

January 13, 2009

At a reconvened meeting of the Board of Supervisors of Prince Edward County, held at the Court House, thereof, on Tuesday the 13<sup>th</sup> day of January, 2009; at 5:00 p.m., there were present:

William G. Fore, Jr.

Robert M. Jones

Charles W. McKay

James C. Moore

Howard F. Simpson

Mattie P. Wiley

Absent: Lacy B. Ward

Also present: Wade Bartlett, County Administrator; Sarah Puckett, Assistant County Administrator; and Jonathan Pickett, Director of Planning and Community Development.

Chairman Fore called the reconvened meeting to order, and stated that its purpose was to continue the discussion regarding the Davenport financial report and to reassign the priorities, if necessary.

In Re: Reassignment of Project Priority List

Chairman Fore reviewed the priority list of projects that the Board established in November 2008. They are as follows:

Wade Bartlett, County Administrator, said the Board reached an agreement on the first two projects on the priority list: the Water/Sewer Agreement with the Town of Farmville, and the Library. He said the financing bids were received by the Town on the library and the winning bid was from RBC Bank, offering 3.68% interest for 15 years. He said the analysis assumed interest payments of a little more than \$261,500 a year for 20 years, while the bids for the Library were received and the County's portion will be \$246,103 – approximately \$15,500 less per year, and five years less than what was in the analysis.

Mr. Bartlett said the Water/Sewer Agreement has an interim funding source; the County will have to find a permanent funding source at a later date.

Mr. Bartlett said no banks will issue a QZAB due to the current financial environment, but the work necessary to upgrade the Career and Technical program is important; he said traditional funding sources would be necessary. He said some of the funds in the school projects would also be used to update the athletic complex.

Supervisor Gilfillan entered the meeting at this time.

Mr. Bartlett said that due to the County's declining debt payments, many projects could be done if they were the only item done with no impact on the County's current tax rates: the Water/Sewer Agreement, the Library, the Industrial Park developments, and the school projects. He said any combination of the projects totaling between \$4.5 – \$5.5 million could be accomplished under the current tax rates. He said the water plant and the distribution system, at \$16.44 million, would require an increase on the tax rates of slightly more than two cents, which then could be reduced after seven years. If all projects are combined, a real estate tax increase of up to eight cents over five years would be needed, which could then be reduced one cent per year after seven years from the beginning of the increase. He said this represents the impact from the maximum figures.

Supervisor Gilfillan asked if the projects can be done based on the rates with this year's gross tax revenue. Mr. Bartlett said the figures are projected using the same gross revenue as last year. Supervisor Gilfillan suggested the County drop the rate due to the economic financial crisis, and to use last year's assessment. Mr. Bartlett said that could not be done as the County, by State Code, must have a reassessment every six years; if the County's population were over 30,000, a reassessment is necessary every four years. He added the County is not seeing the impact that other localities are, as the largest employers in the area are Southside Community Hospital, Hampden Sydney College and Longwood University. He said there has not been a great decline in the property values or in the retail market because of our steady employment and increasing student population.

Mr. Bartlett said the school budget cuts from the state will be in the \$1.5 – \$1.75 million range, some of which we hope will be mitigated by the expected economic stimulus. He said more should be known by April 2009.

Chairman Fore then turned the discussion to reprioritizing the projects and possible funding challenges. Supervisor McKay asked why funding was being sought for work at the Industrial Park; Sarah E. Puckett, Assistant County Administrator, said the Board has not appropriated the funds from the General Fund Balance at this time. Supervisor Jones added that taking from the General Fund Balance would lessen the County's borrowing capabilities. Mr. Bartlett said that for accounting reasons, the funds are set aside but are part of the General Fund; he added the balance is in good shape at about \$8.2 million.

Discussion followed on the urgency of the Sandy River Reservoir intake and the water distribution system projects. Mr. Bartlett said the permit will come up for renewal in five or six years, and said that just having the intake installed does not constitute withdrawing the water from the Sandy River Reservoir. Supervisor Jones said the intake project is time consuming. Mr. Bartlett said installing the water lines doesn't take very long, and a water tank takes about a year to install; he said the intake will take longer due to environmental permits which take approximately one year to obtain.

Mr. Bartlett said the main debt service would begin in 2015, and it more than doubles from 2010 to 2015 as the financing will be done in stages. He said the timing, size and scope of the PPEA project will help mitigate any impacts on the revenue structure. Mr. Bartlett said for every 1% decrease in the assumed interest rate, the tax rate can be decreased one cent.

Discussion on the potential work to be done at the Industrial Park followed. Mr. Bartlett said the project is about ready to go to bid, which will provide a better cost estimate for the project. Mr. Bartlett said bids will take between 20-30 days, but Hurt & Proffitt may be able to provide an engineers estimate.

Chairman Fore suggested holding a strategic planning meeting based on the staff retreat on Saturday, January 24, 2009 at 8:00 a.m. to discuss the prioritization of the projects after the Board members have some time for review. The Board concurred.

On motion of Supervisor McKay and adopted by the following vote:

Aye:	William G. Fore, Jr. Sally W. Gilfillan Robert M. Jones Charles W. McKay James C. Moore Howard F. Simpson Mattie P. Wiley	Nay: None	Absent: Lacy B. Ward
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the meeting was adjourned at 6:22 p.m.