

COUNTY OF HENRICO, VIRGINIA
BOARD OF SUPERVISORS
SPECIAL MEETING
October 26, 2010

The Henrico County Board of Supervisors convened a special meeting on Tuesday, October 26, 2010 at 4:30 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:

Patricia S. O'Bannon, Chairman, Tuckahoe District
Frank J. Thornton, Vice Chairman, Fairfield District
Richard W. Glover, Brookland District
James B. Donati, Jr., Varina District
David A. Kaechele, Three Chopt District

Other Officials Present:

Virgil R. Hazelett, P.E., County Manager
Joseph P. Rapisarda, Jr., County Attorney
Barry R. Lawrence, CMC, Assistant to the County Manager/Clerk to the Board
Tanya B. Harding, Administrative Assistant/Deputy Clerk to the Board
George T. Drumwright, Jr., Deputy County Manager for Community Services
Leon T. Johnson, Ph.D., Deputy County Manager for Administration
Robert K. Pinkerton, P.E., Deputy County Manager for Community Operations
Randall R. Silber, Deputy County Manager for Community Development
John A. Vithoulkas, Director of Finance/Special Economic Advisor to the County Manager
Tamra R. McKinney, Director of Public Relations & Media Services

Mrs. O'Bannon called the meeting to order at 4:38 p.m.

Mr. Hazelett briefly reviewed the two items listed on the agenda for this meeting.

Proposed Plan of Development (POD) for the Freedom Flag Monument

Mr. Hazelett recognized Kevin Wilhite, County Planner IV for the Department of Planning, who narrated the first portion of a slide presentation on this item by highlighting the major aspects of the POD. Mr. Wilhite noted that no citizens were present at a September 9, 2010 community meeting on the POD that was held by the Department of Planning. He also noted that the costs of constructing and maintaining the monument will be the responsibility of the applicant and that a permit for the monument is required from the Virginia Department of Historic Resources. Mr. Wilhite explained several schematics depicting the site's location, zoning, and layout.

Bruce Perretz, President of the Freedom Flag Foundation (FFF) and President of Perretz & Young PC, introduced the other members of the Foundation Board who were present. These included Milt Burton, Vice President of the FFF and Chief Executive Officer of Op Excellence, LLC; John Riley, Treasurer of FFF and Associate at Kimley-Horn and Associates, Inc.; Richard Melito, Secretary of FFF, creator of the Freedom Flag, and owner of Melito's Restaurant; Paul Steele, a grant writer with a background in non-profit organizations; Bob Witte, a retired captain with the Henrico County Division of Fire; and Fred Meyer, who works in outdoor sales with Luck Stone. Also on the Board but not in attendance was Paige Bishop, Director of Marketing for Ellwood Thompson's. Mr. Perretz recognized Mr. Burton, who pointed out that the proposed memorial holds special meaning for him and his family as he lost his daughter in the September 11, 2001 attack on the World Trade Center. Mr. Burton reviewed the context of the Freedom Flag Foundation; the monument's rendering, model, and vision; why it is important to remember September 11, 2001; the design of the Freedom Flag; why the Foundation exists; the backgrounds of members of the Freedom Flag Foundation Board; the strategy of the Freedom Flag; the goals of the Freedom Flag Foundation; core competencies required for the Freedom Flag monument project; the Foundation's organizational structure; the Virginia 9-11 Memorial; the proposed site for the Freedom Flag monument; the plan for the monument plaza; proposed landscaping and lighting for the monument site; the Foundation's fundraising goal and plan; and the Foundation's proposed website. He responded to questions from Mrs. O'Bannon regarding the Foundation's fundraising strategies.

Mr. Burton recognized Mr. Melito, who elaborated on the Foundation's fundraising plan and the purpose of the monument project. Mr. Melito completed the slide presentation by reapplying where the Foundation is today and advising that POD approval by the Board of Supervisors is the Foundation's number one priority so that it can kick off its major fundraising efforts. Mr. Melito further advised that the monument project is timed to coincide with the tenth year anniversary of the September 11, 2001 attack and the 400th anniversary of Henrico County. He responded to questions from the Board pertaining to the Foundation's anticipated construction schedule, approvals for the monument that are required by governmental agencies, and whether other states can duplicate the monument.

Mr. Hazelett offered a couple of cautions about the project. He noted that the monument is being placed on public property owned by the County, which will set a precedent, and recommended the POD contain a condition requiring that funding for the monument be in place before construction begins. He proposed placing the POD for the monument on the Board's November 9, 2010 regular meeting agenda for public hearing unless the Board has any concerns.

