

February 5, 2019

At the special meeting of the Board of Supervisors of Prince Edward County, held at the Court House, thereof, on Tuesday, the 5<sup>th</sup> day of February, 2019; at 5:30 p.m., there were present:

J. David Emert

Robert M. Jones

Odessa H. Pride

Gene A. Southall

Jerry R. Townsend

James R. Wilck

Absent: Pattie Cooper-Jones

Also present: Wade Bartlett, County Administrator.

Chairman Wilck called the reconvened meeting to order. Mr. Wade Bartlett, County Administrator, announced Supervisor Cooper-Jones could not attend.

In Re: County Administrator's Report

Mr. Wade Bartlett, County Administrator, stated his report is based on six months of data in the Fiscal Year and both the revenue and expenditures can have some unexpected moves before the end of the Fiscal Year.

Mr. Bartlett said it appears that General Fund Revenues will exceed the budget somewhere in the \$1.0 – \$1.2 million range. Personal Property accounts for the lion's share of this amount with a projected amount of \$621,000 more in collections than budgeted. This is a combination of higher than expected valuations (\$331,000) and greater than expected collections of delinquent taxes (\$290,000). The Treasurer's use of the DMV stops has contributed to the higher than expected delinquent tax collections. With higher than expected delinquent tax collections comes an increase in collection of Penalty and Interest. It is expected collection of Penalty will exceed the budget by almost \$73,000 and Interest by \$139,000. When added together, approximately \$833,000 or 83% of the additional collections can be attributed with Personal Property.

Mr. Bartlett said collections associated with delinquent taxes and the corresponding penalty and interest charges will not be repeated in the future, at least not in the scope we are currently experiencing.

Collections of sales taxes has also been strong but due to the delay in receiving these funds from the state, we only have five months of data and have not received the amount for December which is by far the month with the greatest collections. This revenue source can increase or decrease rapidly based on the confidence level the citizens have in the economy.

Mr. Bartlett stated almost every other revenue source in the General Fund is also on pace to exceed their budgeted amount but at much lower levels than those just mentioned. The Landfill Construction Fund revenues have also been strong and it appears we will collect approximately \$50,000 more than the FY19 budget of \$258,000.

Mr. Bartlett said a quick review of expenditures did not indicate that any departments were significantly exceeding their budgets. In fact, at current rates the budget will be under expended for the Jail and Juvenile Detention as well as for CSA. This could change with an increase in the numbers from Prince Edward County that would have to be housed in these facilities.

The County's cash balance was approximately \$10.3 million at the end of October 2018. October is normally the low point of our cash balance each year as we await the start of collections of personal property and real estate taxes. With the anticipated expenditure of up to an additional \$8.4 million for the remaining capital projects, the County's cash balance could be as low as \$3 million in October of 2019. The Board may want to discuss financing some or all of these projects. Mr. Bartlett recommended the Board have a discussion with our financial consultant on this topic in the very near future.

Based on the County's normal revenue growth, I would anticipate an increase in revenues in FY20 of \$300,000 - \$400,000 or so but much depends on the changes in the NADA values for used cars. If used car values fall drastically, revenues could be flat or even decrease.

For FY20, the following increases in expenses may have to be accounted for:

County Health Insurance – 7% increase	\$ 72,000
County Pay Raise – 3%	\$210,000
PEVRS	\$ ???
School Health Insurance	\$ ???
School Pay Raise – 5%	\$ ???
<hr/> TOTAL	<hr/> \$ ??????

Mr. Bartlett said he does not have a projected expense for the last three items but they will easily be over half a million dollars. While it is still early in the process, from initial discussions with PEVRS, it appears they will be requesting assistance with purchasing an ambulance and funding for one or two management positions. A new ambulance will cost around \$350,000 and two new positions could cost \$150,000 or more with benefits. If the Board decides to assist in funding a portion of these costs it is easy to see it could easily be six digits. Last year the Board was informed the Schools Health Insurance premiums would increase by 25% or over \$456,000. He said he has not heard from the Schools on the anticipated increase for this year, but even a 10% increase would be approximately \$200,000. Because of the state's unrealistic teacher SOQ numbers, local governments must fully fund the salaries and pay increases for a large portion of the teachers in our school system. If a 5% increase is approved by the General Assembly, we would experience increases of several hundred thousand dollars.

