



BOARD OF SUPERVISORS MEETING

January 29, 2015

Item

1. The Chairman will Call to Order the Reconvened meeting from January 27, 2015.
2. Closed Session: 2.2-3711 (A)(3) – *Disposition of Publicly Held Real Property*
3. Property Transfer to VDOT
4. Discussion of FY 16 County Budget



**County of Prince Edward
Board of Supervisors
Agenda Summary**

Meeting Date: January 29, 2015
Item No.: 1
Department: Board of Supervisors
Staff Contact: W.W. Bartlett
Issue: Call To Order

Summary: The Chairman will call to order the reconvened meeting of the Prince Edward Board of Supervisors.

Attachments:

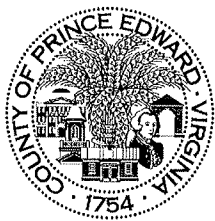
Recommendation:

Motion _____
Second _____

Cooper-Jones _____
Gray _____
Jones _____

McKay _____
Simpson _____
Timmons _____

Townsend _____
Wilck _____



County of Prince Edward
Board of Supervisors
Agenda Summary

Meeting Date: January 29, 2015
Item No.: 2
Department: County Administration
Staff Contact: W.W. Bartlett
Issue: Closed Session

Summary:

I move that the Prince Edward County Board of Supervisors convene in Closed Session to discuss:

1. The disposition of publicly-held real property in the Prince Edward County Industrial Park, pursuant to the exemption provided for in Section 2.2-3711(A)(3) of the *Code of Virginia*.

Attachments:

Recommendation: Convene in Closed Session.

Motion _____
Second _____

Cooper-Jones _____
Gray _____
Jones _____

McKay _____
Simpson _____
Timmons _____

Townsend _____
Wilck _____



County of Prince Edward
Board of Supervisors
Agenda Summary

Meeting Date: January 29, 2015
Item No.: 3
Department: County Administration
Staff Contact: W.W. Bartlett
Issue: Property Transfer to VDOT

Summary: As the Board is aware, the Attorneys for the County and the Industrial Development Authority have been working with the Attorney General's office for some months to complete the real estate transaction between the IDA and VDOT. Mr. Ennis advises there are two more steps for the Board of Supervisors to take in order to facilitate the property sale: (1) Approve the revised Deed of Gift between the County and the IDA and authorize the Chairman to execute it on behalf of the Board of Supervisors; and (2) Approve the Waiver of the Industrial Park Covenants Resolution and authorize the Chairman to execute it on behalf of the Board of Supervisors.

Attachments: Deed of Gift
Industrial Park Covenants Resolution

Recommendation:

- (1) Approve the revised Deed of Gift between the County and the IDA and authorize the Chairman to execute it on behalf of the Board of Supervisors ; and
- (2) Approve the Waiver of the Industrial Park Covenants Resolution and authorize the Chairman to execute it on behalf of the Board of Supervisors.

Motion _____
Second _____

Cooper-Jones _____
Gray _____
Jones _____

McKay _____
Simpson _____
Timmons _____

Townsend _____
Wilck _____

This deed is exempt from the payment of recordation taxes by virtue of § 58.1-811(A)(3) of the Code of Virginia, from the payment of a grantor's tax by virtue of § 58.1-811(C)(4) of said Code, and from the payment of any clerk's fee by virtue of § 17.1-266 of said Code.

Prepared by the Office of the Attorney General of Virginia in
Conjunction with the Industrial Development Authority of
Prince Edward County

Tax Map Reference No. 37-6-12; No. 51-10-5; No. 37-6-7A; No. 37-6-7B

DEED OF GIFT

THIS DEED OF GIFT, dated January 13, 2015, is by and between **PRINCE EDWARD COUNTY, VIRGINIA**, Grantor, and the **INDUSTRIAL DEVELOPMENT AUTHORITY OF PRINCE EDWARD COUNTY**, Grantee, whose address is Post Office Box 625, Farmville, Virginia, 23901.

WITNESSETH:

WHEREAS, by instrument dated August 5, 2009 and recorded in the Clerk's Office of the Circuit Court of Prince Edward County, Virginia as Instrument No. 200901862 (Slide A 376 #2) (the "2009 Instrument"), Prince Edward County, Virginia intended to convey the hereinafter described real estate to the Industrial Development Authority of Prince Edward County; and

WHEREAS, the 2009 Instrument did not effect a conveyance of the hereinafter described real estate because it listed as grantee the Prince Edward County Industrial Development Authority, which is not the name of an existing entity; and

WHEREAS, Prince Edward County, Virginia wishes to convey the hereinafter described property to the Industrial Development Authority of Prince Edward County,

NOW, THEREFORE, for no monetary consideration, as a gift only, Prince Edward County, Virginia does hereby GRANT and CONVEY with SPECIAL WARRANTY OF TITLE

unto the Industrial Development Authority of Prince Edward County, the following described real estate, to-wit:

PARCEL 1: ALL THAT CERTAIN TRACT or parcel of land, lying and being in Farmville Magisterial District, Prince Edward County, Virginia, containing 16.035 acres, more or less, designated as "New Lot 12" on a plat of survey by J. Adam Bryant, L.S., of Hurt and Proffitt, Inc., dated December 1, 2008, and recorded with the 2009 Instrument (Slide A 376 #2) a copy of which is attached hereto and made a part hereof as Exhibit A. Reference is hereby made to said plat of record for a more particular metes and bounds description as contained in said plat, the description contained herein by reference as if same were textually herein contained.

