

THE REGULAR WORK SESSION OF THE NEW KENT COUNTY BOARD OF SUPERVISORS WAS HELD ON THE 29<sup>TH</sup> DAY OF APRIL IN THE YEAR TWO THOUSAND NINE OF OUR LORD IN THE BOARDROOM OF THE COUNTY ADMINISTRATION BUILDING IN NEW KENT, VIRGINIA, AT 3:00 P.M.

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IN RE: CALL TO ORDER

Chairman Davis 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: ADMINISTRATION BUILDING

County Administrator John Budesky reported that there had been some problems with the boiler in the Administration Building and although repairs had been performed, it had been decided not to re-fire the boiler until after the public hearing in case there were fumes, and that was the reason for the cooler temperatures in the Boardroom.

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IN RE: SECONDARY SYSTEM SIX YEAR PLAN AND CONSTRUCTION PRIORITY LIST

Torrence Robinson, Residency Administrator with the Sandston Residency of the Virginia Department of Transportation (VDOT), was present along with VDOT staff Brian Walker, Scott Gagnon, and Mike Cade, to review the proposed Secondary System Six-Year Plan (SSSYP) for 2010 through 2015 and the 2010 Construction Priority List.

Mr. Robinson reported there had been a 62% reduction in actual allocations in the FY09 construction program. He summarized that there was no funding for secondary unpaved roads and therefore none of those projects would be included in the SSSYP. He indicated that there were no State funds, no bridge funds, and no formula funds available, and the only program funding available was that received from TeleFees (fees from the use of cell towers), which for New Kent was \$59,264 per year. He said that because of that limited funding, VDOT was taking a different approach in the allocation process whereby only projects that were economically viable and had funding all the way through would be included on the SSSYP. He explained that their intent was to place available funding only on those projects that could be constructed within a reasonable time frame.

He indicated that they continued to look for ways to fund the remaining deficit on the Stage Road project. He advised that maintenance dollars could not be used for that purpose and the deficit had to be satisfied with funds from the County's allocation. He stated that after applying the TeleFees as well as \$66,000 in funds that were left over from the Terminal Road project, there would still remain a small deficit to be funded in 2011.

He reviewed that they could move forward with preliminary engineering (PE) and right-of-way (RW) work on the Dispatch Road project, which was being funded with federal dollars.

Mr. Robinson advised that with the new approach, it was being recommended that the Henpeck Road project be removed from the SSSYP as it was not economically viable and there was no available funding. He advised that the \$18,819 reflected on the handout as "previous funding" had not actually been spent and would be reallocated to the Dispatch Road and Mt. Pleasant Road projects.

He admitted that although there was not sufficient funding for the Mt. Pleasant project either, because such a large amount of money had already been spent on the project for PE and RW work, he had recommended that the project remain on the SSSYP. He indicated that if additional funding became available within the next two or three years, they would try to fund this project to complete construction.

Mr. Davis asked why the remaining one-half mile stretch of Mt. Pleasant could not be paved under the Rural Rustic Road revenue sharing program. Mr. Robinson advised that the project did include some work to the slopes and ditches as well as straightening of a curve, and they were in the process of looking at what had been designed and what had been spent in RW work before deciding how to proceed. He emphasized that the main point was that he would be recommending that the project stay on the SSSYP even though it was not funded through construction. He indicated that they might have to "update the numbers" and if the work could be completed without having to incur any more RW costs, then those numbers might change.

Mr. Trout asked about South Waterside Drive, and if maintenance money could be used to build up the roadway at Fannie's Creek. He indicated that section of roadway was continuing to sink and he felt that some added pavement height would help the situation. Mr. Robinson noted that all funding had been cut, including maintenance funding, and they were trying to shift from new construction to preventive maintenance work.

Mr. Trout commended Mr. Robinson for the pothole repair work that was performed on Route 60.

Mr. Sparks asked if any improvements could be made to Henpeck Road. Mr. Robinson advised that they would do whatever maintenance was required, but that was all. Mr. Sparks noted that pavement in the "bottom" on that road was sinking and was often flooded. Mr. Trout agreed and expressed concerns about the areas where the banks had been washed out under the trees. Mr. Robinson indicated that they had looked at the trees in the area and did not find them to be a threat to the roadway.

Mr. Budesky asked if Henpeck would be added to the top of the "Candidate Project List" since it was being removed from the SSSYP. Mr. Davis asked why it had to be taken off of the Plan at all. Mr. Robinson reminded that VDOT's new stance was that projects with no chance of being funded would not remain on the SSSYP, even as placeholders.

Mr. Sparks stated that Henpeck Road was very heavily traveled and asked if that had been taken into consideration. Mr. Robinson advised it had, from a maintenance standpoint, but for new construction it boiled down to what funding was available and the project's priority on the SSSYP. He added that if the Board decided to move the Henpeck Road project up on the list, then the funding could be shifted there, but currently, the first priority project was Dispatch Road, followed by Mt. Pleasant.

Mr. Sparks agreed that the Dispatch Road project needed to remain a priority because it connected New Kent and Hanover Counties, but he warned that the "bottom" of Henpeck Road would be a major issue and needed some attention. Mr. Trout added that South

Waterside was being washed out as well and repeated that all it needed was to be built up with about six inches of pavement.

Mr. Robinson advised that they would do an assessment on Henpeck Road and keep their eye on Waterside.

