

At a planning retreat of the Orange County Board of Supervisors held on Friday, March 14, 2014, and Saturday, March 15, 2014, beginning at 3:00 p.m. and 8:30 a.m., respectively, at the Orange County Airport, 11275 Aviation Way, Orange, Virginia. Present: S. Teel Goodwin, Chairman; Lee H. Frame, Jr., Vice Chairman; Shannon C. Abbs; James P. Crozier; and James K. White. Also present: R. Bryan David, County Administrator; Glenda E. Bradley, Finance Director; and A. Tyler St. Clair, Retreat Facilitator.

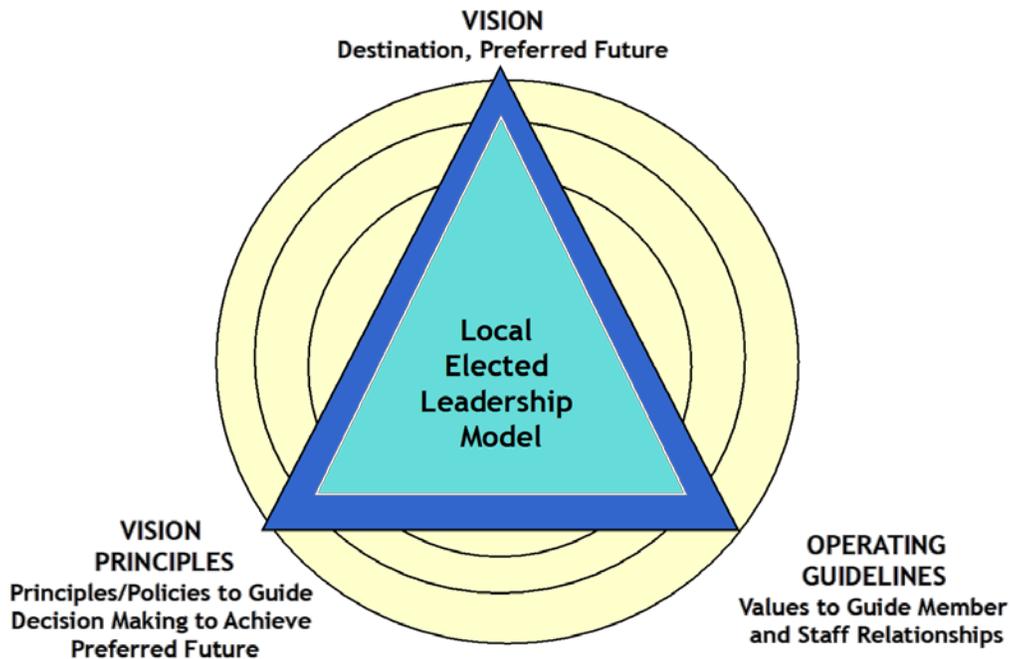
RE: WELCOME AND OVERVIEW

A. Tyler St. Clair, Retreat Facilitator, welcomed the Board of Supervisors, and provided a brief summary of the retreat agenda, including goals and an overview of the session as well as short introductions and a climate-setting exercise.

RE: REVIEW LOCAL ELECTED LEADERSHIP MODEL

The Board reviewed the Local Elected Leadership Model and its application to local government. As part of the review, the Board evaluated its leadership role over the last two (2) years since the last retreat. Findings of the review, as included in the retreat report, are listed below.

LOCAL ELECTED LEADERSHIP MODEL



BOARD LEADERSHIP ACHIEVEMENTS

What have this governance model, the vision, and operating agreements that were made by the Board in 2012 enabled the Board to achieve as a governing body since 2012?

- The Board members have come together to take all of their own ideas and to take hold of the peg and move it into one direction. This has included becoming much more civil and showing that the Board can do more as a group than members can do individually.

