

**VIRGINIA:**

At a regular meeting of the King George County Board of Supervisors, held on Tuesday, the 19<sup>th</sup> day of August 2008, at 6:00 p.m. in the Board Room of the Revercomb Building at 10459 Courthouse Drive, King George, Virginia:

**PRESENT:** Cedell Brooks, Jr., Chairman  
Joseph W. Grzeika, Vice-Chairman  
James F. Mullen, Member  
Dale W. Sisson, Jr., Member  
A. Travis Quesenberry, Interim County Administrator  
Matthew J. Britton, County Attorney

**ABSENT:** James B. Howard, Member

The Chairman, Mr. Brooks, called the meeting to order.

**Public Comment:**

The Chairman opened the floor for public comment. There being none, the Chairman closed that portion of the meeting.

**Reports of Members of the Board:**

**Mr. Sisson**

Mr. Sisson reported a very productive joint work session with the Economic Development Authority on August 11<sup>th</sup>. He also attended the recent Social Services Board meeting and was able to see first hand the support from the public for the Food Bank, and expressed his appreciation for the generous contributions. Mr. Sisson also recently attended a Boy Scout Honor Court ceremony to award the rank of Eagle Scout to Whalen Carter, who is also a member of the King George Fire & Rescue.

**Mr. Grzeika**

Mr. Grzeika also attended the joint meeting with the Economic Development Authority, felt the meeting was very productive and that the County is on a great path for the future. He had also toured the YMCA prior to the Board meeting and had high praise for the facility. Mr. Grzeika commended the County Registrar on her recent accomplishments which have helped her to become a national expert in that field which is important to the citizenry of King George. He noted this was very important as another election was approaching.

**Mr. Mullen**

Mr. Mullen reported that on August 9<sup>th</sup> he had attended the National Marina Day at Dahlgren. He had also attended the Economic Development Authority joint meeting with the Board, as well as the Chamber of Commerce meeting that same night. The Chamber provided a special speaker, Mr. Michael Caldman, a professional expert on the subject of John Wilkes Booth.

**Mr. Brooks**

Mr. Brooks agreed with the previous comments on the Economic Development Authority joint work session and felt some valuable information was received. He had also walked through the YMCA facility and noted, once completed, would certainly be an asset to the County.

Mr. Brooks reported that he had received a letter from Naval Support Activity, South Potomac, regarding the establishment of a regional forum and asking for a representative from King George County.

On a motion by Mr. Sisson, seconded by Mr. Grzeika, and carried unanimously, each member voting as follows: Mr. Brooks Aye; Mr. Grzeika Aye; Mr. Mullen Aye; and Mr. Sisson Aye, the King George County Board of Supervisors appointed the Chairman, Mr. Brooks, to serve on the Civilian Military Community Relations Council, with the Vice-Chairman, Mr. Grzeika, serving as an alternate.

**08-16 – Consent Agenda:**

On a motion by Mr. Sisson, seconded by Mr. Mullen, and carried unanimously, each member voting as follows: Mr. Brooks Aye; Mr. Grzeika Aye; Mr. Mullen Aye; and Mr. Sisson Aye, the King George County Board of Supervisors approved the Consent Agenda, as presented, which included the following:

Authorized the issuance of warrants against the FY07-08 General Fund in the total amount of \$17,898.47

Authorized the issuance of warrants against the FY08-09 General Fund in the total amount of \$78,548.43

Authorized the issuance of warrants against the FY08-09 Library Fund in the total amount of \$4,202.59

Authorized the issuance of warrants against the FY08-09 Recreation Activity Fund in the total amount of \$7,183.29

Verified warrants issued for services to avoid late fees or disruption of service

Approved Personal Property Tax Refunds

**Timed Items:**

**08-17 – Update on Gateway Medical Urgent Care Center**

Mrs. O'Quinn introduced Mr. Dana Tate, President and CEO of S.A. Medical of Virginia, Inc., the parent corporation of King George Medical Center Ltd., who provided the Board with an update on their progress of locating a Gateway Medical Urgent Care Clinic behind the King George Journal office building. As the Board is aware, Gateway Medical Urgent Care Center is a tenant in the new medical building under construction by Harenc Associates, LLC. The anticipated opening date is December 2008/January 2009. Mr. Geoff Schwartz, the Executive Director of Practice Operations for King George Medical Center Ltd. and S.A. Medical of Virginia and Mr. Nigel Goodwin, Practice Administrator for this facility were also in attendance.

