WELCOME

Tonight the entire Board will assist in presenting the State of The County Address. Each Board member will present a section of the Address. It takes participation from the entire Board to shape the policies adopted by the Board. Thus, it is only fitting that each Board member participates in this presentation. On behalf of my fellow board members and the administrative staff of Prince Edward County, I hope you will find this report informative.

INTRODUCTION

Prince Edward County is 261 years old. Our early settlers were hard working people, planting seeds they hoped would yield crops to provide for their families. They faced adversity and conquered many obstacles. But by working together and being creative they built a prosperous community. The ingredients of sustaining a successful community are the same. We must embrace and welcome change, develop new approaches in order to remain relevant and prosperous as we move further into the 21st century. We must work together, not just within our own County but within our region and our Commonwealth to avail ourselves of the new opportunities and to collectively solve problems.

Across the Nation, the Commonwealth and even in our adjacent Counties, some communities are struggling while their leaders wait hopelessly on an ever shrinking supply of federal and state dollars to meet transportation, education and infrastructure needs. In some communities that has meant reducing or eliminating important public services.

Here in Prince Edward County the Board of Supervisors has taken steps to make County government more efficient and effective, in order to serve residents at the lowest possible cost to you, the taxpayer. That has meant holding fast to a simple principle: address the needs of today, without leaving problems and bills for the future. We have been resolute about taking action that will benefit the long-term interests of Prince Edward County and our citizens.

FINANCIAL ANALYSIS

Having a strong financial position, utilizing sound financial principals, which includes having adequate reserves and controlled debt and matching operational expenses to current revenue streams, is critical to good governance. A strong financial position is not a goal unto itself. The financial position of a County, in and of itself provides no services or benefits to our citizens.
What it does allow is the ability to fund such services and benefits i.e. – public safety, education and quality of life factors.

The challenge for the Board of Supervisors is weighing the competing constituencies. Balancing the desire by some for increased services with equally important demand from others to maintain or even reduce our tax rates.

County revenues, especially for education and Social Services, are impacted by the economic health at the federal and state level; we must be cognizant of these impacts. Reduced Federal and State revenues over the last several years have produced our greatest challenges and the greatest impacts on our citizens. The loss of state funds is one of the primary reasons Prince Edward County is faced with an expense for housing local prisoners that exceeds $1 million annually when it was zero only three years ago. The Schools have also seen significant losses in state and federal revenues which have negatively impacted our educational system.

To help respond to this lost revenue the Board of Supervisors formed a Finance Committee. Last fiscal year this committee reviewed in great detail the County’s revenues and expenses. The results were that expenses were reduced by almost $500,000 and revenues increased almost $100,000. These adjustments were carried forward into the current Fiscal Year.

The County is in a solid financial position. The cash balance on June 30, 2015 was approximately $10.4 million. But of that amount almost $8 million is needed for either cash-flow purposes or is contained in various funds whose cash is restricted. Additionally, approximately $1 million of the reserve is used to balance the FY16 budget. Subtracting these amounts from the cash balance leaves only $1.4 million of unrestricted cash on June 30, 2016. Addressing the structural imbalance of the FY16 budget, must be a priority over the course of the next year.

**ECONOMIC DEVELOPMENT**

The only ways to solve our budgetary imbalance are by increasing revenues, decreasing expenses or a combination of the two. Decreasing expenses on top of the decreases that have already occurred will impact the ability of County departments to serve our citizens and could possibly mean less funding for our schools.

For our citizens the most advantageous way to solve the budget imbalance is to increase revenues. Not by increasing taxes but by increasing the County’s economic base. In other words by growing our way out of this problem. This process has already begun. We can all see the increased construction activity within the Town and County. These construction projects are pumping millions of dollars into the local economy.
We have several businesses that have already announced expansions but have either not completed construction or have just recently opened and have not been included on our tax rolls or expanded their workforce. Some of these are Centra, Tharpe Trucking, Luck Stone, Adams Construction (Asphalt Plant), Lapp Metals, Wilck’s Lake Sheds, Walk to Campus and Power Secure.

Last year the County, to include the Town of Farmville, saw 245 net new jobs created and 7 net new businesses. Four businesses received job creation grants and two received real property investment grants from the state. This expansion trend is continuing. In FY15 we submitted 19 business proposals from referrals obtained from the Virginia Economic Development Partnership, Virginia Growth Alliance and direct contact with Prince Edward County. Several of these prospects are still being worked. This was the greatest level of activity since at least 2007.