- A business perspective is that County government has “caught up” with the business community instead of the two (2) bodies working against each other. In the Board’s opinion, the business community has to work in parallel with the government. Each has to be supportive and to work in the same direction as the other or it is dysfunctional. People have begun to work together in the business community and to work for the County as a whole instead of working against each other. The County has also become more business friendly.
- The Chamber of Commerce is stronger today and is coming together. In the past, the EDA would talk to businesses that were interested in finding a location or expanding and they didn’t like what they saw in Orange. There was this perception that Orange was not a good place in which to establish a business, but that perception seems to have softened. Some baby steps have been taken in the right direction. The perception of people, including professional site searchers, is becoming more positive and more comfortable in considering the County as a business location.
- Something noted that was impressive was the change in Board of Supervisors. In the past, there were some individuals that fought very publicly and affected the impression of the community. That overt animosity is not showing up in Board meetings now and people say, “They are trying to do something good for the County.” The County is less susceptible to those groups that push the extreme and are perceived to be looking out for the best interests of the County.
- The Wal-Mart situation was the beginning. If the County had let Wal-Mart walk away, it would have been lost, but that didn’t happen, even when having to move it. If that had fallen apart, it would have been a long time before other businesses would have looked at the County as a business location.
- The efforts along Route 3 are good. The work is inching along, though not as fast as hoped. Critical steps have been taken to get started.
- The Board has come a long way in terms of making priority decisions and handling the budget, which is an enhancement to management capability.

RE: CLARIFY INDIVIDUAL PERSPECTIVES ON NEEDS AND DIRECTION OF THE COUNTY

Brief discussion ensued among the Board regarding individual perspectives on the needs and direction of the County. Small group brainstorm sessions were conducted, concluding with a review to determine common themes and needs.

REVISITING THE VISION BRAINSTORM

Board members were asked to consider the following questions in order to determine current thinking about needs, issues, and desired changes that might affect the Vision:

Thinking about Orange County in the year 2022:

- What would you like to KEEP?
- What would you like to CHANGE?

Purple Group

Teel Goodwin, Jim White, Jim Crozier, Tyler St. Clair (Recorder)

Keep:

- Small town feel/quaintness contributes to the fabric and character of the County
 - Individual villages/pockets have their own character and local identity
 - People have roots in their small pockets of the County
 - Makes people feel comfortable and positive

- Self-reliance; “people don’t depend on the government for their care and feeding”
 - People watch out for each other and come together to work on issues
 - Don’t want big government or even more government
 - “We have what we need to take care of our community” mindset
- Keep the County’s visual appeal - 62% of the County is forested and the majority of people would say, “I like it that way”
- A blended community and a blended economy; keep the diversity so that we survive
 - We have forested, farming, agricultural features and we have suburbs (i.e. Lake of the Woods, Wilderness Shores, Somerset Farms)
 - We have agricultural operations and we have manufacturing/high tech services
 - Continue efforts to make sure that we get businesses that provide high-paying jobs
 - Continue efforts to keep agriculture because it keeps the County beautiful and provides stability
 - Maintain a diversified portfolio equivalent to our investment portfolio
- People feel safe; we have low crime and are not at risk for natural disasters
- Dedicated, motivated educators (many are long term)
- Keep improving our image
- Keep the synergy we have going
- High set of moral standards; “good people” – this is a cultural characteristic of County
- All schools are accredited and the standards are high; the school system has said “we are going to educate and not indoctrinate” in response to the SOLs
- Central Virginia Partnership is focusing more on us now and seeing more potential in us
 - We have more visibility and are even perceived as the “lead horse”
 - We did a vision and announced that “times have changed”
 - We have better synergy with the business community
- Keep an effective Chamber
- High graduation rate; good job at preventing dropouts and getting students through the educational program
- Not so class-driven; have a mix of the classes in most parts of County; keep it amorphous
- Local government is small and core service driven; though the population may drive government services up some, we have avoided mission creep
- When the Board is on a “blended mission” our dealings with staff are easy
 - Know what we want to accomplish
 - Staff want to do a good job for us
- A Vision of where we are headed; keep talking about it; be headed toward the future
- Keep Dogwood Village as a community facility vs. a branch of a healthcare conglomerate

Change:

- Good business and an expanding economy
 - High paying jobs; green business/eco-friendly business

