MINUTES
KING WILLIAM COUNTY
BOARD OF SUPERVISORS
WORK SESSION OF FEBRUARY 8, 2016

A meeting of the Board of Supervisors of King William County, Virginia, was held on the 8th day of February, 2016, beginning at 7:00 p.m. in the Board Room of the County Administration Building, with the following present:

Stephen K. Greenwood, Chairman
Travis J. Moskalski, Vice-Chairman
William L. Hodges
David E. Hansen
Robert W. Ehrhart II

K. Charles Griffin, County Administrator
Daniel M. Stuck, County Attorney
Amanda Six, Director of Financial Services
Bret Schardein, Director of Community Development
Chris Bruce, Emergency Management Coordinator
Bobbi Langston, Deputy Clerk to the Board
Victoria Rowsey, Executive Assistant – Operations

RE: CALL TO ORDER

The Chairman called the work session to order at 7:00 p.m. The members were polled:

W. L. Hodges	Aye
T. J. Moskalski	Aye
D. E. Hansen	Aye
R. W. Ehrhart II	Aye
S. K. Greenwood	Aye

RE: PROPOSED WORK SESSION AGENDA

a. Comprehensive Annual Financial Report FY16 – Mike Garber with PBMares – Mr. Garber recognized staff member, Shannon Brown with him tonight, and the hard work performed by her, and other staff members, on the audit for King William County. He stated a finance audit committee meeting was held earlier this afternoon. He briefly reviewed the findings and recommendations presented during that meeting. He said important things to note is the County received an unmodified opinion, which is a clean opinion, on financial statements. He noted there are two opinions in the compliance section, one for internal controls and one for the awards received from the federal government. He offered to answer any questions of the Board now and in the future.

Supervisor Hansen noted he serves the King William County Audit Committee and was in attendance of the meeting held early today. He commented on the

excellent presentation provided. In his opinion, the information provided includes excellent recommendations and is very useful. He commented on the cooperative effort county staff has provided in coordination with the audit.

Amanda Six, Director of Financial Services, noted the contract between the County and PBMares expires soon; a meeting of the Financial Audit Committee will be necessary to select an audit firm.

Supervisor Ehrhart asked for a summarization of the pension liability for teachers.

Mr. Garber explained that previously, before this financial statement, all of the Virginia Retirement System (VRS) pension liability combined the localities and schools throughout the State of Virginia, and throughout the U.S., they were not required to record those liabilities on their financial statements; however they are disclosed. An actuary goes through the tremendous calculations to figure out what their best guess is to what the retirement liability will be. These figures have been disclosed in previous years as required, the retirement plan, the discount rate and pertinent data. He said with this CAFR the liability is recorded and on the books. He said there are different types of plans, the county participates in a multiple employer agent plan; this means lots of localities and employers go together to invest their funds and each county, and each city and town, their piece of the pie is pulled out so the actuaries can tell us what King William County's portion is; even though it is a pool it is tracked by locality. He explained on the teacher's side, they have a cost sharing pool and all of the teachers throughout the State and all of the localities contribute to that cost sharing pool. There is no segregation of who has how many teachers so the pool is a conglomerate based on the contributions that you made, a tiny percentage is made each year from King William and each locality. That percentage taken out 6 or 7 decimal places is multiplied by the liability and that portion gets pulled on your books, as well for the teachers. He said that is how this is calculated and pulled into the financial statements and stated this is the first year we have had to do that.

Supervisor Ehrhart so there is nothing to compare it to for previous years.

Mr. Garber stated not within the actual financials, there is a section called retired supplementary information. He directed him to page 76 of the CAFR and

explained in prior years three years of information would have been displayed; this is where you can compare what was disclosed to what is recorded.

Supervisor Ehrhart asked for clarification if the percentage went up.

Ms. Six said during the recession the state took breaks on teachers funding and was a big impact on what all local governments had to pay.

Supervisor Hansen noted that page 148 contains a compliance section summarization.