IT BEING a portion of the same property conveyed to Prince Edward County, Virginia, by deed dated September 14, 1993, and recorded in the Clerk's Office of the Circuit Court of Prince Edward County, Virginia in Deed Book 281, page 553.

TAX MAP IDENTIFICATION: Parcel No. 37-6-12
Previously Part of Parcel No. 37-5-1

PARCEL 2: ALL THAT CERTAIN TRACT or parcel of land lying and being in Farmville Magisterial District, Prince Edward County, Virginia, containing 11.382 acres, more or less, designated as "New Lot 10" on a plat of survey by J. Adam Bryant, L.S., of Hurt and Proffitt, Inc., dated December 1, 2008, and recorded with the 2009 Instrument (Slide A 376 #2) a copy of which is attached hereto and made a part hereof as Exhibit A. Reference is hereby made to said plat of record for a more particular metes and bounds description as contained in said plat, the description contained herein by reference as if same were textually herein contained.

IT BEING a portion of the same property conveyed to Prince Edward County, Virginia, by deed dated September 14, 1993, and recorded in the Clerk's Office of the Circuit Court of Prince Edward County, Virginia in Deed Book 281, page 553.

TAX MAP IDENTIFICATION: Parcel No. 51-10-5
Previously Part of Parcel No. 37-5-1

PARCEL 3: ALL THAT CERTAIN TRACT or parcel of land lying and being in Farmville Magisterial District, Prince Edward County, Virginia, containing 9.541 acres, more or less, designated as "New Lot 7" on a plat of survey by J. Adam Bryant, L.S., of Hurt and Proffitt, Inc., dated December 1, 2008, and recorded with the 2009 Instrument (Slide A 376 #2) a copy of which is attached hereto and made a part hereof as Exhibit A. Reference is hereby made to said plat of record for a particular metes and bounds description as contained in said plat, the

description contained herein by reference as if same were textually herein contained.

IT BEING a portion of the same property conveyed to Prince Edward County, Virginia, by deed dated September 14, 1993, and recorded in the Clerk's Office of the Circuit Court of Prince Edward County, Virginia in Deed Book 281, page 553.

TAX MAP IDENTIFICATION: Current Parcel Nos. 37-6-7A and 37-6-7B
Previously Parcel No. 37-6-7

The plat of survey by J. Adam Bryant, L.S., of Hurt and Proffitt, Inc., dated December 1, 2008, a copy of which is attached hereto as Exhibit A, was recorded as part of the 2009 Instrument (See Slide A 376 #2).

The herein described property is subject to those Protective Covenants, Conditions and Restrictions for the Prince Edward County Industrial Park, a copy of which is recorded in the aforesaid Clerk's Office in Deed Book 370, page 634.

This conveyance is made by Grantor under Section 15.2-1800 of the Code of Virginia (1950), as amended, and pursuant to a notice of public hearing published in The Farmville Herald on April 25, 2008 and May 2, 2008, a copy of which is attached hereto and made a part hereof as Exhibit B, and pursuant to Resolution of the Board of Supervisors of Prince Edward County, Virginia dated May 13, 2008, a copy of which is attached hereto and made a part hereof as Exhibit C, by which Resolution the Board of Supervisors of Prince Edward County, Virginia authorized the conveyance of the property described above and the execution of this Deed of Gift by its Chairman.

No presumption shall be created in favor of or against any of the parties to this Deed of Gift, or in favor of or against the Commonwealth of Virginia if it becomes a successor in interest to any portion of the title to the above-described property, with respect to the interpretation of any term or provision of this Deed of Gift due to the fact that this Deed of Gift, or any part hereof, was prepared by or on behalf of one of the parties hereto, or by or on behalf of the Commonwealth, as may be evidenced by the disclosure on the face of this instrument made pursuant to Virginia Code § 17.1-223.

Prince Edward County, Virginia

By: _____
Howard F. Simpson, Chairman
Board of Supervisors of Prince Edward County

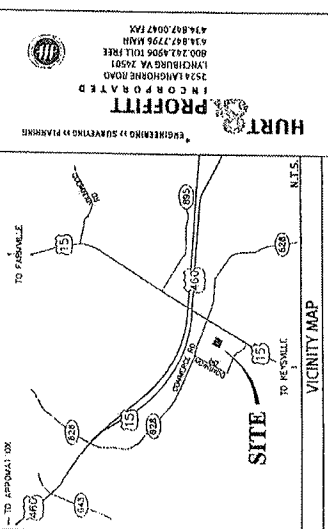
COMMONWEALTH OF VIRGINIA
COUNTY OF PRINCE EDWARD, TO-WIT:

I, the undersigned, a Notary Public in and for the jurisdiction aforesaid, do hereby certify that Howard F. Simpson, Chairman of the Board of Supervisors of Prince Edward County, Virginia, has acknowledged the foregoing instrument before me in my jurisdiction aforesaid, this _____ day of _____, 2015.

