

THE REGULAR WORK SESSION OF THE NEW KENT COUNTY BOARD OF SUPERVISORS WAS HELD ON THE 25TH DAY OF MARCH IN THE YEAR TWO THOUSAND NINE OF OUR LORD IN THE BOARDROOM OF THE COUNTY ADMINISTRATION BUILDING IN NEW KENT, VIRGINIA, AT 3:09 P.M.

IN RE: CALL TO ORDER

Chairman Davis called the meeting to order.

IN RE: ROLL CALL

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

It was announced that Mr. Sparks would be unable to attend.

IN RE: GENERAL REASSESSMENT – REPORT FROM BOARD OF EQUALIZATION

Ed Hayes, Chairman of the 2008 Board of Equalization (BOE), presented the Board with the BOE's report. He explained that each BOE was required, at the end of the process, to prepare, deliver, and present a report.

Mr. Hayes advised that the most recent General Reassessment took more time and effort than any in the past and stated that the 2008 BOE had faced the "challenge of a perfect storm". He explained that the General Reassessment was done at a most inopportune time - as the real estate market turned - and by the time that the BOE came into being, the market was really in decline and continued its decline as the BOE proceeded to do its business. He indicated that falling real estate values was a common complaint voiced by everyone who appealed their assessment. He stated that, unfortunately, the status of the 2008 market was not reflected in the data collected in 2007 when values were being established, which contributed to the great number of appeals.

He reported that the BOE met from March 2008 through December 2008, holding more than 600 hearings on more than 900 parcels. He indicated that the work was "so far beyond what had occurred before" that it created difficulties for the BOE members with their jobs and families.

Mr. Hayes advised that of the parcels that were reviewed, about one-half were decreased in value and the other half stayed the same or increased. He explained that many of the parcels that increased in value came to light as the BOE was doing its work. He explained that often a property owner would compare their assessment to that of a neighbor or similar type of property as justification for lowering their assessment. He stated that was when the BOE discovered that the parcels being used for comparison were the ones that were incorrectly assessed, which was the crux of the problems that the BOE had to deal with regarding waterfront properties. He described instances where adjacent lots were different in value, and explained because its goal was to make property values as accurate and uniform as possible, the BOE had to make the decision as to what the value should be and then extend that conclusion to all similar properties. This led to instances where property owners who had not appealed their assessments received letters of increase. Those owners had to be given the opportunity to appeal, which resulted in even more hearings.

He reported that, in the end, there was a net increase in values in spite of the BOE reducing the values of hundreds of parcels, resulting in a net gain in the tax base.

Mr. Hayes commended his fellow BOE members for their hard work and expertise in the process. He advised that the process took nine months, during which time one of the members was ill, one had to use up all of his vacation, and others had to jockey their work and family schedules.

He reported that the overwhelming majority of people who appealed were pleasant, accommodating and calm, despite their dislike of the increase in their values and/or taxes, and that complaints included that the County was spending too much, the assessor didn't do a good job, and the Commissioner of Revenue was not giving the needed assistance, but overall he felt that the "people of the County shined in how they presented themselves". He commented that there was a broad spectrum of appellants -- from young families where one of the parents had lost their job -- to people who were extremely poor, in extreme difficulty, and worried about losing their property -- to aggressive, intimidating business owners -- to those who came in with their attorneys. He indicated that the subject properties were from all areas of the County and of all property types and values.