Mr. Garber reviewed the levels of findings a second time.

b. VDOT Update - discussion on priority setting for road improvements and current road needs – Joyce McGowan, Saluda Residency Administrator – Ms. McGowan reviewed the process for the preparation a secondary road budget between the County and VDOT. She presented the Board with a sample of the six year secondary plan for King William County that will be reviewed in the spring for public hearing and consideration. She briefly reviewed how funding is allocated by the State for secondary and unpaved roads, and the approval process. She gave a status update for previously approved projects for King William County. She noted localities usually have an unofficial list of roads to be considered for future reference. She reviewed how funding under House Bill 2 (HB2) is applied for, scored, and allocated. She stated the application filed by King William County, for the Route 360 and Route 30 intersection project, received a very good score and is in the approval process. In her opinion, this is mainly due to the efforts of County staff attending the informational meetings and the extensive details provided in the submitted application. She noted a final decision on this application is expected to be received sometime in June.

In closing, Ms. McGowan mentioned that paving, a total of 11 miles, will take place this year on Route 30 in areas between the Town of West Point and Caroline County line. She said they will also be concentrating on paving in some areas of Route 360. She explained trimming of trees and brush are in a rotation schedule; immediate needs should be called into the call center.

c. Fire and EMS update – Chris Bruce, Emergency Management Coordinator – Mr. Griffin, County Administrator, noted the number of calls have increased in the past few months. He said data shows there are still significant gaps but staff is working on solutions to close those gaps.

Mr. Bruce has reviewed the past six months' worth of data of the times when calls are being missed and said it is a shifting target; the gaps are not consistent. Overall one set time period has not been identified that adding LifeCare would solve the issues that are occurring. He said staff will be holding a meeting with the department Chief's to discuss options for filling and reducing gaps. The goal is to guarantee that an ambulance is staffed in the area of need every night of the week.

Supervisor Moskalski asked for clarification if collections of EMS recovery funds have improved from the 4th quarter numbers.

Mr. Bruce explained there is a delay in the actual numbers; however results should be seen soon on the benefit of the LifeCare improvement.

Ms. Six noted there has been a delay in the summary report from the management company due to computer issues they are experiencing related to the recent snow storm.

Supervisor Hodges asked for clarification if LifeCare is participating in passive billing.

Mr. Bruce stated the calls that LifeCare makes are processed by the contracted billing company and received by the County.

Chairman Greenwood asked for clarification that dispatch is handled through one office for fire and rescue for the whole county.

Mr. Bruce confirmed dispatch is centralized through the Sheriff's office for all emergency services for King William County and the Town of West Point.

d. Packett Properties project update – Bret Schardein, Director of Community Development – Mr. Schardein briefly introduced the item before the Board. He explained in 2015 the Board approved a conditional use permit for a multifamily development project on the property next to the County Park. The property owner and developer, Gregory Packett is in negotiations with the Mark-Dana Corp. who is interested in purchasing and developing a portion of the project. They would development some senior age restricted units as well as some workforce income restricted units. Mark-Dana Corp. utilizes the Virginia House Development Authority's (VHDA) program. He explained this program is highly competitive and the applicant gains additional points on their application, and increase their likelihood of receiving funding, if a resolution from the locality showing support is obtained. They are

requesting the County consider such a resolution. He noted the resolution would basically state two facts one that this type of mixed income housing would benefit economic development; some of our commercial property owners are sharing they are looking for additional rooftops in the Central Garage area and this project would get that. The second fact the resolution would state is the private market by itself without assistance is likely not to provide that mix of housing, Mr. Packett in this instance, is finding it difficult to provide that mix of housing without such a program. The resolution would not commit the County to anything or require the County to fund the project. Again, this would be a resolution to show support and assistance in this application.

Continuing, he said the Mark-Dana group has proposed some revisions to the original plan, likely reducing the overall residential density slightly, possibly removing the detached single family homes and townhomes and developing more of the senior age restricted units than were originally proposed. Mr. Packett is also considering adding some commercial space along the frontage, something he believes the County was very interested in seeing a commercial component to this project. At the time the developer was not sure of the viability of the market but since it has come to believe that might be a viable option to bring some retail to this project.

In closing, he stated at the request of the Board, staff can prepare a formal resolution for consideration during the regular business meeting of February 22nd.

Supervisor Hansen asked for clarification if the tax credit application timeline has been completed by the company on time.

Mr. Schardein noted the CEO notification letter has been received but does not believe the actual CEO is required. He further explained the next step is to submit the whole application.

The applicant verified the tax credit application was completed on time.

Supervisor Hansen asked for clarification if the conceptual plan, commercial use plan, and changes have been submitted.