Notary Public

My Commission Expires: _____
Registration Number: _____

June 2009 01823 S.A. # 3716 25.9



NOTES:
1. THIS PLAT HAS BEEN PREPARED FROM AN ACTUAL FIELD SURVEY DONE AS PER DATE OF THIS PLAT AND THERE ARE NO VISIBLE EASEMENTS OR ENCROACHMENTS EXCEPT AS SHOWN.
2. THIS PLAT HAS BEEN PREPARED WITHOUT THE BENEFIT OF A TITLE REPORT AND DOES NOT, THEREFORE, NECESSARILY INDICATE ALL CIRCUMSTANCES ON THE PROPERTY.
3. A PORTION OF THE AREA SHOWN HEREON IS LOCATED WITHIN FLOOD HAZARD ZONE 'A' FOR A 100 YEAR FLOOD AS DETERMINED BY THE U.S. DEPARTMENT OF HOUSING & URBAN DEVELOPMENT AS SHOWN ON COMMUNITY-PANEL MAP #510239 QUIDO A DATED SEPTEMBER 1, 1978. THE APPROXIMATE LIMITS OF FLOOD HAZARD ZONE 'A' ARE SHOWN HEREON BY SCALING FROM THE APPROXIMATE MAP.
4. THIS PLAT HAS BEEN PREPARED AT THE REQUEST OF THE INDUSTRIAL DEVELOPMENT AUTHORITY OF PRINCE EDWARD COUNTY.
5. PROPERTY LINES FROM POINTS A THRU C ARE CONTINUATION OF PREVIOUS METES AND BOUNDS GIVEN FOR AREA COMPUTATIONS ONLY.
SOURCE OF TITLE - T.M. #37-5-1
THE AREA SHOWN WAS ACQUIRED BY INDUSTRIAL DEVELOPMENT AUTHORITY OF PRINCE EDWARD COUNTY FROM THE PRINCE EDWARD COUNTY PLAT #37-5-1 DATED NOVEMBER 19, 1995 AS RECORDED IN DB 281 PG 553 OF THE CIRCUIT COURT CLERK'S OFFICE OF PRINCE EDWARD COUNTY.
SUBJECT PLAT OF RECORDATION - T.M. #37-5-1
PLAT BY WILLIAM DICKERSON, JR. FOR THE INDUSTRIAL DEVELOPMENT AUTHORITY OF PRINCE EDWARD COUNTY.
THE SOURCE OF SURVEY FOR PRINCE EDWARD COUNTY, DATED REVISOR AUGUST 21, 1996 AND RECORDED IN PG 5 PG 25, PG 31, PG 31, PG 32.

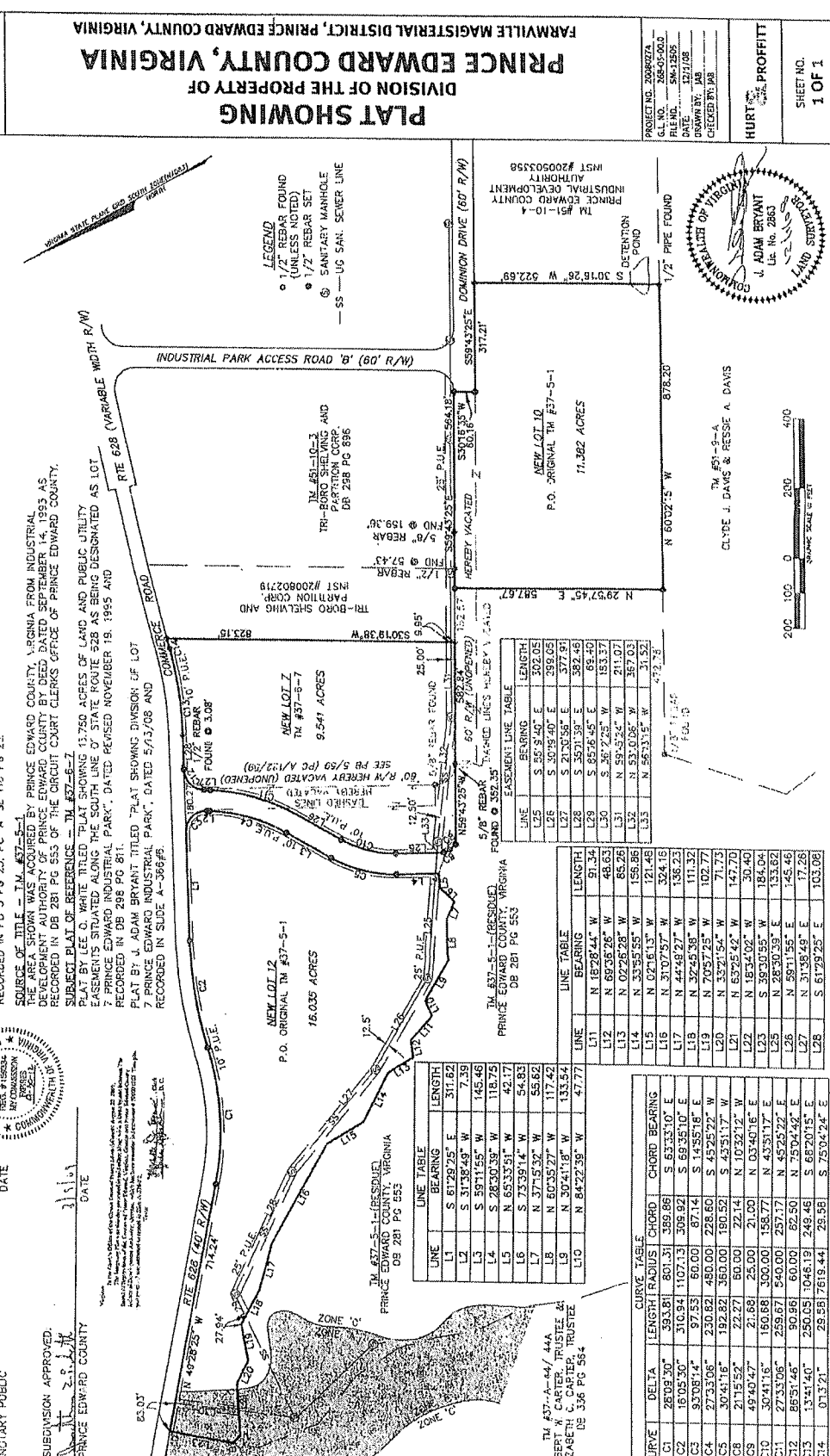
THE SUBDIVISION OF THE LAND DESCRIBED HEREIN IS WITH THE FREE CONSENT AND IN ACCORDANCE WITH THE DESIRES OF THE UNDERSIGNED OWNERS, PROPRIETORS, AND TRUSTEES, THE OWNERS CERTIFY THAT THEY ARE THE FREE AND SOLE OWNERS OF SAID LAND AND ARE LEGALLY ENTITLED TO SUBDIVIDE THE SAME.

