

VIRGINIA:

At a recessed meeting of the Board of Supervisors of the County of Northampton, Virginia, held in conference room #2 of the former Northampton County Middle School, 7247 Young Street, Machipongo, Virginia, on the 27th day of June, 2011, at 5:00 p.m.

Present:

Willie C. Randall, Chairman	Samuel J. Long, Jr., Vice Chairman
H. Spencer Murray	Oliver H. Bennett
Laurence J. Trala	Richard Tankard

1. The meeting was called to order by the Chairman
2. The County Administrator presented the following bi-monthly report:

TO: Board of Supervisors
FROM: Katie H. Nunez, County Administrator
DATE: June 24, 2011
RE: Worksession - Update

1. Op Sail/Tall Ships Initiative – Funding

At your June 14, 2011 Board meeting, I provided information to you regarding the funding allocated within the Town of Cape Charles' budget for FY12 relative to the Op Sail/Tall Ships Initiative. The Town has included \$5,000 within the budget for this initiative and is projecting in-kind contribution for the ship visit at \$3,500 per visit (security, transportation, public works, utilities, and docking fees).

You requested to move this to the 6/27/11 work session for discussion. Since your last meeting, I have met with the ES Tourism Commission who has agreed to serve as the lead agency within a tri-party agreement between the County, the town and the Tourism Commission. I am working on a contract to that effect, contingent upon the Board's release of the Tall Ship Initiative Budget as contained in the FY12 budget.

Mr. Long indicated that he had a few issues with the County Administrator's recommendation. He said that the Tourism Commission was not the best agency to take the lead role and that the Tall Ships Initiative is purely a Northampton initiative. He suggested that the Board follow Mr. Dave Kabler's

recommendation, presented at the last meeting, in having the Northampton Chamber of Commerce assume the lead role.

Other Board members responded to Mr. Long, indicated that since that time, Mr. Kabler has apologized for his comments regarding the Tourism Commission as well as Ms. Nunez's performance on this issue. Additionally, the Northampton Chamber of Commerce has declined to serve in this capacity.

Mr. Tankard stated that he was unsure if the County's proposal contribution of \$55,000 was the right amount given the Town of Cape Charles' \$5,000 commitment. He questioned if there was another entity capable of assuming the lead role.

Ms. Heather Arcos, Cape Charles Town Manager, was present and was recognized by the Board. She indicated that that Town's in-kind contribution was estimated to be \$4,000 per ship visit and included transportation, dockage, water and sewer expenses. She is willing to take back to the Town Council a request from the Board of Supervisors for additional funding.

Mr. Murray stated that he did not believe that the Tall Ships Initiative was a bi-county effort and applauded Mr. Kabler's efforts and involvement in this project. He said that the changes of future success are reduced if the Tourism Commission is the lead agency.

The County Administrator said that marketing and publicity are strengths that the Tourism Commission, with its dedicated tourism staff person, Lynn Locken, can bring to the table. She stated that the County would have oversight in this one-year contract and will be continually evaluating the project's performance measures throughout the upcoming year. She recommended a tri-party contract with the Tourism Commission taking the lead role.

Mr. Tankard stated that he was not aware of any other group that could take the lead role.

Mr. Murray stated that he could not vote to support this project unless Mr. Kabler was involved in some way.

Mr. Long stated that he needed to speak directly to Mr. Kabler to get clarification.

The County Administrator reminded the Board that no matter which entity is selected, a hiring procurement process must be followed. Ms. Arcos commented that she believes Mr. Kabler intends to apply when the vacancy is announced.

Ms. Donna Bozza, Eastern Shore Tourism Commission Executive Director, said that the Tourism Commission is not an event planner and cannot do that type of

task because of its tiny staff. If the Tourism Commission is selected as lead agent, she plans to engage an independent contractor to handle the Tall Ships Initiative.

It was the consensus of the Board to table this matter until the regular July meeting.

2. Health Insurance for County Employees & School Employees

As a follow-up to the joint meeting with the School Board regarding health insurance, the School Board voted to not combine our two plans but to offer the same health plans in a standalone plan covering the School employees.

As requested by members of the Board, I am providing the following information regarding that decision by the School Board:

- A combined plan between the County and the School would not have resulted in any reduction in the budgeted amounts for health insurance in terms of employer contribution.
- A combined plan would have resulted in the budgeted employer contributions for health insurance to be pooled between the School and the County and allowed for an increased employer contribution to be offered to both sets of employees, thus reducing the amount the employee would pay for health insurance.
- A standalone plan for the school, offering the exact same health plans as had been considered in a combined plan, with no increase in employer contribution beyond what the school has provided in the past (\$300 per month per employee) **will result in the employee paying more for health insurance than if we had combined our groups.** There are two exceptions to this statement and that is for the Family Plan offered under the High HMO Plan of which there are currently 5 enrollees in this plan and for all of the tiers under the PPO Plan except the Employee Only tier – these 4 tiers have 43 enrollees. These are the only tiers that would have had an increase in the employee contribution in a combined plan vs. the school's standalone plan, impacting a total of 48 employees out of a total of 270 employees or 18% would have been negatively impacted by a combined plan.
- As noted in the attached spreadsheet, the first page details the cost to the school employee of their existing plan and the new health insurance plan and what that cost increase will be and includes two columns to show the overall increased monthly impact for all participants in that plan to their take-home pay and the increased cost for the entire fiscal year to their take-home pay.
- The second page of this spreadsheet provides you the information for the combined plan and the impact that would have had on the employees. As you will note, all of the employee only options (High HMO, Low HMO or PPO)

would have resulted in a reduction of cost for the employee, thus increasing their take-home pay. Over 72% of the school employees reside in this category of “Employee Only Health Plan”. Of the employees in the other tiers (excluding the High HMO Family and the PPO Employee/Child, PPO Employee/Children, PPO Employee/Spouse and PPO Family), they would have seen a lesser increase under a combined plan than in the standalone plan – there are 26 employees that are enrolled in those plans or 10% of the total group.

