

THE REGULAR WORK SESSION OF THE NEW KENT COUNTY BOARD OF SUPERVISORS WAS HELD ON THE 31<sup>ST</sup> DAY OF MARCH IN THE YEAR TWO THOUSAND TEN OF OUR LORD IN THE BOARDROOM OF THE COUNTY ADMINISTRATION BUILDING IN NEW KENT, VIRGINIA, AT 3:05 P.M.

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IN RE: CALL TO ORDER

Chairman Sparks called the meeting to order.

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IN RE: ROLL CALL

Thomas W. Evelyn	Present
David M. Sparks	Present
James H. Burrell	Present
Stran L. Trout	Present
W. R. Davis, Jr.	Present

All members were present.

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IN RE: PICKUP OF TRASH ALONG THE HIGHWAYS

Sheriff Howard reported that some time ago there was an agreement with Henrico County for inmates from Jail East to pick up trash along New Kent highways but because of some citizen concern, that practice had been discontinued. However, in response to recent complaints from citizens as well as discussions with County staff and Board members regarding the increase in highway litter, he had worked out an agreement with the Henrico County Sheriff and jail officials to again have inmates pick up trash from the roadways. He explained that the Jail would provide up to four inmates two to three days a week, along with a pickup truck and gasoline, if New Kent would pay for the cost of a guard to supervise them at a rate of \$20 per hour. He indicated that New Kent would designate which roads would receive attention. He assured the Board that only non-violent inmates who passed a rigid screening process would be allowed to work on this detail, and as an incentive, those inmates would be given a sentence reduction of 4.5 days for every 30 days they worked. He also indicated that his office would review and approve the list of proposed participants before they began work. He added that arrangements would have to be made to allow the trash to be taken to one of the County's convenience centers since the Henrico County vehicle would not have a New Kent decal.

There was discussion regarding VDOT's occasional use of inmates from the Department of Corrections to pick up trash in certain areas.

Mr. Davis suggested that New Kent inmates be given priority to serve on this crew since it would lessen their sentences and reduce costs for the County. It was also suggested that subdivision roads not be included.

There was consensus among the Board members to proceed with inmate trash pickup and that attention first be given to the Courthouse/New Kent Highway area and then the roads leading to the trash transfer stations, before moving to other roads.

County Administrator Cabell Lawton advised that he would direct the General Services staff to allow the inmate crew to dump the trash collected at the transfer stations.

Sheriff Howard advised that he expected a \$80,000 shortfall in his Prisoner Confinement budget by the end of the fiscal year. He updated the Board on the steady increase in monthly jail bills, which he attributed to the increase in crimes due to the economy. He noted that, fortunately, Henrico County had never increased New Kent's \$35 per diem rate.

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IN RE:           COMPENSATION FOR 2010 BOARD OF EQUALIZATION

Before the Board for consideration was Resolution R-13-10 setting compensation for the 2010 Board of Equalization.

Mr. Lawton explained that the County's ordinance required that compensation for the Board of Equalization be established by resolution and he was recommending \$12 per hour, which he felt was comparable to compensation given in the past, but would depend on the number of appeals.

Mr. Burrell moved to adopt Resolution R-13-10 as presented. The members were polled:

Thomas W. Evelyn	Aye
James H. Burrell	Aye
Stran L. Trout	Aye
W. R. Davis, Jr.	Aye
David M. Sparks	Aye

The motion carried.

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IN RE:           WATER QUALITY IMPROVEMENT GRANT

Public Utilities Director Larry Dame explained that, prior to his employment, the County had initially applied for this grant in 2007 to help fund the expansion of the Parham Landing wastewater treatment plant while it was in its initial planning stages. He indicated that the grant had been delayed because of the downsizing of the expansion and due to his concerns about accepting the grant because of the fines that would be imposed should the plant exceed its discharge limits. He reported that he had been able to negotiate with the Department of Environmental Quality (DEQ) to arrive at discharge limits he was more comfortable with and he wanted to move forward with the grant. He indicated that he had been assured that the grant funds were still available, and that New Kent had already qualified for \$1 million, with the potential to receive as much as \$2.3 million. He indicated that if the Board approved, he would submit the application the following week.

