

CASUAL DRESS
BOARD AGENDA
PULASKI COUNTY
BOARD OF SUPERVISORS

BUDGET WORK SESSION
Monday, April 7, 2008
6:00 p.m. - Meeting
7:00 p.m. - Presentations

ITEM	Presented by
1. <u>Welcome, Call To Order And Introductions</u>	Joe Sheffey, Chairman
2. <u>Recommended Administrative Revisions</u>	Gordon Jones & Pete Huber
3. <u>Presentation(s):</u>	
<u>7:00 p.m.</u>	
1. <u>Sheriff's Department</u> <i>(I have not had opportunity to meet with the Sheriff regarding his concerns and hope to do so prior to the work session.)</i>	Jim Davis, Sheriff
<u>7:15 p.m.</u>	
2. <u>Blue Ridge Independent Living</u>	
4. <u>Discussion of budget alternatives</u> – (See <i>enclosed</i> memo)	
a. <u>15% Health Insurance Rate Increase</u>	
b. <u>Employee Pay Increases</u>	
c. <u>Compensation Study Implementation</u>	
d. <u>Employee Assistance Program Funding</u>	
e. <u>Commercial and Industrial Building Permit Fees</u>	
f. <u>Land-Use Fees</u>	
g. <u>State Budget Adjustments</u>	
h. <u>Capital Improvements Funding</u>	
5. <u>Additional Budget Questions, Directions for Staff or Request for Additional Information</u> <i>(We would appreciate input from the Board regarding the difficult decisions involved in recommending a budget this year.)</i>	
6. <u>Citizen Comments</u>	
7. <u>Other Matters</u> – (See <i>enclosed</i> memo)	
a. <u>Acceptance of Rural Development Grant for New Emergency Services Vehicles</u>	
b. <u>Resolution In Support of The Proposed Economic Development Access Road at The Shae-Dawn Industrial Park, Dublin, Virginia</u>	
c. <u>Ratification of Resolution Authorizing the Participation in the Creation of the New River Valley Network Wireless Authority & Articles of Incorporation</u>	
d. <u>Implementation of In-House County Mowing & Additional Budget Adjustment</u>	
8. <u>Closed Session– 2.2-3711.A.3</u>	
9. <u>Adjournment</u>	

April 4, 2008

TO: Board of Supervisors

FROM: Peter M. Huber, County Administrator

SUBJECT: Item 4 - Discussion of Budget Alternatives

- a. 15% health insurance rate increase – The following steps are recommended:
 - i. Eliminating the 100% plan – This change encourages care in using health care services. Limiting plans to those requiring some financial participation by the employee is not likely to be appreciated by the employees but is needed as a way to contain future cost increases for all plans.
 - ii. Converting the existing 80% plan to an 80% FSA eligible plan – This change gives each participating employee access to their own pretax health savings account which they can take with them to other places of employment or into retirement.
 - iii. Increasing employer contributions – Sharing of half the increase in health insurance costs is recommended as a way for those on the 100% plan from having to pay more for moving to the 90% plan while helping to reduce increases for those already on the 90% plan.

The financial impact of these combined recommendations on employees, as well as the County budget, is described in the ***enclosed*** summary. These recommendations result in an estimated increase of approximately \$68,500 in fringe benefit costs for Board of Supervisor and Constitutional officer employees.

- b. Employee Pay Increases – Since employees in the least paid positions will see the same increase in health insurance costs, staff proposes a \$500 flat amount combined with a 1.5% pay increase. Other options considered included a 3% pay increase and a flat \$1,000 amount per employee. The combination of the \$500 per employee and 1.5% provides a way to protect those making the least from the impact of increased health insurance costs. Constitutional Officer employees are slated to receive a 2% pay increase in December. Previously, the County had provided a \$260 annual supplement for all constitutional officers to protect them from insurance increases. This supplement was not eliminated following Compensation Board salary increases and is recommended to remain unchanged.
- c. Compensation Study Implementation – The compensation study provides us with comparative pay information for Virginia localities similar to Pulaski County. The study evaluates each employee to determine the fairness of their compensation considering both the starting pay and increases for experience in the specific job currently being done. While staff is still working confirming the accuracy of the individual results, we recommend adjusting pay to reflect 100% of comparable minimum pay rates and funding 50% of comparable compensation recognizing experience in existing positions.
- d. Employee Assistance Program Funding – I would like to recommend funding of an employee assistance program. The cost would be under \$10,000 for Board of Supervisor employees and the program would provide counseling services for employees in dealing with personal issues as well as for supervisors dealing with personnel issues.
- e. Commercial and Industrial Building Permit Fees – As noted in the ***enclosed*** comparison, Pulaski County's rates for commercial and industrial development are significantly lower than those of other localities. Increasing commercial and industrial rates to more closely match our neighboring localities is recommended. It is not likely that increased permit fees would be a factor in development decisions.
- f. Land-Use Fees – The current \$25 fee for land use (rezoning, special use permits, etc.) is significantly less than the cost of the required advertising. The result is a substantial subsidy of land-use changes by the general taxpayer. Increasing the land-use fee may also reduce some of the workload on the Planning Commission and Board.

