

MINUTES
Board of Supervisors
County of Prince George, Virginia

Budget Work Session
February 6, 2018
6:00 p.m.
County Administration Bldg. Boardroom, Third Floor
6602 Courts Drive, Prince George, Virginia

MEETING CONVENED. A budget work session of the Board of Supervisors of the County of Prince George, Virginia, was called to order at 6:00 p.m. on Tuesday, February 6, 2018 in the Boardroom, County Administration Building, Third Floor, 6602 Courts Drive, Prince George, Virginia by Chairman Alan R. Carmichael for a work session to discuss the budget.

ATTENDANCE. The following members responded to Roll Call:

Alan R. Carmichael, Chairman	Present
Donald R. Hunter, Vice-Chairman	Present
Floyd M. Brown, Jr.	Present
Marlene J. Waymack	Present
T. J. Webb	Present

County Staff present was: Percy C. Ashcraft, County Administrator and Jeff Stoke, Deputy County Administrator; Lori Robertson, Accounting Supervisor; Nancy Shaffer, Human Resources Director, Shel Douglas, Social Services Director, Police Chief Keith Early, Rod Compton, Real Estates Assessor; and Dickie Thompson, Interim County Engineer;

WORK SESSION

Chairman Carmichael welcomed the school members in attendance. He then asked if items pertaining to school could be presented first.

Mr. Ashcraft opened the meeting stating the operating budget is a tremendous challenge and that he was not looking for any decisions from the board on the budget.

As per request by Chairman Carmichael, Mr. Ashcraft started the work session with education matters on the agenda.

Ms. Drewry gave an update on current debt. Reminder that two cents of real estate taxes are allocated for fire apparatus replacements and another borrowing will need to occur in Spring of 2020. Review of Stormwater projects, residents pay \$36 annually and commercial/industrial pay \$180/\$240/\$300 annually (depending on acres) and another borrowing will need to occur in Spring 2020.

Ms. Drewry reviewed interfund loans from Utilities. There is a school loan and a county loan and that these repayments are just a cash transfer between funds, interest on the loan is an expenditure. Final repayment for both loans will be made on July 1, 2022.

Ms. Drewry addressed our existing Debt payment schedule with a note that there is some debt dropping off in FY19. Reviewed upcoming Spring 2018 debt issuance. Approved projects for approximately \$1 million (police vehicles/garage fuel tank & canopy project/voting equipment/Southpoint study/CDCC software). Other projects for consideration total \$8.2 million (public safety radio project/courthouse basement buildout/central wellness center code compliance upgrades).

Ms. Sherry Cleveland, Pierce Group, health insurance consultant, presented an overview of the Anthem insurance renewal process and estimated increases. Some options to reduce the estimated increase were reviewed. The adoption of the Essential Pharmacy Formulary strategy as a method to control increasing costs is under consideration. Chairman Robertson received consensus of the Board to ask staff to move towards the Essential Pharmacy Formulary review and calculations during budget development. Staff will rework the budget numbers for this assumption.

Ms. Drewry reviewed the staff positions within the proposed FY18 budget. Proposed new positions are Case Manager for Social Services and Pretrial Officer for Community Corrections. The part time Pretrial Officer is proposed to be eliminated. Newly funded position already in the position control chart is Planner I for Community Development. Funding will be removed for the Project Management Specialist in County Administration. There is one proposed reclassification from Human Resources Specialist to Human Resources Supervisor. There are two recommended title changes: Program Manager to replace Program Coordinator (Community Corrections) and Eligibility Worker to replace Eligibility Intake Worker (Social Services).

Chief Keith Early requested one new patrol officer and one ECC officer for FY18 that are not included in the proposed budget. A presentation was passed out to the Board and Administration. There was a request for future officers in future fiscal years after FY18.

Mr. Drewry stated that Career Development programs in the Police Department (continuation) and the Fire/EMS Department (new) are included in the proposed budget.