Mr. Davis asked about any "down side" to the grant. Mr. Dame indicated only one concern – if the limits were violated, the County would be fined. He explained that currently the County was subject to fines and penalties for a violation but that fines were rarely assessed. He reported only one violation during his tenure, which was caused by heavy rainfall, but he did not think that would be a problem with the design of the new plant. He did indicate that any fines were "open to negotiation".

Board members were in consensus to move forward with the application.

Mr. Dame was asked if there were any federal grant funds available. He advised that the only federal grants he was aware of required a 50/50 local match.

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IN RE: LOGOS FOR COUNTY BOARDS AND COMMISSIONS

Environmental Planning Manager Amy Walker and Clean County Commission (CCC) member Jimmy Dean were present for this discussion regarding use of an unauthorized logo by the Clean County Commission.

Ms. Walker reported problems involving discussion and approval of a logo by some of the CCC members outside of a public meeting. She advised that the County Attorney had since counseled CCC members about their duty to conduct business in open meetings but the new chairman was continuing to "spend more time battling with us than taking care of business". She added that the subject logo itself was not practical for use on promotional materials.

Mr. Dean advised that he had not been aware or a part of any discussion regarding the logo.

Interim County Attorney Michele Gowdy suggested that this issue presented an opportunity for a policy decision by the Board of Supervisors regarding logos used by boards and commissions, as well as the unapproved use of the County's logo and seal by non-County entities.

There was discussion regarding whether the County had a copyright on either its seal or logo. Staff reported that the seal had been adopted and was protected under the Code of Virginia and did not need a copyright. It was acknowledged that the logo had never been formally adopted but had been developed by the Economic Development Authority and thereafter used informally by the County. Mr. Sparks suggested that boards and commissions should use the logo, changing the tag line as appropriate, as it was important to have continuity and consistency. Ms. Gowdy agreed, commenting that the logo was identifiable as being related to the County but should be adopted at some point.

Staff was requested to develop a policy or process for the Board's consideration to cover the use of the logo and seal as well as to protect against unauthorized use.

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IN RE: AGRICULTURAL AND FORESTAL DISTRICT (AFD) ORDINANCE CHANGES

Ms. Walker presented the Board with proposals to amend the AFD ordinance over the next two years to bring the program into compliance with State Code and to reduce the total number of districts from 25 to a more manageable 17. She noted that there were some outlying parcels enrolled in the program that were no longer eligible because they were either farther than one mile from the core or no longer contiguous to an enrolled parcel. She suggested that the County should immediately begin to notify affected parcel owners that they might have to be removed from the program, unless an application was submitted before the May 3 deadline that would make them eligible to remain.

The Board members reviewed a map of current AFD parcels as identified by the records of the Commissioner of Revenue.

Ms. Walker advised that a large number of AFD applications had been picked up but only one had been submitted to date.

Mr. Trout asked about alternatives for parcels that had a qualified use but did not meet the distance requirements, noting that there were some prime agricultural locations that should be protected in some way, either through purchase of development rights or a conservation

easement. Ms. Walker advised that staff could offer some alternatives to the owners of such parcels.

Mr. Davis asked if the County's program had a minimum acreage requirement. Ms. Walker indicated that there had been discussion by the Board in the past but no minimum size had been set, and noted that requirements in the State Code were based on use and not acreage. Mr. Davis asked for copies of the minutes where minimum acreage had been discussed. Mr. Evelyn referred to a previous discussion with Mr. Talley, a member of the AFD Advisory Commission, regarding minimum size requirements and how that was not a good requirement for eligibility.