- g. State Budget Adjustments – We still do not know the amount of the \$50 million in statewide budget cuts the County will be responsible for implementing nor do we know which functions would be affected.

Options for addressing these cuts include:

1. Passing the cuts to affected functions on a proportional basis which directly passes through of reductions in state funding;
2. Selectively adjusting the amount of cuts between affected functions which is likely to result in the County being blamed for the state reductions;
3. Absorbing the cuts by reducing contingency which may work if the County's portion of the reductions is minor;
4. Funding the cuts by going into reserves and making up for the amount of local subsidy when setting a new real estate tax following the reassessment in March 2009;
5. Including the amount of local subsidy when doing the annual recalculation of the personal property tax rate.

- h. Capital Improvements Funding – Capital requests were adjusted significantly in the current budget. Areas of concern with those cuts that I am aware of include increased funding of new school busses due to increasing vehicle purchase costs, funding of an animal control vehicle and at least partial funding of a new ambulance.

PMH/gh

April 4, 2008

TO: Board of Supervisors

FROM: Peter M. Huber, County Administrator

SUBJECT: Item 7 – Other Matters

- a. Acceptance of Rural Development Grant for New Emergency Services Vehicles – The Board took action at its August 2007 meeting to acceptance these funds; however, the resolution was not made an official part of the minutes. Approval of the ***enclosed*** resolution is requested.
- b. Resolution In Support of The Proposed Economic Development Access Road at The Shae-Dawn Industrial Park, Dublin, Virginia - ***Enclosed*** is a revised draft resolution related to the Economic Development Access Road funds request for the Shoe-Dawn Industrial Park (formerly, Pulaski Furniture site) in Dublin. The Board approved a resolution at its January 2008 meeting with the expectation that the project would qualify due to the potential location of a distribution industry. However, since that time, it does not appear that the prospect will be locating within the next 24-36 months. Therefore, in an effort to keep the access road project moving forward, the park owner, Jim Hager and Diversified Developers, would like to request the Board pass this revised resolution. It should be noted that there is a VDOT requirement that the County offer a bond in the amount of the construction project. However, the property owner has agreed to post a similar bond to the County in the same amount. After consulting with VDOT, we understand the VDOT bond must be from the County and not a private developer, per state code. It would be the staff's recommendation to approve the resolution and allow the County staff and County Attorney to negotiate the bonds with VDOT and the property owners to ensure the property owners have all liability related to the construction costs, should the project bond be called for any reason.

- c. Ratification of Resolution Authorizing the Participation in the Creation of the New River Valley Network Wireless Authority & Articles of Incorporation – ***Enclosed*** is a recommended resolution of the Board of Supervisors, as well as initial articles of incorporation for this project, both of which have been reviewed by Tom McCarthy. Due to a funding deadline, I administratively approved this request this week and would like to ask for ratification of the resolution.

- d. Implementation of In-House County Mowing & Additional Budget Adjustment - We have found two good candidates for the mowing crew and are still looking for two more. In addition, the equipment has been bid, as described on the ***enclosed*** bid tabulation sheet. However, the bid prices were \$14,000 more than the \$50,000 we anticipated due in part to a plan to purchase covered rather than open trailers for moving equipment. The covered trailers provide better storage of mowing equipment while also providing employees shelter when mowing or working on equipment. Approval of the additional \$14,000 is recommended as described on the ***enclosed*** budget adjustment.

PMH/gh

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April 4, 2008

TO: Board of Supervisors
FROM: Peter Huber, County Administrator
SUBJECT: Closed Meeting – 2.2-3711.A.3

A closed meeting is requested pursuant to Section 2.2-3711.A.1.3.5.7 of the 1950 Code of Virginia, as amended, to discuss personnel, legal, land acquisition/disposition, and prospective industry matters. **Enclosed** is a draft resolution to enter the closed meeting on recommended matters, as follows:

Property Disposition or Acquisition – Pursuant to Virginia Code Section 2.2-3711(A)3 discussion for consideration of the disposition or acquisition of publicly held property regarding:

- Maple Shade Shopping Center Leases – I have had productive discussions with MTM and initial contact with Dollar General. The Pulaski Town Council would like to meet with the Board as a group to discuss the transfer of this property.

PMH/gh

CLOSED MEETING RESOLUTION

A closed meeting is requested pursuant to Section 2.2-3711.A.1.3.5.7 of the 1950 Code of Virginia, as amended, to discuss personnel, legal, land acquisition/disposition, and prospective industry matters.

It was moved by _____, seconded by _____ and carried, that the Board of Supervisors enter Closed Session for discussion of the following:

Property Disposition or Acquisition – Pursuant to Virginia Code Section 2.2-3711(A)3 discussion for consideration of the disposition or acquisition of publicly held property regarding:

- Maple Shade Shopping Center