W.D. Dickerson, Jr. 3/9/09
REPRESENTATIVE OF PRINCE EDWARD COUNTY, VIRGINIA

COMMONWEALTH AT LARGE TO WIT:
STATE OF VIRGINIA
COUNTY OF PRINCE EDWARD
AND FOR THE STATE ATTEST, DO HEREBY, A NOTARY PUBLIC IN AND FOR THE STATE OF VIRGINIA, CERTIFY THAT THE UNDERSIGNED OWNERS, PROPRIETORS, AND TRUSTEES WHOSE NAMES ARE SIGNED HEREON HAVE ACKNOWLEDGED THE SAME BEFORE ME THIS DAY OF March, 2009, AT COMMISSION EXPIRES 9-30-12.

William D. Dickerson, Jr.
NOTARY PUBLIC

SUBDIVISION APPROVED.
PRINCE EDWARD COUNTY
DATE 3/11/09



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PLAT SHOWING DIVISION OF THE PROPERTY OF PRINCE EDWARD COUNTY, VIRGINIA

PRINCE EDWARD COUNTY, VIRGINIA

• Traditional Funerals • Cremations
• Pre-Need • Full Service



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Member International Order of the GOLDEN RULE

Conveniently located downtown!

DOYNE-BURGER-DAVIS FUNERAL HOME

106 Venable Street, Farmville, Va. 23901

Phone 392-3210



Angie Way, chairperson of the International Order of the Golden Rule, introduced Dr. Ken Lehman to the members of the club. Dr. Lehman spoke on Bolivia.

Woman's Club Meets In Farmville

The Woman's Club of Farmville, GFWC, met on April 2 at the Rescue Squad. The program for the day was presented by Angie Way, of the International Department. She introduced Dr. Ken Lehman, Professor of History at Hampden-Sydney College.

Dr. Lehman discussed his experiences teaching in Bolivia in 1971 and the educational and cultural changes which have occurred since that time.

Phyllis Williams reported on the successful Blood Drive for the Red Cross that was held on March 27. Final plans for the May luncheon and business meeting were announced.

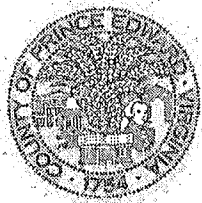
Debbie McClintock reported

strict Awards for Membership, Community, Helping Community, Moment, Domestic Partnership, and P. The club was at Patrick Henry Plantation for a

A cash show the Prince Edward County Shelter with New office Presidents Del and Jean Hay President Saral Vice President

Serv

TO: 1.



NOTICE OF PUBLIC HEARING

The Prince Edward County Board of Supervisors will hold a public hearing on May 13, 2008, at 7:30 p.m. in the Board of Supervisors Room, 3rd Floor, Prince Edward County Courthouse, 111 South Street, Farmville, Virginia. The purpose of this hearing is to receive citizen input prior to the Board considering conveying ownership of three parcels (± 2 acres, ± 23 acres, and ± 12 acres) totaling 37 acres, more or less, of land in the Prince Edward County Industrial Park to the Industrial Development Authority of Prince Edward County. A plat and map representing the locations of said parcels are available for review in the Prince Edward County Administrator's Office.

It is the County's intent to comply with the requirements of the Americans with Disabilities Act. Should you need special accommodations, please contact the Prince Edward County Administrator's Office at 434-392-8837, prior to May 9, 2008.

By Order of the Board of Supervisors
W.W. Bartlett, County Administrator

PUBLIC HEARING

Exhibit B (page 1 of 2)

quired credits from 28 to 20. The change would specifically focus on electives. The existing credit requirement often translates into students attending school a year or more later than their peers. It was noted that the longer they are in high school, the less likely they return to school.