Ms. Walker advised that State Code also provided that additions to AFDs could only occur at the time of renewal, which was not how New Kent had handled additions in the past.

She reported that it was proposed that all AFDs would be opened this year in order to perform the realignments and to rename the districts and then next year a full review of all districts would take place to confirm that uses of the member parcels were either agricultural, crop or forest management. She indicated that those reviews would be performed by the Cooperative Extension Office and/or Colonial Soil and Water. It was acknowledged that it would be a laborious process for the next two years but thereafter could be managed more efficiently.

Mr. Evelyn expressed his concern about the current lack of follow-up, as he felt there were some parcels enrolled in the program and receiving tax breaks that were not in compliance.

It was clarified that under the proposed new process, all districts would come to an end and then all would start over, which would give existing participants an opportunity to withdraw, and there would be no cost to the participants, with the exception of new applicants. Ms. Walker added that it would also require the signature of the property owners, which was lacking in some of the current districts.

Mr. Lawton advised the Board that if it wanted the AFD program, the proposed ordinance amendments were required. It was explained that the new process would provide that the applications first come to the Board of Supervisors, then to the Planning Commission and AFD Advisory Board, and then back to the Board for final approval. Ms. Walker indicated the Board would see the AFD applications on their May 10 Consent Agenda.

Ms. Walker pointed out that some of the district cores were quite large and if the Board wanted to encourage participation in the AFD program, those cores could be broken up to create new districts and allow more parcels with bona fide uses to be eligible. Ms. Gowdy reminded that whatever policy the Board adopted, it had to be uniformly applied. Mr. Lawton suggested that new cores not be encouraged but that staff should maintain a list of those parcels with bona fide uses that wanted to participate and might become eligible if new districts were created. The Board appeared to be in consensus to no new cores at the present time.

Mr. Sparks clarified that the purpose of the proposed amendments was to conform the County's program to the State Code and provide a method to follow up on uses. Ms. Walker confirmed that the Cooperative Extension office felt that it would have sufficient time to check the parcels in the 17 districts and file its reports by the summer of 2011, which would ensure compliance with the program by next year.

The Board had no objections to the proposed new names of the districts, which Ms. Walker advised were derived from the names of local water bodies.

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IN RE: WILLIAMS/NATIONAL COMMUNICATIONS TOWER APPLICATION FOR  
CONDITIONAL USE PERMIT

Planner Matthew Ebinger reported on an application scheduled for an April 12 public hearing before the Board, filed by property owner Marion Williams and National Communications Tower to locate a cell tower on a 10-acre parcel at 8201 New Kent Highway behind the former Blue's Coffee House, approximately 600 feet east of Olivet Church Road. He noted that included in the application were maps showing the current lack of coverage.

He reported that there was a separate application from a different company for a tower less than one-quarter mile from the subject location; however, the original parcel on that application, owned by the County, was not large enough to meet the setback requirements and the applicant was looking at other parcels in the general vicinity, and could not proceed until another location was found. It was confirmed that both companies were competing for the same carrier, with the carrier having filed letters of intent for both applicants.

Mr. Sparks expressed his concern as to whether the Board should consider the existence of the other application during its consideration of the subject request. Mr. Ebinger indicated that he felt the second application was pertinent because its coverage area would overlap that of the Williams/National tower. Ms. Gowdy advised that the Board should consider that both companies were given the same information and requirements of the County for its emergency radio coverage needs, and she made reference to an earlier suggestion by the County Administrator that the County have its own cell tower plan that would indicate where services were needed and would assist everyone in determining where towers should be located. Fire Chief Hicks spoke on emergency system needs, which he indicated changed with development and growth and also depended on topography.

Regarding the subject application, Ms. Gowdy reminded that the Planning Commission had forwarded a favorable recommendation but the planning department staff was not recommending approval. She advised that the proposed location did not meet the distance requirements from the closest residential structure but noted that affected residents had "signed off" on the application and if the Board approved the application, a variance would be required.

