
Regular Meeting, Wednesday, November 9, 2011, at 7:00 p.m. Government Center, Verona, VA.

PRESENT: Jeremy L. Shifflett, Chairman
Wendell L. Coleman, Vice-Chairman
David R. Beyeler
Gerald W. Garber
Tracy C. Pyles, Jr.
Nancy Taylor Sorrells
Jennifer M. Whetzel, Finance Director
Timmy Fitzgerald, Director of Community Development
Patrick J. Morgan, County Attorney
Patrick J. Coffield, County Administrator
John C. McGehee, Assistant County Administrator
Rita R. Austin, CMC, Executive Secretary

ABSENT: Larry C. Howdysshell

VIRGINIA: At a regular meeting of the Augusta County Board of Supervisors held on Wednesday, November 9, 2011, at 7:00 p.m., at the Government Center, Verona, Virginia, and in the 236th year of the Commonwealth....

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Chairman Shifflett welcomed the citizens present.

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Timmy Fitzgerald, Director of Community Development, led us with the Pledge of Allegiance.

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Wendell L. Coleman, Supervisor for the Wayne District, delivered invocation.

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MATTERS TO BE PRESENTED BY THE PUBLIC- NONE

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SAW CONSORTIUM – EMPLOYEES HEALTH INSURANCE

The Board considered Committee/consultant's recommendations regarding self-funding options for Employee Medical Plan.

John C. McGehee, Assistant County Administrator, reported that Augusta County has worked with both Waynesboro and Staunton (SAW) for the last ten years and have jointly purchased health insurance. During that period of time, there have been various insurance companies involved but the area localities have remained a consortium. The consultant has recommended the possibility of funding the medical plan on a self-insured basis. The arrangement would enable the group to retain surpluses in years when claims are below the insurance company's projected level. One of the main reasons for SAW to explore self-insurance at this time is the return of a claims surplus in the amount of \$713,039 for the 2010 plan year with Southern Health. Within a self-insured plan, these surplus dollars would enable Consortium members to build a reserve fund for unexpected claim utilization (claim levels higher than expected) from approximately 100% to 115%. The surplus funds would be held in a 501(c)(3) trust account, with a percentage allocated to each entity, based on their portion of the total enrollment in the SAW Consortium. To guard against an unfavorable claim year, the Consortium should keep a reserve account to fund the possible deficit of claims. In addition to the surplus funds of \$713,039, the consultant recommended that SAW fund additional reserve dollars up to 50% to 80% of the possible claims deficit. Mr. McGehee added that, according to the Health Care Reform Legislation, in 2014, our current fully-insured plans would have a premium tax of 3% to 5%. Under a self-

SAW CONSORTIUM – EMPLOYEES HEALTH INSURANCE (cont’d)

insured plan, we would be exempt from that tax. It was suggested at the quarterly SAW meetings that this information be given to the local governments for consideration. He noted that this had also been discussed at a Governance meeting with the three localities. Mr. McGehee asked that the Board give them authority to move ahead. If successful, this would not be implemented until January 2013. Special legislation will be needed to get approval from the General Assembly because of the insurance laws in Virginia. An exemption of those insurance laws will be needed to form this self-insurance consortium. Included in the agenda package was information regarding the amount of money Southern Health has made on the consortium since 2006. Also, included were preliminary numbers on what percentage of the reserve fund each locality would need. Mr. McGehee stated that he and Mr. Coffield had discussed this issue with the Superintendent of the Augusta County Schools. He noted that the Augusta County Schools is the largest organization within the Consortium; therefore, they would be required to have the largest amount of money to fund the reserve fund. He added that this could be funded over two fiscal years (June 30, 2012 – June 30, 2014). Mr. McGehee advised that there will be a number of actions required during this process.

Mr. Beyeler asked Mr. McGehee about the administrative process. Mr. McGehee said that it could possibly be handled the same way as Middle River Regional Jail Authority or the Landfill with a fiscal agent. Mr. Coffield added that it would be similar to what Augusta Health and Rockingham Memorial does. Mr. McGehee said that the County would receive a monthly bill from Southern Health of the claims incurred in that month that would have to be reimbursed. Southern Health has the responsibility to administrate the claims; they will receive an administrative fee for that service, which may be lower than what they are currently receiving.

Mr. Pyles understands that Augusta County is currently paying for insurance; money can be saved if risk is not taken through the insurance; we have health insurance for the next year; and “we are starting a process here tonight that will give us the option to go this other way if, as we move along, we continue to see it favorable”. “We are not absolutely locked into anything by this vote tonight.” Mr. McGehee confirmed that the County will not be locked into this action tonight. Mr. McGehee said that the enabling legislation would be needed. “There will be a number of decisions that this Board will have to make through this process.”

Mr. Pyles moved, seconded by Ms. Sorrells, that the Board authorize staff to move forward with the next step of self-insurance.

Vote was as follows: Yeas: Sorrells, Garber, Beyeler, Shifflett, Pyles and Coleman

Nays: None

Absent: Howdyshell

Motion carried.