I would be remiss if I didn’t mention the benefits provided to Prince Edward County and our citizens by being the home of Longwood University, Hampden-Sydney College and Centra Southside Hospital. Having these three entities as anchors to our economy provides great stability and growth potential to our County. All three have on-going construction projects that are pumping millions of dollars into our local economy, which will continue into the future.

MANOR

Another positive development recently completed was a County-led resolution of various legal entanglements surrounding The Manor development. As with most development projects when things don’t go as planned, the various participants scramble to protect their own interests. This often results in judgements, liens and lawsuits which only serve to further stifle development. This has been the scenario of The Manor for the last six years. While The Manor is a private development, the Board of Supervisors realized only the County was in a position to bring all the parties together to reach a compromise to resolve the legal issues which would allow development to move forward. The Board directed the County Attorney to represent the County and mediate between all the parties to resolve the issues hampering development of the land. Mr. Ennis is to be commended for his work. With these issues resolved we can be hopeful this land will see the development initially envisioned which will add to the expansion of the tax base. Even before all of the agreements have been finalized people are talking about construction and a “For Sale Sign” has been erected on the property.

The other good news is that the issue of the Golf Course ownership has also been resolved, which will create more stability for The Manor development and bodes well for the future.
The safety of our citizens is a top priority for the Board of Supervisors. We expend almost $3.5 million of County funds on the various departments tasked with ensuring the safety of our citizens. To obtain the greatest bang for the taxpayer’s buck, the County has long cultivated partnerships with the volunteer fire departments and the volunteer rescue squads. There are approximately 200 volunteer firefighters and 80 EMS members serving Prince Edward County. These departments serve a vital function for our community and by the use of volunteers provide a higher level of service at less cost than if the County provided these services with paid staff. In recognition of that contribution the County provides over $600,000 to the seven Volunteer Fire Departments and the four Rescue Squads to help ensure they have the training and equipment they need.

The Fire departments respond to approximately 900 – 1,000 calls each year. The rescue squads respond to almost 4,000 calls (with an average response time of eleven minutes.) Our fellow citizens dedicate a considerable amount of time, not only running calls but also training to ensure they are able to provide a high level of service. Each Fire Department conducts from 120 – 240 hours of in-house training each year. This is in addition to the 146 hours required to become a Class 1 firefighter. Many firefighters have taken other training such as hazardous materials operation, technical rescue and vehicle extrication. The training requirements for rescue squad volunteers are even greater. A basic EMT must have a minimum of 150 hours of training and a paramedic must have 1,000 hours.

The Sheriff’s Department received their initial accreditation status in 2014. There are 34 staff members in the Sheriff’s office which consists of 32 sworn full-time employees, 3 sworn part-time employees and 1 part-time personnel member provided by the Commonwealth of Virginia Workforce Project. The volume of work for the Sheriff is hard to believe. In 2014 they answered 8,152 calls for service, made 3,875 arrests, served 2,736 Uniform Summons, 2,735 Traffic Summons, 8,587 Civil papers and ran 446 transports.

The Sheriff believes in building bonds with the citizens and provides support and services through character building programs such as DARE, Class Action, and drug awareness events. Other community programs include Project Lifesaver, Highway Safety Events, Senior Safety, TRIAD and Neighborhood Watch Programs.

In FY14 the Board approved the Sheriff’s request to fund an At-Will over-time program. This program has been an overwhelming success. It is a self-funding program that not only has increased traffic safety but also frees deputies from routine traffic duties to concentrate on crime prevention, solving crimes and increasing visibility and availability of officers throughout the County. It effectively increases the number of deputies on each shift. The result has been a
33% drop in break-ins from 2012 – 2014. In the first half of 2015 there has been an additional drop in break-ins of 28.5%.

**Piedmont Regional Jail**

Prior to FY13 the County did not have to pay for the housing of our prisoners in the regional jail. This was due to the fact the jail housed approximately 330 illegal immigrants. When those detainees were moved from the Jail that loss of revenue coupled with the state decreasing the inmate per diem from $28 per day to $12 per day, has caused the jail to go from a revenue generator to a major expense item. In FY16, it is estimated the County will expend almost $1.3 million to house our prisoners. This amount would be substantially greater if not for the hard work of the Jail Superintendent. The Superintendent has been able to increase the number of inmates from outside the regional partners to generate revenue. We are currently housing about 130 Federal inmates, 85 from Culpepper and 50 from Powhatan. The Superintendent is constantly searching for additional inmates to house.

It is estimated revenues will increase by almost $800,000 for FY16. While that is good news, it is almost exactly offset by increased costs. The cost increases are primarily the result of increased medical and pharmaceutical expenses. Even with the cost increases the Piedmont Regional Jail has the lowest cost per inmate day of any jail in the Commonwealth. The per inmate day average cost statewide is $75, while the cost for Piedmont Regional Jail is $44.