Mr. Tate shared the purpose of the Urgent Care Clinic which is to provide quality medical care closer to home, by experienced physicians with extended hours of service and little or no wait. Mr. Tate expressed his hope that the facility and the services to be provided would meet some of the County's healthcare needs identified by the Healthcare Advisory Committee. Mr. Tate shared information about the facilities and services to be provided by the facility including operational highlights, i.e., hours of service, insurance plans, etc. He also discussed the kinds of services that the Urgent Care facility could not treat,

as they are not an Emergency Department, i.e., life threatening injury or illness, chest pains, head or severe trauma, etc. Mr. Tate indicated his interest in meeting with Chief Moody to share information about the proposed facility and to provide a tour to the Board once the facility is completed.

Upon completion of the slide show, the Board members agreed that this was something that would provide a great benefit to the community and was clearly needed. All members appreciated the investment being made in the community and welcomed the Urgent Care Center to the County.

#### **08-18 – Status Report from URS regarding the New High School Construction Costs**

Mr. Staley, URS, provided a report on the project costs of the new High School discussing the change orders #1 through #5 and reported that Charge Order #6 is in process. He estimated approximately \$91,000 costs coming forward and the estimated costs associated with the traffic light at \$234,000, bringing the total cost to \$38,717,084 for the construction contract for the new high school. Mr. Staley reviewed the additional costs with the budget and projected costs, which totaled about \$2,000,000, leaving the total project cost at approximately \$40,800,000. There is a \$500,000 contingency plus about \$60,000 unexpended allowances.

Mr. Brooks had several concerns and inquired about the tile floor and in several areas, the bathrooms and side hallway had uneven grout and Mr. Staley assured him that these issues were being corrected. He also voiced his concern that the three flagpoles in front of the school might be a little too close to the building.

Mr. Mullen had concerns about the steel issue in the auditorium and the issue with the roof. Mr. Staley stated that all the steel has been properly installed and lights hung. The entire roof on one of the classroom wings is being torn off and replaced and the rest of the roof will be inspected for similar issues as addressed in the classroom wing, Section “M”.

#### **08-19 – Financing Options for Capital Improvement Projects Report from Davenport & Associates**

Mr. David Rose and Mr. Kyle Laux of Davenport & Associates had been asked by the Board to provide an overview of costs of the proposed government center project and how it may impact cash flow and affect tax rates. Mr. Rose stated that they have analyzed the impact to the County and recommended a plan for financing of the government center and selected utility projects under all options presented. He stated that there were three scenarios: Scenario 1 for \$17.5 million; Scenario 2 for \$32.1 million; and Scenario 3 for \$37.5 million. Mr. Rose discussed the impact of the real estate taxes and noted two approaches for financing, one being to use all the landfill revenues, \$6.3M or reduce to \$5.4 million, explaining that the almost \$1M difference represented the balance currently being used to pay cash for some capital projects. Davenport also recommended using about \$2.5 million from some of the fund balances to take care of some economic development related projects or one-time expenditures.

Mr. Rose further discussed the three scenarios and the impact to the citizenry with each of these scenarios. For Scenario 1 with the \$17.5 cost and financing with the \$5.4M, the impact would be an approximate 5 cent tax increase. Mr. Rose explained that this does not take into consideration the reassessment. Mr. Rose continued by discussing the timing of the projects and the impact on the tax rate and reviewed the tax rates of surrounding localities.