Mr. Schardein noted the documents are in the packet information provided to the Board. He further explained this is preliminary and a rezoning for the property would be reviewed by VDOT and County Staff. The applicant would be responsible for the cost from HRSD

Continuing, Mr. Schardein explained the intent is to introduce this item to the Board during the work session and then for consideration at the regular business meeting of February 22nd.

Chairman Greenwood said it appears the whole plan has changed.

The County Attorney clarified that for any changes to be made to the plans, already approved by the Board, a public hearing will need to be held. He explained this is just for consideration of a resolution showing support of the proponent of this type of housing, not revising the site plan.

Supervisor Hansen feels the part about commercial construction in the memo should be removed as this was not approved in the project by the previous Board.

Supervisor Ehrhart feels the census numbers should be clarified more clearly.

Mr. Schardein stated he will return with clearer information for the resolution for consideration to support the application for funding, and to get the developer one more step in this direction.

Supervisor Greenwood added that he feels the commercial building is a good thing and should be a part of the project.

e. Overview of the Composite Index – Sally Pearson, Commissioner of the Revenue – Sally Pearson, Commissioner of the Revenue, explained that one of the Commissioner of the Revenue's main objectives is to maintain a land book to generate a total value of land book to report to the Virginia Department of Taxation. The Virginia Department of Taxation sends the Department of Education a copy of the annual sales ratio study prepared by the COR and the Total Value of the Land Book which will be used in calculating the composite index which reflects a county's ability to pay education costs. She said the lower the composite index the more state aid is received for education.

She said assessment of real property throughout the Commonwealth is calculated at 100% of the fair market value as required by the Constitution of Virginia. Real estate assessors are hired by the counties to establish a fair market value/assessment value of each property (improvements or buildings and the land or site). This assessed value is then the value that the county applies the tax levy to in order to generate local tax revenues.

Continuing, she said real estate assessment values may increase or decrease due to a variety of reasons, including changes in economic conditions, structural changes or land rezoning as well as encumbrances on property, including those set by a conservation easement and a county's participation in the Virginia's Use Value Assessment Program. Regardless of factors contributing to the change in fair market/assessed value of the property, as a real estate record keeping tool and, in accordance with VA Tax Code § 58.1-3310, the Commissioner of the Revenue from each county is to maintain a land book that documents all fair market values of properties within their jurisdiction. As the primary objective, each county's Commissioner will generate a total value of land book, which is the total of fair market values of all parcels within the county. Once the TVLB is calculated a completed land book is sent to the County's Treasurer's Department as well as the Virginia Department of Taxation.

She said to fulfill agency missions, the Virginia Department of Taxation will extract the Total Land Book value from each county's land book and sent it to the Virginia Department of Education in conjunction with a copy of an annual sales ratio study. With this information VDOE will calculate the True Value of Property that is needed to generate a composite index value for each county. The composite index determines a school division's ability to pay education costs based on the true value of property (weighted 50%), adjusted gross income (weighted 40%) and the taxable retail sales (weighted 10%) within the county. These three elements are computed per pupil and per capita for each school. The lower the composite index the more State aid the County will receive.

In closing, she said every two years a composite index value is calculated for each county. This value is ultimately the percentage that each county is expected to contribute to funding the cost of education within their county. The King William and West Point associated composite index for 2016-2018 is .3120; percentage the locality is to spend of their education costs is 31.20%. She noted the current Virginia Department of Education Composite Index of Local Ability to pay can be found on the state website. She also noted that HJR50 is on the docket for the General Assembly tomorrow and is regarding a study to look at the local ability to pay based on the land use value assessment of certain real estate on the composite index. After this has

been heard we will know more information. She said the issue is the pie may not change, and if redistributed we may end up getting less.

Supervisor Hansen asked how this composite index would affect the land use exemptions for agricultural and forestry. In looking at the true value of the estimated value of property, with or without, if this impacts this.

Ms. Pearson said not locally, but could affect our composite index or ability to pay. The numbers presented are without the land use deferrals being removed. This is the fair market value before the deferral of the land use program.

Supervisor Ehrhart said there is no analysis or statistical comparison of the impact of land use and the ability for the county to raise revenues and what that does to the composite index, similar to the detailed ones that Fauquier has done.

Ms. Pearson said it depends on the statewide number. She said considering Albemarle and Hanover, they are all in this mix, so if it is the same number being divvied out among the same players, our portion could become less, because the other localities are getting more as well. She said land use is not calculated in the composite index number.

