

February 23, 2021

At the special meeting of the Board of Supervisors of Prince Edward County, held at the Court House, thereof, on Tuesday, the 23rd day of February, 2021; at 5:00 p.m., there were present:

Beverly M. Booth

Pattie Cooper-Jones

J. David Emert

Robert M. Jones

Odessa H. Pride

James R. Wilck

Absent: Llew W. Gilliam, Jr., Jerry R. Townsend

Also present: Douglas P. Stanley, County Administrator; Sarah Elam Puckett, Assistant County Administrator; Jimmy Sanderson, Davenport & Company.

Chairman Emert called the special meeting to order.

Chairman Emert stated:

Due to the COVID-19 Emergency, the Board of Supervisors is operating pursuant to and in compliance with its "EMERGENCY ORDINANCE TO EFFECTUATE TEMPORARY CHANGES IN CERTAIN DEADLINES AND TO MODIFY PUBLIC MEETING AND PUBLIC HEARING PRACTICES AND PROCEDURES TO ADDRESS CONTINUITY OF OPERATIONS ASSOCIATED WITH PANDEMIC DISASTER." This meeting is closed to in-person participation by the General Public, but citizens may listen to the meeting by calling 1-844-890-7777, Access Code: 390313.

Chairman Emert then stated:

I wish to recognize that Board of Supervisor Member Pattie Cooper-Jones is participating this evening via remote telephone access. As required by the Board of Supervisors 'Electronic Meeting Policy and Section 2.2-3708.2 of the Code of Virginia, Mrs. Cooper-Jones has provided notice that she would have to be physically absent from tonight's meeting, for medical reasons. Mrs. Cooper-Jones has requested remote participation in tonight's meeting from her home in Farmville, Virginia. Her request is in conformance with the Board's Electronic Meeting Policy and the requirements of the Code of Virginia.

Pending an objection from a member of this Board, Mrs. Cooper-Jones 'participation shall be approved, and noted in the minutes of this meeting.

There were no objections.

In Re: Prince Edward County Financial Update

Mr. Jimmy Sanderson, Senior Vice President, Davenport & Company, presented the Prince Edward County Financial Review. He highlighted goals and objectives, historical trends, the County's existing debt profile and discussed the County's peer group comparison.

Supervisor Gilliam entered the meeting at this time.

Mr. Sanderson reviewed the Real Estate Tax Rate and discussed the generation of revenues and the County's assessed value and its growth which will help determine the budget revenues. He said the assessed value has grown since 2015. He then discussed the Assessed Value per Capita; he said the County is in line with the Single A Median in Virginia, a little below the AA category; from a financial stability and strength standpoint, the total assessed value is how a lot of the revenues are driven. The higher that value is, the more credit strength you would see from creditors or rating agencies.

Mrs. Sarah Puckett, Assistant County Administrator, asked if the total assessed value is both taxable and non-taxable, and does the fact that the County has so much value in properties like Longwood [University], Hampden Sydney [College], state forests, state parks, and state wildlife management areas that this number is affected. Mr. Sanderson said it is non-taxable property and the County cannot derive any revenue from it. He said that happens a lot in the Tidewater region with the Naval bases and in Richmond with the state capitol buildings. He said it is not uncommon in places with a lot of state or federal institutions.

Mr. Sanderson reviewed the General Fund Financial Overview; he said the Fund Balance makes up 30% of a locality's credit rating score. He said if the County has financial policies, maintaining a policy level, whether it's Fund Balance is important. He said they look at a locality's use of those reserves and paying down the capital projects as opposed to using those funds for ongoing budgetary items. Mr. Sanderson stated there is nothing out of the ordinary occurring, no dip in revenues or any expense that appears to be

rising; County revenues have grown approximately 15% over the past five years from \$24 million to \$27 million. He said this rising trend of the general property tax revenues is important. On the expense side, nothing is out of control. He said County has chosen to use some of the reserves toward the capital projects; the County has shown historical surpluses of revenues over expenditures when excluding one-time capital expenditures.