Mr. Budesky indicated that it would be necessary to hold a public hearing on the proposed SSSYP and staff wanted to make sure that the Board was comfortable with the priority list before moving forward. There were no changes requested by the Board.

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IN RE:           TRANSPORTATION OPERATIONS AND MAINTENANCE

Mike Cade, Assistant Residency Administrator from the Sandston VDOT office, reviewed with the Board the "new level of service" that would be provided by VDOT necessitated by the reduction in available funds.

He advised that mowing would be based upon traffic volume, rather than being performed three or four times a year. He reported that they would no longer mow for aesthetics but for sight distance, with only twelve feet of the medians being mowed, or to the ditch line, whichever was less, and all other areas would be mowed every four years. He advised that this was a new statewide policy and would include the interstates. He advised that mowing would begin after May 1, and a second mowing in the fall, and a third only if needed. He stated that he did not know what the savings would be from the reduced mowing schedule.

Mr. Cade distributed a handout that reflected the proposed breakdown of spending, noting that VDOT historically spent 35% of its budget on things that were not directly related to the roads (such as mowing) and was trying to reduce that percentage. The handout also contained examples of proposed levels of service for the future based upon roadway category and level of service. He pointed out that these were proposed ways to meet their funding deficit and had not yet been implemented, but once they had been adopted by the Commonwealth Transportation Board, which was expected to take place in June, they would become effective statewide.

He advised that there was no funding left over from snow removal services because they used those funds for small paving projects. He did say that this area was not "doing as bad" as other areas of the State and they had been able to reduce their budget by 10% as had been requested.

Mr. Cade indicated that he did not anticipate receiving any additional money from the State for transportation. He also advised that federal transportation funding for county roads had "dried up".

There was discussion regarding local transportation funding and how significantly it had been reduced over the past few years and how inflation had reduced the impact of what little construction funds there were.

Mr. Cade reported that an estimated 22 hourly workers in the Richmond district would lose their jobs, and it was anticipated that the land development staff would remain at the Sandston office even though residency operations were moving.

VDOT staff was reminded about the traffic study that was to be done at the Route 155 and Kentland Trail intersection once the horseracing season started. Mr. Davis advised that

the developer would be responsible for the cost of any traffic signal that was deemed to be needed at that intersection.

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IN RE:           FIXED BASE OPERATOR – NEW KENT AIRPORT

Before the Board for consideration was a proposed Lease Agreement between the County and New Kent Aviation, LLC for space at the New Kent Airport to provide aviation services and products as a fixed base operator (FBO) beginning on May 1, 2009.

Airport Manager William Kelly introduced Douglas Cumins, owner of New Kent Aviation, LLC, and reviewed his credentials. Mr. Kelly indicated that staff had been trying to attract new businesses to locate at the airport and he felt that the proposed new operations, which included a flight school, would increase airport usage and fill a void that had existed for several years. He advised that it would bring in revenue with rent payments and business taxes, and he was asking the Board to approve the lease that would allow this business to begin operations.

It was noted that the lease was for one year, with an option to renew, and the rent would cover office space in the terminal building and tie-down space. Mr. Kelly indicated that Mr. Cumins would like to eventually expand his operations to include providing maintenance services and would be providing his own liability insurance. Mr. Cumins described the airplane that he would be leasing for lessons, which would also be available for rentals, and he advised that he would like to add another plane once his business grew. It was confirmed that personal property taxes would be owed to New Kent on the airplanes.

The Board members seemed pleased with the prospect and expressed their thanks to the Airport Manager for his hard work.

Mr. Sparks moved to approve the proposed lease agreement between New Kent Aviation LLC and New Kent County. The members were polled:

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

The motion carried.

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IN RE:           IDENTITY THEFT PREVENTION PROGRAM

Before the Board for consideration was Resolution R-10-09 to approve an identify theft prevention program for New Kent County.

Mr. Budesky explained that the proposed program had been reviewed by counsel and the County was required by federal law to adopt a program by May of 2009.

Financial Services Director Mary Altemus advised that adoption of the proposed resolution would allow the County to comply with the Fair and Accurate Credit Transaction Act of 2003 (FACTA). She explained that the proposed program had been developed pursuant to the Federal Trade Commission's Red Flag Rule to protect against identity theft which was defined as "fraud committed using the identifying information of another person" and a Red Flag as a "pattern, practice, or specific activity that indicated the possible existence of

identity theft". According to the Rule, localities qualified as creditors if they offered or maintained covered accounts. "Account" was defined as "a continuing relationship established by a person with a creditor to obtain a product or service for personal, family, household or business purposes". Accounts included extensions of credit, such as the purchase of property or services by deferred payment, and deposit accounts.

She explained that under the Red Flag Rule, every financial institution and creditor was required to establish an "Identity Theft Prevention Program" tailored to its size and complexity and the nature of its operations. She reviewed that each program had to contain reasonable policies and procedures to identify relevant Red Flags for new and existing covered accounts and incorporate those Red Flags into the Program; detect Red Flags that had been incorporated into the Program; respond appropriately to any Red Flags that were detected to prevent and mitigate identity theft; and ensure the Program was updated periodically to reflect changes in risks to customers and to ensure the safety of the creditor from identity theft.

