

BOARD OF SUPERVISORS MEETING MINUTES OF MARCH 2, 2005

At a joint meeting of the Pulaski County Board of Supervisors and the Pulaski County School Board held on Wednesday, March 2, 2005 at 6:30 p.m. at New River Community College, Edwards Hall, Board Meeting Room, in the Town of Dublin, Virginia, the following members were present: Joseph L. Sheffey, Chairman; Frank R. Conner, Vice Chairman; William E. "Eddie" Hale; and Dean K. Pratt. Absent: Ranny L. Akers. School Board members present included Paul Phillips, Chairman, John Wenrick, Jeff Bain, Beth Nelson and Pam Chitwood. Staff members present included: Tom McCarthy, County Attorney; Peter Huber, County Administrator; Dr. Donald Stowers, School Superintendent; Nancy M. Burchett, Assistant County Administrator; Jean Cox, Jim Sandidge, Rick Patterson and Ron Nichols, school board staff. Also present was Jack Martin of the Southwest Times and Thomas MacKay of Palmer & Cay Consulting, Inc.

1. Introduction

Following a light dinner, Chairman Sheffey called the meeting to order and ask that those present introduce themselves for the benefit of invited guest, Thomas MacKay of Palmer & Cay Consulting, Inc.

School Board Chairman Phillips also made brief remarks to those present.

2. Review of "Building Futures" Plan

Per staff recommendation, on the motion of Mr. Hale, seconded by Mr. Conner and carried, the Board of Supervisors authorized staff to negotiate with landowners in the Fairlawn area of the county for the possible purchase of several parcels of land for a new elementary school.

Voting yes: Mr. Hale, Mr. Conner, Mr. Sheffey and Mr. Pratt.

Voting no: none.

Absent: Mr. Akers.

The Boards also agreed upon the following members to serve on an Ad Hoc Committee to review the long term plans for a school building program: Board of Supervisors Chairman Joe Sheffey and Supervisor Pratt and School Board Chairman Paul Phillips and School Board member Pam Chitwood.

3. Building Reuse/Staff Space Needs Study

School Superintendent, Donald Stowers, reported the School Board intended to possibly utilize Norwood School temporarily (three to five years) as the location for the Governor's School. Further, he advised the School Board desired to retain the Draper Elementary School to possibly rent to a seminary or the NRV Police Academy with the facility also being utilized by the community of Draper as a community center. Dr. Stowers also indicated that the School Board did not see a specific need for utilizing Claremont School at this time.

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4. Joint Operations Agreement

The Boards discussed the proposed Joint Operations Agreement between the Board of Supervisors and the School Board with staff.

Supervisor Conner advised he could not see the benefit of such an agreement if there were no cost savings to either Board.

School Board member Jeff Bain emphasized the need to analyze the areas contained in the agreement and determine where there may be a cost savings and improved efficiencies.

County Administrator, Peter Huber, advised he foresees the combination of services within the areas in the agreement to be more of an efficiencies improvement rather than an actual dollar savings.

School Board Chairman Phillips advised he sees approval of the Joint Operations Agreement as an incentive to get started in the review of the areas where savings and efficiencies may be seen with the combination of services of county and school operations.

The Boards then requested staff to revise the Joint Operations Agreement by changing the language on the first page, paragraph numbers 6 & 7 from "have determined" to "believe" and on same page, paragraph number 7 from "will achieve long term savings" to "may achieve long term savings". Further, the Boards directed that a paragraph be added to the agreement which states that each area listed will be reviewed one at a time for possibly combination or changes.

In addition, staff was requested to provide documentation to Board members on the dollars savings/and or efficiencies that may be achieved by this effort.

5. Health Insurance Options

Thomas MacKay of Palmer & Cay Consulting, Inc. gave a presentation to the Boards pertaining to the new concept of consumer driver health plans, a Health Spending Plan (HSA) and a Health Reimbursement Account (HRA). He reported a consumer driven health plan or a personal care account is a new approach to employee health care and is very similar to a flexible spending account with rollover features of unspent funds at the end of the year allowing an employee to not lose the funds as they currently do under a flexible spending account. Further, a consumer driven health plan can be a lower cost option that gives the employees a stake in their health care in that they choose care and spend real dollars. He reviewed the differences in a Health Spending Plan and a Health Reimbursement Account Plan.

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Mr. MacKay then reported on the new Governmental Accounting Board Standard's (GASB) requirements to be implemented in the near future that will require local government employers to report the cost of providing the retiree health insurance coverage in their annual financial report. Mr. MacKay also discussed the new prescription drug benefit available January 1, 2006 for Medicare retirees and how this might impact county/school board retirees once this new benefit was available for Medicare retirees.

The Boards were also provided with a fixed cost comparison of purchasing employee health insurance coverage from Anthem verses the New River Valley Consortium by Mr. MacKay. This comparison indicated a 30% or more higher fixed charge assessed by Anthem than the New River Valley Consortium.

Other areas discussed with the Boards regarding employee health insurance at this meeting included the need for wellness programs. Mr. MacKay gave examples of some creative incentives being offered by other employers to encourage wellness.

It was then moved by Mr. Hale, seconded by Mr. Pratt and carried for Pulaski County to continue to participate in purchasing employee health insurance coverage through the New River Valley Consortium for FY 06 and remain with Southern Health as the carrier for the coverage for FY 06.

Voting yes: Mr. Hale, Mr. Conner, Mr. Sheffey and Mr. Pratt.

Voting no: none.

Absent: Mr. Akers.

The School Board also approved the same action as noted above for School Board employees.

Further, the Boards appointed an Ad Hoc Committee made up of Board of Supervisors members, Ranny Akers, Eddie Hale and School Board members, Jeff Bain and Beth Nelson, to review the present structure of the employer's share of the employee's health insurance premiums for a recommendation for FY 06, and review the possible implementation of a health reimbursement account (HRA) for employees beginning July 1, 2005.

6. Budget Projections

County Administrator, Peter Huber, provided both Boards with information on local revenue options including the current local tax rate, maximum rate allowed by law, revenue generated per every penny of tax, and additional revenue generated if taxed at maximum rate. The report indicated other than real estate

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and personal property, other local taxes were already at the maximum tax as allowed by law or were restricted on use of revenues collected.

7. Scheduling of Next Meeting

The Board of Supervisors and School Board agreed to meet again on Wednesday, March 16, 2005 at 6:30 p.m. at New River Community College, Board Room.

8. Adjournment

The meeting was adjourned by the Chairman to re-convene for a joint School Board and Board of Supervisors meeting on March 16, 2005 at 6:30 p.m. at New River Community College.

Joseph L. Sheffey, Chairman

Peter M. Huber, County Administrator