Mr. Sanderson then said the County has demonstrated healthy, growing reserve levels; he suggested the County develop formal fund balance policies. He said the majority of funds are unassigned and have held consistent from 2017 through 2020. The County rates above 45% in each category; there are some non-spendable or restricted funds in the total fund balance. He said the unassigned Fund Balance is in line with its peers and as a percent of General Fund Revenues (46.7%) is above State and National medians.

Mr. Sanderson reviewed the tax-supported debt profile which has not changed dramatically but there is a gradual decline from FY 2021 to FY 2025, then is relatively level from for a number of years and then another decline through FY 2035. He said the existing debt service will be paid off in 2035. Mr. Sanderson then reviewed the Key Debt Ratio in relation to Assessed Value and the Debt Service to Expenditures. He said the payoff ratio is a measure of how much debt is paid off over the next ten years and how much principal. He said Prince Edward County is at about 80% which means the County will pay off 80% of the debt in the next 10 years, and will pay all of it by 2035.

Mr. Stanley said he would recommend the Board adopt a finance policy and asked that Mr. Sanderson prepare a draft. He said that in future presentations, part of the discussion would indicate where each of the indicators is benchmarked against that policy, to see the progress based on the annual updates. Mr. Sanderson said when you have your planning guide, you could see where products are in the future, and we could layer in whether you will finance part of the cost, and it would predict if it would be in violation of any of the policies. These policies would act as governor for the Board to determine what projects can be taken on, whether to finance or pay cash.

Mr. Sanderson then reviewed the Potential Capital Costs. He said the value on one penny increase would be the equivalent of \$150,000; the Board could also draw from the Economic Development fund or make cuts elsewhere in the budget. He then presented an example of the costs and revenues that would be

available for that debt service. He said it would show the amount of revenue necessary to maintain the budget level and how much more revenue does the County need to generate.

Mr. Stanley said this would allow the County to plan for an expense. Mr. Sanderson presented several examples and stated a three-cent increase in the tax rate would generate \$466,000. Some discussion followed regarding the current interest rate; Mr. Sanderson said currently the rate is approximately 2.5%.

Supervisor Townsend entered the meeting at this time.

Following some discussion, the Board concurred to have Mr. Sanderson put together some draft financial policies and debt policies for review.

Supervisor Jones left the meeting at this time.

In Re: Prince Edward County Entry Plan Presentation

Mr. Stanley reviewed his Entry Plan to inform the Board of his actions to date; he said he intends to continue to identify issues that he has found along with possible solutions, and a potential cost and time frame for these issues to be addressed. One example of such a need is a Finance Director. He said work has already begun on updating the County Code on Municode; in the future, there is a need for an in-house IT department. He reported on the status of the receptionist position for the Administrator's office and spoke on the need for a document management system. He said County Employee evaluations should be held on an annual basis. Mr. Stanley said he is working on a draft Procurement Policy. He reviewed several other projects, such as staff ID cards, an organizational chart, Ethics training, CPMT Strategic Plan, facility issues and waste site upgrades.

Mr. Stanley then presented examples of projects already taking place, such as the RFP for the parking lot resurfacing, cleaning of areas within the Courthouse that need done on a regular basis (windows, vents, floors), and signage within the Courthouse. He stated other projects, such as the Capital Improvement Plan, adjustments to the fee schedule for Building and Zoning, implementation of the Strategic Plan, and the GIS are upcoming. He added that the County needs to start making an investment in staff and equipment.

Supervisor Townsend asked if the sheds at the convenience sites heated. Mr. Stanley said they are, but if the power is out, they will also be out. Discussion followed.

Supervisor Gilliam stated the contractors need to secure their tarps on their trucks; he added people have been tossing their trash along the roads and these need to be held accountable. He suggested opening the bags to search for names and addresses and issue summons to those that are throwing their trash along the roads. Discussion followed on the enforcement of the State Code.

Supervisor Pride and Chairman Emert discussed the need for employees at the convenience sites to assist citizens when necessary and to keep the sites well-maintained and free of debris. Mr. Stanley stated Mr. [Jeff] Jones has already taken some action to address these issues. Discussion followed on other issues at the convenience sites.