She reviewed that after consideration of the size and complexity of Financial Services, Fire-Rescue, and Airport operations and accounting systems and the nature and scope of their activities, it had been determined that this program was appropriate for those departments. It was determined appropriate for the Department of Financial Services because the department handled the set-up including taking deposits and billing of accounts for utilities; Fire-Rescue because they had service provider arrangements that collected information to bill citizens for rescue services; and the Airport because it collected information for accounts to bill for hangar rental, tie-down rental and aircraft fuel.

She explained that in order to identify relevant Red Flags, the departments had to consider the type of accounts they offered and maintained, the methods they provided to open accounts, the methods they provided to access their accounts, and their previous experience with identity theft. She indicated that the Program required that the County detect Red Flags when opening a new account and when handling existing accounts, and that the departments would be charged with preventing and mitigating identity theft. If personnel in these departments detected any Red Flags, personnel were to take one or more of the steps outlined in the Program. She added that each department was also to take steps outlined with respect to its internal operating procedures to protect customer identifying information, and there were duties regarding address discrepancies that required personnel to reasonably confirm that an address was accurate.

Mrs. Altemus advised that the Program was to be reviewed periodically and updated to reflect changes in risks to customers and the departments and she indicated that also included in this policy was the requirement for an annual review. At the time of annual review, the Committee in consultation with the Program Administrator would be required to modify the Program as necessary and appropriate.

She indicated that the Program, as outlined, consisted of an Identity Theft Committee and Program Administrator, who would head the Identity Theft Committee and would be the County Administrator or his designee. Two or more other individuals appointed by the Program Administrator would comprise the Committee, and she recommended that the Committee include the Director of Financial Services, the Fire Chief and the Airport Manager. She advised that the Program Administrator would be responsible for Program administration, ensuring appropriate training of staff with respect to the Program, reviewing any staff reports, consulting with staff as necessary to determine which steps of prevention and mitigation were required, and considering periodic changes to the Program.

She stated that in order to ensure the effectiveness of identity theft prevention programs, the Red Flag Rule envisioned confidentiality, to the extent practicable, regarding each creditor's specific practices targeted at identity theft detection, prevention, and mitigation, and therefore knowledge of such specific practices was to be limited to the Identity Theft Committee and staff necessary to implementing, maintaining, administering, and changing the Program. Each department would be trained either by or at the direction of the Program Administrator regarding the Program, implementation of the Program, detection of Red Flags, detection, prevention, and mitigation of identity theft, and preparation and drafting of staff reports.

She reported that the regulations required that the need for these policies and procedures be approved by the Board of Supervisors, and adoption of the proposed Resolution would accomplish that.

Board members concurred that there was a need for the policy.

Mr. Burrell moved to adopt Resolution R-10-09 as presented. The members were polled:

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

The motion carried.

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IN RE: REVISED NATIONAL FLOOD INSURANCE MAPS

Community Development Director George Homewood reviewed the recently revised national flood insurance maps received from the Federal Emergency Management Agency (FEMA). Also present were Environmental Planning Manager Amy Walker and Charlie Banks, liaison to the Floodplain Office who helped with the drafting of the maps.

Mr. Homewood reported that New Kent had received a letter from FEMA dated March 25, 2009, reflecting a final determination on the new floodplain maps and insurance study, which would become effective in six months. He advised that before that six months elapsed, the County would be required to notify all affected property owners (over 3,800 parcels) that their property was included on the maps; update its floodplain ordinance to incorporate and reference the new maps and insurance studies and make sure that it contained the new regulations; and have a method in place to disseminate new map information to the citizens. If those things were not done, then all property owners in New Kent would become ineligible to purchase federally-subsidized flood insurance.

He clarified that property owners had no ability to change what was on the maps, and the letter to them would just be a notification that their property was included. He indicated that New Kent could provide the required mapping ability through the GIS office and FEMA would also be providing paper maps which would be available at the Heritage Library and in public offices. He added that FEMA had a mapping portal on its website that was free and contained the Flood Insurance Rate Maps (FIRM), and it would be easy for property owners to make FIRMettes for their individual parcels, and County staff would have the capability to assist citizens in that regard. He indicated that for each new application filed with Community Development, staff was creating a FIRMette that became part of the file and was a legal record confirming that staff had checked the floodplain status.

Mr. Homewood suggested that the Board might want to consider having the County participate in the Community Rating System (CRS), which would provide reductions in flood insurance premiums for all landowners in the County, with reductions ranging from 5% to 45% depending on the measures that the County took. He distributed a chart showing the point values of various services, and represented that he felt New Kent could realistically get enough points for a rate reduction of between 15% -20%.

The handout reflected that under Series 300, services that would earn points included providing map information, a flood protection library, and flood protection assistance, all of which he indicated should be easy to do. Under Series 400, he advised that if a locality complied with the State Code regarding stormwater management, then it should score the average number of points. He noted that Series 500 dealt with acquisition, relocation and retrofitting of properties, for which New Kent would likely not qualify. He explained that the higher the points, the greater percentage of reduction.

He indicated that it was up to the Board as to whether they felt it was worth it to the County to participate in the CRS and if so, one of the things staff would recommend was to require additional freeboard (additional elevation above base elevation) for those structures to be built in the floodplain. He reported that a FEMA representative had indicated that their studies showed that the costs of adding an additional 18% of freeboard above the base flood elevation paid for itself in just eight years in insurance premium savings. He confirmed that it would add costs upfront but there was a cost-savings component with a short payout period for the owner. He indicated that if a landowner voluntarily agreed to additional freeboard, he would get credit; and if the County required it, then that same landowner would have not only the reduction he would get because he had freeboard, there would be an additional reduction because New Kent was a part of CRS. He noted that it was a small additional cost compared to the cost of rebuilding after a flood.