He reflected that had any of the BOE members understood the extent of the job, few if any would have agreed to serve. He indicated that as a result, the BOE had developed some recommendations for future general reassessments, which included having secure office space and dedicated staff assigned. He stated that the staff from the Commissioner's office did a great job and helped where they could, but were hindered by the fact that they were trying to perform their normal duties as well. Another recommendation was to establish a deadline for the BOE to be finished its work, which would help control costs, but wouldn't necessarily address the issue of how to deal with the volume of work. He indicated that, with the new biennial assessments, should the Board decide to have a permanent BOE, then there should be a deadline by which to file an appeal, which would permit the permanent BOE to generate its own procedure and process which currently did not exist. He agreed that establishing a deadline might stimulate the number of cases, but would allow the BOE time to gather all appeals then schedule them in an organized manner, which would result in a more coherent, orderly, and uniform application of decisions. The last recommendation was that the Board should establish a permanent BOE which would provide some continuity and allow it to produce more information and better communicate with the public, which in turn would better educate the public as to what reassessment was all about and what information they needed to provide in order to justify their appeals. He said that having a permanent BOE would provide a way for people to appeal their assessments during the years between general reassessments, other than to file with the Circuit Court. He admitted that with biennial assessments, waiting just one year wouldn't be as painful as in the past, but it was an inconvenience to the property owners to have to use the courts, and an unnecessary burden on the County to have defend the cases.

Another recommendation was that an alternate BOE member be appointed to fill in as needed. He reflected that the 2008 BOE had spent between 75 and 80 days of seven to eight hours each which was a lot to ask of a volunteer. Mr. Summers reminded that there was also the necessity for certain skill sets and that one of the difficulties with having a permanent BOE would be meeting those same requirements.

Mr. Hayes added that he would be the last one to suggest "another level of bureaucracy" but he felt the process would be much better if the County had a permanent BOE and a deadline to file applications for hearings. He explained that would give the permanent BOE a much better idea of the workload involved and be able to handle it in a more compressed

timeframe. He indicated that in the year between general reassessments, there should also be an opportunity for property owners to appeal assessments and although he predicted a much lower volume, there should be a deadline set then as well.

Mr. Davis noted that by using the Commissioner of the Revenue as the Assessor, property owners should be able to appeal to her. Mr. Hayes explained that by law, the Real Estate Assessor set values and the Board of Equalization heard appeals and they were two separate groups and the less they were separated, the more likelihood there would be some conflicts.

Mr. Summers reported that Virginia Code gave the Commissioner limited ability to correct her own records and after that, a property owner would have no less than 30 days to file an appeal to the Board of Equalization or to the Circuit Court, with the idea that the clock would not start to run until the Commissioner had made her final decision.

Mr. Hayes indicated that during the 2008 equalization process, the Commissioner made some corrections to her data and sent out around 2,000 notices adjusting assessments – unfortunately some of them to property owners who had already met with the BOE. He stated that resulted in a lot of confusion and the process was not very smooth for anyone.

Mr. Summers explained that if there was no permanent BOE, then during the years between general reassessments, there would be no place to file an appeal other than with the Circuit Court. Mr. Davis asked that the County Attorney check to see what other localities with in-house biennial assessments were doing with regard to their BOEs.

Mr. Hayes commented that on a practical basis, if someone was unhappy because their assessment was increased by \$20,000, they would hesitate to appeal to the courts because of the filing costs and attorneys fees. Mr. Summers agreed, stating that the General Assembly, by implication, had set up a system designed to hearing only high dollar tax cases. Mr. Hayes reflected that as a result, there were many disgusted landowners who felt it was a rigged system. He emphasized that real estate taxes were a significant source of local revenue and it was important for taxpayers to believe the process was fair and that they were getting fair treatment, adding that there were more than a few people who believed that the last reassessment was not a fair process. He continued by stating that having a permanent BOE would provide taxpayers with a different avenue in which to appeal what they believed was unfairness, and that would be a positive.

He indicated that it would be hard to imagine that the process in 2010 would be as large as it was in 2008, but he felt the County should be prepared nonetheless. He added that performing reassessments more frequently could result in a lower number of appeals because they would more likely reflect current market values. He cautioned that values did not increase and decrease equally, as was shown in 2008 when waterfront property increased four to five times in value. He predicted that modestly-priced homes would probably retain their values but higher dollar homes would likely show a decline in value in the next reassessment.

Mr. Hayes advised that all of their recommendations were reflected in their written report, which had been signed off on by all of the BOE unanimously.