Mr. Brad Owens presented a draft of the proposed Career Development program policy for the Fire/EMS Department. A copy was distributed to the Board.

Ms. Drewry reviewed the history of pay increases for County staff since 2011. She presented the budgetary impact of a 1% salary raise for County staff which is \$162,561 (only \$143,757 from general fund).

Ms. Drewry explained that the state has not provided official guidance at this time on the state pay increase since the governor veto stage continues at this time.

Ms. Drewry reviewed significant County expenditures already proposed in the FY18 budget: Vehicle lift and alignment machine in the garage, High density roller shelving in the Clerk of Court, several Information Technology projects and upgrades, Laserfiche upgrade for Social Services, and four (4) replacement vehicles.

Ms. Susan Fierro, Commonwealth's Attorney, presented a request for office renovations not included in the current proposed budget. An estimate of \$35,000 includes an office renovation, bullet resistance paneling, office furniture, carpet and a card reader for security access.

Ms. Drewry reviewed a proposed reduction in expenditures of \$277,487 to Riverside Regional Jail and the Crater Youth Care. Both are due to less Prince George County citizen usage.

These projects combined total to \$9.2 million, but no tax increase would be needed according to consultant. Reviewed Debt Capacity Policies. Spring debt issuance for all projects (\$9.2 million) would result in interest payment of \$345,000 in FY19.

Ms. Drewry presented the projects that could possibly be proposed by County Administrator: police vehicles/Route 156 and Food Lion water system utility projects/County building entrance improvements/new Walton elementary school/new Beazley elementary school/ Fire and Crew building entrance upgrades/ self contained breathing apparatus/real estate assessment software replacement/police boat/Scott Park concession. Projects with no schools total \$7.8 million, with 1 school \$36.9 million and with 2 schools \$66 million.

Mr. Carmichael reiterated to the board that no decisions are needed tonight and that board members should take the information with them to review.

Ted Cole reviewed the Debt issuance scenario's slide. Mr. Cole stated that in all the scenario's the county should hold debt service to \$7.2 million – do not want to lose these funds from capital debt capacity. Scenarios of doing one school in FY19: Scenario 3A the county would be a couple years out of the 10 year Debt Compliance Policy – not a major concern. Policy decisions are not black or white. If policy variances are done with a conscience effort and discussions are had then exceptions are made – should not be a major impact on bond rating. Scenario 3B more years out of 10 year compliance and more interest being paid

over life of loan. Scenario 3C is using some of your future debt capacity. Reviewed doing both schools in FY19 and also doing one school in FY19 and one school in FY21.

Mr. Cole stated that the interest is projected higher than current rates in all the scenario's so that there some cushion. Projected interest at 5% where rates are currently at 4%. There is no projection in the scenarios for construction cost increases. The sooner a tax increase is implemented the sooner you have your tax/debt payment funds available.

Mr. Brown asked if there would be any penalty for paying off debt early. Mr. Cole stated with schools there usually is not after the 10 year mark in repayment of loan. Ms. Drewry also pointed out in one of the scenarios the impact of the type of loan has \$25 million more in interest which equates to building another elementary school.

Mr. Ashcraft requested Ms. Drewry review the current MOS with the board, the FY19 transfer per MOU will be 43.19%. It was pointed out that the tax increases discussed/presented by Mr. Cole are with those funds being dedicated to CIP school construction debt. If the county goes with the current MOU all the presented tax increases would essentially have to be doubled. Reference made that there has been some discussion between county and school board to review language of current MOU. Mr. Carmichael said that is was self-explanatory, but asked if board members had any questions in reference to the MOU – no questions.

Ms. Drewry then reviewed the Health Insurance and that the county and schools have been combined and are self-insured. This means that we assume the risk as the employer if there is a deficit or we bank the surplus – it does not go to the provider (ie. Cigna/Anthem). In bad claim years we have had to cover the deficit, as in 2015 \$400,000 was needed. Ms. Drewry stated that both boards need to make decisions along with staff on what should be done going forward with health fund, whether separation or joined. Ms. Drewry also addressed the situation with Pierce Group who was both County and School health insurance consultant. She stated that Pierce Group parted with us per an email notification from them and that we did not fire them.

