

Payroll Taxes Federal:	\$ 38,790.87
Payroll Taxes State:	\$ 6,356.22
Payroll VRS payment:	\$ 27,495.79
Payroll ICMA-RC payment:	\$ 338.40
Accounts Payable: #54092-54225	<u>\$ 456,744.03</u>
 Total:	 \$ 643,658.09

School Superintendent Charles M. Berkley introduced Mr. Derek Burke, Government Teacher at Central Senior High School. Mr. Burke thanked the Board and the students for their participation in Student Government Days. Senior Class President, Jonathan Clarke, spoke before the Board to discuss the upcoming celebration of 50 years of Central Senior High School. He added that the celebration would include a collection of memorabilia of the last 50 years. Mr. Clarke invited the Board to attend and asked them to spread the word to others. Superintendent Berkley continued to provide a monthly update. He noted there were 13 days remaining in the school year. He added that schools are currently undergoing their second week of SOL testing. Graduation will be held on June 3rd. Superintendent Berkley advised that a hostile environment mock event would be held at the middle school on June 6th. He thanked the Lunenburg Rotary Club for sponsoring the Student Government Days over the two day period. Superintendent Berkley advised that the School Board has decided to add a student liaison position. The selected student liaison will begin joining the School Board meetings in August and remain until June of the following year. Assistant Superintendent for Operations & Finance, James Abernathy provided the monthly financial reports.

Mr. Douglas Sbertoli of Williams Mullen and Bond Counsel for Global Refining Group, Inc. (GRG) approached the Board. He advised that the Lunenburg Industrial Development Authority (IDA) had considered a request from Global Refining Group, Inc. regarding a proposed issuance by the IDA of its assigned annual revenue bonds in an amount not to exceed \$10,000,000 to assist GRG in financing (1) the acquisition, construction and equipping of an approximately 30,000 square foot building to be used to recycle catalytic convertors and extract precious metal products from good processed; (2) the expansion and equipping of the existing manufacturing facility building where the operations are currently conducted; (3) the acquisition of new manufacturing equipment and tools; (4) the acquisition of land currently leased by GRG from the IDA where operations are and will be conducted; and (5) the cost of issuing the Bonds. Mr. Sbertoli advised that the IDA had met and approved a resolution. An advertisement was placed for two weeks regarding the joint public hearing for the Board of Supervisors and the IDA.

Supervisor Bacon made motion, seconded by Supervisor Edmonds and unanimously approved, to enter public hearing regarding a proposed issuance by the IDA of its revenue bonds to assist Global Refining Group, Inc. with financing of an expansion.

There was no public comment.

Supervisor Zava made motion, seconded by Supervisor Edmonds and unanimously approved, to exit public hearing regarding a proposed issuance by the IDA of its revenue bonds to assist Global Refining Group, Inc. with financing of an expansion.

Supervisor Bacon made motion, seconded by Supervisor Edmonds and unanimously approved, to adopt a resolution as the governing body of the IDA, allowing the IDA to issue private activity bonds to assist Global Refining Group, Inc. with financing of an expansion.

Mr. Billy Smith of VDOT, provided the monthly report. He advised that the warmer weather will allow for VDOT to begin pavement work. He added that the majority of Route 40/49 in Victoria would be repaved. Mr. Smith noted that mowing along highways and secondary routes would begin the following week. Also, an RFP for replacement of the Rocky Mill Bridge on Route 636 would be out soon. Supervisor Hankins thanked VDOT for allowing himself and other county officials to participate in a recent ride along and listening to concerns regarding roadways in the County.

Administrator Gee advised the Board that the phone system at the Courthouse Complex is still in need of replacement as the system is currently at its life end. She has obtained bids from Century Link and DataCare. Mr. Rob Williams of DataCare explained that the oldest system is at the Treasurer/Commissioner of Revenue Office. Also, that system is the only one not connected to the rest of the offices on the complex. He suggested that this system be replaced first and tested before implementing the system in the remaining offices. Also the core system placed in the Treasurer/Commissioner of Revenue Office will function as a backup core system if the one at the main complex should ever fail in the future. Mr. Williams continued to explain that a new opportunity had presented itself to save additional funds. Upgrades and replacements at the Social Services office would be eligible for an 85% percent reimbursement due to vacancy savings in State funding. Savings from the reimbursement could be used towards fiber connectivity to Social Services and potentially the Treasurer and Commissioner of the Revenue offices. Potential savings may also be applied to additional Ethernet cabling and wall jacks for new phones, as well as a new Wireless Access Point to the Main Equipment Room. He noted that the replacements and updates would be completed in phases.