- Overall, 82% of the school employees would have had a positive impact on their take-home pay in a combined plan with the county and 18% of the school employees would have had a negative impact on their take-home pay in a combined plan. As it stands, all of the school employees will have a negative impact on their take-home pay from this standalone plan.

For all of the analysis provided on this matter, we have assumed that no one would change their plan from their current status today.

Mr. Tankard stated that he continued to see “misbehavior” on the part of the School Board and wondered if the County should impose conditions on its contributions. He said that combination of the employee benefit plans would help get everyone’s financial “house” in order.

Mr. Murray stated that on the surface, it seemed that the School Board had been given the opportunity to achieve economies of scale in future negotiations with the health insurance carriers and was extremely disappointed in the School Board’s decision not to combine its plan with the County.

Chairman Randall recommended that the School Board Chairman be invited to meet with the Board and provide an explanation of the School Board’s rationale in making this decision. It was the consensus of the Board to invite Chairman Drury to meet with the Board on Thursday, June 30, 2011, commencing at 5:00 p.m., here in conference room #2 of the former Northampton Middle School, 7247 Young Street, Machipongo, Virginia.

Mr. Bennett indicated that School employees’ input was sought in the selection process; he was reminded by the County Administrator that selection of health insurance providers was a management decision – not something that should be dictated solely by the desires of the staff.

Tabled Item:

3. Consider accepting all bids received as a result of the March 1, 2011 Delinquent Tax Auction Event.

The County Administrator indicated that she is working on a revised contract with Mr. Elliott at this time and hopes to have it ready for the Board's review at its July meeting. She recommended that the Board accept the bids received as a result of the March 1st event. Motion was made by Mr. Trala, seconded by Mr. Bennett, that this matter be taken off the table. All members were present and voted "yes." The motion was unanimously passed. Motion was made by Mr. Murray, seconded by Mr. Tankard, that the Board accept all bids received as a result of the March 1, 2011 delinquent tax auction event. All members were present and voted "yes." The motion was unanimously passed.

4. Action Items:

(A) Consider approval of Fireworks Permit for Cherrystone Campground

Motion was made by Mr. Murray, seconded by Mr. Trala, that the Board approve a fireworks permit for Cherrystone Campground for July 4, 2011. All members were present and voted "yes." The motion was unanimously passed.

(B) Consider PDR Program Option Agreement

Motion was made by Mr. Murray, seconded by Mr. Long, that the Board approve the Option for the Purchase of Real Estate, dated June 27, 2011, between the County and HSO Shore Land Trust, for 197± acres in Eastville District, Northampton County, Virginia. All members were present and voted "yes," with the exception of Mr. Trala and Mr. Bennett and voted "no." The motion was passed.

(C) New Mileage Rate

In accordance with direction from the IRS, motion was made by Mr. Long, seconded by Mr. Murray, that the mileage rate be increased to 55.5 cents per mile effective July 1, 2011. All members were present and voted "yes." The motion was unanimously passed.

Closed Session

Motion was made by Mr. Trala, seconded by Mr. Bennett, that the Board enter Closed Session in accordance with Section 2.2-3711 of the Code of Virginia of 1950, as amended:

(A) Paragraph 3: Discussion or consideration of the condition, acquisition, or use of real property for public purpose, or of the disposition of publicly held property.

Two old jail buildings

(B) Paragraph 7: Consultation with legal counsel and briefings by staff members, consultants, or attorneys pertaining to actual or probable litigation, and consultation with legal counsel employed or retained by the Board of Supervisors regarding specific legal matters requiring the provision of legal advice by counsel.

All members were present and voted “yes.” The motion was unanimously passed.

After Closed Session, the Chairman reconvened the meeting and said that the Board had entered the closed session for those purposes as set out in paragraphs 1 and 7 of Section 2.1-3711 of the Code of Virginia of 1950, as amended. Upon being polled individually, each Board member confirmed that these were the only matters of discussion during the closed session.

Mr. Long asked the Board to consider the additional \$2,000 per fire company which had been cut from their historical funding level. Mr. Tankard indicated that he was not comfortable providing additional funds given the unanswered questions and lack of transparency. It was the consensus of the Board to further discuss this matter at the regular July meeting.

The County Administrator announced that an Interim Finance Director will commence work on Wednesday, June 29, 2011.

Recess:

Motion was made by Mr. Murray, seconded by Mr. Bennett, that the meeting be recessed until 5:00 p.m., Thursday, June 30, 2011 in conference room #2 of the former Northampton Middle School, 7274 Young Street, Machipongo, Virginia, for a meeting with the Northampton

County School Board Chairman. All members were present and voted “yes.” The motion was unanimously passed.

The meeting was recessed.

_____ CHAIRMAN

_____ COUNTY ADMINISTRATOR