Mr. Sparks asked if anyone knew how many owners of the affected properties had flood insurance. Mr. Homewood advised that he could get that information. He went on to state that only properties with structures on them could get flood insurance, and only owners with federally-sponsored mortgages were required to have flood insurance. He noted that a little less than 1,500 parcels were newly added to the maps. He attributed those additions to several things -- new construction, change in lines on the maps, and newly-created parcels.

Mr. Trout asked if these maps were designating parcels in the 100-year flood plain. Mr. Homewood advised that it was those parcels deemed to be in a flood hazard area. He noted that studies had shown that over one-third of total damages paid out by the National Flood insurance Plan (NFIP) were paid out on property not in the 100-year flood plain, and he reminded that anyone could purchase flood insurance on a structure, whether it was in a designated flood plain or not. He indicated that flood insurance could also be purchased for commercial buildings, unless they were "over the water".

Mr. Budesky indicated that staff was not asking the Board to make a decision tonight but to keep in mind that there was a timeframe within which to act and if the CRS was a route that the Board wanted to take, then work would have to begin. Mr. Homewood added that he was in the process of drafting an ordinance that would go to the Planning Commission in June/July, and then come to the Board in July/August for action in late August or early September. He explained that FEMA would have to approve the ordinance and deem that it met the requirements of the NFIP, and when the Board did adopt it, the ordinance had to be exactly what FEMA had approved – all of which would take additional time.

He confirmed that every locality that participated in the NFIP had to go through this procedure. Mr. Banks reported that there were 270 communities in Virginia (over 2/3) who participated in the program.

Mr. Sparks asked for additional information that would correlate the points in the CRS to the rate of reductions, and also asked for information on what other localities had joined CRS. Mr. Banks indicated that he would get that information for the Board, but advised that he thought the average rating for Virginia localities was a 7 which would produce a 15% reduction. He confirmed that insurance companies would be aware of the rating for each locality.

Mr. Trout commented that although he liked the idea of a reduction in the premiums, he felt it was important before any new regulations were adopted, that there was a balance between any up-front cost to the landowner and the reduction in the cost of flood insurance.

Mr. Homewood advised that most of the parcels that would be impacted would be those along the rivers and creeks, as well as lots in Plum Point and Woodhaven Shores. He reminded that there were no restrictions from building in the floodplain areas in New Kent, and staff was suggesting that the Board only consider how that building would be done. He confirmed that any restrictions would apply to new building only and would not be retroactive.

He repeated that he was not asking the Board to decide immediately, but staff would need a decision within the next few weeks if the Board wanted to participate in the CRS. He indicated the only area for additional regulations would be additional freeboard of 18% above the previous flood elevation, and if it were required, it would be beneficial to the property owner with respect to their personal flood insurance even if the County did not participate in CRS. Mr. Trout commented that this might be something the County would do for quality of life, notwithstanding the reduction in flood insurance premiums.

Mr. Homewood indicated that the County could apply for participation in CRS at any time. He confirmed that any amendments to the ordinance would require an advertised public hearing.

Mr. Sparks again stated that he wanted to know how many homes in New Kent had flood insurance, and he also wanted to know what measures other localities had taken in order to obtain a rating of 7 or 8. Mr. Evelyn added that he'd like to know the number of houses that were on the parcels located in the floodplains.

Mr. Sparks also asked what other nearby localities had the freeboard requirement in their current ordinances.

Mr. Trout asked about whether the floodplain maps were digitized on the County's GIS system. Mr. Homewood advised that they were currently available only for internal use, but once the mailings went out to the property owners, staff would try to get them out on the public site.

Mr. Davis and Mr. Evelyn asked about properties that should have been on the maps and were not. Mr. Homewood advised that staff had made a "strong pitch" that there were properties that had flooded in the last few hurricanes and nor'easters that were not on the maps, but FEMA did not make any changes. Mr. Trout reminded that the only difference that would make would be a requirement to purchase flood insurance. Mr. Homewood

again indicated that was a concern because it gave owners of those parcels a false sense of security.

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IN RE:            FARMS OF NEW KENT PUD ORDINANCE CHANGES

Mr. Budesky asked the Board to consider a request for a joint public hearing with the Planning Commission on May 18 to consider amendments to the Farms of New Kent Planned Unit Development (PUD) ordinance in order to accommodate an economic development prospect.

Mr. Homewood explained that a business prospect was considering building a spa facility of 90,000 square feet in Land Bay I; however, the current ordinance limited a business to 16,000 square feet, and it had been requested that the ordinance be amended to allow up to 90,000 square feet.

The second amendment requested would allow for two additional residential dwelling units in Land Bay II in order to allow property owner Chap Harrison to create a two-lot family subdivision for members of his family. He advised that Mr. Harrison didn't understand that he wouldn't be able to do this if his property were rezoned to PUD, and this was the same property that was recently removed from an Agricultural and Forestal District for that reason. Mr. Homewood added that one of the issues that would come up was that the PUD ordinance would require them to connect to public water but they could be allowed to have a septic system if approved by the Board. He indicated that the water line was already at the Winery and it would not be that far of an extension; however, one of the family members would prefer to be on sewer, and the other didn't want to be on public water or sewer.