There was also clarification on an IEP diploma, a revision to meet IEP program guidelines and IEP program completion. The current policy requires students to complete 28 credit hours. (It was noted that some students are involved in the workforce part-time but, because of the credit hour requirement, don't return to graduate.)

Possible changes also included a description of AP courses and a clarification of vocational completion.

Board members discussed the issue at length, but took no action on the course of study.

*The school board was also presented, as an information item, the high school code of conduct, which included several changes including the addition of ID badges, Saturday detention, clarification of illegal activi-



Spring Brings New Beginnings!!

Our Nurse's Aide Classes Begin

Just In Time For Spring.

Our next 6-week class begins

May 19, 2008

Stop by our facility to pick up an application to start "your" new beginning.

Books and Materials included

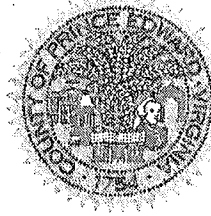
A 2-year commitment signed contract is required to begin our classes.
(see contract for further details)

Trinity Mission of Farmville, LLC

1575 Scott Drive, Farmville, VA 23901

Phone # 434-392-8806

EOE



NOTICE OF PUBLIC HEARING

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It is the County's intent to comply with the requirements of the Americans with Disabilities Act. Should you need special accommodations, please contact the Prince Edward County Administrator's Office at 434-392-8837, prior to May 9, 2008.

By Order of the Board of Supervisors
W.W. Bartlett, County Administrator

May 2, 2008

May 13, 2008

The following is an excerpt of the minutes of the regular meeting of the Prince Edward County Board of Supervisors held May 13, 2008.

In Re: Public Hearing - Transfer of Industrial Park Parcels to IDA

Chairman Fore announced that this was the date and time scheduled for a public hearing on the transfer of Industrial Park parcels to the IDA, notice of which was advertised in the April 25, 2008 and May 2, 2008 editions of THE FARMVILLE HERALD, a newspaper published in the County of Prince Edward. Chairman Fore asked Mrs. Sharon L. Carney to give opening remarks.

Mrs. Carney said the Board of Supervisors gave formal approval in April of 2007 to harvest approximately 44 acres of timber at the Prince Edward Business Park with the ultimate intention of developing part of the raw land into approximately three industrial sites. The timbering is complete.

Mrs. Carney said on March 28, 2008, the Industrial Development Authority (IDA) awarded an engineering contract for \$57,794 to Hurt & Proffitt from Lynchburg to begin the necessary engineering for the development of three "ready-to-go" industrial sites. She added that on April 29, 2008, the Virginia Tobacco Indemnification and Community Revitalization Commission awarded Prince Edward County \$193,510 for the development of three "ready-to-go" industrial sites, consisting of approximately 25 acres +/-, at a projected cost of \$762,000.

Mrs. Carney said in order to achieve the best project construction and engineering oversight, the IDA requested the transfer of the 37 acres (more or less) to the IDA. She said this procedure has been followed for past development at the Business Park, and allows the Board of Supervisors to maintain control of development and the sale of property.

Mrs. Carney reported that while researching deed titles for VDOT right-of-way along US 15 South, it was discovered that approximately 1.67 acres, bounding the north side of the Lowe's Home Center property, was inadvertently omitted when transferring the land ownership from Prince Edward County to the IDA; a "Deed of Correction" is needed to rectify the oversight. The 1.67 acre lot would be an independent lot

Chairman Fore opened the floor for public comment.

There being no one wishing to speak, the public hearing was closed.

On motion of Mr. Moore and carried:

Exhibit C (page 1 of 2)

Aye: William G. Fore, Jr.
Sally W. Giffillan
Robert M. Jones
Charles W. McKay
James C. Moore
Howard F. Simpson
Lacy B. Ward
Maudie F. Wiley

Nay: None

the Board of Supervisors authorized the transfer of 37 acres +/- to the Industrial Development Authority, and authorized the Chairman and the County Administrator to execute the documents necessary to convey the parcels to the IDA.

CERTIFIED TRUE COPY


W. W. Sadlet
County Administrator

Exhibit C (page 2 of 2)

Prepared by James R. Ennis, Esquire
111 South Street, 3rd Floor
Farmville, VA 23901

**A Resolution of the Board of Supervisors
Of the County of Prince Edward, Virginia**

INDUSTRIAL PARK COVENANTS

WHEREAS, the Industrial Development Authority of Prince Edward County has entered into a real estate purchase agreement dated February 4, 2014 with the Commonwealth of Virginia, Department of Transportation ("VDOT") for VDOT's purchase of 16.035 acres (current Tax Map # 037-6-12) located in Farmville Magisterial District, Prince Edward County, Virginia and identified as "New Lot 12 P.O. Original TM #37-5-1" on a plat dated December 1, 2008, prepared by Hurt & Proffitt and recorded in the Clerk's Office of the Circuit Court of Prince Edward County, Virginia as Instrument Number 200901862 at Slide A-376, #2 (the "Parcel"), which real estate purchase agreement was amended by amendment dated September 9, 2014; and

WHEREAS, the aforesaid Parcel is subject to certain Protective Covenants, Conditions and Restrictions for the Prince Edward County Industrial Park as set forth in instrument dated March 18, 2002 and recorded on May 1, 2002 in the aforesaid Clerk's Office in Deed Book 370, at page 634 (the "Covenants"); and