Mr. Davis thanked Mr. Hayes and advised that the Board would take their recommendations under consideration. Mr. Hayes admitted that the recommendations did have a cost but that considering how much the County depended on its real estate taxes for revenue, it

made sense to spend some small percentage to create a better system for both the BOE and the taxpayers.

Mr. Trout asked if Mr. Hayes had shared his recommendations with the Commissioner of Revenue. Mr. Hayes responded that he had and she remained confident in her staff's ability to handle the process. He added that he had spent his entire career working in 30 states, at all levels, performing this kind of work and was qualified as an expert witness, and knew that taxpayers would complain for both legitimate and illegitimate reasons. He advised that a good reassessment required knowledge, experience, commitment, time, and resources. He reflected that the 2008 General Reassessment was performed by someone with knowledge and experience but "didn't turn out that well". He reported that the Commissioner of Revenue had advised that she expected to call upon the State Department of Taxation, Technical Services Division, if she needed help on specific issues, which he felt was good; however, he noted that neither the Commissioner nor anyone else in her office had ever done a General Reassessment -- which did not mean that the product would be bad, but meant that they needed to be "doubly committed" to produce a good set of values.

Board members thanked Mr. Hayes and the rest of the BOE for their hard work and commitment to the project.

IN RE: EXPANSION OF THE PARHAM LANDING WASTEWATER TREATMENT PLANT

Present were Assistant County Administrator Bill Whitley, Public Utilities Director Larry Dame, Engineers Roger Hart and Kris Edelman, and Financial Advisor Ted Cole.

Mr. Whitley advised that the time had come to decide whether to move forward with expansion of the Parham Landing Wastewater Treatment Plant. He indicated that staff would not be asking for a decision on the Reclaimed Water project until the April work session.

He reviewed that the County had two sewage treatment plants – the Chickahominy plant which was permitted to treat 405,000 gallons per day and treating only 160,000 gallons, and the Parham plant which was permitted for 545,000 gallons per day and treating 60,000. He indicated the Chickahominy plant needed to be closed because it could not meet the discharge requirements in place for the plant, and the County was under a Consent Order issued by the Commonwealth which required the County to solve that problem. He stated that the County would save about \$260,000 annually by closing the Chickahominy plant and moving both operations to the Parham plant. He noted that the Chickahominy plant was not in the best location for a sewage treatment plant because of its proximity to an upscale residential area, and that complaints were expected to increase as that neighborhood continued to develop out. He reported that the Parham plant was operating well, did not face the environmental limitations of the Chickahominy plant, and with improvements could serve the needs of the County for at least the next 20 years. He indicated that the engineering firm, Royer Malcolm Pirnie, had done a lot of work and would be ready to advertise by end of April, with a contract to be awarded at the July meeting and work to begin late July, so that the project could be completed by December 2010.

He indicated that the cost estimate for the expansion was now at \$27.2 million. He reviewed that the County had \$22.7 million on hand from the Farms of New Kent that was earmarked for the expansion project, and had submitted an application for federal stimulus funding for the difference of \$4.4 million. He reported that it had just been learned that the expansion project was not on the list of those recommended by the Department of Environmental Quality (DEQ) to the State Water Control Board (SWCB), but the application

for the Reclaimed Water Project was on the list for recommended funding of \$6.7 million. It was reported that 294 requests had been made for wastewater projects and New Kent was one of only 33 that made the list.

Mr. Whitley advised that it would be a good time to move forward with the plant expansion project because of the climate of the construction industry and the likelihood that bids would come in lower than the construction estimates.

There was discussion regarding capacity and current treatment levels. Mr. Dame explained that the expansion project would change the type of treatment process, but would be using some of the same pipes and other infrastructure already in place, and that the process would meet future regulations and combined with the Reclaimed Water Project would serve New Kent well into the future.

Mr. Davis asked about feedback from proposed reclaimed water customers. Mr. Budesky explained some responses had been received but staff was continuing to gather information and would not be ready to discuss the particulars in detail until the April work session. Mr. Summers added that there may be a need for a closed session so that he could explain some of the legal options open to the Board.