He advised that the third amendment was something that staff had been asking for and that was a change to the way the proffers were written regarding the escalation clause so that they would change annually in the same way and at the same time as the ones in the Brickshire/Kentland PUD rather than monthly.

He indicated that a draft ordinance provided by Attorney Chuck Rothenberg was confusing because it appeared they were requesting to allow an additional 75 rooms for transient occupancy in Land Bay I, and he had asked for a meeting so everyone was certain of what they had requested. He advised that issue would be resolved before advertising for the public hearing.

Mr. Evelyn asked why a joint public hearing was necessary. Mr. Homewood advised that the applicant wanted to make a groundbreaking announcement and was prepared to move quickly in order to take advantage of the recent economic development incentives. Mr. Summers advised that representatives from Mirbeau Spa & Inn had spoken to the Farms of New Kent Community Development Authority and he felt it was one of the most aggressive projects in the County in past year. Mr. Budesky added that the applicants had an option on the property and they would not move forward with the purchase until they knew there would be no restrictions. Mr. Homewood indicated that they had asked for a joint public hearing so that it could be done quickly and it would also show the County's confidence in and support for the project.

There was consensus among the Board to schedule a joint public hearing.

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

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IN RE: RECLAIMED WATER PROJECT

Assistant County Administrator Bill Whitley and Public Utilities Director Larry Dame updated the Board on the proposed Reclaimed Water Line Project.

Mr. Whitley advised that County staff was continuing to negotiate with the three potential customers of the project and an important issue had been whether the County would receive federal stimulus funding for the project. He announced that the State Water Control Board (SWCB) had approved funding of \$6,752,136 for the project in the form of a principal forgiveness loan (grant) that would not have to be repaid. He noted that the estimated cost of the project was around \$7.1 million, reporting that the difference was the cost of preliminary engineering which had been cut from every project that was approved. He cautioned that the County did not yet know what the cost would be as it was still negotiating with the Virginia Department of Transportation (VDOT) about using their rights-of-way which could affect the cost, but staff and consultants both felt confident that the climate in the construction industry would be in the County's favor and result in competitive bids, and it was possible that the project could be completed without any borrowing.

He indicated that the three potential customers understood that they would not be able to use potable water for irrigation after 2011, and staff from the SWCB had attended the last meeting, after which time all three customers had sent letters to the County indicating that they would pay for the reclaimed water, but there were still negotiations underway as to the price. He advised that with the federal stimulus funds paying for the project, the County could be more flexible in the per-gallon charge to the customers.

He also confirmed that because the County would not be discharging its wastewater, it would be able to sell its discharge credits to other plants and establish a revenue stream for the utility system.

There were questions about the bidding process. Mr. Dame advised that the County would not be able to use the Public Private Education Act (PPEA) or design/build process for the project because design/build projects were not eligible for federal stimulus funding and the County had to have an actual set of plans before the funding would be released. Mr. Budesky explained that the off-setting revenue would be put into the Utility enterprise fund and if it was decided that the County could not cash-fund the difference, then any borrowing would be done at the same time as the Parham plant expansion borrowing.

There was discussion regarding a timetable. Mr. Whitley indicated that the Reclaimed Water Project had to be finished by 2011 in order to be in a position to provide the product to its customers and there was a requirement that funded projects be under contract for construction by the end of September.

Mr. Budesky advised that staff was looking for consensus to move forward to put the project out for bid around the first of June. Mr. Dame advised that there was the need to survey for an endangered plant species, the small whorled pogonia, which bloomed in May. He indicated that a new survey was required because it was a new permit, but the County had all of the data and the process should be quicker than last time.

It was clarified that once the bids were in, then staff would come back for an award of the contract, and this was just a request to move forward with the bidding process.

Mr. Whitley explained that the federal stimulus funding would be paid out as a monthly reimbursement as expenses were submitted by the County, and would be administered by the Department of Environmental Quality (DEQ).

It was suggested that the project should put New Kent in favorable standing with DEQ. Mr. Dame agreed, stating that at a recent meeting of the Rural Water Association, DEQ was promoting New Kent for its proposed project.

Board members admitted that they had been skeptical about the project when it was first proposed but felt better about it since it had been approved for stimulus funding.

Mr. Whitley indicated that he felt that there was a lot of excitement on the part of the State about the project, noting that New Kent had received the third largest award in the State.

Mr. Budesky thanked Mr. Whitley, Mr. Dame, and Assistant Utilities Director Mike Lang for all of their hard work and assistance on the project.

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IN RE:           VEHICLE DECALS

Mr. Whitley explained that he had been reviewing the vehicle decal issue in New Kent and had become familiar with the discussions in the past four to five years and understood the dilemma because of his experience in other communities. He indicated it was his understanding that the Board wanted to eliminate the inconvenience of an annual decal but still needed a way to identify residents at the County convenience centers, and the Sheriff also requested some way to identify resident vehicles. He advised that any change in the process would have to be revenue-neutral in that the vehicle decal fees provided revenue of \$475,000 annually, and should not create more work for the staff in the Treasurer's Office. Taking all of that into consideration, he reported that the recommendation from staff would be to repeal the existing motor vehicle license ordinance and adopt license registration fee to replace it. He advised that the registration fee would be the same amount as the decal fee, and would be collected each December along with the tax bills. Residents would be provided with a permanent decal for their vehicles. He indicated that this could be done for December 2009 or the County could wait a year.

