

COUNTY OF HENRICO, VIRGINIA
BOARD OF SUPERVISORS
SPECIAL MEETING
September 8, 2015

The Henrico County Board of Supervisors convened a special meeting on Tuesday, September 8, 2015, at 4:45 p.m., in the County Manager's Conference Room, Administration Building, Henrico County Government Center, Parham and Hungary Spring Roads, Henrico, Virginia.

Members of the Board Present:

Frank J. Thornton, Chairman, Fairfield District
Tyrone E. Nelson, Vice Chairman, Varina District
Richard W. Glover, Brookland District
David A. Kaechele, Three Chopt District
Patricia S. O'Bannon, Tuckahoe District

Other Officials Present:

John A. Vithoukas, County Manager
Joseph P. Rapisarda, Jr., County Attorney
Joseph T. (Tom) Tokarz, II, Deputy County Attorney
Barry R. Lawrence, CMC, Assistant to the County Manager/Clerk to the Board
Tanya B. Harding, Deputy Clerk to the Board/Administrative Assistant
Joseph P. Casey, Ph.D., Deputy County Manager for Administration
Jane D. Crawley, Deputy County Manager for Community Services
Randall R. Silber, Deputy County Manager for Community Development
Tamra R. McKinney, Director of Public Relations & Media Services

Mr. Thornton called the meeting to order at 4:49 p.m.

Mr. Vithoukas briefly noted the items listed on the agenda for this special meeting.

Division of Fire's Insurance Services Office (ISO) Rating

Staff from the Division of Fire distributed a document to the Board titled *Henrico County Insurance Services Office Board Presentation Information Packet*, which contained key points on Henrico County's ISO rating and an explanation of the Public Protection Classification (PPC) program and evaluation process. Included in this distribution was information on an event scheduled by the Division of Fire for September 9 at Firehouse 12 announcing the County's new ISO rating, which will be effective November 1. Mr. Vithoukas recognized Tony McDowell, Fire Chief, who advised the Board that the County has been awarded a Class 1 rating by ISO, an organization that independently evaluates municipal fire protection efforts in communities throughout the United States. Henrico is the first county in the nation with an internationally accredited fire department that has also achieved the ISO Class 1 rating. Chief McDowell

recognized the following members of his staff who were in attendance: Kenny Dunn, Assistant Chief of Community Risk Reductions; Mike Cox, Assistant Chief of Operations; and Capt. Danny Rosenbaum, Public Information Officer. He also introduced Hugh "Skip" Gibson, ISO's Manager of Community Infrastructure Information, and Al Turner, Regional Representative for ISO. Chief McDowell pointed out that the Police Division's Emergency Communications Center and the Department of Public Utilities also have a stake in the County's ISO rating.

Captain Rosenbaum narrated a slide presentation on the ISO rating and what it means for the County. He began by explaining the PPC program and its Fire Suppression Rating Schedule (FSRS) and identifying the four main areas of public protection classification, which include emergency communications, fire department, water supply, and community risk reduction. In 2011, the County received a score of 73.48 points out of a possible 100 points. This year, the County received a score of 95.66 points out of a possible 105.5 points. The greatest areas of improvement were in deployment and response of apparatus, training, equipment, and recordkeeping. Captain Rosenbaum reviewed countrywide and statewide statistics, noting that Henrico is one of only three localities in Virginia that has achieved an ISO Class 1 rating. He concluded his presentation by citing the benefits of an improved ISO rating. Insurance companies use PPC information to help establish fair premiums for fire insurance and generally offer lower premiums in communities with better protection. The County's improved rating makes Henrico a more appealing place from an economic development standpoint. In addition to a reduction in fire insurance premiums, it signals to businesses the County's commitment to fire protection and safety for residents and businesses. In comparing the County's 2011 and 2015 ratings, Mr. Vithoukas cited the Division's efficient utilization of resources and commitment to a high level of customer service during a period of budget reductions.

Following Captain Rosenbaum's presentation, and with Mr. Gibson's assistance, Chief McDowell responded to questions from the Board. Chief McDowell informed Mr. Glover how the Division of Fire will be working with the Department of Public Relations & Media Services to get the word out to homeowners and business owners about the change in the County's ISO rating. He and Mr. Gibson reviewed for Mr. Glover how the rating applies to homeowners who do not have public water and explained how changes in ISO ratings are communicated to insurance companies and how these changes typically affect insurance premiums. Mr. Gibson briefly reviewed for Mr. Thornton the history of fire insurance ratings, which began over a century ago with the National Board of Fire Underwriters. Chief McDowell advised Mrs. O'Bannon that the presence of fire sprinkler systems does not affect ISO ratings but may affect the premiums for individual homeowner's insurance policies. Mr. Silber confirmed for Mr. Kaechele there are approximately 120,000 residential housing units in the County.

Mr. Glover stated he has been very impressed with the progress the Division of Fire has made under Chief McDowell's leadership. Chief McDowell credited his staff and noted the support he has received from Mr. Vithoukas and the Board. Mr. Thornton applauded staff for this seminal public safety achievement.