Mr. Bartlett said while it is early in the process, the expected spending increases far outweigh the expected revenue increases. Some, if not all of these increases, could be offset with either a reduction in County expenses, additional state funding or increases in County revenues that exceed our normal growth rate.

Supervisor Jones said the Rescue Squad employees have 401k plans and health insurance.

Mr. Bartlett said the positions that the Rescue Squad is seeking to fill are a General Manager and a clerk.

Supervisor Emert stated the Rescue Squad has hired a billing service.

Mr. Bartlett said the cost will be divided among four organizations; he said Prince Edward County will have the lion's share of the cost. Discussion followed.

Supervisor Pride asked if the Town [of Farmville] will share in the \$350,000 cost of the ambulance. Mr. Bartlett said the cost will be split among Prince Edward County, the Town [of Farmville], Hampden-Sydney, and likely Longwood University.

Supervisor Pride asked if the cost will be split evenly. Mr. Bartlett said it will not be split evenly. Discussion followed.

Mr. Bartlett said letters have been sent to outside agencies and internally for funding requests. He said for the internal agencies, he included a copy of the Strategic Plan with the mission, vision and priorities. He then asked what the Board would like to see, or not see, in the budget.

Supervisor Pride asked if the General Assembly passes the 5% increase, does Dr. Johnson and the School Board have the autonomy to give an additional raise, or is it just at the 5%. Mr. Bartlett said she can do more if they have the money. He said last year they had a salary adjustment and discussed giving a raise. Discussion followed.

Mr. Bartlett asked if he is to hold the Real Estate tax rate as flat as possible. The Board agreed.

Mr. Bartlett then said there is a meeting on February 13 with the Schools and the Finance Committee.

Supervisor Townsend said he would like the Board to look from a different perspective. He said the Board agreed to hold quarterly meetings with the Superintendent of Schools and Chair of the School Board, to get some idea of what they expect. That is the information we need. Supervisor Townsend said another item is to create a Capital Improvements Plan (CIP) for the Schools and the County because we need to have a plan to repair or replace. He said the Schools have one but he would like to take it over and include it in the County's CIP. He would like a line item created where funds can be set aside for whatever projects are agreed upon. Supervisor Townsend then said the Board needs to continue to monitor the school debt service, and said there are a lot of vacancies at the school. Supervisor Townsend said there is a need for a contingency plan for a fallout shelter for citizens; he said there are currently no safe places for citizens during a hurricane. He said it is the Board's responsibility to ensure the safety and the welfare of the citizens of Prince Edward County. He said certain structures throughout the County can be retrofit to be used as shelters; he said the Board needs to document and track these. Discussion followed.

Supervisor Townsend then stated a line item is needed for "Recreation." He said it is in the Strategic Plan, and the rural areas cannot get to the resources in Town.

Chairman Wilck said Town residents pay double taxes to get that in Town. Supervisor Townsend said it isn't about just the Town residents, it's about [citizens in] the entire County. Supervisor Pride said many cannot get to these facilities.

Mr. Bartlett said most of the recreation is in private organizations, such as PEFYA. He said they receive donations and the County does provide some funding, and they charge fees for support. Supervisor

Pride said she just paid fees for her three grandchildren and it is a lot. She said it needs to be available and accessible to everyone.

Supervisor Townsend said it needs to be available and everyone pays taxes. Further discussion followed.

Supervisor Townsend said he hasn't attached any numbers [amounts]. He said when he attends meetings at VACo, this is the way they do business. Other counties have contingency funds and they put the money aside; he said it is their responsibility to provide for the health and welfare of the citizens and the Board must do better. He said he thinks they do well, but they are not planning for the future as well as they should. He stated if you would ask a citizen if they had to evacuate their home, where would they go; he said most wouldn't know.

Mr. Bartlett reviewed areas for possible shelters and fire departments have generators. He said Meherrin, Pamplin, Darlington Heights have facilities. Farmville has the Sportsman's Arena for the Town. He said they are looking at others. Discussion followed.

Supervisor Southall asked if a fire department is funded by Prince Edward County, could people from other counties use the shelter, and would the other county provide funding. Mr. Bartlett said the other county would not pay. He said it would have to accept people from other counties, and once a shelter is opened, it must be manned "24/7." Supervisor Townsend said the Board still must work on the process, especially with the CIP.