Mr. Whitley indicated that it was staff's suggestion that the County borrow any needed funds through the Virginia Resources Authority. He reported that the most recent estimate of \$27.1 million included updated construction costs, engineering and contingencies. Using the worst case scenario, he reviewed that if the borrowing was at a 5% interest rate over 30 years and the cost of construction came in at what was estimated, then the \$260,000 annual savings realized from closing the Chickahominy plant would almost cover the annual debt service of \$286,000. He advised that the Board would have to authorize any borrowing and staff would bring that request to the Board once bids were received and it was determined what was needed to complete the project.

He summarized that staff continued to recommend that the Board authorize the expansion project, which would assist in reaching the Board's goals of assisting the existing business community, growing that community, and developing future environmentally-responsible initiatives.

Mr. Davis expressed his concerns about having enough water to create two million gallons of wastewater per day. Mr. Dame assured him that water was not a problem based on the groundwater permits that had already been approved. He added that the Reclaimed Water project would provide the County with a lot more flexibility, and if it produced one million gallons per day, then the plant could treat up to three million gallons a day. It was confirmed that the plant was already permitted to discharge that amount as long as the expansion was completed by the end of 2010.

There was discussion regarding the bid process. Roger Hart of Royer Malcolm Pirnie advised that if the Board approved moving forward, then the project would be advertised in May and bids should be back in the middle of June. Mr. Whitley clarified that the Board would only be authorizing staff to advertise the project and that the formal decision would be the bid acceptance.

Mr. Evelyn asked if the County would be in violation of the Consent Order if it did not close the Chickahominy plant. Mr. Dame said that it would, adding that the plant could not be used after 2010 and would not even meet reuse regulations unless substantial upgrades were performed.

There was discussion regarding New Kent's ability to sell discharge credits. Mr. Dame advised that they would be able to sell those credits to other sewage treatment plants that could not meet their discharge requirements and those credits would be a valuable commodity and revenue stream for the County. He confirmed that if there was more reclaimed water than there were customers, then the County could just release the water; however, it could sell all of its credits (up to two million) no matter how much reclaimed water it was supplying.

Mr. Trout reported that the Richmond Regional Planning District Commission was conducting a study on water resources.

It was emphasized that the public utility systems were not funded with general tax payer money but by the users of the systems.

Board members were in agreement to move forward with advertising the project for bid and staff would bring the results back to the Board at a future meeting.

IN RE: RECLAIMED WATER PROJECT

Mr. Whitley spoke about the Reclaimed Water project, which had been included on the draft priority list for stimulus funding from DEQ. He reported that the project had been recommended for funding of \$6.7 million, which was less than the total project price of \$7.1 million, with the difference being the engineering costs. He stated that inclusion on the list was an indication of what DEQ thought about the project. He cautioned that this was not yet "money in hand" as the recommendations had to go to the SWCB who would be meeting on April 27 and 28 to make the final decisions. It was reported that over \$1.3 billion in funding had been requested, and the SWCB had only \$77 million to distribute. Mr. Whitley indicated that there were more projects than funding as it was expected that some projects would drop off or decrease. He assured the Board that staff would continue to work hard to make sure the project remained on the list. He predicted that more information would be available by the Board's work session in April at which time the Board would be asked for a decision on whether to move forward.

It was confirmed that stimulus applications for water projects were being handled by the State Health Department under a separate program.

IN RE: WHITEHOUSE FARMS WELL REPLACEMENT PROJECT

Mr. Whitley reviewed that the well at the Whitehouse Farms subdivision malfunctioned last year and temporary repairs had been made to keep it running. He indicated that a second well was needed and funds were in the Capital Improvement Plan to make permanent repairs to the existing well which would be used as a back up. He advised that staff had decided to apply for funding under the stimulus program for these items and a resolution from the Board was needed as a part of the application that was due at the end of the week.

It was clarified that stimulus funding for water systems was limited to public water systems.

Mr. Burrell moved to adopt Resolution R-08-09 as presented, to seek additional funding from the Virginia Department of Health – Office of Drinking Water for the Whitehouse Farms well replacement project. There was no discussion and the members were polled:

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

The motion carried.