Supervisor Zava questioned the time line. Mr. Williams stated that he plans to have phase one completed by the end of June. He reiterated that he would like to see how the new system works for the staff as well as if they are pleased with the selected Voice Over IP carrier before committing the entire complex.

Supervisor Hoover noted that recent concerns have been security at the Circuit Court Clerk's offices as well as others. He questioned if the new system and updated fiber connectivity would support video surveillance. Mr. Williams replied yes and could be supported in all offices. Administrator Gee stated that the total cost for Phase One of the project, presented by Mr. Williams of DataCare, would cost about \$15,000 and would include some of the equipment and installation needed for the core system to be placed at the main complex. She added that these funds were already in the current budget.

Supervisor Hoover made motion, seconded by Supervisor Edmonds, and unanimously approved, to implement Phase One of the phone system project, presented by Mr. Williams of DataCare.

Administrator Gee shared the Engagement Letter from Robinson, Farmer, Cox Associates. She stated that there was no change in cost to perform the audit again this year, however, noted that this is the last renewal on the original contract. The County has the option of bidding out for services again next year.

Supervisor Hoover made motion, seconded by Supervisor Slayton and unanimously approved, to allow Administrator Gee and Chairman Slayton to sign the Engagement Letter for Robinson, Farmer, Cox Associates to perform auditing services for the year ending June 30, 2017.

Discussion of the proposed FY2017-2018 began with a comparison of Lunenburg County tax rates and revenues to those of surrounding counties and similar counties throughout the state. Administrator Gee noted that the proposed budget showed a small increase in projected Real Estate tax and Personal Property tax revenues. She noted that health insurance renewal rates increased by thirty-

nine percent; therefore, the County placed an RFP for health insurance services. Anthem Local Choice was the lowest bidder; however, the amount funded into Health Saving Accounts will need to decrease to offset the premium costs. The Committee suggested the selection of Anthem Local Choice to also decrease the employee cost of premiums for dependent coverage. He added that The Local Choice high-deductible health plan was comparable to the Optima plan currently offered. Also, Health Savings Accounts will be funded at \$2,000 over the course of the fiscal year, instead of \$2,700 in the previous year. Supervisor Hoover stated that the Finance Committee suggested continuing to engage Innovative Insurance Group to assist with the transition to The Local Choice and to work as the County's insurance broker for FY2017-18.

Administrator Gee advised that adjustments were made to the proposed budget to include the change in insurance services, a two percent increase in salary beginning in August to coincide with the Compensation Board-funded two percent COLA, Sheriff's Office compression salary increase, as well as increases for master certifications supported by the Compensation Board. Administrator Gee continued to explain that new expenses include the cost of updating the comprehensive plan, worker's comp premium fees, and LODA coverage increases due to new legislation. She noted that the total increases would leave a gap in revenue versus expenses of about \$182,000. This amount will need to be transferred from the solid waste fund to operate the general fund.

Supervisor Hoover noted that the School Board had requested \$795,000 in additional funding. He thanked school teachers and staff, as well as citizens for the letters and e-mails sent to the Board of Supervisors regarding this request. Supervisor Hoover noted that this was the toughest budget year the Board and Finance Committee have worked on in a long time. Supervisor Hoover advised that after much discussion and review, the Finance Committee recommended that the Board approve an additional allocation of \$250,384 in funds to the School Board in FY 2017-2018 for a total local amount of \$3,540,000. He indicated these funds should help provide a two percent increase in salaries when the State allocates their portion funds in 2018, as the School Board stated an increase in salaries was their priority at this time. He added that the additional allocation would be pulled from the County's reserves and no tax increase would be implemented at this time.

Supervisor Hoover made motion, seconded by Supervisor Bacon and unanimously approved, to approve the selection of The Local Choice as the insurance provider, reducing the amount funded to Health Savings Accounts to \$2,000, and the additional school fund allocation of \$250,384 in hopes it will be used towards staff salary increases.

Supervisor Bacon made motion, seconded by Supervisor Zava and unanimously approved, to advertise the proposed FY2017-18 budget as presented with the discussed changes.

Administrator Gee suggested that a public hearing on the budget be held on June 1st at 6:00 p.m. in hopes to approve and adopt the budget at the regular June meeting on June 8th. She will advertise prior to the June 1st meeting.