Mr. Stanley then discussed several goals for the budget and proposed FY 2021-2022 budget cost drivers. He discussed the CIP process and budget goals, and budget cost drivers such as the Courthouse Chiller, waste management infrastructure, the County's Shelter at the PEFYA building, and a few other things all need addressed. He reported that each department was asked to use zero-based budgeting and to consider every function for its needs and costs. He said the goal is to present a 0% budget increase. Mr. Stanley said the health insurance is flat; he did ask them to include a 10% increase. He presented a comparison chart showing other localities and the different plans offered; he said Prince Edward County needs to be competitive with other localities in the region for employee benefits, particularly family coverage. He said Board members may be included in health insurance coverage as well.

Mr. Stanley reviewed potential revenue enhancements, or tax revenue; he said the County has a lodging tax on the books but there is no set rate. He said that according to Mrs. Van Eps prior to her retirement, the County could choose to set it at five percent; of that, two percent would go to the General Fund and three percent has to go to Tourism and could offset the Tourism budget. He said that with all the Air BNBs and other great projects, the County would benefit as the surrounding localities do. He noted she had estimated the revenue at about \$55,000 per year.

Supervisor Pride left the meeting at this time.

Mr. Stanley stated the Board of Equalization process impacted the County; he said reassessment increased overall real estate values by about 19%. He said that by law, the County must equalize the tax rate. If the County chooses to lower it a little less for using for the Capital Improvements in general or for the Sandy River Reservoir Project, the need for an increase in the future would be less. He presented examples on how to fund Capital Improvement Projects. Discussion followed.

Mr. Stanley then presented the updated Budget Schedule for the Board's approval.

Chairman Emert requested several meeting times be adjusted; discussion followed.

Supervisor Cooper-Jones stated the Schools are requesting between \$32 to \$45 million for a new elementary school. She said they don't know how many classrooms they currently have, and said the installation of French drains and a new roof are not that much expense. She said nothing has been done in a proper fashion; she said the high school building is the oldest and must be brought up to state of the art, and work needs done on the football field.

Chairman Emert said there are things that were discussed that are happening but they may not be taking care of it to keep it from happening. He said they will need to present some serious proposals and budgets prior to approving anything.

Supervisor Wilck reported the school population has decreased by 900 students; he suggested several times that they close off rooms or a wing to save money.

In Re: Emergency Management Report

Mrs. Sarah Puckett reported that approximately 300 meals were distributed the previous evening from the Meherrin and Darlington Heights Volunteer Fire Departments; dinners and breakfast items were distributed. She said there were over 300 outages still remaining, and there was a tremendous outpouring of support from all over the County.

Mrs. Puckett reported vaccinations are to begin at the CVS on Thursday, February 25; enrollment will begin after 5:00 a.m. on Wednesday, February 24. She then recommended citizens go to the Virginia Department of Health site to pre-register. (<https://vaccinate.virginia.gov/>)

Mrs. Puckett announced Dr. Adekoya, the new Piedmont Health Department Interim Director.

Mr. Stanley stated he spoke with Senator Warner's office to request the State Corporation Commission to review Southside Electric Cooperative in light of the poor response to all that has happened. Discussion followed.

Supervisor Gilliam said people flooded to the hotels and the crews had no lodging; they had to drive to Lynchburg. Mr. Stanley said Longwood Village housed some of the crews, and Fuqua was prepared to put them up in the gym and use the showers if needed. He said some of the crews had to stay in Lynchburg and Richmond and were losing hours in travel time.

Supervisor Gilliam reported there were several structure fires, and the volunteer fire departments have done an excellent job; he said all departments were working together to provide excellent service.

Mrs. Puckett reported the fire departments saw approximately 200 calls for service; she said the Departments also assisted with food distribution with no hesitation to any request. She said the food distribution sites were chosen to put the distribution sites closest to the people without power.

On motion of Chairman Emert, seconded by Supervisor Wilck and adopted by the following vote:

Aye:	Beverly M. Booth	Nay: None
	Pattie Cooper-Jones	
	J. David Emert	
	Llew W. Gilliam, Jr.	
	Robert M. Jones	
	Odessa H. Pride	
	Jerry R. Townsend	
	James R. Wilck	

the meeting was adjourned at 7:29 p.m.