WHEREAS, the Commonwealth of Virginia, Department of Transportation is unable to take title to property that is subject to the Covenants; and

WHEREAS, according to the terms of the aforesaid real estate purchase agreement, as amended, the Board of Supervisors of Prince Edward County, Virginia must waive the applicability of the Covenants with respect to the Parcel for so long as the Parcel, or to the extent any portion thereof, is owned by the Commonwealth of Virginia; and

WHEREAS, the Covenants provide, in part, that "[t]he right is hereby expressly reserved by the Board of Supervisors of Prince Edward County to waive, modify, alter or amend all or any part of these covenants, conditions and restrictions from time to time as circumstances justify",

NOW, THEREFORE, BE IT RESOLVED by the Board of Supervisors of the County of Prince Edward, Virginia that the applicability of the Protective Covenants, Conditions and Restrictions for the Prince Edward County Industrial Park as set forth in instrument dated March 18, 2002 and recorded on May 1, 2002 in the aforesaid Clerk's Office in Deed Book 370, at page 634, is hereby irrevocably waived and suspended with respect to the Parcel for so long as the Parcel, or to the extent any portion thereof, is owned by the Commonwealth of Virginia; and

that the Chairman of the Board of Supervisors of Prince Edward County, Virginia be empowered and authorized to execute such further documents as may be required to effect this resolution.

Certification

I hereby certify that the foregoing resolution was duly considered by the Board of Supervisors of Prince Edward County, Virginia at a regular board meeting in Prince Edward County, Virginia at which a quorum was present and that same was passed by a vote of _____, this _____ day of _____, 2015.

Howard F. Simpson, Chairman

ATTEST:

Wade W. Bartlett, County Administrator

COMMONWEALTH OF VIRGINIA
CITY/COUNTY OF _____, to-wit:

The foregoing instrument was acknowledged before me this _____ day of _____, 2015 by Howard F. Simpson, Chairman of the Board of Supervisors of the County of Prince Edward, Virginia.

My commission expires: _____

Registration No. _____

Notary Public

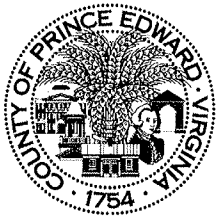
COMMONWEALTH OF VIRGINIA
CITY/COUNTY OF _____, to-wit:

The foregoing instrument was acknowledged before me this _____ day of _____, 2015 by Wade W. Bartlett, County Administrator of the County of Prince Edward, Virginia.

My commission expires: _____

Registration No. _____

Notary Public



**County of Prince Edward
Board of Supervisors
Agenda Summary**

Meeting Date: January 29, 2015
Item No.: 4
Department: County Administrator
Staff Contact: W. W. Bartlett
Issue: Granite Falls CDA

Summary:

Attached are two documents. First, is a discussion of the constraints which reduce the Supervisors budgetary flexibility and an overview of the impacts of past state actions. Second is a list of expenses which are difficult if not impossible to control.

As we move deeper in the budget development cycle better information will become available which will allow an accurate forecast of both revenues and expenses.

Attachments:

1. FY16 Budget Development Discussion
2. Mandates and Core Function list

Recommendations:

After reviewing the attachments and hearing discussion provide guidance to County Staff for the development of the FY16 budget.

Motion _____
Second _____

Cooper-Jones _____
Gray _____
Jones _____

McKay _____
Simpson _____
Timmons _____

Townsend _____
Wilck _____

FY16 BUDGET DEVELOPMENT DISCUSSION

This memo is provided for informational purposes to provide the Board of Supervisors, the School Board and the Citizens of Prince Edward County information regarding the impact various state funding reductions and mandates have had on the County and how those action will impact the development of the FY16 budget. Additionally, I will attempt to outline various constraints that exist when attempting to reduce expenses in the County's General Fund budget. The amounts contained in the attached spreadsheet are derived from the initial budget for the current fiscal year (FY15) as approved by the Board of Supervisors.

IMPACT OF STATE ACTIONS

When the economic downturn hit the nation and the state the result was a decrease in revenues at all levels of government and at the same time an increase in expenses, mainly associated with unemployment and various social service programs such as food stamps. The Commonwealth of Virginia responded to that fiscal shock by reducing state expenditures. The largest category of state expenditures are the funds the state provides local governments. This includes funding for schools, constitutional offices, jails and social services to name a few.

The General Assembly has reduced funding in every one of those categories plus others. Additionally, the General Assembly has shifted some expenses that have always been a state responsibility down to local governments while at the same time imposing new mandates on localities, many of which have new expenses associated with them. Finally, the General Assembly has taken several actions the last several years that reduced revenues the state could collect. This exacerbated the trend to reduce funds provided to local governments and push state expenses down to the local level.

These actions on the part of the General Assembly have caused most local governments to either reduce expenses, especially to schools, or increase revenues and most often to do both. Prince Edward is no exception. Due to the presence of Longwood University, Hampden-Sydney College and the Hospital our local economy is more stable than most but we are still faced with challenges. The Board of Supervisors has provided additional funding to the schools to help offset these state cuts but it has only been a fraction of the reduction. This has caused the schools to cut programs and reduce the number of employees, to include teachers, administrators and classified employees.

