

February 22, 2022

At the special meeting of the Board of Supervisors of Prince Edward County, held at the Court House, thereof, on Tuesday, the 22<sup>nd</sup> day of February, 2022; at 5:30 p.m., there were present:

Beverly M. Booth  
Pattie Cooper-Jones  
Llew W. Gilliam, Jr.  
Robert M. Jones  
Odessa H. Pride  
James R. Wilck

Absent: J. David Emert  
Jerry R. Townsend

Also present: Douglas P. Stanley, County Administrator; Jimmy Sanderson, Davenport and Co.

Chairman Pride called the February 22, 2022 Special Meeting to order.

Chairman Pride stated:

*Due to the COVID-19 Emergency, the Prince Edward County Board of Supervisors is operating pursuant to and in compliance with its "EMERGENCY CONTINUITY OF OPERATIONS ORDINANCE." Effective August 1, 2021, the Board has re-opened meetings to in-person participation by the public; however, there could still be limited available seating. Citizens are strongly encouraged to participate in meetings through in-person participation, written comments, and/or remote participation by calling: 1-844-890-7777, Access Code: 390313 (If busy, please call again.) Additionally, citizens may view the Board meeting live in its entirety at the County's YouTube Channel, the link to which is provided on the County's website.*

The Prince Edward County Board of Supervisors strongly encourages citizen input and engagement in our County government. Due to COVID-19, the Board of Supervisors, Planning Commission, and other County committees, boards, etc. are operating pursuant to the following protocols for public input and public participation.

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Public Participation and Public Hearing comments and information regarding the limited number of seats for in-person participation at County meetings are coordinated through Karin Everhart, Deputy Clerk to the Board of Supervisors, as follows:

- In-Person Participation:** While county meetings have re-opened to the public, there could still be limited seating, if social distancing is needed. To enter the Prince Edward County Courthouse, unvaccinated and vaccinated individuals are required to wear a mask at all times and socially distance. Based on the uncertainty of social distancing requirements, the exact number of seats available in the Board/Planning Commission meeting room is uncertain. The County appreciates the public's patience as staff continues to adapt to the public safety recommendations and guidelines of the Virginia Department of Health and the CDC.

2. **Written Comments:** Please limit word count to no more than 500 words. Comments must be received by 2:00 p.m. the day of the meeting.
  - a. **Mailed:** Board of Supervisors (or Planning Commission)  
P.O. Box 382, Farmville, VA 23901.
  - b. **E-Mailed:** Board of Supervisors: [board@co.prince-edward.va.us](mailto:board@co.prince-edward.va.us)  
Planning Commission: [info@co.prince-edward.va.us](mailto:info@co.prince-edward.va.us)
3. **Remote Participation:** Citizens may participate remotely during the meeting. To call in to the meeting, please dial: **1-844-890-7777**. When prompted for an Access Number: **390313**. Citizens may provide comments during Public Participation and/or for a specific Public Hearing on the agenda. Citizens are encouraged to pre-register with the County Administrator's Office at 434-392-8837 by 2:00 p.m. the day of the meeting. Callers must be on the line and ready to speak when called upon by the Chair. Please state your name and district of residence. Based upon the # of speakers, the Chair will determine the time allotted to each speaker.
4. **County YouTube Channel:** Citizen may also view the monthly Board of Supervisors meeting live at the County's YouTube Channel: (link is also on County website under Meetings & Public Notices.)  
<https://www.youtube.com/channel/UCyfpsa5HEjIWejBSc5XwplA/featured> .

Chair Pride offered the invocation and led the Pledge of Allegiance.

In Re: Dance Hall Permit

Mr. Stanley said the County requires a Dance Hall Permit for any establishment wishing to host dance hall events. Phillip Moore, Building Official, and Trey Pyle, Deputy Emergency Coordinator, have inspected the following site to determine its compliance with current building code and fire code:

New Fevers Restaurant and Lounge  
193 McLendon Drive  
Farmville, VA 23901

This building has a declared maximum occupancy of 400 persons. An inspection on February 2, 2022 resulted in the following items that must be addressed in order to meet fire code:

- Emergency egress lighting needs to be repaired and made operational.
- Fire extinguishers need to be hung on the wall.
- Missing/broken ceiling tiles need to be replaced and/or installed.
- Deadbolt Lock on Emergency Exit side door needs to be removed.

Mr. Stanley recommended approval for a period of three months. This would allow time to review the ordinance requirements. Some discussion followed.