Mr. Trout pointed out that there was an existing tower on Route 618 near the interstate.

Mr. Davis commented that the increased demand for new technology would likely spur a number of new tower applications.

Ms. Gowdy advised that there were already four carriers committed to locate on the subject tower. Mr. Sparks stated that should not affect the Board's decision.

Mr. Burrell commented that he did not feel that the tower companies would invest money in sites where coverage was not needed and reminded the Board that it should not get involved in the engineering part of the process.

Mr. Trout suggested that the County should consider where it needed coverage for its emergency communications equipment. He also agreed with Mr. Lawton's recommendation regarding a countywide study that would also include wideband uses, and that a grant through the Planning District Commission might help with that. He also indicated that it

was up to the Board to make sure that there were multiple users on every tower, but other than that, the County had no influence on where towers were needed to serve user demand.

Mr. Davis asked how long it would take to map the County. Mr. Lawton estimated that it would take about two months to advertise the project and then about six months to conduct the analysis, which he hoped would show any holes in coverage as well as broadband and emergency services needs. He projected a cost of between \$40,000 and \$60,000, and reminded that the industry was constantly changing, different towers had different purposes, and any plan could be outdated in just a few years.

Mr. Trout spoke about the advantages of a regional study that could include Charles City County.

Mr. Davis indicated that if the County could find some money to map out where it wanted coverage, it would cut down on the number of towers. Mr. Evelyn reminded that the County ordinance regarding towers was strict and the required 750 feet setback from the nearest residence limited the number of qualifying locations. Mr. Trout agreed, noting that some of the areas with the most coverage problems did not have any qualifying tower sites. Mr. Lawton advised that a study would reflect those spots and then the County could identify the areas where it wanted towers. He indicated that he would work with staff and develop a strategy and proposed Request for Proposals for the Board's review. He added that the County could have an engineer on retainer to evaluate all tower applications and have their fee paid by the applicants, and he would check to see if any other localities had done something similar.

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IN RE: FINNEY APPLICATION FOR CONDITIONAL USE PERMIT

Planner Kelli Le Duc reported on an application scheduled for an April 12 public hearing before the Board, filed by Mr. and Mrs. John Finney for a conditional use permit to expand their home occupation by hiring up to four non-resident employees. She noted that Creative Cabinets currently occupied a 5,000 square foot structure with adjacent parking, and that both the Planning Commission and staff had recommended approval. She reported that there were five conditions proposed, all of which were agreeable to the applicants, who were expanding their business and needed to hire employees who did not reside in their home. She confirmed that the applicants were maintaining the road, the location was not a busy area, and there were no objections from the neighbors. She advised that there were letters of support received from a neighbor and the New Kent Chamber of Commerce. She admitted that there was no time frame in which the business was required to move to a suitably zoned location but that was a subject the Board could discuss with them during the upcoming public hearing.

The Board took a short break and then resumed its meeting.

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IN RE: URBAN AREA SECURITIES INITIATIVE (UASI) GRANT

Fire Chief Hicks reported on a proposed application for a UASI grant through the Department of Homeland Security. He distributed information on recent grants and explained that the UASI program provided financial assistance to address the unique multi-discipline planning, organization, equipment, training, and exercise needs of high-threat, high-density urban areas and to assist in building and sustaining capabilities to prevent, protect against, respond to, and recover from threats or acts of terrorism. He indicated that the funds must be used to employ regional approaches to overall preparedness and create regional structures wherever appropriate.

He explained that in FY09 the Urban Area Working Group approved three years of funding to support the hiring of one regional communications officer and that New Kent was requesting to host this position and serve as the fiscal agent. As the hosting organization, 15% of the communications officer's time would be spent working directly on communication issues in New Kent. He confirmed that the position was 100% grant-funded and the County would receive reimbursement for salary, benefits and expenses.