IN RE: GROUNDWATER WITHDRAWAL PERMITS

Mr. Whitley and Mr. Dame provided an update on two groundwater withdrawal permits that had been pending for a number of years.

Regarding the first permit, which was for the Farms of New Kent (FONK) water system, Mr. Whitley reported that a draft permit had been received from DEQ that would allow the withdrawal of 240 million gallons per year, with conditions attached. He indicated that the most of the costs related to the conditions were for monitoring wells and estimated to cost between \$415,000 and \$620,000. He reported that it had been the policy that the developers would bear the costs of getting the water withdrawal permit and County staff had reviewed the draft permit and conditions with the principals of the development and had received confirmation that the developers would continue to bear the costs but had asked for more time to get the work done. He indicated that the request did not seem unreasonable and had been communicated to DEQ with hopes of a favorable response. He advised that once the conditions had been worked out, the permit would need to be advertised and it would likely take about 90 days before a final permit was issued. He pointed out that language at the end of the permit setting forth that "groundwater was not the long term solution for New Kent County" reflected DEQ's continuing encouragement for the County to look for alternatives. He indicated that he wanted to make sure that the Board was comfortable, once a response was received regarding the timetable for the conditions, with staff responding to DEQ that the County was in agreement with the conditions and wanted move forward with advertising.

Mr. Evelyn asked how much water was currently being pumped by the FONK. Mr. Dame indicated that FONK was currently permitted for 300,000 gallons per month and he thought they were pumping less than that. He confirmed that the Winery might not use the system water because of concerns about chemicals and DEQ might let the Winery continue to use its own well. He was not aware of the amount of water being used by the Winery.

Mr. Whitley explained that DEQ wanted a nest of monitoring wells outside of the area and those wells could be placed on County-owned property near the convenience center on Old Telegraph Road. He indicated that an area of only 50' x 50' would be required.

He explained that once the County agreed to the conditions, then DEQ would advertise the project and receive comments over a 30-day period during which time it would be decided whether a public hearing was necessary. He indicated that this was the same process that every groundwater withdrawal permit had to go through, and he did not expect there to be many comments, if any.

The Board members were in agreement for staff to move forward as suggested.

Mr. Whitley next reviewed the groundwater withdrawal permit for Bottoms Bridge. He indicated that a draft permit had also been received from DEQ which would allow for the withdrawal of 180,500,000 gallons per year, and had similar conditions requiring monitoring

wells. However, the cost of those conditions would have to be borne solely by the County and the work required was estimated to cost between \$500,000 and \$740,000. He indicated that staff had asked DEQ for more flexibility in the timeline to permit the County to put the project in its CIP to be funded by the utility system over a period of years and paid for by the users. He confirmed that the estimates covered all of the work needed to be done, including abandonment of the existing wells. Mr. Dame added that there were only three wells to be abandoned, all located in Five Lakes. Staff requested approval of the Board to move forward, assuming a positive response to the request to lengthen time for the conditions.

There was consensus of the Board to move forward as requested.

IN RE: WATER SUPPLY IN THE COLONIES

Mr. Whitley reported that the County was successful in its application for a \$25,000 grant through the State Health Department to pay for a water supply study in The Colonies subdivision. He indicated that work was underway to develop a Request for Proposals and staff would be coming to the Board in the future with some recommendations.

IN RE: AGRICULTURAL AND FORESTAL DISTRICT ORDINANCE AMENDMENTS

Planning Manager Rodney Hathaway and James Talley, Chairman of the Agricultural and Forestal District (AFD) Advisory Committee, reviewed the proposed amendments to the AFD ordinance.

Mr. Hathaway recounted that in previous work sessions, the Board had expressed concerns about the lack of minimum size requirements for parcels in AFDs, the addition of parcels that were part of residential neighborhoods in large lot subdivisions, and a lack of follow-up review to ensure that agricultural or forestry uses were active on the property. He indicated that staff had drafted some proposed changes to the ordinance that would address those concerns.