**LANDFILL & WASTE COLLECTION**

Prince Edward County owns its own Sanitary Landfill and contracts the operation to a local business. Sanitary Landfills are disposal sites for non-hazardous solid waste. Hazardous materials are not allowed in our landfill. We take seriously our duty to protect the environment surrounding the landfill. We meet all DEQ regulations and work closely with an environmental engineering firm to ensure the safe operation of our Landfill. In addition to the landfill the County operates 7 convenience/recycling sites where our citizens can take their trash and recyclables.

Due to ever stricter environmental regulations, the cost to construct and operate Landfills has increased dramatically over the last 20 years. The County spends about $1.2 million each year operating the landfill and convenience sites. Traditionally the County has to construct a new landfill cell every 3 or 4 years. But because of lower waste volumes caused by the downturn in the economy coupled with better compaction rates and better oversight of daily ground cover by the operator it will be almost 8 years since the last time we built a new cell. The new cell will need to be built next summer at a cost of approximately $1.4 million. These funds are available in a separate budget fund called the Landfill Construction Fund.
On June 30, 2015 that fund had about $2.1 million in cash. Thus, there should be no impact on the tax payers for the construction cost of the new cell. Looking down the road at the next ten years the County will have to expend several million dollars to complete final closure on three landfill cells. It is estimated by 2023 we will have expended all of the reserves of the Landfill Construction Fund and will actually need an additional $1.1 million which will increase to almost $4 million by 2027. We are monitoring this situation and will develop a plan to handle this cost.

**REASSESSMENT**

Every six years the County conducts a reassessment of all real estate in the County. The County hires a professional assessment firm to conduct the reassessment. That process was started in 2013 and was completed in 2014. The only remaining item is for the Board of Equalization to complete their review of any requests they receive from citizens.

The results of the reassessment are that in total, Real Estate values in the County fell almost 8%. In General the value of residential properties declined the most followed by agricultural land. Commercial properties actually saw an increase of almost 7%. Because of this decrease an equalized tax rate would have been $.51. The Board realized that many citizens are still being impacted by the recession that gripped the Country. As a result the Board only approved a tax rate of $.49 for calendar year 2015. That rate is actually a tax decrease and will result in the County collecting $300,000 less in real estate tax this Fiscal Year than last year. Almost 70% of residential properties will see a tax decrease while almost 60% of agricultural parcels will see a tax decrease.

**PLANNING & COMMUNITY DEVELOPMENT**

After several years of flux the Planning Office is beginning to stabilize. A new Director of Planning & Community Development began work this year. Mr. Rob Fowler has over 25 years of experience in planning. His last position was with the City of Lynchburg. He has started a review of the County zoning and subdivision ordinances to ensure they are in compliance with the recent changes adopted by the General Assembly.

Last year the County implemented state mandated stormwater regulations pertaining to plan review and inspections. Most of the Counties in the Commonwealth abdicated those responsibilities to DEQ but Prince Edward County has partnered with the Town of Farmville and is running our own program. We believe by running our own program we will be seen as more business friendly than those communities relying on DEQ. This will allow us to review and inspect construction plans instead of forcing developers to submit plans to DEQ and then having to wait for the state to complete their review.
Over the last year VDOT has completed several road maintenance projects and bridge repairs. The bridges on Darlington Heights and Twin Bridges Road have been reconstructed while a new bridge was constructed on Mt. Pleasant Road. Current conditions record that 92% of the pavement on roads in the County are in fair or better condition pavement conditions are at 92%, VDOT’s goal is 82%. Ninety-two and a half percent (92.5%) of the County’s 134 Bridges are rated as either non-deficient or needing some repair but are not structurally deficient while 7.5% (10) are rated as structurally deficient but are safe for travel, VDOT’s goal is 92%. VDOT rates the ride quality of the roads in Prince Edward County at 97% while the goal is 85%. Ride quality refers to the irregularities or roughness of the pavement.

The General Assembly passed two pieces of legislation that will dramatically change how transportation dollars are spent. House Bill Two (HB2) will change how funding controlled by the Commonwealth Transportation Board (CTB) will be dispersed. Projects will be scored according to key factors, which are: congestion mitigation, economic development, accessibility, safety, environmental quality and land use. The second bill is HB1887. This bill applies the same factors mentioned above to District funding. This allows projects to compete against others only within the Lynchburg District.