Mr. Budesky advised that the purpose of this discussion was to confirm this was what the Board wanted, and then staff could work out the process. He indicated that this would solve part of the problems with identification at the convenience centers. He alluded to other problems at the sites with dumping by vehicles that were garaged in New Kent but were not properly registered and paying taxes, but that staff was working to resolve that issue.

Mr. Whitley indicated that both Middlesex and Matthews Counties had a permanent decal and neither had any significant problems with collection or revenue.

Mr. Sparks indicated that he liked the recommendation.

Mr. Trout stated that one of the problems was that now taxpayers were paying tax on a vehicle for the current year and purchasing a sticker for the following year. He also suggested a sticker on the back of the rearview mirror as opposed to a windshield decal.

Mr. Whitley suggested that he felt the recommended change would better spread out the tax burden in that not everyone owned property and paid taxes in New Kent, but most residents owned a vehicle and if they are registered with the Division of Motor Vehicles,

they would have to pay the fee. He admitted that staff would still have to work through the process as it related to trailers.

There was discussion regarding the timing of making the change. The Board was encouraged to keep the decal change separate from the budget. It was confirmed that the process could be changed after the budget was adopted and in time to be effective for 2009 if that was what the Board wanted, and would require a public hearing to repeal one part of the ordinance and institute another.

The Board members talked about types of decals and staff indicated that they would work on the process and come back to the Board with a recommendation.

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IN RE: APPOINTMENTS

Mr. Sparks moved to appoint Kathy Stroube as District Two's representative to the Affordable Housing Advisory Committee to serve a term ending June 30, 2011. The members were polled.

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

The motion carried.

The meeting was recessed at 5:25 p.m. and resumed at 7 p.m. for public hearings.

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IN RE: FY09/10 BUDGET

Mr. Budesky explained that setting priorities and developing a budget was one of the most important things the County did. He reviewed that there would be three separate public hearings – on the proposed budget, fees, and tax levies, and all three would be covered under his presentation. He noted that the proposed budget was on the County's website in a searchable format that was more user-friendly, and copies were also available at the Heritage Library and in County offices. He indicated that the budget was scheduled for adoption at the Board's regular business meeting on May 11. He noted that some recent changes requested by the Board had been made, which included restoring cuts previously made to Meals on Wheels; removing the appropriation for James River Development who was no longer in existence; and using just under \$2 million from the fund balance to pay off a loan, thereby reducing the funding for debt service. Other changes made as a result of requests by the Board was for the County to fully fund the School Resource Officers (SROs) through the Sheriff's Office, which would provide relief of about \$106,000 for the School's budget. He explained that originally the SROs had been funded by a grant that was channeled through the Schools and once that grant ended, the flow of funding had continued in that manner. Another change he pointed out was that the debt service on the Vehicle Maintenance Facility was no longer showing solely as a school-related debt but shared with the County, which was a fairer representation.

Mr. Budesky reviewed that the Budget Management Team, which included himself, Financial Services Director Mary Altemus, Assistant Financial Services Director Amy Stonebraker, and Public Utilities Director Larry Dame, went over the budget requests, line by line, and after making additional cuts and reviewing it with the Finance Committee, developed a

recommendation for the Board. He indicated that the Finance Committee was comprised of himself, Assistant School Superintendent Robert Richardson, Assistant Superintendent for Finance and Operations Ed Smith, Ms. Altemus, Ms. Stonebraker, Finance Manager Nichole Jonckheere, Treasurer Herb Jones, Commissioner of Revenue Laura Ecimovic, Financial Advisor Ted Cole, and a citizen, Bill O'Keefe.

He indicated that in order to maintain fiscal responsibility, all requests were aligned with the goals of the Board and had to mirror department goals and objectives as well. He explained that all departments were asked to make cuts of between 6% and 10% in their budgets and provide full justification for all requests. He advised that new or special requests were not considered unless they had offsetting revenue. He confirmed that the costs for contracted services were compared where possible to the cost of in-house services. He commented that the proposed budget had been developed under the most challenging fiscal restraints he had ever faced and had required some difficult decisions, and that the Board had made it clear early in the process that there were to be no tax increases or fees, and deficits would be shared with the School System.

He identified some of the challenges as being increased debt service; a decrease in the revenue from personal property taxes (because of the decrease in value of sports utility vehicles and large pick up trucks); drops in revenues from sales tax, business licenses, off-track betting (OTB), permit fees, and interest earnings; and an increase in insurance premiums. He pointed out that FY10 was the last year of new debt for the high school.

He indicated that 79% of the County's revenue was from general property taxes. He reported that there had been a slight increase in the meals tax revenue, and \$500,000 was projected for FY10, of which 50% would go to school debt service, 25% to Economic Development and 25% to Parks & Recreation capital.

He advised that revenue from rental of space in the new Health and Human Services building would balance out the debt service on that project.

He spoke about the major loss in OTB revenue resulting from the struggling economy. He also pointed out the recently-adopted incentives package for business development, which included a reduction in business license taxes and the waiver and/or reimbursement of certain permit fees.

Mr. Budesky reviewed that revenue from the Compensation Board for Constitutional Officers and some of their staff would remain at the current year's level, which had been reduced two years prior.

He recognized that the School System was still facing a significant revenue deficit.

He reminded that the utilities fund was an enterprise fund, which did not involve general fund tax dollars but was paid for by its users. He spoke about the expansion of the Parham Landing wastewater treatment plant and the recently-received notice that the County's proposed Reclaimed Water Line project had qualified for federal stimulus funding.