Supervisor Cooper-Jones made a motion, seconded by Supervisor Wilck, to approve the Dance Hall Permit for a period of three months upon completion of the repairs as stated above; the motion carried:

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

In Re: Prince Edward County Financial Update

Mr. Stanley introduced Mr. Jimmy Sanderson, Davenport & Company, to present information on the County's financial standing, look at the audit in order to, when the opportunities come up, the County is in the position to move forward.

Mr. Sanderson reviewed the Prince Edward County Financial Update. He reviewed the goals and objectives of the County and provided peer comparisons along with other rated communities. He then reported on the estimated costs of borrowing and reviewed the various rating categories, adding that not every county in Virginia has a rating. Mr. Sanderson stated the population of Prince Edward County stands at approximately 22,000; historically, there has been little population change. He reviewed the tax rate, which is the ability to raise funds; he said it's on the lower end in comparison to peers, at \$0.47. He said the County's strength is in the revenue, and Prince Edward County is right in the middle of its peers.

Mr. Sanderson presented the General Fund Overview. He said Prince Edward County has done well increasing this; lenders and credit agencies look at fund balances to judge credit ability. He then reviewed Revenues and Expenditures, which showed a fair amount of consistency on the Revenue side through the pandemic, growing the Fund balance from \$12 million in 2017 to \$20 million in 2021. He then presented statistics regarding the fund balance. He said there are non-spendable restricted [funds], there are committed [funds], assigned [funds], and unassigned [funds]. He then said lenders view unassigned revenues as revenue available to the County to pick up on any problem through the year.

Mr. Sanderson said the County adopted a policy to maintain the unassigned fund at least at 30% of the General Fund revenues, and it is still just shy of 60% which is almost double the adopted policy. He said that the assigned dollars, Prince Edward County has a higher ratio than its peers. He stated a large portion

of the existing debt will be paid off in 2035. He said another comparison used is Debt to Assessed Value, along with Debt Service to Expenditures. Prince Edward County compares favorably to its peers. The debt profile shows about \$2 million per year in total debt service, which will decrease over the next few years to approximately the \$1.7 million range and then will be flat. There will be a major decrease in 2032 and will be gone in 2035. This allows the County to borrow for future projects and to layer that in as the debt declines; this will be a way to preclude the County from having to come up with additional revenues to pay for the future debt service. Mr. Sanderson presented the pay-out ratio, which is how much of the debt will be paid in the next ten years. He said in this case, 87% of debt will be paid over the next 10 years. He said the County has a policy to maintain a ratio for debt to assessed value, and a 3% limit of outstanding debt would equal almost \$65 million. He said the County is just shy of \$16 million debt right now, or currently at 0.74%.

Mr. Sanderson then reviewed the Debt Service vs. Expenditures. He said 12% is a very common ratio; you want to limit debt service to your overall expenditures to 12%. He said this would put the total debt service at a little more than \$4.5 million. With the policies, these are things that are adopted as a Board; the current Board cannot bind future boards which could change the policies. These policies at least give the current board a sense of where it “sits.” He said as long as the Board is operating within these policies, lenders can think about where this Board is putting the limitations.

Mr. Sanderson then reviewed the capital planning side; he reviewed an example of borrowing amounts over a 30-year, 20-year and 25-year payoff with a 4% interest rate, which is on the high side as of right now, but the Treasury has changed rates from 1.3% to 2%. He said there is discussion by the Federal government about raising interest rates. Mr. Sanderson said that for planning purposes, 4% is a good number.

Mr. Sanderson discussed the tax equivalent cost of a project and what it would take from a real estate tax increase in order to generate a certain amount of revenue. He stated the value of one penny in real estate tax generates \$175,000 of new revenue to the County.

Mr. Stanley said the example presented of \$30 million is the estimate of the proposed renovations of the Elementary School. He said even if we are not successful with the 1% sales tax, something needs to be done at the school. He said there are some immediate concerns, but some of the costs could be “backloaded” and at 30 years, a real estate tax increase would require an increase of \$0.083, and for 20 years would require a \$0.125 increase. Mr. Stanley said some of the principle payments could be shifted beyond

2031 when some of the debt will be paid off to make it more affordable. Mr. Stanley said the sales tax rate is the preferred option. He said the County is fortunate that we have a certain amount of debt service that will be retired in the next 10 years.

Mr. Sanderson said there has been discussion [at the State level] about adding \$2 billion to the budget over the next few years specifically for schools; he said how that will play out and how it's distributed to governments has not been determined.

Mr. Sanderson said the ability to use sales tax revenue for the schools and school projects will be determined by the General Assembly and a referendum.