Chairman Carmichael asked School Board Chairman Cox if he would like to make any comments. Mr. Cox stated that the boards should revisit the MOU and school projects need to be evaluated. Mr. Cox wants health insurance meeting with both County and School consultants attending. Health insurance should be the same across the board as we are ALL county employees. Currently county and schools have some differences in health offerings and H.S.A contributions. Mr. Carmichael stated that we do not want to pull away from the school for health insurance as there are strength in numbers when getting pricing for health insurance. Mr. Brown asked when there is surplus money from Health Insurance does this money stay in the health fund and Ms. Drewry informed him that it

does. Ms. Waymack asked if the school has a consultant and Ms. Drewry informed her that they do, it is Pierce Group.

Mr. Compton presented information in reference to Real Estate revenue. Real Estate assessments are mandated by Virginia and are based on value and not on economic needs of county budget. Prince George County is recovering stronger and are market leader in Tri-Cities with 40% increase in sales volume over last 4 years. Commercial sectors are decreasing slightly. Branchester Lakes has a median 4% increase and a county wide median 2% increase. Assessment change is 1.2%. County has had an increase of sales of properties and a decrease of foreclosures. Mr. Compton reviewed the land use program agricultural/horticulture/forest/openspace and that standards are set by the department of forestry. To be in the land use program participants must be up to date on taxes being paid.

Ms. Drewry reviewed Personal Property revenue is projected to be flat. The loss of Ace Hardware (company is consolidating locations to Pennsylvania) is affecting Personal Property revenues due to Business Furniture & Fixtures.

Utilities information was presented. Reference made to previous study which stated an annual rate increase was needed to keep pace with increasing operating and capital maintenance costs. Proposal of 5% water and 7.5% sewer increases. Mr. Ashcraft discussed some expansion utility upgrades that are in projects needed.

Review of expenses. There are several personnel requests and reclassifications. Reminder that two communication officers added in FY18 were done with contingency funds and that these costs have to be added to our based salary for FY19. Board had approved safer grant and that the local match has to be added to our budget. The Assessor has request wanted for FY18, but there is no budget impact expected. There are current career developments in place for Police, Fire/Ems and Utilities. With expansion of career development requests for CDCC, ECC, Animal Control and Social Services would result in \$32,000 increase to budget. Salary study was done but evaluation is not expected back until later, therefore a placeholder for amount will be put into budget.

Building maintenance reviews are underway. There are some significant expenses being projected for the following: Roof snow guards, gutters, cleaning and painting of Admin Building. Courthouse exterior and interior issues. Department of Social Services HVAC and roof repairs. Sidewalks from Admin Building to Police Department. Mr. Hunter state that the items being presented on buildings have been a long time coming.

Mr. Ashcraft reiterated that a potential Real Estate tax increase would be due to the needs for school construction and general county operations (health insurance/salary study/personnel requests/building maintenance)

Ms. Drewry presented a Fund Balance update. County is currently at \$24,972,020 / 25.88%. Our county policy is 12.5%. Have to take into account known and potential commitments. Known reserved items of \$2.4 million and potential commitments of \$4.5 million. Potentials are: School has \$2.8 million not expended that might be requested for carryover. Rt. 10 Fire Station \$1.5 million. RSAF grant match of \$123,000. SCBA grant \$140,000. Total could be \$6.9 million which takes balance to 16.5%. There is also CSA increase which is unknown.

Mr. Webb addressed his concerns with our fund balance percentage and future needs. Especially in regards to utilities and needs for businesses which in turn helps tax rates for citizens.