He reported that the first change would set a minimum size requirement of 30 acres, but would permit a smaller parcel as long as there was no residential use on the property. He confirmed that should the owner later want to build a home on the property, then the parcel would have to be withdrawn from the AFD before a building permit was issued, and rollback taxes would apply.

Mr. Davis asked about instances where a parent wanted to give a portion of his land to one of his children. Mr. Hathaway indicated that partial withdrawals under those circumstances had been allowed in the past. Mr. Talley stated that the way the proposed changes were worded, the entire parcel would have to be withdrawn. Mr. Hathaway reminded that these conditions would only affect parcels that were less than 30 acres.

Mr. Summers advised that if the Board wanted to slow growth, then it could require that the entire parcel be withdrawn. He went on to say that the Board needed to decide what limitations it was willing to accept, and then an ordinance could be crafted to meet those limitations. He reminded the Board that there were some time issues if the Board wanted to have the changes in place before the May 1 deadline for applications.

Mr. Evelyn asked about a circumstance where someone owned a 25-30 acre parcel that was in an AFD and then bought an adjacent five-acre parcel that he wanted to add. Mr.

Hathaway advised that as long as the properties were contiguous, then the smaller parcel could be added to the AFD.

Mr. Hathaway reported that the AFD Advisory Commission met twice in the past couple of months, but did not have a quorum at either meeting. Mr. Summers reminded that with no quorum, the group should not have conducted any business at all, including discussion. It was then agreed that Mr. Talley should be allowed to express his personal feelings about the proposed changes.

Mr. Talley advised that he did not think specifying acreage size was in the County's best interest, and one of the duties of the AFD Board was to recommend to the Board whether properties should be added or withdrawn from AFDs. Mr. Davis remarked that when addition applications were considered in 2008, the only criteria that was used by the AFD Commission was whether the parcel met the existing guidelines, and changes to those guidelines were what were now being considered. He indicated that parcels in traditional large lot subdivisions were 25 acres and setting the minimum at 30 would make those lots ineligible. Mr. Talley said he understood the problem with large lot subdivisions and agreed that they should not be in an AFD district, but he did not think establishing a minimum lot size was the best way to handle it.

The Board members went through several different scenarios with staff.

Mr. Talley stated that he felt that parcels that were already part of an AFD and "had played by the rules" should be grandfathered and should not have to meet the new requirements. As an example, he stated that his home place was and always had been one piece of property managed by an individual or group for common purpose, but as far as the County was concerned, it was three parcels, two of which would have to come out if the proposed changes were adopted.

Mr. Summers advised that the County had a goal to maintain its rural character and the AFD program was a mechanism for that goal; however, it could not make the process available to one parcel and not to all of them. He said that no matter how the ordinance was worded, there were always going to be outliers and the Board needed to decide what it was willing to live with.

There was some disagreement as to whether the language in the proposed changes would apply to existing AFD properties at renewal.

Mr. Evelyn asked if there was a way to have language that would allow only properties with bona fide agricultural or forestry uses to be in the district, as this was a process that was supposed to help people who had real uses and should be taken away from those who did not.

Mr. Summers advised that the Board could adopt either a rule or a standard of allowing judgment, but with either option, there would be a set of outliers.

Mr. Talley indicated that he also had a problem with the proposed requirement in all three options that a parcel owner had only 60 days to provide reports from State agencies confirming agricultural or forestry uses. He did not think that was fair because a property owner had no control over when a State agency provided the information, especially with the current reduction in State staff, and there was no way to meet that requirement. It was explained that the County could not mandate a timeline on a State agency, and it was the general consensus that the delay in receiving reports from State agencies would likely

worsen. Mr. Summers noted that this should serve as evidence to the General Assembly of a need for services that was not being met.

There was discussion on some possible ways to be able to confirm uses.

Mr. Trout expressed concern about some of the language, indicating that the Board needed to make certain it was not creating any liability for itself.

Mr. Hathaway reported that seven applications had already been received, none of which were for parcels smaller than 30 acres, and three districts were coming up for review.

