

SPECIAL MEETING OF THE FARMVILLE TOWN COUNCIL
HELD ON MARCH 21, 2025

At a special meeting of the Farmville Town Council held on Friday, March 21, 2025, at 11:00 AM, in the Council Chamber of the Town Hall, located at 116 North Main Street, Farmville, Virginia, there were present Mayor Brian Vincent, presiding, and Council members Sallie Amos, Daniel Dwyer, Tommy Pairet, Adam Yoelin, Donald Hunter, and John Hardy.

Staff present were Town Manager Scott Davis, Chief of Police Andy Ellington, Finance Director Julie Moore, Community Development Director and IT Support Ashley Atkins-Austin, Human Resources Director Amanda Zirkle, Deputy Clerk Jacqueline Vaughan, and Clerk of Council Mary McKay.

Mayor Vincent called the meeting to order, and all guests were welcomed.

The Clerk called the roll, noting Council member A.D. “Chuckie” Reid was absent.

REQUEST ADOPTION RESOLUTION NO. 2025-03-01, AMENDING THE EMPLOYEE HANDBOOK TO PHASE OUT THE HEALTH INSURANCE PAYMENT IN LIEU OF COVERAGE

Mr. Pairet made a motion to adopt Resolution No. 2025-03-01, amending the Employee Handbook to phase out the health insurance payment in lieu of coverage, seconded by Mr. Hunter, and with a recorded vote of Council members Dwyer, Pairet, Yoelin, and Hunter voting “yes”, and Council members Hardy and Amos voting “no”, the motion passed.

BACKGROUND: Mrs. Amos offered some remarks as to why the in lieu of health insurance payment should not be eliminated, noting the need for employees to feel valued, supported and have their needs met. She commented on a past presentation made by Davenport and Company and reports by the Finance Director in reference to the budget and financial status and questioned the change from last year’s positive outlook. As reported at the March 5, 2025, Work Session that there are only 97 covered employees and a 12% health insurance increase, she mentioned the Council knew that certain positions had not been filled, and that Council members should have known about the decrease in numbers. She stated that the Council owes the employees and the community to postpone the decision until a review of the proposed budget can be made at the next work session.

Mr. Hardy followed Mrs. Amos’ remarks and mentioned he wanted to review the proposed budget to compare with last year and the year before to see where the big changes are.

Mr. Hunter mentioned he appreciated Mrs. Amos' comments but reported that he was not in agreement with her that Council should keep a current account of the number of employees. He advised that notification should have been made that the decrease in numbers was affecting the insurance costs and that items being added to the new budget are being overlooked, such as the 24-hour coverage at the fire department, and capital improvement items including the recreational item for the community.

Town Manager Davis advised that the comment made by Mrs. Amos concerned the whole budget and what is being reported concerns a deficit in just the General Fund portion of the budget.

Finance Director Julie Moore addressed the Council and advised the other funds (Street Maintenance, Airport, Transportation, Water and Sewer) can use prior year fund balance. With more expenses this year in those budgets than revenue, usage of prior year balances are allowed in those funds but not in the General Fund, as stated in the Town's financial policy. She added that the Council approved the policy which states that reserves in the General Fund cannot be used.

Town Manager Davis mentioned that fund reserves should not be used so that funds are available in case there is some type of recession or catastrophic event. He reported the proposed budget will be presented to the Council at the April work session.

Ms. Moore added that the state suggests at least three-four months of funding be available for expenses in the General Fund balance.

The Town of Farmville previously allowed eligible employees who waived Town health insurance coverage and verified enrollment in an alternate, qualified group medical plan to receive a payment in lieu of coverage. Upon review, the Town Council determined that this benefit is no longer in the Town's long-term financial interest. As a result, the Town will amend the Employee Handbook to phase out the in-lieu health insurance benefit and eliminate the option for new hires while implementing a transition period for current employees.