Mr. Rose presented finance recommendations by suggesting the County utilize funds from the Virginia Resources Authority (VRA). The County could borrow, through the VRA, a portion of the costs and borrow the balance of the required permanent funding in Calendar Year 2009-2010; and also consider

establishing a line of credit. There would be no liability to the County, as the money would just sit if no good bids are received right away.

Mr. Rose summarized cash flows and key assumptions as well as the impact on fiscal policies – debt versus total assessed value. Under any of the presented scenarios, Mr. Rose felt the County appears to go above its policy, which Mr. Rose felt is too conservative in today's environment.

Regarding the County's financial policy of debt service to total expenditures, Mr. Rose noted that by adding the new debt in Scenarios 2 and 3 the County would be over policy limits and stated that he would advise the Board to look long and hard at that. He felt the County would be justified in amending the policy to 10 to 12 percent, which was typical for growing communities. The important thing that Mr. Rose would argue, if at the high end of debt policies, would be to emphasize keeping a very solid fund balance.

Mr. Rose asked for any questions from the Board, not looking for any specific action, but hoping to continue the dialogue and see what all of this does to the County's debt service.

Mr. Grzeika stated that he was pleased that Davenport looked at two approaches, noting that dedicating all landfill money would pose different things to the Board, and would probably impact the fund balance. Even though Scenario 2 might impact taxes more, Mr. Grzeika felt this might be a more prudent way to give additional capital to expenditures incurred every year. Mr. Rose noted that they did not factor in operating costs, whereas Mr. Grzeika inquired as to when the Board would receive real numbers. Mr. Quesenberry stated they would have firm numbers to review by the September 2<sup>nd</sup> meeting.

Mr. Sisson wanted to know the payback terms and Mr. Laux responded that the approximate repayment time would be 23 to 24 years with a percentage rate of 5%.

### **Action Items:**

#### **08-20 – Consideration of Resolution for Refund from Virginia Public School Authority (VPSA)**

On July 2, 2008 Ms. Harper was notified by a representative at PFM Asset Management, LLC that King George was supposed to receive \$46,016.91 from a bond refunding done by VPSA in 2003. The required documents to request funds were received from their bond counsel and forwarded to Troutman & Sanders as well as the County Attorney for review and approval. Once the documents have been approved, they must be signed in triplicate and submitted to their bond counsel, Mr. Matt Hughey of Sidley Austin, LLP, who represents the Commonwealth of Virginia Department of Treasury.

Upon receipt of the funds, a request will then be submitted to the Board of Supervisors to appropriate the funds, as required, into the Capital Fund. Ms. Harper further explained that these funds are restricted to financing School capital projects based on original purpose of issuance and are to be spent within six months of receipt.

On a motion by Mr. Sisson, seconded by Mr. Grzeika, and carried unanimously, each member voting as follows: Mr. Brooks Aye; Mr. Grzeika Aye; Mr. Mullen Aye; and Mr. Sisson Aye, the King George County Board of Supervisors adopted a resolution for a refund from the Virginia Public School Authority (VPSA) and authorized the Chairman and Interim County Administrator to execute all necessary documents.

#### **08-21 – Authorize Expenditures against the FY2008-09 Capital Improvements Fund**

On a motion by Mr. Sisson, seconded by Mr. Grzeika, and carried unanimously, each member voting as follows: Mr. Brooks Aye; Mr. Grzeika Aye; Mr. Mullen Aye; and Mr. Sisson Aye, the King George County Board of Supervisors authorized the issuance of warrants against the FY2008-2009 Capital Improvements Fund in the total amount of \$1,233,750.70, as presented.

**08-22 – Authorize the Execution of a Right-of-Way Agreement with Dominion Virginia Power**

Mr. Quesenberry presented a Right-of-way agreement with Dominion Virginia Power to provide service to Sealston Park. At the time Board books were being prepared, the County Attorney was waiting to receive additional information from Dominion Virginia Power to complete his review. Mr. Quesenberry recommended approval of this right of way agreement, upon final approval of the County Attorney.