Mr. Talley advised that he did not think it was fair to require parcels in a district coming up for renewal to have to re-apply and pay application fees. Mr. Hathaway confirmed that the County did incur advertising costs for renewals but he did not know if the State Code allowed a fee to be charged for renewals.

There was discussion regarding terms. Mr. Davis stated that he would not be in favor of reducing the term length from ten to five years and that the Board had only asked for a review after five years, not that the term be reduced to five years. Mr. Summers explained that there were three options, and the five-year term was just one that had been offered.

Mr. Hathaway reported that there were 291 parcels in AFDs resulting in annual tax breaks of about \$490,000.

It was confirmed that there was currently no minimum size requirement. Mr. Evelyn indicated that he was concerned about what would keep out a five- or ten-acre parcel with a house when there was no true agricultural or forestal operation. Mr. Summers indicated that in such an instance, the Board could hold a hearing and expel the parcel from the district, at which time the Commissioner of Revenue could require rollback taxes.

Mr. Hathaway indicated that the State Code required that there had to be "significant" agricultural or forestry use, but did not define "significant". Mr. Summers advised that the Board could define the term but he would recommend that the Board establish some guidelines and not make decisions on an individual basis.

Mr. Talley suggested that, instead of a 30-acre minimum size, the County use the same criteria used by VDOT that required that a parcel meet an annual minimum dollar production level; however, he agreed that would not work with forestry production.

There was consensus that more work needed to be done on the proposed changes and it was unlikely to be accomplished by the May 1 deadline. It was agreed that the 2009 applications would be considered under the existing ordinance and staff would continue to work with the AFD Board on changes that would be effective for 2010.

Mr. Talley spoke about some of the problems the AFD Commission was having in establishing quorum and reported that one of the long-time members had indicated that he could no longer serve, which contributed to the quorum difficulties.

IN RE: STAFFING FOR ADEQUATE FIRE AND EMERGENCY RESPONSE (SAFER) GRANT

Mr. Budesky announced that New Kent had received notification that its application for the SAFER grant had been successful and asked Fire Chief Tommy Hicks to review the process.

Chief Hicks confirmed that New Kent's application for the SAFER grant had been approved, and was similar to a previous COPS grant for the Sheriff's Office designed to help meet response in the community. He indicated that the grant also had an element for fuel reimbursement for volunteers in the amount of \$108,000 over five years, which would help with volunteer retention.

He explained that the remainder of the grant was for staffing and would provided tiered funding of more than \$700,000 for six new positions over five years. He confirmed that should the County accept the grant, then it would be committed to maintain the six positions for the full five-year period. He reviewed funding projections, using a constant figure of \$225,000 for Cost Recovery revenue, which projections reflected that General Fund tax dollars would not be needed for the six new positions until years four and five. He advised that the projections included a 5% increase in salary and 20% increase in the cost of benefits, for a worst case scenario. He indicated that Cost Recovery revenue was currently being used to pay for part-time staff and if at years four and five there was no increase in the amount of Cost Recovery revenue, then it could no longer be used for part-time staffing. He clarified that the \$225,000 figure was based on historical data and a conservative amount with which Financial Services Department was comfortable.

Chief Hicks explained that this would enable New Kent to have two sets of two paid staff on an ambulance every day, seven days a week, or four on an engine to respond to a fire so that they could meet the "2 in/2 out" standard. Mr. Budesky added that one of the reasons New Kent qualified for the grant was because of its inability to meet current standards. It was clarified that none of the projections were based on anticipation of increased calls.

There was discussion regarding the figures used in the projections. Staff explained that the projections were based upon no increased revenue and maximum cost increases in order to have the most conservative estimate.

Mr. Trout commented that this was "probably a good program", noting that Cost Recovery revenue was not new money. Chief Hicks agreed, stating that it was just being re-appropriated to full-time staff from part-time staff where it was currently being used. He did confirm that the number of hours worked by part-time staff would decrease with the adding of the new full-time positions. He pointed out that available coverage during the over-night hours was based on the flexibility of the volunteers and was very limited after 2 a.m., and if the call volumes increased, then it would be very taxing on the volunteers and the additional staff would provide a "good balance".