2005 Bond Referendum Projects Update

Mr. Vithoukas recognized Brandon Hinton, Management & Budget Division Director for the Department of Finance, who narrated a slide presentation. Mr. Hinton reminded the Board that County voters approved a \$349.3 million General Obligation Bond Referendum on March 8, 2005. In spite of the economic downturn, the County was able to complete all debt issuances within the seven-year schedule, as promised. Henrico County was the first locality in the country with an AAA bond rating to issue debt after the United States government was downgraded by Standard & Poor's in 2011 and the first locality to have a higher rating than the U.S. Education made up the lion's share of the referendum (\$220 million) and received additional funding in the amount of \$45 million from a 2008 Virginia Public Service Authority (VPSA) bond issuance to ensure the completion of all approved school projects. The 2005 bond referendum also funded library, public works, recreation and parks, and fire projects. During his presentation, Mr. Hinton displayed pictures of each project that has been completed or is underway from the 2005 referendum. He noted the last project to be completed from the 2005 referendum will be Fire Station #19 at the northeast corner of Kain and North Gayton Roads, which is scheduled to open in 2017.

After reviewing the bond referendum projects, Mr. Hinton highlighted the fiscal accomplishments of the County over the past 10 years since the referendum was approved. Unlike the federal government, the Board of Supervisors has established very stringent debt capacity guidelines. It has sustained fiscal prudence through the refunding of debt, conservative budgeting, and finding ways to cut costs. During this portion of his presentation, Mr. Hinton explained several graphs depicting measures of the County's bonded debt, both actuals from previous years and projections for future years through FY 2020. The County's debt is expected to drop in the coming years, which will free up debt capacity.

Following Mr. Hinton's presentation, Mr. Glover noted the significance of the County's five percent (5%) expenditure cap established in 2000 and the sinking fund established in 2002 to cover the first year of operating costs for new capital facilities. He also cited careful planning by the County's Department of Finance since that time. Mr. Vithoukas noted the unsustainability of federal indebtedness going forward and a recent newspaper editorial suggesting that the way to solve this issue is by capping growth in the federal budget. He responded to several questions from Mr. Kaechele regarding the timing of the County's next bond referendum and to a question from Mrs. O'Bannon concerning savings achieved by the County through bond refundings. Mr. Nelson asked staff to provide him with a list of the projects approved in the County's November 2000 bond referendum and the dollar amounts spent on them. He also requested a list of all school projects funded through the County's meals tax that have either been completed or are in the works. Mr. Nelson and Mr. Glover noted the positive feedback they have received from constituents regarding these projects. There was discussion among Board members and Mr. Vithoukas relating to the history of bond referenda in the County. Mr. Nelson complemented the Board and County staff on their foresight in creating the sinking fund and capping expenditure growth.

The Board recessed for dinner at 5:47 p.m. and reconvened at 5:58 p.m.

2016 Healthcare Renewal Rates and Plan Information


Mr. Vithoukas recognized Paula Reid, Director of Human Resources, who narrated a slide presentation on this item. Before beginning her presentation, Mrs. Reid recognized the assistance she received from Human Resources Benefits Manager Julia Sleeman, Mr. Hinton, and Budget Analyst Adam Rosatelli. Mrs. Reid noted employee healthcare rate increases that will take effect in January 2016 will be minimal (\$2/\$4/\$8 per month for premier/standard plans, depending on the coverage tier). There will be no increase for the Lumenos high deductible health plan with a savings account and no plan design changes. Mrs. Reid reviewed slides depicting historical rate increases, historical employee salary increases vs. premium cost increases, and historical national healthcare savings vs. national increases. She also showed tables comparing 2014-15 employee only and family coverage healthcare rates among central Virginia localities. Mr. Vithoukas pointed out that unlike most localities in Virginia; there is no separation between the healthcare plans provided for general government employees and school employees. Mrs. Reid concluded her presentation by highlighting the County's 2012 health risk assessment data and how the County is supporting a culture of wellness through its fitness and wellness program. Mr. Vithoukas commented that the County's decision to self-insure, coupled with its fitness and wellness program, has allowed it to maintain benefits and hold the line on rate increases. He thanked Mrs. Reid, Mrs. Sleeman, Assistant Superintendent of Schools for Finance and Administration Terry Stone, and other members of the County's Employee Health Benefits Committee for their successful efforts.

Following her presentation, Mrs. Reid clarified for Mr. Kaechele how and when employees can use exercise facilities at the County's Training Center and the Eastern Henrico Recreation Center. Mr. Thornton thanked Mrs. Reid and the Department of Human Resources on behalf of the Board for implementing healthcare plans with excellent benefits and helping to ensure a healthy workforce.

Regular Meeting Agenda Items

Mr. Vithoukas reviewed the agenda for the 7:00 p.m. regular meeting, noting he would be making one Manager's comment pertaining to the County's new ISO rating. He briefly referred to the three proclamations that would be presented and five zoning cases on the public hearing agenda. Mr. Vithoukas advised that the first rezoning case, a request by RCS Development Corporation in the Brookland District (Agenda Item No. 112-15) had been withdrawn by the applicant and required no action by the Board. He briefly reviewed the other public hearing items and the items under the general agenda. Mr. Vithoukas noted Ms. Stone would also be present to answer any questions the Board might have on Agenda Item No. 206-15, a resolution to approve the retention of sales proceeds by the School Board for a portion of Three Chopt Elementary School property.

There being no further business, the meeting was adjourned at 6:30 p.m.


Chairman, Board of Supervisors
Henrico County, Virginia