Ms. Drewry reviewed key dates of upcoming Budget Work Session:

Wednesday, March 7th – 6:00 pm

Wednesday, March 14th – 6:00 pm

Tuesday, March 20th – 6:00 pm

Tuesday, April 3rd – 6:00 pm

Mr. Carmichael told Board members to review the information and that Mr. Ashcraft and Ms. Drewry are always available to assist.

Mr. Hunter stated that there needed to be a meeting with both County and School boards to discuss MOU. Mr. Ashcraft said negotiations would be done and would have to be agreed upon by BOTH boards. Mr. Carmichael said he and Mr. Hunter had met with school no comments/commitments were made by them as not all board was present. Mr. Carmichael said any meetings requested by school would not be honored until after County Budget is presented by County Administrator and Finance Director.

ADJOURNMENT. The Board agreed by consensus to adjourn at 8:09 p.m.

[Draft Minutes prepared February 21, 2018 for consideration on February 27, 2018; adopted by unanimous vote.]

William A. Robertson, Jr.
Chairman, Board of Supervisors

Percy C. Ashcraft
County Administrator

MINUTES
Board of Supervisors
County of Prince George, Virginia

February 13, 2018

County Administration Bldg. Boardroom, Third Floor
6602 Courts Drive, Prince George, Virginia

MEETING CONVENED. A regular meeting of the Board of Supervisors of the County of Prince George, Virginia, was called to order at 7:00 p.m. on Tuesday, February 13, 2018 in the Boardroom, County Administration Building, 6602 Courts Drive, Prince George, Virginia by Alan R. Carmichael, Chairman.

ATTENDANCE. The following members responded to Roll Call:

Alan R. Carmichael, Chairman	Present
Donald R. Hunter, Vice-Chairman	Present
Floyd M. Brown, Jr.	Present
Marlene J. Waymack	Present
T. J. Webb	Present

Also present was: Percy C. Ashcraft, County Administrator; Jeff Stoke, Deputy County Administrator; and Steve Micas, County Attorney.

Invocation. Mr. Hunter gave an invocation.

Pledge of Allegiance to U.S. Flag. Mr. Webb led the Pledge of Allegiance to the United States Flag.

PUBLIC COMMENTS. Chairman Carmichael announced that anyone wishing to come before the Board may do so at this time. He noted that this was the time for unscheduled general public comments. He opened the public comments at 7:02 p.m.

Mr. Lee Phillingane (12928 Wood Drive). Mr. Phillingane expressed a concern about the current speed limit on Golf Course Drive. He would like to see the speed limit reduced to 45 mph. The road is narrow and the bridge is extremely dangerous when passing another vehicle, especially school buses and trucks. The site distance coming out of Pump House Road onto Golf Course Drive is also a concern. There are also numerous potholes, the edges of the road are crumbling away, and the ditches need cleaning out.

There was no one else to speak and the public comments period was closed at 7:06 p.m.

APPROVAL OF AGENDA. Mr. Brown made a motion, seconded by Mrs. Waymack, to adopt the agenda as amended. Roll was called on the motion.

On roll call the vote was:

In favor: (5) Hunter, Brown, Waymack, Webb, Carmichael

Opposed: (0)

Absent: (0)

ORDER OF CONSENSUS. Mr. Webb made a motion, seconded by Mr. Hunter, that the consensus agenda be approved as presented. Roll was called on the motion.

C-1. Draft Minutes – January 23, 2018 Regular Meeting was approved as presented.

R-18-020

C-2.

**RESOLUTION; PROCLAMATION OF FEBRUARY,
2018 AS "BLACK HISTORY MONTH."**

WHEREAS, African Americans have played a decisive role in the development of the United States from the Colonial Period to modern times; and

WHEREAS, The contributions and roles played by African Americans in our Nation's history have contributed to the versatility and strength of this Country; and

WHEREAS, Traditional accounts of U. S. history have not always described African Americans' participation in the historical evolution of this Nation; and

WHEREAS, Greater understanding of the historical roots of all major ethnic groups that settled in this County is necessary.

