

April 14, 2015

At the special meeting of the Board of Supervisors of Prince Edward County, held at the Court House, thereof, on Tuesday, the 14th day of April, 2015; at 3:00 p.m., there were present:

Pattie Cooper-Jones

Calvin L. Gray

Robert M. Jones

Charles W. McKay

Howard F. Simpson

C. Robert Timmons, Jr.

Jerry R. Townsend

Jim R. Wilck

Also present: Wade Bartlett, County Administrator; Sarah Elam Puckett, Assistant County Administrator; and Dr. David Smith, Superintendent, Prince Edward County Schools.

Chairman Simpson called the reconvened meeting to order for the purpose of a budget work session.

In Re: County Health Insurance

Ms. Nancy Grasso reviewed a PowerPoint presentation on the process to move to self-insurance. She explained if the County would be self-insured, any money paid for the premiums not used towards claims could be recovered. It is an alternate method of paying the premium for insurance; instead of paying a vendor, the County would be paying the claims. Ms. Grasso gave several examples.

Supervisor Timmons stated it must be the same amount with no impact to the employee and allow the County to save money.

Ms. Grasso stated premiums will fund claims and Anthem will administer (service) the account. She stated there are fixed costs such as administration fees and network access, but the claims are variable and only what is needed is taken out. Discussion followed on the details of plans.

Supervisor Jones entered the meeting during the presentation.

Ms. Grasso stated Anthem will be making a change in the prescription co-pay costs whether the County moves to self-insurance or stays with traditional insurance.

Supervisor Timmons requested further information. Ms. Grasso stated she will gather more information on the 250 Plan, based on the history, with savings and cushioned by a catastrophic insurance plan; she will provide for a 200 Plan and a 300 Plan that looks like the 250 Plan.

Mr. Bartlett stated the deadline to make the choice for the insurance renewal is coming quickly. Mr. Bartlett said there were changes with the renewal some of which was due to the Health Care Law, and asked if other things like that will be coming in the future, such as Local Choice evolving into a less robust plan because of the Health Care Law.

Ms. Grasso stated she has concerns about the excise tax; the way the “Cadillac tax” is measured is based on the annual gross cost of a plan. If the group is older and has more claims, the cost can be more than a group that is younger and healthier. The pricing on certain plans will push a group into the “Cadillac” group; the tax on that is 40% over the limit. There would not be that risk with a self-funded plan as it is not a premium but is claims. That goes into effect January 1, 2018. Discussion followed.

In Re: Review of Regional Budget Statistics

Mr. Bartlett stated each year, the Auditor of Public Accounts publishes a document titled “Comparative Report of Local Government Revenues and Expenditures.” The report is provided to the General Assembly and is meant to provide a uniform presentation of fiscal information.

The average per capita Operations and Maintenance (O&M) Expenditures of all Counties is \$2,595.06, while the average per capita Debt Expenditures for all Counties is \$211.96 for a total per capita average of \$2,807.03. Prince Edward County’s total expenditure per capita amount is \$2,024.82, almost \$800 lower. This is a very small amount; in fact, only one County spends less per capita than Prince Edward County. This fact provides strong documentation that Prince Edward County operates a very lean and efficient governmental operation.

Mr. Bartlett reviewed data for Prince Edward County and the surrounding localities. Most of the Counties in this region expend less than the state averages; Prince Edward County ranks very well among

its neighbors. The County in our region with the next lowest per capita total expenditure amount is Lunenburg at \$2,185.18. For Prince Edward County to match Lunenburg's amount would require Prince Edward County to spend an additional \$3,732,219 each year.

In Re: Review of Revenues

Mr. Bartlett stated that \$708,000 is needed to balance the budget. Of that, there are transfers to the Water Fund, \$237,000; Sewer Fund, \$89,000; Retirement Fund, \$13,000; Granite Falls CDA, insurance, \$1,500; VPA Fund (Social Services), \$616,000. He said of the \$700,000 draw from the Fund Balance, he is estimating that by the end of this year there will be a positive cash flow of approximately \$500,000; the other \$200,000 is annual growth in Revenues, therefore, the \$700,000 draw will be balanced. Mr. Bartlett stated that because the Board advertised the budget at \$0.49, there is a need to remove \$300,000 from the budget.

Mr. Bartlett stated the largest unknown is what will be generated by the Personal Property tax; it is estimated to increase about \$80,000-100,000. The second unknown is used car values; the impact won't be known until September. He said there is less cushion than in the past in Revenues.

Supervisor Wilck asked if \$63,000 spent in 2013-2014 for the cannery was for equipment. Mr. Bartlett stated the Cannery is a Capital Project and received a grant from the Tobacco Commission; he said a good amount of funding for the Cannery is through grants. He said the expenses are largely operational costs; it may cost less with the new management this year. Mr. Bartlett added the Board has historically left the Cannery in operation as a quality of life benefit for the citizens.

Supervisor Gray questioned the "EEGBG." Mr. Bartlett stated it is the Energy Efficiency Community Block Grant and was a one-time block grant of \$40,000 paid to the Commonwealth Regional Council.

Mr. Bartlett stated the interim director of Crossroads has agreed to pay taxes on their property, and last year that was \$12,877; he said he recommended increasing the funding to Crossroads in the same amount as this Fiscal Year. Higher local contributions are better for Crossroads to qualify for federal and state grants.

Supervisor Timmons requested an analysis of the ADM with the loss of 100 students in regards to the amount the County provided last year of \$378,000 for that number of students. Mr. Bartlett stated last year's school budget was based on an ADM of 2,135 and this year, 2,035. Mr. Bartlett said the difference of 100 students is a 4.68% decrease. The corresponding decrease in the transfer to the schools would be approximately \$389,000. After some discussion, Supervisor Timmons recommended establishing a cost per ADM to more closely match those in surrounding localities.