Chairman Wilck said that originally they were going to take money from General Fund, and there is a need to finance some of the projects because there are contingencies that come up. He said he would like to bring in the representative from Davenport for professional guidance before determining amounts to set aside for these projects. Discussion followed.

Mr. Bartlett said the consultant from Davenport will review the County's status and compare with other localities, examine the County's capacity and review the existing debt structure. He said the cost may be approximately \$10,000; he will often be paid his fee when the County borrows money and the cost is rolled into the loan.

Supervisor Townsend then said recreation can be a collaborative effort with Lunenburg, as they have a ballfield and pavilion. He said it doesn't have to be a one-time deal, but a little each year. It would

be a good opportunity for Meherrin VFD, Lunenburg & Prince Edward County could share the facilities. He would like to schedule a meeting to discuss the options.

Supervisor Emert questioned the percentage of an increase on the health insurance and how much the employees pay. Mr. Bartlett said the County pays almost all of the cost if the employees take the 500 Plan. He said if the employees choose the 300 Plan, they pay the difference between the two plans. Discussion followed.

Supervisor Townsend said the Board needs to take a look at the jail; there are 13 vacancies currently. Mr. Bartlett said there are difficulties in finding people to work at the Jail; the starting salary was increased two to three years ago.

Supervisor Townsend said the County must keep up the appearance of the County and pick up the debris; he said the Board needs to come up with strategies on how to keep the County policed. He said VDOT has a program that uses individuals using people that must perform Community Service. Mr. Bartlett said Piedmont Court Services cannot go out because the insurance will not cover the people. Discussion followed.

Supervisor Emert asked if County employees at the convenience sites police the areas near the sites for trash. He said he has noticed a lot of trash and debris near the sites; he said other counties have the employees keep the area clean instead of them just sitting there. He said in Charlotte County, all the cardboard is broken down and stacked, he said the employees rake and keep the area clean. He said he has received a number of calls regarding the debris and mattresses outside the landfill. Discussion followed.

Supervisor Emert asked about the STEPS parking lot. Mr. Bartlett said the company will be there Thursday to provide a cost estimate.

Discussion followed on items for an agenda to meet with the Town of Farmville.

Supervisor Jones said it is a good idea to have a consultant to get updated information on how much is yet owed, and if the County should finance more. He said the Board is not going to borrow at the rates we have before.

Supervisor Wilck asked how much is owed on the YMCA. Mr. Bartlett said it was a 15-year loan and it started a little before he started at the County, so there may be three years left. Supervisor Wilck said once that is paid off, it will open up another \$100,000 a year, plus interest.

Supervisor Wilck would like to appoint Supervisor Jones to the Finance Committee, to fill the vacant seat due to the resignation of Supervisor Timmons.

Supervisor Wilck asked if normal citizens may be on some of the committees, to get specific talent; he gave an example of inviting a CPA or accountant on the Finance Committee. Discussion followed.

Supervisor Townsend left the meeting at this time.

Supervisor Southall questioned the Personal Property taxes on a company such as Tharpe Trucking, with 50-75 trucks. Mr. Bartlett said the County agreed to match the rate of Nottoway County, which is \$3.00 as opposed to Prince Edward County's of \$4.50. Mr. Bartlett said the IDA pays this and this may be the last year.

Supervisor Townsend returned to the meeting at this time.

Supervisor Townsend said he did not want to increase taxes. He said the citizens will know they wish to put the health and welfare of the citizens first, so there shouldn't be a problem if the rate must be increased one cent if necessary. Supervisor Southall said one cent would not be much. Discussion followed.

Supervisor Townsend said we have sites ready, but it may be necessary to build another building at the Industrial Park. Chairman Wilck said it could be advertised as "Will build to suit." Discussion followed.

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

Aye:	Pattie Cooper-Jones	Nay: None
	J. David Emert	
	Robert M. Jones	
	Odessa H. Pride	
	Gene A. Southall	
	Jerry R. Townsend	
	James R. Wilck	

the meeting was recessed at 6:45 p.m. until Tuesday, February 12, 2019, at 5:00 p.m. in the Prince Edward County Third Floor Conference Room, 111 South Street, Third Floor, Farmville, Virginia.