Supervisor Ehrhart asked for clarification if there is coordination between the COR and the Clerk's office, such as change in ownership.

Ms. Pearson confirmed a report of all transfers from the Clerk's office is received monthly.

Supervisor Ehrhart also asked if zoning information is relayed from the planning department.

Ms. Pearson confirmed her office is notified and added that plats are also provided, once they are recorded.

Supervisor Moskalski mentioned HB191 and the difference between the resolution adopted by this Board supporting HJR50. He said it is unclear exactly what the affect would be in taking the land use valuation into account when assessing the true value of the land. He said there is more widespread support among agricultural interests for the study to be performed.

Supervisor Hansen asked the Chairman if a committee report from the Planning Commission could take place now.

Chairman Greenwood suggested this review can be at a later time.

Chairman Greenwood reviewed several items brought up by Board members that need to be prioritized, such as:

Airport contract – going to cost 300k to buy out and is moot point for this year, have to determine 6 months before end of year. Consensus of the Board is to bring this item up in the future, maybe in the fall.

County cell phone issuance – will be discussed during budget.

Process for accepting grants – The County Administrator noted there are ongoing operation grants for several departments.

Supervisor Hansen suggested prior to any department accepting any grant funds they be brought to the Board for approval.

Ms. Six explained that ordinary routine grants will be discussed and appropriated during the budget process; one time application grants will be brought to the Board.

Supervisor Ehrhart stated the acceptance is the kicker.

Supervisor Hansen said there are activities required of the County for grants. He feels transparency and accountability is needed to show what is expected. He sees no issues with grants being brought before the Board before application.

Supervisor Hodges said many times the maintenance of a grant is not looked at and feels they can be a strain on staff.

Consensus of the Board is for the Board to revisit this matter.

Proffers – Supervisor Ehrhart is curious if we are maximizing our ability to generate proffers.

Supervisor Moskalski noted the current General Assembly session might have a big bearing on what we can do regarding proffers.

Chairman Greenwood suggested this can be look at this at the end of the year due to zoning changes that may be affected.

Supervisor Ehrhart feels provisions and mechanisms should be in place.

Online Checkbook – The County Attorney noted the checkbook belongs to the Treasurer, not the County, and he controls and can choose to put online or not. He stated certain statutes are in place to deal with disclosures of certain information. He noted it would be helpful if there was legislation that gives guidelines on what can be disclosed.

Supervisor Hansen asked if it would be appropriate to ask the Treasurer's office to explore.

Employee Health Insurance coverage percentage – Ms. Six noted that the employee health insurance coverage percentage will be discussed during the budget. She stated disclosure statements are required to be completed by Board members so discussions can be had.

BPOL – Chairman Greenwood said there is some interest in doing away with BPOL. He speculated this is eliminated then we will have to come up with another 3 cents. Discussion can be had during budget deliberations. He said a lot of businesses are not that unhappy with this and item can be look at this in the future.

School Funding – Chairman Greenwood said some Board members want to see a calculation for a minimum lump sum match appropriation for education for FY17. He stated this also can be discussed during the budget process.

Priorities for the County Administrator – Mr. Griffin suggested handling this after the budget process. All Board members gather priorities and have available for a meeting after the budget is done. He said this is typically done during the evaluation process.

Chairman Greenwood called for any other discussions.

Supervisor Hansen suggested that staff prepare a resolution in recognition of the recent federal recognition received by the Pamunkey Indian Reservation.

Supervisor Hodges said he previously recommended this to the County Administrator and feels this is an excellent idea.

The County Attorney suggested the County Administrator provide a copy of the West Point agreement, with approved legislation, to all Board members for a discussion at a later date.

There was a brief discussion of the attendance of the County Attorney during work sessions held by the Board. Discussions included should specific legal matters of discussion be on the agenda then he is requested to be in attendance.

Supervisor Moskalski mentioned he has prepared a resolution commending a citizen for the celebration of her 100th birthday. Secondly, he and the Town Manager spoke and it was suggested this new Board sit with the town Council for a meet and greet.

Chairman Greenwood suggested meeting with the School Board more often during the year. He also mentioned constructive criticism and ideas are welcomed.

RE: ADJOURNMENT

There being no other business to come before this board Chairman Greenwood adjourned the meeting at 9:25 p.m.

COPY TESTE:

Stephen K. Greenwood, Chairman Board of Supervisors	Bobbi L. Langston Deputy Clerk to the Board