Mr. Melito and Mr. Burton responded to a concern voiced by Mr. Thornton relating to the use of the term "Islamic terrorists" in Mr. Burton's presentation. Mr. Melito, Mr. Silber, Mr. Hazelett, Mr. Burton, and David Ellington from Kimley-Horn responded to further questions from the Board regarding the Foundation's fundraising approach and expertise, conditions that will be included in the POD, the anticipated construction schedule for the monument, the rationale for placing the monument on this particular site, and the site's proximity to Regency Mall.

Federal Health Care Reform Update

Mr. Hazelett briefly introduced this item. He recognized Claire Holbrook, Vice President and Senior Consultant for Wells Fargo Insurance Services Benefits, who narrated a lengthy slide presentation on the Federal Health Care Reform Law. Ms. Holbrook reviewed the background of this law, the components of health care reform, Henrico strategies under health reform, and changes required by the Act in January 2011. She and Mr. Hazelett responded to questions from the Board pertaining to grandfathered and high-cost "Cadillac" plans, how changes to Medicare will affect the County's health insurance coverage, federal poverty levels, employee opt-out opportunities, limitations on flexible spending plan reimbursements for over-the-counter drugs, the tax status of health insurance benefits, coverage requirements for part-time employees and retirees, and the public long-term care coverage.

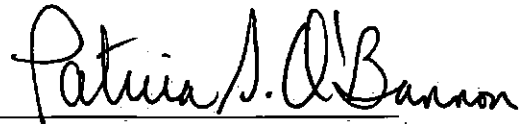
The Board recessed for dinner at 5:56 p.m. and reconvened at 6:09 p.m.

Ms. Holbrook continued her presentation by reviewing changes required by the Act that will be phased in annually from January 2012 through January 2014, and in January 2018; and key provisions in each of those years that will impact tax changes, Medicaid, and Medicare. She responded to questions from the Board concerning the number of County employees not enrolled in the County's health insurance plan, the status of health insurance waiting periods for new employees, the employer "play or pay" mandate, how health insurance rate increases will be determined, the excise tax on high-cost "Cadillac" plans, the tax status of non-profit hospitals, new annual fees on pharmaceutical manufacturers, the excise tax on insurers of employer-sponsored health plans, the number of federal employees it will take to administer the new law, increased Medicaid payments for primary care services provided by primary care doctors for 2013 and 2014, and Medicare payments to hospitals for excess (preventable) hospital readmissions.

In the interest of time, Mr. Hazelett asked Ms. Holbrook to skip over two slides in her presentation addressing important provisions that impact insurance carriers and key provisions in 2011 that impact prevention/wellness and medical malpractice. Ms. Holbrook cited the estimated financial impact of the federal health care reform law on Henrico, which will include Early Retiree Reinsurance Program (ERRP) savings of \$1.5 million; annual additional costs of \$300,000 for preventive care; an additional self-insurance tax in 2012 of \$16,900, and annually thereafter of \$33,800; and an excise tax on high-cost plans in 2018 of \$672,000. She responded to a question from Mr. Kaechele pertaining to medical services that will now be 100 percent covered by insurance. Mr. Vithoulkas advised that the County will incur additional financial costs for Medicare coverage. Mr. Hazelett and Mr. Proto also commented on the financial implications of the federal health care reform law for the County. Ms. Holbrook concluded her presentation by noting the complexity of the legislation and the fact that it will be implemented over the next eight years, with many regulations yet to be specifically defined. She will continue to monitor information released by the United States Department of Health and Human Services and other agencies to ensure that the County is knowledgeable about implementing health care reform changes. Mr. Hazelett advised that staff will update the Board on other impacts to the County resulting from the legislation as they become apparent.

Mr. Hazelett briefly reviewed the agenda for the evening's regular meeting. He pointed out that most of the public hearing items pertained to real property matters. Mr. Hazelett noted that a press release he received earlier in the day from the Governor's Office announced that Capital One will be bringing 700 new jobs to its campus at Innsbrook Corporate Center in Henrico County. A related Board resolution ratifying execution of a Governor's Opportunity Fund Performance Agreement will be placed on the Board's November 9, 2010 regular meeting agenda. He confirmed for Mr. Kaechele that the County will match a \$300,000 grant from this fund. Mr. Hazelett also commented on an article in the *Richmond Times-Dispatch* reporting on a proposed three percent bonus for Chesterfield County general government employees, which is scheduled for a vote by its Board of Supervisors on October 27, 2010. He expressed concern about the prospect of giving a one-time bonus to one category of employees and then having to lay off employees in the future. Mr. Hazelett advised that no citizens had signed up in advance to speak during the public comment period on the evening's agenda but a former employee named William Henderson might address the Board and Mr. Hazelett should respond on the Board's behalf. He reminded the Board of an ordinance introduction appearing on the evening's agenda relating to a partial exemption for rehabilitated, renovated, or replacement multifamily residential rental units.

There being no further business, the meeting was adjourned at 6:52 p.m.



Chairman, Board of Supervisors
Henrico County, Virginia