On a motion by Mr. Grzeika, seconded by Mr. Mullen, and carried unanimously, each member voting as follows: Mr. Brooks Aye; Mr. Grzeika Aye; Mr. Mullen Aye; and Mr. Sisson Aye, the King George County Board of Supervisors authorized the Interim County Administrator to execute the Right-of-Way Agreement with Dominion Virginia Power to provide electrical service to Sealston Park, contingent upon final approval by the County Attorney.

**Discussion Items:**

**08-23 – Further Consideration of Proposed FY2009-2013 Capital Improvements Plan (CIP) and Proposed FY2008-2009 Capital Projects Budget**

Ms. Harper understood that no action would be taken tonight on the CIP and the proposed Capital Projects budget but wanted to provide an update on questionable costs that were raised at the Board's work sessions in May. Mr. Sisson noted the library project mentioned earlier and wanted to look at options presented for financing of that project. Mr. Grzeika agreed and stated the Library Board needed to present a cost figure for consideration, as the capital budget would be limited for the next couple of years. A general discussion ensued on the library project status and Mr. Grzeika suggested coming up with a square foot cost. Mr. Quesenberry stated he would bring information on the CIP, including the Library Expansion Project information to the Board at the September 16<sup>th</sup> meeting.

Ms. Harper stated that she is proceeding with the FY2009-2010 budget process and wanted to know if the Board had any feedback for the process. Mr. Grzeika felt Ms. Harper had made some outstanding improvements in the system. His only suggestion would be for the Planning Commission to further prioritize the "needs versus wants" when reviewing CIP requests.

Ms. Harper stated she was working on financial policies and has been talking to Davenport & Associates regarding this issue. Mr. Grzeika suggested she also have some informal discussions with rating agencies.

**08-24 – Request from George Washington Regional Commission (GWRC) for a Regional Work Session**

Mr. Quesenberry presented a request from GWRC for a Regional Work Session regarding the Regional Affordable Housing Task Force's Preliminary Report and Proposed Memorandum of Understanding. He stated the current plan would be presented to all the jurisdictions at the upcoming Regional Elected Officials Meeting on September 30, 2008, and work sessions scheduled with localities after that presentation, if warranted.

**Interim County Administrator's Report:**

There were no further reports by the Interim County Administrator.

**Other Items:**

Mr. Brooks recommended that the Board give consideration to taking some action on the proposed EMS ordinance at the second meeting in September. Mr. Quesenberry stated that he had been in conversation with Chief Moody and the plans would be to bring this item to the Board for action at its September 16<sup>th</sup> meeting.

The County Attorney reported that the Department of Justice has approved the establishment of the Centralized Absentee Precinct to be located at the old King George Elementary School.

**Closed Session:**

On a motion by Mr. Grzeika, seconded by Mr. Mullen, and carried unanimously, each member voting as follows: Mr. Brooks Aye; Mr. Grzeika Aye; Mr. Mullen Aye; and Mr. Sisson Aye, the King George County Board of Supervisors went into closed session pursuant to State Code Section 2.2-3711(A)1 for the purpose of discussing applicants for the position of County Administrator, and State Code Section 2.2-3711(A)3 for discussion or consideration of the acquisition of real property for public purposes, where discussion in an open meeting would adversely affect the bargaining position or negotiating strategy of the public body regarding land adjacent to the King George Industrial Park; and invited the Interim County Administrator, Economic Development Director and County Attorney, including representatives of Springsted, Inc. and Davenport & Associates, as appropriate.

On a motion by Mr. Grzeika, seconded by Mr. Mullen, and carried unanimously, each member voting as follows: Mr. Brooks Aye; Mr. Grzeika Aye; Mr. Mullen Aye; and Mr. Sisson Aye, the King George County Board of Supervisors returned to public session and certified that only public business matters lawfully exempt from open meeting requirements by Virginia law, and only such public business matters as were identified in the motion convening the closed session were heard, discussed or considered.

There being no further business to come before the Board, the Chairman adjourned the meeting on a motion by Mr. Sisson, seconded by Mr. Grzeika, and carried unanimously.