He advised that the person in the position would be interacting with all 20 localities in the local group on radio systems, efficiencies and coverage issues, and would need to have a good understanding of what was needed, as well as a background in IT, radio systems and networks.

He indicated that he needed the Board's approval to move forward with the application and once it was approved by UASI, then he would bring back a formal request for the Board's approval to secure the position. If the Board decided at that time not to move forward, then the hosting opportunity would be offered to another locality.

He advised that after three years, the position could either be eliminated or be funded by the County. Mr. Evelyn asked if the County would be responsible for unemployment benefits if the position were eliminated after three years. Chief Hicks did not have that information but indicated that he would "look for ways to handle that".

Mr. Trout asked if this was a duplication of efforts underway by the Richmond Regional Planning District Commission (PDC). Chief Hicks advised that the PDC grant was for planners and related to gap analysis in radio communications.

Mr. Evelyn asked if there were any other localities applying to be host. Chief Hicks advised that there were not.

The Chief advised that the communications officer would work out of the old fire station on Olivet Church Road and would report directly to Chief Hicks.

All Board members were in consensus to move forward with the application, with the exception of Mr. Evelyn who had "no comment".

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IN RE: REVENUE RECOVERY

Chairman Sparks asked about the status of collections for ambulance billing which was recently brought in-house. Chief Hicks advised that he would need three or four months to evaluate the program and should have a report by June.

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IN RE: LANEXA FIRE STATION

Chief Hicks reported that a final draft of the lease had been prepared and approved by the property owners and the County Attorney and was ready for the Board's approval. He advised that no operational changes had been made to the lease since the Board's last review and that the lease covered both the structure and the property. It was confirmed that the lease would run for three years with the option for two one-year renewals, permitted alterations to the structure, and allowed removal of the metal building at the end of the lease (Chief Hicks mentioned a cost factor to that removal), and that the property would be insured under the County's policy. Ms. Gowdy confirmed that the lease prohibited the drawing of water from the existing well to fill fire apparatus and Chief Hicks explained

that water for that purpose would be obtained from the closest fire hydrant. It was also explained that handicapped-accessible toilet facilities would be required for any events held on the property.

Ms. Gowdy advised that the property owners were anxious to get the lease finalized and it was set up to begin on April 1, 2010.

Chief Hicks explained that the station would be staffed with a combination of full-time and part-time paid staff as well as volunteers, reminding that several volunteers from New Kent and adjacent localities had expressed an interest in serving out of the Lanexa station. He anticipated that two full-time paid staff would be assigned there ten days a month to support the part-time staff and volunteers, based on call volume. He expected to have an ambulance crew there next week but the metal structure would need to be in place before a fire truck could be moved there.

Mr. Trout moved to authorize the County Administrator to execute the proposed Lease with Malcolm and Sue Anne Martin for lease of 15460 Pocahontas Trail, Lanexa, to serve as fire station 4. The members were polled:

James H. Burrell	Aye
Stran L. Trout	Aye
W. R. Davis, Jr.	Aye
Thomas W. Evelyn	Aye
David M. Sparks	Aye

The motion carried.

Mr. Trout commented that this was big step toward real progress in that area of the County.

Mr. Davis asked about responding to calls in James City County. Chief Hicks advised that discussions were ongoing with the James City County Fire Chief regarding that issue.

Board members thanked Chief Hicks for his efforts and spoke about how a Lanexa station would benefit the residents in that area.

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IN RE: ACCEPTANCE OF OAKS PUMP STATION

Interim County Attorney Michele Gowdy reviewed a proposed deed of dedication accepting the pump station lot in The Oaks subdivision. She noted that the deed had been prepared in 2008 but the attorneys involved had been slow in signing and returning the document, which was now ready for the Board's consideration. It was confirmed that the pump station was in place and operational.