- Need to get people spending their \$\$ in the County (revenue from sales tax per capita is very low compared to other counties in the area)
- Greatly expanded health care network with quality health care facilities/campuses
 - Have 1000 healthcare providers out-commuting daily
 - Reduce County expenditures for emergency transport
 - Though we are in good shape on long term healthcare and rehab, we are missing emergency care, clinical, and wellness; need a free standing emergency room
 - Consider incentives to recruit healthcare providers (i.e. certifications)
- Workforce training situation is critical; only have 1-2 minor programs
 - Access to good training is limited - Germanna is a long way and the comprehensive programs in NOVA are too far away
 - Basic life skills are needed
 - This is going to take a community effort
- Long term water needs; need a more reliable water source and greater quantity
 - Have different need areas that require different solutions
 - Has to be consistent with what you want to do with growth
- Broadband/communications
 - Our communications network has shrunk versus expanding
- Take advantage emergency communications efforts to leverage improvements
- Transportation infrastructure - need to think down the road and address
 - Need to take steps to make primary road safer (Route 20, 15, 33, 3)
 - Need a safe way to get from A to B in a car
- Add some energy and focus to all of our economic development opportunities in addition to Route 3 by replicating the Route 3 process
 - Consider how to address with a small area plan
 - Ag-tourism/Agricultural/History
 - Route 15/Industrial Park
- Gain some efficiencies in County government; challenge County Administrator/staff to find ways to do this; do some cost/benefit analysis; some ideas include:
 - How we maintain our vehicles (we have no shop now)
 - We do not have a preventative maintenance program except for Fire/Rescue
 - Space needs/utilization assessment
 - Two emergency communications centers
 - Should we consolidate some departments or functions?
 - Get into the 21st century; County government center?
 - Consider legacy services and whether to or how to deliver services in the future

Orange Group

Shannon Abbs, Lee Frame, Bryan David, Glenda Bradley (Recorder)

Keep:

- Beautiful vistas
- Rural character

- Agriculture industries
- Sense of community that helps us function; all type of community groups; collaboration with government
- High performing education
- Levels of service – quantitative not qualitative
- Maintain Orange County's attractiveness to attract people
- Continue and maintain good relationships with the School Board and EDA
- Growth of service levels matches the natural level of growth
- Encourage community-based citizen-provided services; keep an arm's length away; focus on recognition and other incentives that don't impact the budget
- Access to world-class services
- Quality of life

Change:

- Improved business tax base
- Diversify opportunities for citizens – education, cultural, recreational
- Increased percentage of citizens that really choose Orange County
- Destination of choice for business, living and visiting (tourism)
- Economic development to be scaled by design depending on location
- Reduce polarization
- Broaden economic development approach/strategy
- Improve citizen education and delivery of message/communication/feedback (surveys)
- Better community input to County
- Broadband availability – expand through public/private partnerships
- Enhance the information flow from the Planning Commission (rationale)

RE: RECESS
The Board took a brief recess for dinner.

RE: EVALUATE BOARD OF SUPERVISORS' VISION AND CONFIRM DIRECTION
The Board of Supervisors reviewed and reaffirmed its Vision Statement. The Vision has stood the test of time and withstood an election. The Board determined to stay the course with the Vision as it continues to provide useful guidance. The Board developed new two-year priorities to continue progress toward the Vision, as listed below:

**ORANGE COUNTY BOARD OF SUPERVISORS
TWO-YEAR PRIORITIES**

Vibrant Economy

1	Complete a specific plan for broadband access throughout the County, focusing on the underserved areas.
2	Form partnerships with the health care industry to provide and expand health care services/campuses.
3	In addition to the economic development effort on Route 3, begin the process of replicating economic development planning for other areas of the County, which may include initiatives such as: <ul style="list-style-type: none"> • Inventorying assets and completing specific plans for diversifying economic development opportunities in other parts of the County. • Defining the Horse Trails Plan for the western end of the County and initiating actions to complete it.
4	Inventory and assess water resource alternatives
5	Explore workforce development and develop a focused initiative to maximize results <ul style="list-style-type: none"> • The Board would acquire a body of knowledge regarding what is being done to address workforce development (education effort). • The Board would then assess potential leadership and resources and determine what is needed to maximize results (i.e. vision, plan, collaboration, structure).
6	Utilize the resources of the EDA to develop marketable products for business development <ul style="list-style-type: none"> • Create pad-ready sites in industrial park. • Identify funding sources for infrastructure/site work.