Deputy Administrator Clark advised that total cost for the BAI Production Server Upgrade, to be performed and maintained by CAS Severn, dropped by \$2,000. She noted that CAS Severn discovered that a battery backup system included in the original quote was not necessary. Deputy Administrator Clark noted that CAS Severn was able to provide financing at 3 percent interest and Benchmark Community Bank offered financing at 3.25 percent. County Attorney Rennie has reviewed a copy of the agreement with CAS Severn. The County will move forward with the upgrade and finance it at 3 percent interest through CAS Severn.

The Landfill Liaison and trash count reports were provided.

Mrs. Beverley Hawthorne, Community Development Director, provided her monthly report. She reported that the Southern States signage has been placed at the new fueling station in Victoria. She advised that Virginia's Retreat has changed its name to Virginia's Crossroads after a marketing study was performed. Mrs. Hawthorne noted that a Planning Commission meeting was scheduled for May 16th. One Conditional Use Permit is on the agenda for discussion and may be presented to the Board at the June meeting if recommended by the Planning Commission.

Administrator Gee provided her monthly report. She commented that she'd received a second request from a disabled veteran to allow his residence and 2 acres of land to be tax free. The state only mandates the residence and 1 acre of land to be tax-exempt. The disabled veteran has also requested that vehicles be tax-exempt. She requested thoughts from the Board. Supervisor Edmonds suggested a committee review the request and revisit it at the next meeting. He will serve on the committee; Supervisor Hankins agreed to serve as well. Commissioner of the Revenue Liz Hamlett will also serve on the review committee.

Administrator Gee advised that Caruso's Painting, who was selected for the courthouse painting project was not willing to proceed without a portion of the money up front. She is not prepared to put cash down for services when handling taxpayer funds. Therefore, she reached out to the second contractor, R.M. Harris & Sons, with a price quote \$4,500 above Caruso's quote. Harris agreed to take on the job and a service agreement was issued. Once the service agreement is returned to the County Administration Office, painting is expected to begin early in June.

County Attorney Rennie reminded the Board of the request from Kenbridge Baptist Church to purchase a parcel adjacent to their current property in Kenbridge. The County's delinquent tax attorney has been hesitant to clear the deed of the property as the cost to do so would be more costly than the taxes owed on the property. County Attorney Rennie advised that the owners of the property may have been identified. He recommended that the County step back for now and let the church contact the owners to discuss potential purchase of the property.

Supervisor Zava made motion, seconded by Supervisor Pennington and unanimously approved, to enter Closed Session citing Virginia Code Section §2.2-3711A1 Personnel, §2.2-3711A3 Acquisition or Disposition of Real Property, §2.2-3711A5 Prospective Business and §2.2-3711A7 Legal Consult.

CERTIFICATION OF CLOSED SESSION MEETING

WHEREAS, the Board of Supervisors of Lunenburg County, Virginia ("Board") convened a Closed Session Meeting on this date pursuant to an affirmative recorded vote in accordance with the provisions of the Freedom of Information Act; and

WHEREAS, Section §2.2-3712 of the Code of Virginia, 1950, as amended, requires a certification by the Board that such Closed Meeting was conducted in conformity with Virginia law.

NOW, THEREFORE, BE IT RESOLVED that the Board hereby certifies that, to the best of each member's knowledge, (i) only public business matters lawfully exempted from Open Meeting requirements by Virginia law were discussed in the Closed Meeting to which this certification resolution applies, and (ii) only such public business matters as were identified in the motion convening the Closed Meeting were heard, discussed or considered by the Board.

VOTING YES

Supervisor Hoover

VOTING NO

ABSENT

Supervisor Bacon
Supervisor Edmonds
Supervisor Hankins
Supervisor Pennington
Supervisor Slayton
Supervisor Zava

Supervisor Hoover made motion, seconded by Supervisor Zava and unanimously approved, to return to Open Session.

Supervisor Edmonds made motion, seconded by Supervisor Zava and unanimously approved, to resolve the airport easement negotiations with Laverne Jones at a purchase price of \$5,000.

Supervisor Pennington made motion, seconded by Supervisor Hankins and unanimously approved, to resolve the airport easement negotiations with the Jones family at a purchase price of \$7,000.

Supervisor Zava made motion, seconded by Supervisor Hoover and unanimously approved, to continue to June 1, 2017 at 6:00 p.m. for a Public Hearing on the FY2017-18 proposed budget.

Tracy M. Gee, Clerk
County Administrator

Charles Randy Slayton, Chairman
Board of Supervisors