Regarding expenditures, Mr. Budesky reported that around 60% were relating to schools, including school debt service.

He reviewed that at the Board's direction, there would be no borrowing for any capital improvements during the upcoming year, and all projects would be either cash-funded or funded with meals tax revenue.

He reviewed Social Services and Human Services projected expenditures, and explained that the County and School staff continued to work together to control the cost of those services mandated by the Comprehensive Services Act.

Mr. Budesky reported that nine new positions had been requested but none had been recommended, except for six new firefighter positions that were being grant-funded. He noted that five position upgrades had been requested but none funded, and there were no merit or cost-of-living increases included for employees. He provided historical information comparing pay increases for School and County employees over the past few years.

He explained that the School System was dealing with \$1.4 million in less revenue, and there remained a difference of about \$385,000 between the amount being recommended for local school funding and the amount upon which the School system had developed its budget.

He reviewed that of each dollar in the General Fund, 27.6% went to general administration; 4.2% to judicial; 5.8% to health & welfare; 17.6% to public safety; and 44.8% to schools.

He also noted that agency funding had, for the most part, been reduced by 10% across the board.

Of the over \$6 million in debt service, he reported that 12.1% was for County projects and 87.9% for School projects.

Mr. Budesky reminded that the only fees that were increasing were for utilities, which were being increased by 8% as called for in the *pro forma*. He indicated that it had been determined that those increases were necessary so that no General Fund tax dollars would be needed to support the system, and that New Kent's fees were comparable to those in other localities.

He pointed out that there would be no tax increases, and that the real estate tax rate would remain at 73 cents per \$100 assessed value, and the personal property tax rate at \$3.75. He reviewed a comparison of tax rates and the value of a penny on the tax rate between New Kent and surrounding and like-sized jurisdictions, which reflected that New Kent had one of the lower rates. He reported that the 2009 real estate tax bill on an average priced home in New Kent (\$261,300) would be \$1,908 -- the same as it was last year.

Chairman Davis opened the public hearing on the FY09/10 budget.

Van McPherson commended the County for its hard work on the budget, agreeing that it was one of the most difficult years ever faced, and he expressed his appreciation for the time, effort and well-thought out techniques, as well as for not increasing taxes. He recounted that he had been involved with the School System for over 20 years and although with his youngest child graduating this year he would no longer be directly involved with the schools, he would remain involved in education. He stated that if New Kent wanted to continue to grow and do well, it needed to remember that education "drove salaries", reporting that the lifetime earnings of college graduates was twice that of high school graduates, and that the higher the education, the more money residents had to spend in their community. He emphasized that education was important to everyone. He stated that it was his information that the School System would have to cut 40 positions, and although he wasn't sure how many positions the County was cutting, he would like to make

sure cuts were equal and even, and that the County was giving up as much as the schools were. He stated that he understood that the County had some debt service savings that had been put into its contingency account, and he was recommending that those funds be given to the schools to help them to curtail the loss of teachers. He urged the Board to do whatever it could so that "the children don't pay the bill later on".

Joyce Peterson, Chair of Heritage Library Board of Trustees, asked that the Board reconsider the proposed funding cut for the Library, stating that the proposed 10% reduction would have an enormous implication on library services in New Kent. She explained that the Library also received funding through a State grant, and the State had specific criteria that must be met in order to qualify. She noted that New Kent had met State-recommended funding guidelines in only four of the last ten years. She talked about the growing service demand by the community, including programs, the need for computer access, and work force support, and how effective the Library was in meeting those needs. She referred to a petition signed by more than 200 residents supporting an increase in locality support. She explained that the only full-time position was that of Library Director, which was required by the State and the others were all part-time staff with no benefits. She advised that if the County reduced Library funding, then it would likely result in a reduction in State funding as well. She stated that they can't cut their hours or further reduce their number of employees, and that if the funding was cut, they would not be able to continue to operate in their current capacity.

Kathy Wills, Interim Library Director and Financial Officer for the Heritage Library, complimented the Budget Team for its work on the budget and its format. She confirmed that any reduction in local funding would also mean a reduction in State funding. She explained that the State determined the funding figure that the Library had to ask for from its locality, and none of the State funds could be used for regular operating expenses. She reminded that Heritage was operating two separate facilities since the closure of its Providence Forge location, and although New Kent was allocating \$20,000 towards the rent of its New Kent branch, the Library had to come up with the remaining \$17,000. She indicated that the New Kent branch was more expensive to run and was open five days/40 hours a week, and closed on Thursdays and Sundays. She confirmed that there was only one full-time position with the rest being part-time positions with no benefits. She stated that the Library had been chronically underfunded by New Kent over the years, with New Kent's per capita funding at \$10.45, compared to \$24.95 in King and Queen County, \$25.50 in King William County, and \$47.74 in Henrico County. She said that a cut in funding of \$16,453 would make it very difficult for the Library to provide services to "those who count on us the most". She reminded that they were not asking for the State-recommended amount but only that the funding remain the same as it was. She stated that it was the responsibility of local governments to provide quality library services and, without adequate funding the Heritage Library would not have the resources necessary to provide those services.