Effective, Reflective Government

7	Develop and implement a strategy to communicate and educate the community on issues of governing and to acquire feedback: <ul style="list-style-type: none"> • Include communication of the Board's financial philosophy/principles/strategies. • Ordinances and their rationale/value. • Government roles.
8	Identify opportunities to improve efficiencies or to leverage opportunities in how we deliver government services: <ul style="list-style-type: none"> • Consider ways to encourage employee engagement in continuously seeking efficiencies and in finding creative/new ways to do things; create a culture and mindset of innovation. • Make investments that provide long term cost/benefit. • Include considerations of realignment or the consolidation of functions. • Consider realistic organization development strategies to enhance employee buy in and performance. • Rethink ambulance service as it relates to taking patients to local clinics.
9	Continue to participate with other boards on a regular defined schedule, including the identification and formation of regional partnerships where appropriate.
10	Develop financial strategies for funding government.

Sustainable Land Use

11	Update and clarify the Zoning and Subdivision Ordinance to align with the Comprehensive Plan: a. Complete the development of the ordinances for the two categories of agricultural land and complete rezoning of those two agricultural districts. b. Complete definitions of the zoning categories, design standards, and small area plan for the Route 3 initiative. c. Be sure that zoning and subdivision ordinances include and address future transportation improvements, particularly on the primary roads.
----	--

RE: RECESS
The Board recessed at approximately 9:00 p.m.

RE: RECONVENE
The Board reconvened on Saturday, March 15, 2014, at 8:30 a.m.

RE: OVERVIEW OF THE DAY AND DEBRIEF
Ms. St. Clair provided a brief overview of the plans for the day, and the Board debriefed on their exercises from the previous day.

RE: STRATEGIC FINANCIAL STRATEGY
The Board discussed strategic financial strategies including:

- Identify Priorities for the County
 - Identify Long Range Strategic Priorities to Address the Vision
 - Identify Near Term (2-Year) Priorities
- Governance Strategy and Alignment
 - Governance Role Continuum: Determining Philosophy
 - Determination of Alignment/Needs
- Develop Structure and Strategy to Achieve Success
 - Identify and Achieve Consensus on Principles and Strategies
 - Budget Implementation Plan: Expectations/Responsibilities

ORANGE COUNTY BOARD OF SUPERVISORS FINANCIAL PHILOSOPHY AND POLICIES

ORANGE COUNTY BOARD OF SUPERVISORS FINANCIAL PHILOSOPHY

Orange County will have appropriately scaled local government services funded at levels that ensure consistent quality and efficiency. The Board will fund local government services and programs that sufficiently meet the needs and expectations of our citizens and businesses while respecting the socio-economic context and capacity of the County.

ORANGE COUNTY BOARD OF SUPERVISORS FINANCIAL POLICIES

POLICIES ON RESERVES

The Orange County Fund Balance Policy states that the County's Fiscal Stability Reserve is to be . . . not

less than 15% of the combined budgeted expenditures of the County General Fund and the Orange County Board of Education Operating Fund, net of the County's local share contribution to the School Board.

The Board of Supervisors, in an emergency or during periods of economic uncertainty or budget adversity, may retain an additional reserve balance above the Fiscal Stability Reserve. Such additional reserve shall not exceed 3% of the combined budgeted expenditures of the County General Fund and the Orange County Board of Education Operating Fund, net of the County's local share contribution to the School Board.

Three Reasons for a General Fund Reserve:

- To meet annual cash flow fluctuations
- To absorb and adjust to unexpected revenue declines
- To meet unanticipated expenditure demands

POLICIES ON CAPITAL

This category addresses equipment and facilities/infrastructure.

1. This fund has a one-way flow – when money goes into the capital fund, these funds become restricted use funds and only come out for capital expenditures.
2. There will not be total capital appropriations from the General Fund in an amount less than the year before (or less than the 2015 baseline.)
3. Excess funds from reduction in debt service will be placed in the capital fund.
4. The balances from County projects or operational savings should generally go into the capital fund. Balances from school projects will be applied to the capital fund.
5. Any one-time revenue should be directed into the capital fund.
6. One-time revenue arising from a real estate tax increase will go into the capital or reserve funds.
7. Certain capital equipment may be considered for lease purchase or short-term financing.