NOW, THEREFORE, BE IT RESOLVED That the Board of Supervisors of the County of Prince George this 13th day of February, 2018 hereby proclaims February, 2018 as "Black History Month" in Prince George County; and

BE IT FURTHER RESOLVED By this Board that it requests the County schools to observe "Black History Month" through educational activities and programs that will depict the history of African Americans.

On roll call the vote was:

In favor: (5) Brown, Waymack, Webb, Carmichael, Hunter

Opposed: (0)

Absent: (0)

PRESENTATIONS

Re-Accreditation Presentation to the Police Department. The Board of Supervisors recognized the Police Department for achieving reaccreditation status for the first time. It was three years ago the department earned its first accreditation from a statewide review panel. In December, the panel visited Prince George again to measure the progress of the department and to see if it sustained its quality first earned in 2015. The panel's review gave the department an unblemished review as it found all 195 items in compliance. Derek Mays represented the review panel and presented Chief Keith Early with a reaccreditation plaque. Also in attendance was former Chief Ed Frankenstein, who was inspirational in leading the department to its first accreditation in 2015.

SUPERVISORS' COMMENTS

Mr. Webb congratulated the Police Department on a job well done. They deserve this honor for all of their hard work.

Mr. Brown stated that sometimes it looks like we take the Police Department for granted. He stated that he is extremely proud of this Department.

Mrs. Waymack expressed her pride in the Police Department as well and told them to keep up the good work. She also expressed her concerns for people that are still suffering from the flu.

Mr. Hunter spoke from experience and stated that an accreditation is not easy and is a lot of hard work. Job well done!

Chairman Carmichael congratulated Chief Early and the entire Police Department on a job well done.

COUNTY ADMINISTRATOR'S COMMENTS

Mr. Ashcraft recognized former Chief Ed Frankenstein for having the vision for the Police Department to reach accreditation and to Chris Douglas for seeing it through the first time. He stated that it is great to be surrounded by men and women that take pride in their work. He also stated that there is no tougher time in America to be a police officer. The Fort Lee African American/Black History Observance will be on February 15 at 12:20 p.m. at the Lee Theatre. County Government Offices will be closed on President's Day – February 19. There will be a Solar Facility Community Meeting on February 20 at 6:30 p.m. in the Board Room. There will be a Military Job Fair on February 21 from 8 a.m. to 2 p.m. at the Fort Lee Regimental Club. There will be a Business Roundtable

Meeting on February 21 at 12:00 Noon in the Prince George Library. The Prince George Planning Commission will meet on February 22 at 6:30 p.m. in the Board Room. The Fire & EMS Awards Ceremony will be on February 22 at 7 p.m. at the Prince George High School. There will be a Black History Month Celebration on February 22 at 7 p.m. in the Burrowsville Community Center. Prince George County employees raise over \$12,000 for Special Olympics by participating in Polar Plunge February 2-3. The Police Department has received a grant for \$152,000 to improve operations at the Emergency Communications Center. The Love's Travel Center has scheduled a 'soft opening' for 7 a.m. Thursday, February 22. This date is subject to change. There will be a formal dedication in March.

REPORTS

VDOT – Ms. Crystal Smith of the Virginia Department of Transportation stated that the crews have been focusing on pothole patching, drainage, and tree removal. A lot of those efforts have been a little bit crippled by the recent snow and rain events. She gave project updates on Route 460 and Bull Hill Road and Route 106 at Route 630 and the rumblestrips on Route 10. There was guardrail installed on Mt. Sinai. There have been a lot of complaints regarding truck noise on Route 460 and on Route 10 between Tar Bay and Merchants Hope. They are checking into both of those problems. Mr. Webb stated that there is a dip in that area she is speaking of on Route 10, which may be causing the noise. Ms. Smith reminded the Board that they currently have numerous outstanding traffic requests, therefore the Board needs to make decisions on getting their Transportation Commission in order if that is how they choose to move forward. There was some discussion regarding the requirements of a Transportation Commission. Ms. Smith stated that other localities are typically appointing a State Police representative, Local Police representative, Fire Chief, a Planning Commission member, one or multiple Board members, a Planning Department employee, and either the County Administrator, Deputy County Administrator, or some Department Head. These positions are for a three-year term. All meetings are open to the public. The Board agreed by consensus that they do want to move forward with a Transportation Commission and will work on getting that together at the next work session.