Outside of the reduction in funding for education the single largest financial impact to Prince Edward County has been the reduction in the per diem the state pays localities to house prisoners. Prior to the economic downturn that amount was \$28 per inmate day. Today that amount is \$12 per inmate day. That equates to a loss of approximately \$2.4 million in revenues to the regional jail. Prince Edward's share of that is \$960,000. That revenue loss is a primary but not only reason for the challenge we face with the regional jail.

BUDGET OVERVIEW

The single greatest challenge for the FY16 budget will once again be finding a method of funding the Jail without raising revenues or reducing services to our citizens. The Jail Board has not begun their budget process and there are several factors that will affect the final jail budget that are not known at this time – possible increase in the per diem amount, possible elimination of a recovery cost charge by the state and increases in number of inmates from other localities - but assuming a worst case scenario it appears at this time we will need to budget approximately \$1,400,000 for the Regional Jail. This is an increase of \$700,000 from the FY14 original budget. The FY15 budget was balanced by the transfer of \$664,286 from the IDA. This money was derived from the sale of land to and the use of \$90,190 from the fund balance, changing the employee health insurance plan, reducing funding to most charitable organizations, reducing almost every departmental budget and increasing the real estate tax rate by 5 cents.

Few if any offsets exist in the current budget since it was reduced by the Board of Supervisors after a careful review by the Finance Committee. After deducting the offsets mentioned above we will start the budget process with about a \$750,000 hole to fill.

While not an easy choice, when local governments must fill a budget shortfall it involves only two simple decisions – raise revenues or cut expenses which often means decreasing service levels for the citizens and funding for schools and/or other organizations. As stated above most local governments have increased revenues in recent years in order to continue to provide services to their citizens and ensure the educational effort is not reduced. For local governments such as Prince Edward County, whose elected leaders have always been very conservative and have consistently funded mandated services at a minimal level and only funded essential services demanded by the citizens, the ability to reduce expenses is limited. The following section will explain some of the limitations.

Combined together, costs in the General Fund that can be classified as either mandated, fixed or a core function total \$19,249,207 or 89.3% of the entire General Fund budget. Assuming the funding of the schools, refuse collection/disposal, volunteer fire departments and rescue squads are core functions that are to be level funded, only \$2,309,462 or 10.7% of the budget would be classified as discretionary expenses available for reduction. These discretionary expenses fund the following departments – Board of Supervisors, County Administrator, Legal Services, Information Technology, Biosolids, General Properties, Sandy River Reservoir, Cannery, and all contributions to outside organizations, Library, Town of Farmville, Economic Development, Tourism, Soil & Water District, Cooperative Extension, and Capital Projects. Much of the effort of these discretionary departments is to provide assistance/service to the mandated departments which cannot be eliminated (payroll, accounting, legal, IT, etc) or provide help and service to our citizens. For a significant amount of the “discretionary

expenses” to be eliminated there would have to be a significant reduction, and in some cases, the elimination of services afforded our citizens (cannery, library, etc.). Assuming revenues will be held steady for the next budget year, any increase in funding for the Schools or increases in other expenses such as retirement, insurance and costs of operating the regional jail must be funded by either reducing the discretionary costs or using cash reserves.

MANDATES/STATE REQUIREMENTS

As can be seen in the attached spreadsheet, the five constitutional offices have a combined expense of slightly more than \$4 million or 18.6% of the General Fund budget. The Board of Supervisors does have a limited ability to control the cost of the constitutional offices. But to reduce expenses in these offices would require actions that would greatly reduce the ability of the offices to serve the citizens of Prince Edward County or have a profoundly negative impact on the employees of these offices. The County must hire the number of employees mandated by the state compensation board and pay, at a minimum, the salary dictated by the state. The County currently funds seven full-time and several part-time positions in the constitutional offices in excess of the positions mandated by the state. Additionally, the County supplements the state approved salary of almost every position in the constitutional offices. The Board could cease funding the additional positions and cease providing a local supplement to the state reimbursed salary for the employees in the constitutional offices.

Removing the additional positions may actually decrease the amount of revenue collected, would impact the ability of each office to serve the public and could actually increase County costs. The removal of the position shared by the Treasurer and the Commissioner of Revenue would decrease the amount of time the office of the Treasurer could devote to the collection of delinquent taxes which would reduce the amount of revenue actually collected. Removing the salary supplement provided by the County would decrease the salary of almost all employees in these offices causing a decrease in morale and an incentive to seek employment elsewhere. If the turnover increases, the expense to train new employees will increase and productivity will be reduced.

The cost of items identified as “Other Judicial Expenses” are \$1,592,155 and represent only 7.4% of the General Fund budget. Most of that amount (\$1,400,000) is the cost of the regional jail contained in the original FY15 budget. The County only pays approximately one-third of the cost of the Circuit Court because the other two counties in the circuit reimburse Prince Edward. The introduction of another judge will alter this funding dynamic but at this time I do not know what that impact will be. The Victim Witness program is funded by a grant that covers approximately 81% of the cost of this program. The cost of the Jail and Juvenile Detention are driven by the number of inmates and the amount of funds provided by the state. Both of these institutions are regional and controlled by their own boards. The County has almost no ability to control the costs of these two programs except through actions of the two boards.

