

AT A HYBRID MEETING OF THE MIDDLESEX COUNTY BOARD OF SUPERVISORS
HELD ON TUESDAY, MARCH 16, 2021, BOTH ELECTRONICALLY AND IN-
PERSON IN THE BOARD ROOM OF THE HISTORIC COURTHOUSE, SALUDA,
VIRGINIA:

Present: Wayne H. Jessie, Sr., Jamaica District
Peter W. Mansfield, Saluda District
John B. Koontz, Jr., Hartfield District
Reginald A. Williams, Sr., Harmony Village District
Lud H. Kimbrough, III, Pinetop District

Matthew L. Walker, County Administrator
Betty S. Muncy, Assistant County Administrator
Ann Marie Ricardi, Assistant County Administrator
Heather W. Lewis, County Attorney

CALL TO ORDER

Chairman Jessie called the meeting to order at 6:00 p.m. for the purpose of conducting a budget work session.

DECLARATION OF EMERGENCY

Ms. Muncy read the Electronic Meeting Provisions allowing the Board of Supervisors to conduct county business by electronic means, pursuant to the Board of Supervisors' Government Continuity Ordinance, #81, adopted on May 5, 2020, and re-adopted on November 4, 2020, extending the ordinance for up to an additional six months.

ROLL CALL

Attendance was taken by Ms. Muncy with the following roll call: Supervisor Koontz – Present; Supervisor Mansfield – Present; Supervisor Williams – Present; Supervisor Kimbrough – Present; and Chairman Jessie – Present. All five Board members were present; there was a quorum. Supervisor Williams led the group in prayer; Mr. Walker led in the Pledge of Allegiance.

PRESENTATIONS

Health Benefits:

David Rowe, Banker's Insurance and Benefits Consultant, reviewed the two insurance plans that the County currently offers. The base plan has 100% of the employee-only cost funded by the county. The buy-up plan allows the employees to pay

the difference to purchase a richer plan than the one offered at no cost by the County. The County pays \$710 per participant that enrolls in the health insurance plan. For FY2022, if the County continues with the same two plans, the cost to the county will be \$701 per participant to continue funding the base plan at 100% for the employees. The plans include medical, dental, vision, and prescription drug coverage. Mr. Rowe said that Supervisor Kimbrough had asked him to check into another potential option, a high-deductible health plan paired with a health savings account. Ms. Muncy reminded the Board, however, that the County could only have two plan choices based on the number of employees in the county. Mr. Rowe said that Anthem is the Administrator, but the program is managed by the Commonwealth of Virginia, and the state only allows two plans for groups of 25-99. If there are more than 100 participants, as in the school system, then they are offered three plans. Mr. Rowe said that a qualified High-Deductible Health Plan would put money into a Health Savings Account for employees which would require the employee and/or family to use those funds for qualified medical, dental, vision or pharmacy expenses. The employee would never pay tax on that money, and it rolls from year to year. It has the ability to help pay for Medicare Part B premiums and prescription drugs when the employee retires. The County would contribute to the employee's health savings account, but the employee could also contribute to the account. Mr. Rowe said the deadline to renew is April 1, 2021, so a decision needs to be shared with the state on which plans the County wants to participate in. He said that recently, the County had approved offering early-retiree coverage to employees. If an employee retires after July 1, 2021, they would be allowed to stay on the Middlesex County's health insurance plan, but the retiree would pay the entire premium out-of-pocket. Medicare retirees could be offered a group-sponsored Medicare Supplement Plan. The Advantage 65 Plan would be \$169 a month for basic coverage, and \$201 a month that would include dental and vision. This would involve no cost requirement to the county at all. If the County chooses to offer this plan, it will have to decide which plan to offer; only one of them can be offered. Participants would be billed directly by Anthem.

Social Services:

Rebecca Morgan, Director of Social Services, did an overview of her budget request for FY2022, focusing on salaries. She said that Middlesex County is reimbursed for the majority of expenses incurred by the department. She said that the local match for the proposed salary increases for FY2022 is \$12,244. Middlesex County will receive an additional \$38,969 of federal and state funding as a result of the 5% COLA (Cost-of-Living Adjustment) increase. If the full 5% COLA increase is not funded, the funding will be withdrawn by the state. If the 5% increase is not funded, approximately \$40,000 in federal and state funding goes away permanently. Whenever the state and federal government increase their funding to a locality, it gets added to the base budget on a permanent basis. If there are ever future expenditures, having the base budget fully funded by the state and federal government increases or decreases the percentage that the county has to use local funds for. It increases the chances of maintaining market value funding for staff and operations. In Middlesex, locality spending for the total staff and operations budget, excluding Medicaid and Children's Services Act (CSA), is 1.9%, lowest in the region and one of the lowest locality contributions statewide. Ms. Morgan reviewed a compensation comparison

with other localities. She said that based on years of experience, some of the positions in her department are very low on the compensation range. Based on this market study, several positions are severely underfunded. She said that starting salaries are comparable with the market. However, at the point of five years of service, the salaries begin to lag behind the market unless there are promotion opportunities. Salary compression occurs over time, leading to the risk that the agency will lose long-term employees. In comparing caseloads, Middlesex County serves more people than any other neighboring jurisdiction, about 31% of the total population. Middlesex County has more Child Protective Services (CPS) and Adult Protective Services (APS) reports than all but one of the other localities. So, senior management staff is getting paid less to do substantially more work. Supervisor Williams asked if salaries ever maxed out. Ms. Morgan said that salaries do have a maximum. Based on the position, there is a maximum amount of money that a position can earn, and years of service does not play into that. Percentage increases will not continue to raise salaries beyond that certain level.