Mr. Stanley said this option allows for future repairs and renovations for the middle and high schools; he said that Friday, February 25, at 7:30 a.m., the House Finance Sub-Committee will discuss this again.

#### In Re: Proposed Budget Goals

Mr. Stanley said he has started to meet with County department heads and budgets are due on Friday. He said he is working with IT and the Commissioner of Revenue to pull revenue estimates together. Budget goals include:

- Maintain or improve current levels of service (e.g., hours at the convenience site, Fire & Rescue funding, School funding support)
- Stay competitive with staff salaries and address compression (COLA 3-5% moves the entire scale up)
- Continue financial planning process for the Capital Improvement Plan (CIP) projects
- Promote Economic Development and invest in the community (e.g., purchase of property for future growth)
- Maintain low real estate tax rates

#### In Re: Proposed FY 2022-2023 Budget Cost Drivers

Mr. Stanley listed several budget cost drivers:

- Flat revenue - most growth is from residential and personal property
- Still playing catch-up on bare bones budgets – some localities look to adjust assessment at 90%, older vehicles have increased in value
- Personnel priorities – Commissioner of Revenue, Treasurer, Administration Receptionist from part-time to full-time
- Creation of County IT Department and in place by January 1 which allows time for transition

- Library request – Met with Rick Ewing, Scott Davis, and Carl Carter regarding the loss of \$30,000 of state funding for the library this year, salaries that are below the state minimum hourly wage; move library to a better retirement system
- CIP Items – Courthouse Chiller, Waste Management infrastructure, Radio system, Animal Shelter
- Regional Economic Development initiative – working with the Commonwealth Regional Council (CRC) with Buckingham, Cumberland, Amelia, Nottoway, and Prince Edward Counties to pick up where the VGA dropped the ball

Supervisor Booth left the meeting at this time.

#### In Re: Staff Direction

Mr. Stanley said departments were not asked to use zero-based budgeting, but did ask them to justify each additional expense for the proposed budget. He said requests for increases will go through the justification during meetings with the Board. Some discussion followed.

Supervisor Gilliam asked if Longwood University could provide EMT training. He said Liberty [University] has over 20 students that volunteer on the Rescue Squad; he suggested Longwood doing an internship with Prince Edward County Rescue Squad. Mr. Stanley said he would speak with Deanna Jones, Executive Director of the Prince Edward Volunteer Rescue Squad, regarding this possibility. Discussion followed.

Mr. Stanley stated Department heads and Constitutional officers were asked to not include any across-the-board raises for employees. He said raises would be considered after the review of the anticipated revenue. Any additional requests for funding and/or staffing must be made separately and such requests will be reviewed and prioritized for funding by the Board.

#### In Re: Budget Personnel Costs

Mr. Stanley then reported he budgeted a health insurance increase of 10% but it may only be 2-3% increase. He noted he hopes to be able to lower the cost of family and dependent coverage again this year. He said there is no salary increase proposed initially; he said the Board needs to look at the COLA and Step with the impact of State increases. He said some departments will ask for merit increases for specific employees.

In Re: Potential Revenue Enhancements

Mr. Stanley stated the meals tax is still an option; he said right now, there is talk about a Regional Cigarette Tax Board because there has to be a stamp and a board that manages the cigarette tax, and it's less expensive for smaller localities to go in together. He said right now, Dinwiddie and Petersburg are doing it but they may be able to join a regional effort. He said the Town of Farmville has a cigarette tax but the County can't replace the tax in the Town limits or go on top of their rate, but there are little "Mom and Pop" stores in the County that sell cigarettes. He said Amelia County may be interested in participating in a regional effort. Mr. Stanley said the Meals tax may be possible but will be more work for the Commissioner of Revenue's office. He added that Prince Edward County is losing Fishin' Pig to the Town but their catering business will still be in the County. Mr. Stanley said the Board will have to look at more revenue options than just the real estate tax.

In Re: Budget Schedule

Mr. Stanley stated the Budget Schedule has a revision, and stated that on March 2, there is a joint Finance Committee meeting and March 15, the Superintendent will present the proposed School Budget to the Board and will be held at the Middle school.

Supervisor Wilck said he spoke with Mr. Bob Timmons; he stated Mr. Timmons has been visiting places with Sekou Abdus-Sabur and they may have found a place within their price range for the meat processing plant.

Mr. Stanley said the next 7-10 days, we will know more of what is coming from the House and Senate, and revenue-wise from the State.

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

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

the meeting was adjourned at 7:03 p.m.