Mr. Davis moved to authorize the County Administrator to execute the proposed Deed of Dedication, accepting the pump station lot from The Oaks Development LC. The members were polled:

Stran L. Trout	Aye
W. R. Davis, Jr.	Aye
Thomas W. Evelyn	Aye
James H. Burrell	Aye
David M. Sparks	Aye

The motion carried.

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IN RE: HISTORIC SCHOOL PROPERTY

General Services Director James Tacosa reviewed with the Board his findings regarding work needed to halt the deterioration of the structures on the historic school property, which included the Historic School (proposed to be occupied by the Heritage Library) and Building 2 (proposed to be occupied by the School Board).

He reported on new technology in the form of variable refrigerant systems that would be appropriate for the structures and would keep the costs down because it would eliminate the need for demolition that would otherwise be required.

He reviewed photos of the 1930s building, which he commented was in better shape than Building 2, but was suffering from mortar washouts and cracks in the bricks and seals, all of which had resulted in water leaking into the structure.

He reviewed that Building 2 had similar but more serious problems with water leaking into the walls behind the flashing which had resulted in bulging and bowed walls, some of which could be repaired and other portions would need to be replaced. He explained that the repairs would stabilize the walls, but would not pull them back into their original position. He also warned that without stabilization, the walls would likely not remain standing through another winter.

He indicated that he had a professional roofer inspect the roofing and provide estimates, and he explained the work and warranties that would be involved. He also advised that he had received an estimate to replace all the windows in Building 2 and reviewed the various options and recommendations regarding window style and sizes.

He reviewed the floors plans and demonstrated some examples of uses that could be developed for the large classroom areas.

He also addressed some recommendations for the science building (which he called "in good shape") that included replacing some existing windows with a door that would open into the parking lot. School Superintendent Robert Richardson confirmed that the School Board still had some long-term general plans to use the science building.

There was discussion regarding the current amounts being paid for rent for the School Board offices and the Library, as well as lease expiration dates. Mr. Trout agreed that there needed to be input from the School Board and the Library, and although he knew the lease expiration dates were important, in light of the conditions in the space being currently leased by the School Board, he felt the work was needed as soon as practical rather than timed to the lease expiration.

Mr. Lawton advised that the next step would be for staff to meet with the Library and School Board and then come back to the Board with some estimates so that the Board could make a decision as to how to move forward. He indicated that staff could also outline some "next steps" and present some funding options, and it was important that the Board make a decision by July 1.

Mr. Tacosa advised that July 1 would be the ideal time to perform the brick and roofing work and the rest of the work could be done at any time of the year. He confirmed that it would be more cost effective to work on both buildings at the same time. He spoke about

the sprinkler systems that were needed, and also reminded that his estimates would not include the relocation of the handicap ramp as proposed by the Library. He reviewed that his estimate would include upgrade of the drainage system that was causing flooding in the lower portions of buildings, and he recommended that a professional be hired to survey and install the parking lot so that it would conform to ordinance requirements. He also indicated that he was seeing some increase in the cost of building materials and it would be best to move forward as soon as possible.

Chairman Sparks summarized that before July 1, the Board would be presented with some estimates to protect the buildings, as well as some figures on proceeding with the renovation work for the School Board offices and the Library.

Ms. Gowdy reported that she had received a request from the chairman of the Library Board regarding a memorandum of understanding and the Board agreed that it was too early to begin those discussions.

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IN RE:           FY11 BUDGET

Staff reviewed with the Board the preliminary proposals for the FY11 budget.

The first item under discussion was led by Financial Advisor Ted Cole regarding options on retiring some of the County's debt. Loans that were considered for early payment included \$237,985 to pay off a VRS loan with SunTrust at a rate of 7.15% that matured on July 1, 2015, with a 1% prepayment penalty, that would save an average of \$46,000 in debt service per year; \$2.66 million to pay off a loan with Citizens & Farmers Bank on the Human Services Building with a rate of 3.98% that matured on February 1, 2027 with no prepayment penalty that would save an average of \$214,000 in annual debt service; \$1.799 million to partially pay off the same loan with Citizens & Farmers Bank that would free up \$144,813 in annual debt service; and \$1.8 million to pay off a loan with BB&T on the Vehicle Maintenance Garage at 3.76% and maturing on February 1, 2020, with a 1% prepayment penalty and saving \$314,104 per year in debt service.