Chris Wells, Vice President of the Friends of the Heritage Public Library, stated that she was a retired school administrator and had been in the Board's position before and knew what it was like to have to make the tough calls; however, she was asking that the Board reconsider the proposed cut in library funding. She stated that the Heritage Library was more than just books and provided important resources that encompassed a broad spectrum. She spoke about technical classes, the constant community demand for computer access, fax machine services, programs, and providing services not being met by school libraries. She said that if funding were cut, then they would have to shorten their hours and cut services and programs that were important to the community.

Barbara Lore spoke on behalf of Meals on Wheels and thanked the County for its funding support. She explained that as a volunteer driver, in addition to taking meals to clients throughout New Kent, she also delivered pet food, cases of nutrition shakes, and was often the only visitor that some of the clients had. She said that drivers checked on the heating and cooling needs of their clients and without these services, some of their clients would not be able to remain in their homes.

Steve Miles thanked the Board for its support of Meals on Wheels. As President of the Heritage Regional Library Foundation, he asked that the Board seriously reconsider the proposed cut in funding. He explained that one of the goals of the Foundation was to raise capital funds for the Library and he thanked the County Administrator for the many hours he had spent with their Building Committee. He also asked the Board to fully support the Schools' funding requests, stating that there was no better investment.

Jean Garris, a staff member of Meals on Wheels (MOW), thanked the Board for its support, and thanked Mrs. Lore for her previous comments about the services they provide. She advised that MOW also provided Mothers Day, Fathers Day and December holiday gifts, as well as fans and room air conditioners that were donated. She reported that in the last year there had been some changes with MOW merging with the Central Virginia Food Bank and the Community Kitchen, and they could now provide even more meals. She described some of their expanded services, including congregant feeding sites for the senior population, and reported that they remained the primary food bank back-up for the Red Cross. She stated that they were excited to have all of their staff under one roof but that the Willow Lawn location would remain their main distribution site. She thanked New Kent for participating in the annual "Mayors for Meals" event, and stated that the County was better served when it knew first hand where the money was going. She thanked the Sheriff's Office for its continuing support, as well as the many residents who volunteered as delivery drivers. She invited the Board and staff to visit them in their new location and take a tour of their operation.

Joe Fortner, President of The Colonies Property Owners Association, stated that public safety should be the priority of government, and spoke about recent fires and loss of property in his neighborhood. He commented that New Kent had a capable Sheriff's Office and Fire Department, but encouraged the County to provide funding to expand the capabilities of the Fire Department.

Judy Harris, a part-time IT employee of the Heritage Public Library, described some of the services provided by the Library, which included helping patrons apply for jobs online and conduct job searches, build résumés, complete forms and applications, and set up email accounts, as well as providing basic computer and software classes. She advised that the Heritage Library provided the bare minimum in computer access required by the State and that cutting the funding would hurt many residents in the community. She ended by thanking the Library staff, volunteers and patrons who were in attendance to support the Library.

Judy Adkins, a Library volunteer and Secretary of the Friends of the Library, stated that she was one of the first children to patronize the Library when it opened in 1983. She referred to the petition that was given to the Board that had over 230 signatures in support of restoring the proposed funding cuts. She read aloud some of the comments made by their supporters, and described the many services provided by the Library upon which the community had come to rely. She indicated that the Library provided the only Internet access that some County residents had and that the Library needed to expand its services -- not decrease them. She spoke about the fees that County citizens would have to pay for

Library services in other localities as non-residents should the Heritage Library have to cut its services. She thanked the volunteers for all of their work and encouraged the Board to listen to the citizens and not cut Library funding.

Diane Dodson identified herself as the parent of a fifteen-year old member of the high school band, and expressed her concerns about the possibility that school music programs might be eliminated because of funding cuts. She indicated that she would rather see tax money spent on the music program than on County parks, and asked the Board for reconsideration.

Mr. Sparks asked Assistant Superintendent Robert Richardson if the music program had been eliminated. Dr. Richardson said that it was under consideration for partial if not full elimination, but had not as yet been eliminated.

Brittany Warburton stated that she was the youngest volunteer at the Library and described how the Library had affected her as she was growing up, and what it meant to its patrons. She indicated that it served as additional resources for students and teachers, and was a source of computer access for those residents who did not have computers at home.

Corey Blunt thanked the Board of Supervisors, the County Administrator and the Budget Team for doing such a good job on the budget and keeping taxes low. He stated that there was never a time when his District Supervisor hadn't sat down and talked with him. He indicated that he was a life-long resident of the County and was currently working two jobs, and he appreciated what the Board had done and he "would not change a thing" in the proposed budget.

There being no one else signed up to speak, the public hearing was closed.

Board members thanked everyone for their comments.

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IN RE: TAX LEVIES FOR FY09/10

The Chairman opened the public hearing on proposed tax levies for FY09/10. There being no one signed up to speak, the public hearing was closed.

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IN RE: APPENDIX A FEE SCHEDULE

The Chairman opened the public hearing on the proposed Appendix A - Fee Schedule. There being no one signed up to speak, the public hearing was closed. It was noted that fees for burial of animals and fowl had been removed.

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IN RE: MEETING SCHEDULE

The Chairman announced that the Board of Supervisors would hold its next regular business meeting on May 11, 2009, at 6 p.m. and would host a Town Hall meeting about the budget on Tuesday, May 5, 2009, from 6 p.m. until 8 p.m., and that all meetings would be held in the Boardroom of the County Administration Building, New Kent, Virginia.

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IN RE: ADJOURNMENT

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

Stran L. Trout

Aye

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

The motion carried.

The meeting was adjourned at 8:20 p.m.