He indicated that three to four part-time staff was equivalent to one full-time staff who worked 56 hours each week. He clarified that part-time staff only worked from 8 a.m. until 5 p.m. and were not picking up any of the evening or nighttime hours.

In summary, Mr. Budesky stated that the \$225,000 in Cost Recovery currently being used for part-time staff would eventually be used for the matching part of the grant, at which time part-time staff would decrease unless the amount of Cost Recovery had increased.

Mr. Trout reported that New Kent's over 65 population was expected to increase 500% by the year 2030 – an increase three to four times higher than the region.

Mr. Budesky stated that typically, in a strong market, he would be happy to report receipt of a grant of this size, but in the current market, it was hard to plan on General Fund contributions for the final years. He predicted that the County's demand for fire-rescue

services would not slow down, no matter what the economy was. He indicated that the County had until May 1 to accept or turn down the grant and if it was not accepted, the funds would be allocated to other jurisdictions.

Chief Hicks predicted that there would be several options to consider in years four and five. He also reported that New Kent was fortunate to be one of only ten jurisdictions that received the funding.

The Board was in agreement to move forward to accept the grant.

Mr. Budesky reminded that at a previous meeting, the Board had authorized the Fire Chief to add one full-time position. He clarified that position would be included in the six being requested, and there would not be a total of seven new positions.

Chief Hicks also reported that funds for fire station construction were also available through the federal stimulus package and New Kent would be applying for funding of a station in the Lanexa area.

IN RE: SOCIAL SERVICES LEASE FOR THE HUMAN SERVICES BUILDING

Mr. Summers recounted that on a previous Consent Agenda, the Board had approved several leases for the Human Services Building, one of which involved Social Services and the Economic Development Authority (EDA). He reported that the EDA had requested some additional language regarding their obligation for the lease payment in the event Social Services moved out. He reviewed the language with the Board members and they approved of the change by a unanimous voice vote.

IN RE: FY10 BUDGET WORK SESSION SCHEDULES

Mr. Budesky reviewed the proposed schedule for budget work sessions, public hearing and adoption. He reported that the proposed budget book was on the website and was searchable by both departments and categories. He indicated that the FY09 proposed budget book had more detail on revenues, expenditures and debt than in years past and although the plan was to go through the budget in detail at the upcoming work sessions, staff would be glad to answer any questions in the interim.

He thanked Financial Services Director Mary Altemus, Assistant Financial Services Director Amy Stonebraker, and Executive Assistant Krista Jones for their help in developing the proposed budget book.

He reminded that it remained a proposed budget and was still subject to changes. He indicated that if there were changes wanted by the Board, it would be best for that information to be provided as soon as possible so that staff would have enough time to modify the numbers before the public hearing on April 29. He pointed out that the School Board's budget was based on an amount that was more than what was in his recommendation, and he also reported that a number of agencies were expressing concerns about proposed decreases in their funding. He repeated that staff was willing to entertain dialogue at this meeting, or the Board could begin its discussions on April 2.

Mr. Budesky confirmed that the waiver and/or reimbursement of certain fees for business construction recently approved by the Board, were factored into the proposed budget, and clarified that the new rates for Business/Professional/Occupational License (BPOL) taxes would become effective on January 1, not July 1, as BPOL taxes were based on the calendar

year and not the fiscal year, and had an annual payment deadline of March 1. In 2010, the BPOL tax for a business would be computed at the reduced rate based on 2009 gross sales.

Mr. Burrell indicated that he remained in support of the amount of school funding as recommended by Mr. Budesky.

Mr. Trout indicated that he felt that the Board needed to look at school funding again and reminded that if they had not already done so, members should meet with their School Board counterparts.

IN RE: ADJOURNMENT

There being no further business, Mr. Evelyn moved to adjourn the meeting. The members were polled:

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

The motion carried.

The meeting was adjourned at 6:10 p.m.