He also reviewed combined scenarios on the same loans, and indicated that the recommendation was to pay off the VRS Loan and the entire Citizens & Farmers Bank loan with \$2.9 million, saving \$261,000 per year in debt service until 2015 when those savings would drop to around \$214,000.

Mr. Cole reviewed the impact model, which showed debt service cost peaking in 2010, and he reminded the Board that the sources for debt service payments (proffers and reserves) would soon be exhausted and would need to be replaced with something sustainable. He noted that paying off debt early would extend the life of these funds and would give the County more time. Mr. Lawton agreed that it was a challenge to find something sustainable to fund debt services and the Board would have to address that problem at some point. He reminded that the County had a fairly substantial capital reserve with few projects planned, and could use some of that to save money and still have enough for its commitments. It was also confirmed that there was a surplus projected for FY10.

Mr. Trout noted that the annual debt service savings on the recommended pay-off option was roughly equivalent to one cent on the real estate tax rate. He commented that the County should "save what it had" and asked what the loan rate would be if the County had to borrow \$2.1 million. Mr. Cole estimated that the rates would be between 4.5% and 4.75% on a 15-year loan. Mr. Lawton cautioned that if the Board was considering projects, then he would not advise them to pay off the debt.

There was more discussion about interest rates. Mr. Cole commented that the Chief Deputy Treasurer had done a good job in securing favorable rates on County deposits.

Mr. Davis suggested that the County pay off the VRS loan and "wait a while on the other one". Mr. Trout recommended delaying any decision until the budget discussions.

Mr. Sparks asked that Mr. Lawton proceed with his budget presentation and then the Board could decide how to move forward.

Mr. Lawton recognized Budget Team members Bill Whitley, Mary Altemus, Amy Pearson and Rodney Hathaway.

He reviewed the directions received from the Board to keep an equivalent or lower tax rate, no fee increases other than in utility rates, to prepare a budget where revenues exceeded expenditures by \$1 million, and to protect local education funding. He reported that all of those expectations had been met.

He reviewed proposed expenditure reductions of \$584,351 in the FY11 contingency account, that included FY09 early debt service payments and elimination of frozen positions, with a proposed FY11 contingency of \$335,000, which he admitted was less than in previous years but could be supplemented.

He reviewed proposed debt service reductions totaling \$597,718, using \$900,000 of the Debt Service fund balance and leaving approximately \$928,000 for future years. Other proposed reductions included a reduction in local CSA funding and other departmental increases totaling \$174,000. He reported that proposed departmental/agency expenditure reductions included a change to a health insurance plan with higher copayments (with the lower copayment policy remaining available to employees at their cost), staggered one-day-a-week closings of convenience centers, reduction in funding for the Providence Forge Volunteer Rescue Squad (at its request), and decreased premiums for property, liability and workers compensation insurance.

Mr. Lawton reviewed the projected real estate tax revenue increases totaling \$1,015,030, which resulted from an increase in total land values with the 2010 general reassessment and an increase in the collection rate from 93% to 96% (based on current collections). He indicated that he did not think that the proposed equalized rate of \$0.68 would change as a result of any Board of Equalization decisions, but just in case there would be a buffer provided by revenues from new construction.

He projected an increase of \$168,746 in personal property tax revenues which he indicated might increase when the actual FY11 figures became available from the Commissioner of Revenue.

He noted a decrease in business license fees, which he attributed to the slow-down in the construction industry. He also reported that the County would budget Revenue Recovery and the SAFER grant funds in FY11, rather than appropriating those funds as they were received.

