the employees, and the County receives rent on the building from the Federal government. He said the Extension Office provides many services to the County residents.

Supervisor Cooper-Jones stated the citizen organizations can use the building at no cost for various functions; Mr. Bartlett added the Cooperative Extension manages conference and meeting rooms, and is affiliated with Virginia Tech.

Supervisor Cooper-Jones added SVCC provides helpful and valuable services to the students, and transportation is provided from the high school to the college campus for their dual-enrollment students.

Supervisor Pride said the one cent doesn't cover each entity.

Supervisor Townsend asked if the Board grants a donation, before they return for another the following year, the organization must validate their spending.

Mr. Bartlett stated the current request form, questions include how many citizens the organization helped. He said some provide audits or financial reports.

Supervisor Townsend said the Board needs to spread the wealth around and not give the same organizations year after year.

Supervisor Timmons said the "new" organizations to be considered would need a super-majority vote to receive funding, not a simple majority.

Supervisor Wilck stated the Town [of Farmville] eliminated all funding donations.

Supervisor Timmons said that if an entity or organization come in that does a noteworthy service, that policy would eliminate the Board being able to help them. He said the goal isn't to spend nothing, but to be prudent in what is spent. He agreed with Chairman Simpson's recommendation in spending a limited amount.

Supervisor Wilck said the donations are like a see-saw. He said he hears from people that need money and services, and presented an example of a citizen that had to sell her property to cover the taxes. For some, their only income is social security and they must choose between food or medicine. He stated

that whenever the Board spends money on something like that, there are people in need and in poverty that are paying taxes and it is just as difficult there as the other end of it.

Supervisor Timmons stated several districts are heavily populated with retired people, most asking for no tax increases. He said at \$566,000, if the Board adds the library and SVCC as annual expenditure in the budget, that leaves a discretionary funding of about \$150,000, which equates to about 1 cent. Total contributions, when adding the Fire Departments and everything else, is at about \$1.5 given to Public Safety and the other categories. Supervisor Timmons stated the Board needs to plan for the costs of public safety, SVCC and the library, and quasi-governmental agencies.

Mr. Bartlett stated Crossroads is a political subdivision of the state and is established in the *Code of Virginia*. It is a regional Community Service Board, of which every community in the state is a member. They provide, mainly, mental health services for the residents in the region; they serve nine counties. Funding from the County is used as a match for a grant and is based on the population; the match is 10%, which equates to about \$350,000-\$400,000. For every dollar reduced from the County in donations, they lose \$10 in funding. The Region makes up the governing body; two members from each County are appointed, one Board member and one citizen. He stated most of its funding is federal and it provides a valuable service.

Supervisor Timmons listed the criteria that should be required: 501(c)(3) non-profit; three years of operation; financial audits; provide service to the citizens. Discussion followed on the number of citizens served by the various agencies and organizations.

Supervisor Gray said it would be best to set categories and then the logistics. He suggested:

1. Requests come from all affiliated groups, agencies, or institutions within the County or serving citizens in the county.
2. Funds used for educational, social, health and safety purposes.
3. An updated report must be given on request by Board of Supervisors at least annually.
4. All funding requests must fall under the 501(c)(3) and/or non-profit category or must present a fiscal or financial disclosure.
5. All funds are subject to modification, reduction and can be rescinded by the Board without prior notification.
6. No request can be contested; all decisions are final.

Discussion followed.

Supervisor Townsend stated a financial report must be received or they will be removed from the list.

Supervisor Wilck recommended the Board buy no tables for [events held by] STEPS, the Chamber [of Commerce], Moton Museum or other organizations; if the members wish to attend, they should pay for the attendance themselves.

Supervisor Gray suggested a rotation; if someone received funding for 10 years, new organizations need to be given the opportunity. Following some discussion, Mr. Bartlett stated some are legacy organizations; the decision was made years ago to continually fund PEFYA which serves the county for recreation. It is more economical for the citizens to fund PEFYA as “recreation departments” are far more expensive.

Discussion followed regarding PEFYA, the YMCA, and various other organizations that benefit the citizens and the rotation to enable new organizations to benefit from donations.

Supervisor Cooper-Jones said FACES and Piedmont Senior Resources provide valuable services to the citizens and should be considered in the “Quality of Life” category.