Projects can be submitted if they are located along a Corridor of statewide significance (there are only a few), regional networks and urban development areas. Prince Edward is fortunate to have one of the few Corridors of statewide significance - Route 460; this will allow Prince Edward to compete for funding. The regional network definition is still being developed and there are no urban development areas in the County.

In the near future the following construction projects will be started: (1) Route 643, Back Hampden-Sydney road – it is currently under construction and is estimated to be completed in May 2016, (2) Route 725, Watson Blvd – is currently being planned with construction later this summer and (3) Route 632, Falkland Road – the bridge over Bush River will be replaced beginning in early 2016, the road will be closed approximately 3 months.

The County is continuing to work with VDOT to eliminate unpaved roads. On July 1, 2003 VDOT initiated the Rural Rustic Road Programs which reserved state funding to pave state roads that are unpaved. Prince Edward County has two roads that will be paved using this program. Route 725, Watson Blvd will be paved this summer and Route 628, Campbell Crossing will be paved next summer.
Several areas will be resurfaced. Various locations in Prospect, Tuggle, Farmville and Rice are scheduled for 2015. All ramps of the Farmville Bypass will be resurfaced in 2016 and 2.3 miles of Green Bay Road will also be resurfaced in 2016.

Finally, approximately 100 lane miles will be resurfaced in 2015 and 64 miles in 2016.

**SCHOOLS**

There is no question the Prince Edward County Public Schools have failed to reach the level of achievement we would like. Currently, all three of the schools are accredited with warning and the Middle School is designated a focus school.

The High School met all accreditation Benchmarks except for one – mathematics. Math scores missed the benchmark by one point.

The Middle School met two of the accreditation benchmarks – History and Science but did not for two others – English and Math. The English benchmark was missed by 7 points. The Math benchmark was missed by 6 points. Being designated a Focus School means one or more proficiency gap groups did not meet expectations in reading and math.

The Elementary School met two of the accreditation benchmarks – History and Science but did not for – English and Math. For English the Benchmark was missed by 9 points. For Math the Benchmark was missed by 4 points.

But the School system has made strides in improving academic performance. Attached is a summary of some of the actions taken by the School Board to improve performance. Its detail and length precludes reading it completely tonight but I urge our citizens to read this document, it will be posted on the County’s web site. I will draw attention to some of the highlights.

To improve the learning climate and student discipline various programs have been implemented. The Leader in me program has been implemented in the Elementary and Middle Schools. This program is intended to develop a more positive learning environment. The Positive Behavior Interventions and Supports (PBIS) program which addresses bullying and aggressive behaviors has been adopted and a School Resource Officer has been assigned to the Middle School.

Actions taken to improve academic performance include: realignment of Middle School math classes to focus more attention on basic math skills, reassignment of teachers to better match their skills to class needs, targeted professional development for teachers, strengthening the
afterschool remediation and tutoring programs, providing a more focused summer remediation program, reducing the amount of testing to allow more time for teaching students, hiring math and reading coaches to support teachers at the Middle School and the use of new benchmark tests that are better aligned with the SOLs.

At the Career and Technical School the number of students earning industry certifications increased from 110 to 180, a 39% increase. In 2013 the school division earned full accreditation by AdvancedED. This accreditation is only held by 40 of the 132 school divisions in Virginia.

The Prince Edward County Public Schools are actively partnering with Longwood University. The attachment lists 14 ongoing examples of partnership programs with Longwood University.

Since 2013 the High School graduation rate has improved from 76% to 87% and drop outs have decreased from 18.3% to 9.8%

Over the last 10 years student enrollment has declined by 565 students. The loss of students, reduced state support for education and reduced federal funding have caused a reduction of over $4 million in the School budget. To compensate for this loss of revenue 78 positions have been eliminated in the last 6 years. The reduction in staff has caused a reduction in programs and services provided to students.

While state and federal funds have been reduced the amount of funds provided by the Board of Supervisors has actually increased the past 5 years by $348,616. This amount combined with the decrease in debt service of $335,329 over the same period means the School Board has an additional $668,945 of local funds it can use for operations.

The public can be assured the Board of Supervisors is deeply concerned with the performance of the Schools. We stand ready to assist the School Board in raising the level of performance.

**CONCLUSION**

This has been a lengthy presentation. The responsibilities of County Government are numerous and often complex. The citizens of Prince Edward County deserve an accounting of the State of The County and this was an attempt to provide information to our citizens. We realize this report was not all encompassing it merely touched on the highlights. There is simply not enough time to discuss every aspect of County operations.

If you have a question that was not answered tonight we encourage you to contact the County Administrator or your Board member with your question. We will ensure you receive a response. Thank you for your patience.