Sheriff's Office:

Mickey Sampson, Sheriff's Office, said that the Sheriff's pay is based on population. Middlesex's population is in the 10,000-10,999. Deputies' salaries are based on the Sheriff's pay. The County supplements those salaries. He thanked the Board for approving a 27% increase in pay in February, which brought starting salaries up to match neighboring jurisdictions. Middlesex had been as much as \$9,000 lower than other neighboring jurisdictions. However, that created some salary compression, so 12-14 people had to have their salaries raised to bring them up to the starting salary level, which then created the problem of new hires making the same amount of money as employees with 5-10 years of experience, or even more. Improvements have been made to help the officers, such as Mobile Data Terminals (MDTs) and E-citations (paperless). He said that through the State Compensation Board, the county is allotted one deputy for every 1,500 residents, but that does not take into effect the population between the months of May and September, when tourism is the highest. He said that between the campgrounds, an additional 7,000-7,500 people are in the county on any given weekend; that does not account for summer homes or marinas. He said that he did a low- and high-end comparison with other area localities with similar populations. He said that Middlesex ranked closer to the low-end on the scale. There are some positions that the Sheriff's Office would like to try to make a step process, so years of experience would come into play. He said that, based on population, Middlesex cannot compete with Gloucester or York Counties, but they need to be competitive with similar-sized counties, like Mathews and Lancaster, in order to retain their employees. He said that the budget request reflects a 10% increase to the salary line item, which would be \$132,435, not including FICA, Group Life and VRS. Those items would be approximately \$19,865 more, for a total of a \$152,300 increase to that line item. The 5% increase from the state (that Ms. Morgan referred to) would be an additional \$85,000.

School Board:

Dr. Gretz, School Superintendent, explained the Standards of Quality (SOQ) that are written into the state code and the Local Composite Index (LCI) of wealth and how that impacts Middlesex County. The School Board has heard that the state is providing a 5% raise for teachers. When the state provides a 5% raise, it is only for the positions that are funded through the SOQ, which accounts for a little less than half of the school employees. In 2009, the General Assembly began decreasing the support for those required positions to address the impact of the recession, and it has never been restored to the earlier support. The composite wealth index represents the state's evaluation of the extent to which Middlesex, as a locality, can provide education for itself without any help from the state. Middlesex's index is .6, which means that for every dollar going to employees funded through the SOQ, Middlesex actually only gets 40 cents of that dollar. So, in order to give the whole dollar, Middlesex, as a community, needs to come up locally with 60 cents of the dollar. The School Board is still waiting to see if the Governor actually approves the 5% raise and signs the bill. If approved, approximately \$165,000 in state revenue would come in support of giving a 5% raise to teachers. Middlesex County's cost for that would be \$580,000. The burden most certainly falls on the locality. Dr. Gretz said that biennium funding comes to the schools over the course of two years. Although last year the schools did not technically give a salary increase, they did give a step increase to all employees. The state will allow the step increase to serve as a 1% raise for last year. The FY2022 amount will fulfill the remainder of the biennium funding.

Dr. Gretz reviewed salary and step increases back to 2008. He examined several scenarios of what a teacher's take-home pay looks like after VRS contributions and insurance deductions. He presented a comprehensive view of how Middlesex County stacks up with neighboring counties that he thought were the most competitive.

As the two-hour time limit had been reached, attendance was taken by Ms. Muncy with the following roll call: Supervisor Koontz – Present; Supervisor Mansfield – Present; Supervisor Williams – Present; Supervisor Kimbrough – Present; and Chairman Jessie – Present. All five Board members were present; there was a quorum.

Dr. Gretz summarized by saying that the School Board had three priorities. The first priority is supporting and developing the employees. The second priority is increasing equitable access to programming for everyone. The third priority is stewardship safety. They do not consider any one priority higher or lower than the other; they are all the same. He stated that the psychologist position needs to be brought to a more comparable compensation level. The position has been open since 2016 and they have been paying a private vendor for their services. This is a required service for students with Individual Education Plans (IEPs). He said that a seventh-grade math teaching position had been open all year.

Board Discussion:

Supervisor Koontz said that there were other county government employees that do not have the ability to advocate for themselves when it comes to raises. In particular, he believes the workload of the IT department has doubled in the past year and he believes that fact needs to be considered when examining salaries.

ADJOURN

A motion to adjourn until the Board's next budget work session scheduled for Tuesday, April 6, 2021 at 9:30 a.m. was made by Supervisor Koontz, seconded by Supervisor Mansfield, and carried by the following roll call: Supervisor Koontz – Aye; Supervisor Kimbrough – Aye; Supervisor Mansfield – Aye; Supervisor Williams – Aye; and Chairman Jessie – Aye.

Wayne H. Jessie, Sr., Chairman
Board of Supervisors