Costs listed in the category of 'Health & Welfare' are driven by state mandates and represent \$1,604,586 or 7.4% of the General Fund budget. The state reimburses the County for much of the cost of the CSA program. The County's cost for CSA is approximately \$200,000 and is mandated by the state and the Board has little ability to reduce this amount. The cost shown for Social Services is only the local cost and is also mandated by the state with little or no ability for the Board to control.

Items listed in the category labeled "State Required Functions" are mandated by the state, the County must provide these functions. These costs are \$585,453 and are only 2.7% of the General Fund budget. The county receives approximately \$41,000 from the state for the operation of the registrar and the electoral board. The Board does have a limited ability to control the costs associated with these mandates. But to do so would also result in a decreased service level for the citizens and possibly additional training cost to the County and a possible leveling by the state of various fines for not meeting various state requirements. While there is a requirement to operate an animal control function Prince Edward could reduce the manpower and thus cost of that department. But to do so would require the appeal of the running at large ordinance because the County would not have the manpower to enforce the ordinance.

CORE FUNCTIONS/FIXED COSTS

I determined the items to list as Core functions based on actions and statements by the current and past Boards. The Board of Supervisors has complete control over the costs associated with the Volunteer Fire Departments (VFD), Rescues Squads and Refuse collection/disposal. These three functions cost \$1,871,515 or 8.7% of the General fund.

The Board could cease funding all the VFD and rescue squads with local revenues. To do so will place the entire funding burden on the members of the VFD and Rescue Squads if those services were to continue to be available for the citizens of Prince Edward. The Board could divest itself of the refuse collection and disposal duties by turning this operation over to a private for profit firm. But the County cannot divest itself from the liability associated with the existing landfill. If the Board decided to stop providing funding for these services the result would be a decreased level of service and/or a considerable increase in cost for the citizens and businesses of the County.

The category labeled "Fixed Cost/Contracts totals \$1,237,573 or 5.70% of the General Fund. The majority of these costs are the existing debt payments. The Board just recently refinanced some of the debt thus there is a limited ability to reduce these costs.

SCHOOL FUNDING

On Tuesday you heard the outlook for School funding. The Governor's proposed budget shows a decline in state funding of almost \$540,000, mainly driven by a decrease in enrollment. If the County does not cover that funding reduction the School Board will have to make many

tough choices. The School presented additional funding needs totaling \$1,028,900. Almost 92% of that amount is derived from a 2% salary increase (\$371,980), a request to fund 9 kindergarten classroom aides (\$270,000) and the purchase of 3 buses (\$300,000).

Over the last several years the Board of Supervisors has worked hard to increase the level of local dollars provided for education. In Fiscal Year 2006 the County provided \$6.6 million for Education. For the last several years this amount has been increased almost \$1.7 million or 26% to a total of \$8.3 million this fiscal year. The largest increase occurred in the Fiscal Year 2008 budget when the local funds provided to the schools was increased approximately \$1 million.

Based on Table 15 of the Superintendent's Annual Report with the last fiscal year reported as 2013 only 21 Counties spend more per pupil for operations than Prince Edward County while 72 spend less. This total includes local, state and federal dollars. In FY13 the amount of local funds for operations provided by Prince Edward on a per pupil basis exceeded that of all of our surrounding counties. These facts display the support the Board of Supervisors have provided the Schools in an effort to overcome state funding reductions and increased costs. An effort that will become increasingly difficult to continue.

Finally, the County's six year reassessment will be implemented for FY16. Indications are real estate assessments will decrease which will require a rate increase to equalize the revenue.

MANDATES/STATE REQUIREMENT

ITEM	FY15 BUDGET
Constitutional Offices	
Commissioner of Revenue	288,519
Treasurer	345,248
Clerk of Circuit Court	502,547
Commonwealth Attorney	631,472
Sheriff	1,873,720
Sheriff - Courts	369,619
Subtotal	4,011,125
Other Judicial Expenses	
Circuit Court	51,914
General District Court	9,150
Magistrate	3,700
Law Library	6,300
Victim witness	61,091
Jail/Juvenile Detention	1,460,000
Subtotal	1,592,155
Health & Welfare	
E-911	5,000
Health Department	169,643
CSA	851,000
Social Services (local cost)	578,943
Subtotal	1,604,586
State Required Functions	
Electoral Board	28,495
Registrar	98,774
State Forester	12,040
Line of Duty	19,000
Building official	99,502
Animal Control	133,159
Reassessment	-
Planning	194,483
Subtotal	585,453

Total Mandates 7,793,319

CORE FUNCTIONS/FIXED

ITEM	FY15 BUDGET
SAFETY	
VFD	529,600
Rescue	90,000
Subtotal	619,600
FIXED COSTS/CONTRACTS	
Debt	895,698
Utilities	221,700
Insurance	29,357
Audit	42,988
Telecommunications	27,830
Software Maint Agreements	20,000
Subtotal	1,237,573
CORE FUNCTIONS	
Schools	8,346,800
Refuse	1,251,915
Subtotal	9,598,715

\$.01 on Real Estate Tax rate = \$ 157,000

\$.01 on Personal Property = \$ 10,000

Total Core Functions/Fixed 11,455,888

GRAND TOTAL = \$19,249,207

FY 15 INITIAL GENERAL FUND BUDGET = \$21,558,669

Note: Tax estimates based on FY15 assessments, will be adjusted when reassessment is complete