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WAIVERS/VARIANCES - NONE

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CONSENT AGENDA

Mr. Coleman moved, seconded by Mr. Beyeler, that the Board approve the consent agenda as follows:

MINUTES

- Staff Briefing Meeting, Monday, October 24, 2011
- Regular Meeting, Wednesday, October 26,, 2011

November 9, 2011, at 7:00 p.m.

CONSENT AGENDA (cont'd)

CLAIMS

Approved claims paid since October 12, 2011.

Vote was as follows: Yeas: Sorrells, Garber, Beyeler,
Shifflett, Pyles and Coleman

Nays: None

Absent: Howdysshell

Motion carried.

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MATTERS TO BE PRESENTED BY THE BOARD

The Board discussed the following issues:

Mr. Pyles: VACo Conference – asked if the Supervisors-Elect should be registered to attend. It was the consensus of the Board for staff to contact the Supervisors-Elect to determine their interest in attending.

Mr. Coleman: Sweet Williams - Ribbon cutting reopening ceremony occurred today.

Mr. Garber:
1. Fire and Rescue Agreements – asked for an updated list. Mr. Coffield said that an updated list had been placed in their mail slots. Mr. Pyles suggested that the agencies be contacted, again. Chairman Shifflett recommended that those agencies be contacted to determine if they had issues related to the proposed agreements.
2. Election – “Good process!”

Mr. Beyeler moved, seconded by Ms. Sorrells, that the Board approve Chairman Shifflett’s recommendations.

Vote was as follows: Yeas: Sorrells, Garber, Beyeler,
Shifflett, Pyles and Coleman

Nays: None

Absent: Howdysshell

Motion carried.

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3. Delegation – Informed Board that he was “hosting” a foreign (Chinese) delegation to see American Best Management practices at his farm.

Mr. Beyeler: Reassessment - Because of the new Board members, he suggested that information be distributed to the new Board for review.

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MATTERS TO BE PRESENTED BY STAFF

Staff discussed the following:

1. ACSA – Special Use Permit Termination Form for Deerfield Water Treatment Facility – Forest Service has asked that it be taken out of Augusta County’s name and placed with the Augusta County Service Authority. Mr. Coffield has signed and given to ACSA.

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MATTERS TO BE PRESENTED BY STAFF (cont'd)

2. Animal Shelter – Memorandum of Understanding that had been approved previously, required a lease purchase. A resolution was distributed to Board to allow staff to move forward.

Mr. Beyeler moved, seconded by Ms. Sorrells, that the Board adopt the following resolution:

**RESOLUTION OF THE BOARD OF SUPERVISORS
OF AUGUSTA COUNTY, VIRGINIA**

WHEREAS, the City of Staunton, City of Waynesboro and County of Augusta, Virginia entered into a Deed of Lease and Option to Purchase certain real estate with Happy Critter, Inc. dated July 22, 2011. The property consists of 4.6 acres and is more particularly described on the lands records of the County of Augusta, Virginia as Tax Map Parcel No. 85-86D.

WHEREAS, the City of Staunton, City of Waynesboro and County of Augusta, Virginia have determined that it would be in the best interest of the localities to exercise the option to purchase.

WHEREAS, the County is empowered by Virginia Code § 15.2-1800 to acquire by purchase the title to any real property, whether improved or unimproved, within its jurisdiction, for any public use.

WHEREAS, the Board of Supervisors of Augusta County, Virginia (the "Board") is of the opinion that a public necessity exists for the acquisition by the County jointly with the City of Staunton and the City of Waynesboro the Property for operation of a "pound," and so finds.

BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF AUGUSTA COUNTY, VIRGINIA:

1. Pursuant to the provisions of Virginia Code § 15.2-1800, the exercise of the option for acquisition of the Property is approved, at a purchase price of \$189,900. less credits in accordance with Paragraph 3 of the Deed of Lease and Option to Purchase, payable from funding source 4-70-80000-8147.

2. The County Attorney is authorized to notify Happy Critter, Inc. of its intent to exercise the option to purchase upon receipt from City of Staunton and City of Waynesboro of approval to exercise the option from their respective city councils. The County Attorney is further authorized to prepare all documents including establishment of a land trust in accordance with the Agreement dated September 1, 2011 by and among County of Augusta, City of Staunton and City of Waynesboro, obtain title insurance and close the transaction. The Chairman of the Board of Supervisors and the County Administrator are authorized to execute on behalf of the County such other requisite documents in connection with the settlement of the transaction contemplated by the Option to Purchase. Such officers or their designees are authorized to execute and deliver on behalf of the County such instruments, documents or certificates, and to do and perform such things and acts, as they shall deem necessary or appropriate to carry out the transaction authorized by this Resolution or contemplated by the Option to Purchase; and all of the foregoing, previously done or performed by such officers or agents of the County are in all respects approved, ratified and confirmed.

3. The County is authorized to perform as required in connection with the Option to Purchase and such other requisite documents, and to incur reasonable and customary expenses in connection with the settlement of the transaction contemplated by the Contract.

4. This Resolution shall take effect immediately upon its adoption.

Vote was as follows: Yeas: Sorrells, Garber, Beyeler,
Shifflett, Pyles and Coleman

Nays: None

Absent: Howdysshell

Motion carried.