Summarizing, he reviewed that with the Contingency decrease of \$584,351, debt service savings of \$597,718, CSA local savings of \$144,545, other reductions of \$30,355, and net revenue increases of \$913,295, there was \$2,270,264 in total funds available for the FY11 budget.

Mr. Lawton spoke about several possible uses for those funds, which included restoring \$1,094,039 in School funding, decreasing the real estate tax rate (\$269,000 per one cent), restoring a portion of the debt service fund (\$300,000 would spread the balance across the next three years instead of two), hiring a new custodian to handle additional office space at a cost of \$30,018, funding the new Social Services position funded in FY10 at a cost of \$25,625 (local match), and a bonus for full-time employees (\$14,500 per \$100). He reminded that employee raises were again excluded from the budget and the last suggestion was similar to a bonus proposed by the Governor for State employees. There was discussion regarding the burden on the custodial staff and it was suggested that custodial services at the Health & Human Services building could be contracted out and paid for by the tenants.

He reviewed funding levels over the past four years and noted that the proposed FY11 levels would revert to what they were three years ago. He also compared New Kent's tax rate to the tax rates in adjacent and like jurisdictions and commented that New Kent's rate would remain competitive.

Regarding the Capital Improvements Plan, Mr. Lawton confirmed that most projects had been deferred, with proposed expenditures of \$1.1 million to include work on the historic school gym, purchase of voting equipment and fire station equipment, repairs at Stations 2 & 3, purchase of four school buses and one drivers education car, new Sheriff's Office vehicles, historic school field upgrades, Juvenile Court/Commonwealth Attorney shredder, tower site upgrades, new computers, local share of airport projects, and school debt service from proffers. He explained the importance of keeping up with technology and vehicle replacement. He indicated that there was room left to cut but he warned the Board not to cut too deeply so there would be some opportunity for further cuts next year if needed.

He briefly reviewed some of the Utility CIP projects, which he reminded would be paid for from its own funds, which included SCADA system installation, Bottoms Bridge observation wells nest, elevated tank maintenance, Bottoms Bridge well abandonment, vehicle, computers, and other equipment/facility improvements.

He confirmed that the Board would be presented with proposed budget books on April 12, at which time the Board would need to decide on a schedule for budget work sessions.

Board members asked Superintendent Richardson how the proposed additional funding would impact the School's budget. He advised that the extra \$1.1 million would allow them to restore the 23.5 positions that were scheduled for elimination in FY11 and would make a "tremendous difference in our ability to operate". He projected that they were expecting further reductions in State funding the following year.

Mr. Sparks commented that it was a "pretty tight" budget and that the General Assembly "hadn't done us any favors". He agreed that there was no way that the County could fully make up for the State cuts in education funding but he felt that the proposed budget was "pretty good".

Board members confirmed that they wanted staff to present a balanced budget and the Board could make adjustments from there. There was some discussion regarding the timing for the public hearing on the budget and Mr. Lawton indicated that it could be scheduled for the May 10 meeting if the Board made its decisions quickly. Mr. Burrell pointed out that an early adoption would be better for the Schools in mailing our teacher contracts.

Board members commended the Budget Team for its work.

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IN RE: MEETING SCHEDULE

The Chairman announced that the next meeting of the Board of Supervisors would be held at 6:00 p.m. on April 12, 2010, in the Boardroom of the County Administration Building, New Kent, Virginia. There was also consensus to begin the April 28, 2010 work session at 8:30 a.m. instead of 3 p.m., at the request of Mr. Davis.

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IN RE: ADJOURNMENT

Mr. Davis moved to adjourn the meeting. The members were polled:

W. R. Davis, Jr.	Aye
Thomas W. Evelyn	Aye
James H. Burrell	Aye
Stran L. Trout	Aye
David M. Sparks	Aye

The motion carried.

The meeting was adjourned at 6:30 p.m.