ORDER OF BUSINESS

A-1. Discussion of Department Head Annual Reports. Mr. Percy Ashcraft, County Administrator, presented the Department Head Annual Reports for 2017. He stated that this gives everyone an opportunity to reflect on the work accomplished by each department. He added that 2017 was a very productive year for the County. This document can be easily read by the public and will be available on line.

A-2. Discussion of Verizon Lease Agreement for Courthouse Water Tank. Mr. Dickie Thompson, Interim Utilities Director, stated that for a number of years, AT&T and NTELOS have co-located telecommunications equipment and antennae on the Courthouse Water Tank. The County Utilities Department over the years has received compensation and rent payments for allowing use of the water tank for

telecommunications equipment. NTELOS has abandoned their existing lease to use the Courthouse water tank and Verizon has requested that the County grant a lease so that Verizon can install and maintain their telecommunications equipment on the tower to replace NTELOS. Cell phone coverage in the Courthouse area can be poor at times and the expectation is that the new Verizon equipment will significantly improve coverage and quality of service in the Courthouse area. In negotiating the lease, Verizon has now requested that the County sell a portion of the water tank parcel to Verizon in the area where the maintenance shed exists. Since NTELOS operated their equipment through a lease agreement, the Utilities Department opposes sale of any portion of the County parcel because it would hamper the County's flexibility in using the site and repairing the water tank. Unless the Board directs otherwise, Staff will inform Verizon that the County will not sell land to them but will continue to grant a similar lease arrangement that was used for NTELOS for use by Verizon. The Board agreed by consensus that Staff should only offer a lease arrangement.

A-3. Discussion of General Fund Balance. In May of 2014 the Prince George County Board of Supervisors voted to revise the County's financial policy related to required fund balance as a percentage of General Fund, School and Debt expenditures. The required percentage threshold was lowered from 15% to 12.5%. This action was taken to allow for the completion of certain capital projects through fund balance appropriation. A Fund Balance Update was provided to Board members at the February 6, 2018 pre-budget work session. The Fund Balance as of June 30, 2017 was \$24,972,020 and represented 25.88% of FY2017 expenditures. The estimated Fund Balance at June 30, 2018 is \$18,100,000 or 16.6% of budgeted FY18 expenditures *if there are no more obligations/appropriations for use of Fund Balance*. An additional appropriation for CSA local match is currently an unknown. A revised policy with a blank percentage has been presented to the Board in the event Board members would like to change the policy to a higher percent. A resolution has also been presented for approval if action is taken. Chairman Carmichael asked if any Board member would like to discuss this matter further. Mr. Brown expressed that he does not wish to change the policy to a higher percent at this time. He believes 12.5% is fine. Mr. Webb stated that since there is no interest in pursuing this, he will make a motion to bring this up for a vote so this item will not need to be brought forward again. The motion died due to lack of a second.

ADJOURNMENT. Mr. Hunter moved, seconded by Mr. Brown, that the meeting adjourn. Roll was called on the motion.

On roll call the vote was:

In favor: (5) Webb, Carmichael, Hunter, Brown, Waymack

Opposed: (0)

Absent: (0)

The meeting adjourned at 7:59 p.m.

[Draft Minutes prepared February 21, 2018, for consideration on February 27, 2018;
adopted by unanimous vote.]

Alan R. Carmichael
Chairman, Board of Supervisors

Percy C. Ashcraft
County Administrator