Chairman Simpson asked Dr. Smith the effect that would have on the school budget. Dr. Smith stated it would be a heavy hit on teachers and programs. He stated that as the ADM declined, there was a significant decrease in state funding of approximately \$4 million; this is at a time when the schools are trying to improve academic performance. Discussion followed on the teacher to pupil ratio.

Supervisor Gray asked about cutting funding for the students when there is a push for increased performance. Supervisor Timmons stated the ADM decreased yet the cost went up and performance went down; he said adjustments must be made to run an efficient school.

Supervisor Gray stated it is not right to cut their funding to where they are struggling to do what the Board is requiring of them.

Supervisor Townsend stated he is concerned about the impact on the quality of education on the students.

Dr. Smith stated if the School Board has to cut \$300,000 from its budget, it will impact materials and supplies, programs and teachers, and it will make meeting the SOLs more difficult.

Supervisor Timmons stated there are opportunities for savings and reduced costs, but adding money to the situation will not fix it. He said there is no reason for the increased burden on the taxpayers. Discussion followed on the quality of education at the school and the increasing costs.

Supervisor McKay left the meeting at this time.

Supervisor Cooper-Jones stated she understood the ADM and the changes that are necessary; it's more than just the money but is the end result. She stated a major concern is that there are no aides in kindergarten and with 18 children in a class, their needs are not being met. She questioned the need for

aides in the middle school. She added that the Board of Supervisors may need to control the schools by the purse strings to get results. Discussion followed.

Supervisor McKay returned to the meeting at this time.

Supervisor Cooper-Jones suggested rearranging the number of students in the classes and reduce the number of teachers to save money.

Supervisor Gray stated the Board needs to take action to provide for the best education for the students and shouldn't be dependent upon the number of students.

Supervisor Townsend stated the children are the future of this County and they need to receive the best quality education they can receive. All are responsible to provide the resources for those children.

Supervisor Timmons stated the children in Prince Edward County are no different than the children in the surrounding localities and the demographics are the same, but the surrounding localities have a higher performance level for less funding.

Supervisor Timmons stated the Board needs to force the School Board and Administration to do their jobs without bankrupting the County.

Supervisor Jones questioned the raise that was given last year. Dr. Smith stated it was a 1% increase to balance the healthcare costs last year, and this year the 1.5% increase is the School Board's only option to qualify for State Funding and the State reimbursement for that is approximately \$111,000. Dr. Smith stated it would equal about \$230,000 from local funding.

Chairman Simpson declared a 30 minute recess at 5:28 p.m.

Chairman Simpson called the meeting back to order at 6:08 p.m.

Chairman Simpson led a review of the donation requests:

AGENCY / ORGANIZATION	REQUESTED	AMOUNT PROPOSED IN WORK SESSION
Legal Aid	\$ 1,560	\$ 1,500
STEPS	25,000	(more information is needed)
	14,488	

Crossroads	75,000	60,000
Longwood Small Business	15,000	7,500
PEFYA	24,000	24,000
Habitat for Humanity	5,000	4,000
Madeline's House	7,500	6,000
Farmville Chamber of Commerce	6,530	5,000
Downtown Farmville	30,000	10,000
Farmville Prince Edward Community Library	212,463	204,663
Heart of Virginia Festival	2,850	2,500
Moton Museum	20,000	10,000
Piedmont Soil & Water Conservation District	6,840 Operations 5,000 Dam Maint.	6,840 Operations 5,000 Dam Maint.
SCOPE/Meals on Wheels	5,000	5,000
Southside Virginia Family YMCA	20,000 Summer Prgm 25,000 Co Prgm 23,000 Summer Camp	20,000 Summer Prgm 25,000 Co Prgm
Piedmont Area Transit	10,000	10,000
Special Olympics	1,000	1,000
Piedmont Senior Resources	8,000	2,000
Heart of Virginia Free Clinic	25,000	7,500
Longwood Visual Arts	2,494	2,000
Virso Recreation & Community Center	30,000	(more discussion is necessary)
Old Dominion EMS Alliance	1,652	TBD
Pamplin Community Center	450	250
Prince Edward Firefighters Association	8,000	6,000
Farmville Volunteer Fire Department	74,800	74,800
Rice Volunteer Fire Department	74,800	74,800
Prospect Volunteer Fire Department	74,800	74,800
Hampden-Sydney Volunteer Fire Department	74,800	74,800
Darlington Heights Volunteer Fire Department	74,800	74,800
Meherrin Volunteer Fire Department	74,800	74,800
Pamplin Volunteer Fire Department	74,800	74,800
Prince Edward Rescue Squad	66,000	66,000
Meherrin Rescue Squad	13,000	13,000
Pamplin Volunteer EMS	5,000	5,000
Hampden-Sydney 1 st Responder	7,000	5,000
Chesterfield County Med-Flight	3,000	0
Prince Edward County After-Prom	950	950
Fuqua After-Prom	475	475
Tri-County Life Learners	3,325	3,000
Jolly Glee Senior Citizens	2,000	1,400
FACES	5,000	4,275
Commonwealth Regional Council	17,000	17,000
SVCC	5,954	5,000
Heart of Virginia Fireworks	2,000	2,000

Supervisor Jones and Supervisor McKay left the meeting at this time.

On motion of Supervisor Cooper-Jones, seconded by Supervisor Townsend, and adopted by the following vote:

Aye:	Pattie Cooper-Jones	Nay: None
	Calvin L. Gray	
	Howard F. Simpson	
	C. Robert Timmons, Jr.	
	Jerry R. Townsend	
	Jim R. Wilck	
Absent:	Robert M. Jones	
	Charles W. McKay	

the meeting was adjourned at 6:47 p.m.