Supervisor Timmons made a motion, seconded by Supervisor Cooper-Jones, to add Southside Virginia Community College to the permanent funding list and to fund the SVCC at \$5,000 this fiscal year; the motion carried:

Aye:	Pattie Cooper-Jones	Nay:	Robert M. Jones
	Calvin L. Gray		
	Odessa H. Pride		
	Howard F. Simpson		
	C. Robert Timmons, Jr.		
	Jerry R. Townsend		
	Jim R. Wilck		

Supervisor Cooper-Jones stated that at the last meeting, Chairman Simpson announced that there is extra money coming in and the rest of the Board members were dumbfounded. She requested that an email or other notification be made to all Board members on any pertinent information. Discussion followed.

Chairman Simpson stated he questioned Mr. Bartlett just prior to the meeting about finding funding for several donations. Mr. Bartlett stated he had located the information for the schools; he said there wasn't

much because the schools had taken most of the available funding reserves. Mr. Bartlett stated he does understand the issue but every Board member comes to ask for information from himself, Mrs. Puckett, or Mr. Fowler. They work to provide the information; most of the time it's not something the rest of the Board wishes to know. If they are required to send it out to every Board member, it would put an administrative burden on all staff.

Supervisor Cooper-Jones stated it isn't for every question but for financial and funding issues such as that. Discussion followed.

Supervisor Townsend stated transparency is needed to implement and communication; if it covers expending funds, all members need to know.

Supervisor Pride stated she agrees with Supervisor Cooper-Jones; however, Chairman Simpson's rationale was to see if there was money available.

Discussion regarding categories followed: Education; Health (Meals on Wheels, Piedmont Senior Resources, FACES, Free Clinic); Safety; Recreation.

Supervisor Timmons recommended the need for a "super majority" vote for new organizations; it would require six votes.

Supervisor Timmons recommended setting a maximum amount available for funding, e.g., one cent of the Real Estate tax set aside for donations. Discussion followed.

Any request made after the budget has been set, the organization must wait until the following budget year. Discussion followed.

Mr. Bartlett stated it would require a two-thirds majority vote to add any new organization for funding; limit donations to \$150,000 for FY17 and FY18, and then set the target for FY19 based on the assessments; once the budget is approved, there will be no new funding provided to any organization outside of an emergency, which would require a two-thirds vote. Mr. Bartlett said the Board will enforce the statement requiring financial audits on the request form. He then reviewed the criteria to date:

- Only Educational, Social, Health and Safety organizations
- All requests must be from 501(c)3 or non-profit organizations
- Presentation of fiscal disclosure, updated annually
- All funds subject to modification, reduction and can be rescinded without prior notification
- Donations or lack of donation cannot be contested
- Once the Board makes a decision, no further consideration until the next fiscal year
- Donations only to agencies that provide services to Prince Edward County citizens

Mr. Bartlett advised the Board the HVAC in the Visitor's Center broke down; he received three estimates with Ellington Energy providing the low bid of \$8,317. Mr. Bartlett reported the duct system needs to be resized as well. Mr. Bartlett stated that with the fuel oil costs having been low due to the mild winter, the funding is available.

Mr. Bartlett then reported the roof is nearly complete; the "close out" meeting will be held in the next couple of weeks as the manufacturer of the sealant cannot come for several weeks.

Mr. Bartlett said once the roof is complete, work will be done on the sidewalk. Discussion followed regarding ADA compliance of the sidewalk.

Supervisor Pride questioned the after-prom parties; discussion followed. She then asked the status of the door repair and the carpet replacement in the Visitor's Center, and in the Courthouse. Mr. Bartlett stated he is waiting on a bid for a private company to replace the carpet.

Supervisor Townsend stated the inmates could be brought into replace the carpet and tile. Discussion followed.

On motion of Supervisor Timmons, seconded by Supervisor Gray, and adopted by the following vote:

Aye:	Pattie Cooper-Jones	Nay:	Robert M. Jones
	Calvin L. Gray		
	Odessa H. Pride		
	Howard F. Simpson		
	C. Robert Timmons, Jr.		
	Jerry R. Townsend		
	Jim R. Wilck		

the meeting was recessed at 8:29 p.m. until Tuesday, June 14, 2016 at 5:30 p.m. for a VDOT work session in the Third Floor Conference Room.