POLICIES ON NEW DEBT ASSOCIATED WITH CAPITAL FACILITIES AND INFRASTRUCTURE

1. Generally, facilities and infrastructure with a stand-alone or bundled value over \$2 million or with a lifetime over 10 years can qualify to be funded with new debt.
2. As a general rule, debt will be incurred in accordance with accepted credit practice and will insure that the County maintains a positive bond rating.
3. Incurring new debt is one of a limited number of situations that can be funded by a tax increase.

POLICIES ON REVENUE

1. The optimum rationale is not to raise taxes and to do so only in cases where the County must meet mandates, fund major capital projects, or when a revenue source is lost.

POLICIES ON OPERATIONS

1. The County budget should be driven by outcomes and the assessment of priorities versus using practices that result in across-the-board increases.
2. Current County services are maintained at existing levels and standards correlated with population changes, keeping a strong focus on maintaining high quality law enforcement, fire/EMS, and public education.
3. We look for innovative ways to gain efficiencies in providing current County services.

POLICIES ON STRATEGIC INVESTMENTS

1. The Board engages in timely education, analysis, and planning in order to address future challenges and to take advantage of opportunities that require the County to be proactive (i.e. water supply, broadband, workforce development, education, health care, and transportation.)
2. The Board insures that it is appropriately educated about needs and evaluates alternatives and resources prior to making large capital investments or initiating significant new programs. [We do our homework before we spend the big bucks.]
3. The Board provides citizens with information on the scope of the investment and its benefit to the citizens.
4. The Board includes an evaluation component to ensure that strategic investments fulfill their promise.

RE: EFFECTIVE ROLES FOR THE BOARD AND STAFF

The Board identified and discussed effective roles for the Board and staff.

RE: REVIEW OPERATING GUIDELINES TO ENSURE EFFECTIVE GOVERNANCE

The Board reflected on and reviewed their operating guidelines to ensure the maintenance of effective governance of the County.

RE: DEVELOP PLAN FOR COMMUNICATION AND WORK PLAN DEVELOPMENT

The Board worked on developing a plan for communication of the Vision, Priorities, and Financial Strategy to stakeholders, including publication on the website and a press release. The Board also discussed a staff work plan to address the Priorities.

RE: IDENTIFY FOLLOW-UP ACTIONS AND EVALUATE SESSION

The Board summarized the following next steps:

NEXT STEPS

1. Tyler sends the Session Report to the County Administrator.
2. The County Administrator will distribute the Session Report to the Board Members.
3. The County Administrator will develop and implement a communications strategy for the Vision and Priorities. Direction/considerations include:
 - Communicate that the Vision statement has been reaffirmed, but have new priorities

- New Two Year Priorities should be posted on the Webpage
 - Consider a press release announce the Vision affirmation and development of the new Two Year Priorities and to tell people to go the webpage to view them
 - Look into whether there is an appropriate way to achieve greater interest in and knowledge of the Board's work (i.e. Facebook, Twitter, Instagram)
4. The County Administrator will work with staff to develop a Work Plan/Timeline to achieve the Board's Two Year Priorities.
 5. The County Administrator will bring the Work Plan/Timeline back to the Board.
 6. To bring closure to the Board's Financial Philosophy and Policies, the County Administrator will:
 - Clean them up
 - Bring them to the Board for adoption (with a review mechanism included)
 - Address in the County Manager's budget message
 - Publish the policies with the Budget for 2015-2016
 - Develop a strategy on how to apply them to the Board's decision making
 - Develop strategy for the policies that require implementation time
 - Solidify expectations
 7. Continue with the Operating Guidelines established in February 2012.
 8. The County Administrator will develop and implement a strategy that will assist the Board in communicating with citizens regarding the financial philosophy and policies (Note Priority #7) to assist them in understanding the County's budget and the Board's policy decisions.
 9. Consider a Board retreat after the next election to review the Vision and Operating Guidelines and to establish new Priorities.

RE: ADJOURNMENT

The meeting was adjourned at approximately 4:30 p.m.

S. Teel Goodwin, Chairman

R. Bryan David, County Administrator