RESOLUTION NO. 2025-03-01

A RESOLUTION AMENDING THE EMPLOYEE HANDBOOK TO PHASE OUT THE HEALTH INSURANCE PAYMENT IN LIEU OF COVERAGE

WHEREAS, the Town Council periodically reviews employee benefits and financial policies to ensure fiscal responsibility and equitable administration; and

WHEREAS, the Town of Farmville's Employee Handbook, under Chapter 4, Section II, Subsection D, currently allows eligible employees who waive Town health insurance coverage and verify enrollment in an alternate, qualified group medical plan to receive a payment in lieu of coverage; and

WHEREAS, the Town Council has determined that the continuation of this benefit for new employees and current employees not already receiving this benefit is not in the long-term financial interest of the Town and has therefore approved a phased elimination of the benefit; and

WHEREAS, effective March 21, 2025, current employees not currently receiving this benefit and employees hired on or after this date will no longer be eligible to receive a payment in lieu of coverage and must either enroll in the Town's health insurance plan or forgo any additional compensation in lieu of benefits; and

WHEREAS, to ensure a smooth transition for existing employees currently receiving this benefit, the Town will gradually phase out the payment over a period of three fiscal years as follows:

- **Fiscal Year 2026:** The annual benefit will be reduced by \$2,500, leaving a remaining benefit of \$6,000 annually.
- **Fiscal Year 2027:** The annual benefit will be reduced by \$2,500, leaving a remaining benefit of \$3,500 annually.
- **Fiscal Year 2028:** The annual benefit will be reduced by \$2,500, leaving a final continuing benefit of \$1,000 annually.

WHEREAS, employees who are grandfathered into this benefit may continue to receive the \$1,000 annual payment beyond FY28, unless they choose to enroll in the Town's health insurance plan at any point; and

WHEREAS, employees who elect to enroll in the Town's health insurance plan at any time and later choose to disenroll will not be eligible to receive the in-lieu benefit again; and

WHEREAS, the financial impact of this phase-out has been reviewed and accounted for in the Town's budgeting process to ensure a responsible and effective transition;

NOW, THEREFORE, BE IT RESOLVED BY THE TOWN OF FARMVILLE TOWN COUNCIL:

1. Chapter 4, Section II, Subsection D of the Employee Handbook is hereby repealed and replaced with the following provisions:

- Effective March 21, 2025, employees hired on or after this date, as well as current employees who are not already receiving the in-lieu benefit, will not be eligible to receive a payment in lieu of health insurance coverage. These employees must either enroll in the Town's health insurance plan or forgo any additional compensation related to health benefits.
 - For employees who are currently receiving the in-lieu benefit as of March 21, 2025, the benefit will be gradually phased out over three fiscal years, as follows:
 - Fiscal Year 2026: The benefit will be reduced by \$2,500, leaving a remaining benefit of \$6,000 annually.
 - Fiscal Year 2027: The benefit will be reduced by \$2,500, leaving a remaining benefit of \$3,500 annually.
 - Fiscal Year 2028: The benefit will be reduced by \$2,500, leaving a final ongoing benefit of \$1,000 annually.
 - Employees grandfathered into this benefit may continue receiving the \$1,000 annual payment beyond FY28, unless they enroll in the Town's health insurance plan at any time.
 - If a grandfathered employee elects to enroll in the Town's health insurance plan, they will permanently forfeit eligibility for the in-lieu benefit. Should they later choose to disenroll from the Town's plan, they will not be eligible to receive the in-lieu payment again and will be treated as a new employee under this policy.
2. That all prior policies, resolutions, or provisions in conflict with this resolution are hereby repealed.
 3. That the Finance and Human Resources Departments are authorized and directed to implement these changes in accordance with payroll and benefits administration.
 4. That this resolution shall be in full force and effect upon approval.

Approved:

Farmville Town Council
Special Meeting of March 21, 2025

Mayor

Attest:

Town Clerk

I certify that the above resolution was:

Adopted on _____.

Ayes: _____. Nays: _____. Absent: _____. Abstain: _____.

The Honorable Sallie O. Amos: _____.

The Honorable A.D. "Chuckie" Reid _____.

The Honorable Daniel E. Dwyer _____.

The Honorable Tommy Pairet _____.

The Honorable Adam B. Yoelin _____.

The Honorable Donald L. Hunter _____.

The Honorable John F. Hardy _____.

There being no other business and on a motion by Mr. Hunter, seconded by Mr. Dwyer, with all in favor stating "aye", the meeting adjourned at 11:18 AM.

APPROVED:

ATTEST:

Brian R. Vincent, Mayor

Mary H. McKay, Clerk of Council