

LUNENBURG COUNTY BOARD OF SUPERVISORS
GENERAL DISTRICT COURTROOM
LUNENBURG COURTS BUILDING
LUNENBURG, VIRGINIA

Minutes of May 22, 2014 Meeting

The budget work session meeting of the Lunenburg County Board of Supervisors was held Thursday, May 22, 2014 at 6:00 pm in the General District Courtroom, Lunenburg Courts Building, Lunenburg, Virginia. The following Board of Supervisors members were present: Supervisors T. Wayne Hoover, Robert Zava, Edward Pennington, Charles R. Slayton, Frank Bacon, David Wingold, County Administrator Tracy M. Gee, Assistant to the Administrator Nicole Clark and County Attorney Frank Rennie. Supervisor Alvester Edmonds was absent.

Chairman Pennington called the meeting to order and gave the invocation.

Supervisor Slayton stated that he would be abstaining from voting on agenda item number four, Health Insurance Renewal, due to a conflict of interest as his spouse is an employee of the Circuit Court Clerk.

Supervisor Zava lead discussion of the FY2014-2015 proposed budget. He complimented Administrator Gee for compiling the information and its presentation. He noted an increase in the general fund due to an increase in real estate tax. Supervisor Zava added that some expenses can't be controlled, namely Piedmont Regional Jail, CSA expenses, and VRS increases. He advised that a third of the budget is given to the school system. He explained that the sale of the landfill greatly benefited the county. The money saved has allowed the county to maintain all its current services. Working on the budget has become more and more difficult, but the finance committee is comfortable with how it is presented at this point. He asked the other Board members if they had any questions.

Supervisor Hoover commented that the county would be unable to give raises, but changing dental insurance providers would offer some savings to those staff members with dependents. He added that it was possible that insurance carriers would be reviewed again next year for potential savings. The finance committee is also reviewing additional options for cost savings in the future.

Supervisor Zava noted that he would like to begin receiving a quarterly report of budget versus actual so the full Board may review the financial state of the county over the fiscal year.

Supervisor Zava stated that the finance committee suggests the appropriation for STEPS, Inc. be reduced by half since the facility in Victoria will be shutting down. They would like to review a quarterly report to review the progress. A decision would be made in January 2015 as to whether additional funding would be appropriated.

Supervisor Hoover explained that the finance committee also recommends reviewing the county's funding of the Commonwealth Regional Council. They would like to determine what services are projected for Lunenburg in the future.

Administrator Gee reviewed several efforts by the Board to avoid tax increases. She discussed two goals she and the finance committee would like to prioritize in the next fiscal year. First, to create a

Capital Improvement Plan for much needed improvements and the cost associated for those projects. Second, to review all real estate held by the county and research ways to get them sold and back on the tax books to generate revenue for the county.

Supervisor Bacon made motion, seconded by Supervisor Slayton and unanimously approved, to advertise the proposed budget for FY 2014-2015.

Supervisor Hoover stated that if any Board member later has questions regarding the proposed budget, please ask the finance committee. The goal is to “hold the line again” and build reserve.

Administrator Gee discussed the county’s health insurance renewal. The proposed renewal involves an 11.9% increase over the previous year’s premiums. She explained that changing the dental insurance carrier from Anthem to Delta Dental would provide a cost savings to those covering dependents. The two other carriers, Anthem Direct and Anthem Local Choice, that submitted bids quoted higher premiums. Administrator Gee recommends continuing with coverage through Optima and VSP, but changing dental coverage to Delta Dental. Overall this recommendation increases the cost to the county by approximately \$17,000.

Supervisor Zava noted that the new Delta Dental coverage is better than the current coverage through Anthem Dental.

Supervisor Slayton stated that he had a conflict of interest with the health insurance renewal. He declared his personal interest is that he is the spouse of an employee of Lunenburg County. Therefore, his spouse is a member of those who will be affected by the agenda item. Supervisor Slayton will abstain from voting.

Supervisor Bacon made motion, seconded by Supervisor Zava and by roll call vote, with Supervisor Slayton abstaining, to approve the proposed health insurance renewal through carriers Optima Health, Delta Dental, and VSP.

Administrator Gee shared a letter and resolution from VRS allowing the county the option of two rates for the biennium beginning July 1, 2014 through June 30, 2016. The certified rate of 15.25% or the alternate rate of 12.20% is available to the county. Administrator Gee noted that the higher rate of 15.25% is included in the proposed budget. She added that counties who took the higher certified rate the last biennium, now have a lower certified rate for the next biennium. She hopes that if the higher rate of 15.25% is adopted by the Board this biennium, Lunenburg’s rate will follow the trend of a lower rate next time.

Supervisor Zava stated that he is unsure of the best route to take at this point as the rate may increase or decrease next biennium.

Administrator Gee shared three considerations from VRS for choosing the alternate rate.

- Reduce contributions to your employer account and the investment earnings they would have generated, which will mean there will be fewer assets available for benefits.
- Result in a lower funded ratio when the next Actuarial Valuation is performed and, thus, a higher calculated contribution rate at that time.

- Require that you include the Net Pension Obligation (NPO) under the Governmental Accounting Standards Board (GASB) Standards in your financial statements.

Supervisor Hoover reiterated that the proposed budget includes the higher certified rate. He added that there are many variables that could influence the rate up or down. However, if electing the higher rate this biennium helps protect the retirement for retirees, he is in favor.

Administrator Gee advised that at least 10 employees have retired within the past 8 years. This could be a big contributor to the county's higher rate.

Supervisor Bacon made motion, seconded by Supervisor Zava and unanimously approved, to adopt the certified rate of 15.25% for the biennium beginning July 1, 2014 through June 30, 2016.

Supervisor Hoover provided an update on the meeting with Mecklenburg County representatives concerning withdrawal from the Southside Regional Library. He noted they established a good working relationship and developed a committee. A specific date of withdrawal needed to be determined in order to establish a time line for the planning process. He stated that the committee determined July 1, 2015 would be the proposed date of separation. A formal vote would be needed from both Boards of Supervisors. Supervisor Hoover explained that the committee would reach out to each friend group and allow one person from each group to work with the committee. He hopes for a smooth, positive transition amongst all parties.

Supervisor Hoover made motion, seconded by Supervisor Edmonds and unanimously approved, to set a withdrawal date of July 1, 2015 from the Southside Regional Library.

Supervisor Zava commented that there is a push for a natural gas line to come through Virginia. He noted that if Lunenburg wants to be a part of the gas line project or have access to it, the Board needs to make that known quickly. Access to a natural gas line could be very beneficial to the county. He explained that if the gas line doesn't come directly to Lunenburg, perhaps the option to have a connection to it at a later date would be a possibility. Supervisor Zava would like the Board to officially show support for the natural gas line.

Supervisor Bacon agreed that a natural gas line would be very beneficial to Lunenburg.

Supervisor Hoover suggested placing this request in the form of a resolution to adopt at the next meeting.

Supervisor Zava made motion, seconded by Supervisor Bacon and unanimously approved, to request County Attorney Rennie to create a resolution in support of a natural gas line to be signed at the next meeting and forward a copy to all state and federal representatives.

Supervisor Hoover made motion, seconded by Supervisor Edmonds and unanimously approved, to adjourn.

Tracy M. Gee, Clerk
County Administrator

Edward W. Pennington, Chairman
Board of Supervisors