

A SPECIAL MEETING OF THE NEW KENT COUNTY BOARD OF SUPERVISORS WAS HELD ON THE 28TH DAY OF MAY IN THE YEAR TWO THOUSAND EIGHT OF OUR LORD IN THE BOARDROOM OF THE COUNTY ADMINISTRATION BUILDING IN NEW KENT, VIRGINIA, AT 7:00 P.M.

IN RE: INVOCATION AND PLEDGE OF ALLEGIANCE

Mr. Burrell gave the invocation and led the Pledge of Allegiance.

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 |

Chairman Burrell called the meeting to order, thanked everyone for attending and explained the rules for the public hearings. It was noted that voting on the items scheduled for public hearings would be held at the Board's meeting on June 9, 2008.

County Administrator John Budesky explained that there would be a reversal in the order of the public hearings on the Budget and Tax Levies compared to what was listed on the published Agenda.

IN RE: CHANGES TO APPENDIX A, FEE SCHEDULE

Mr. Budesky reviewed the proposed changes to nine of the approximate 130 fees charged by the County which included slight increases in commercial building permit fees; a decrease in the miscellaneous structures permit fee resulting from an update of the Fair Market Value chart; an increase in the Building Code Board appeal fee; increase in the Legal Document Review fee; an increase in the Fire-Rescue cost recovery per-mile charge for emergency medical services; and an 8% across-the-board increase in utility user fees, connection fees, and sewer availability fees. He reminded that the Public Utility System was funded solely by its users and not from the General Fund, and that the Proforma called for yearly 8% increases to maintain the system. He reviewed a comparison of New Kent's utility rates to those in other localities.

The Chairman opened the Public Hearing.

There being no one signed up to speak, the Public Hearing was closed.

IN RE: GENERAL REASSESSMENT

Mr. Davis commented that he continued to have misgivings about the recent reassessment - that he didn't like way it was done, didn't like the assessor designating every parcel as a building site and that a landowner would have to prove that it wasn't. He added that the assessor had in effect "zoned all the land for us" which was not the Board's intent. He continued that if the Board had known that was the methodology, even though it was an "accepted methodology", it would not have "gone along with it". He cited examples where land values had tripled, and he predicted that some landowners would be forced to sell their property because they couldn't afford to pay the taxes on it. He then made a motion to vacate the assessment.

County Attorney Jeff Summers proposed that Mr. Davis amend his motion so that rather than moving to "vacate" the assessment, that he move that the Board "not accept" it. Mr. Davis accepted that modification.

Mr. Sparks advised that he agreed with some of Mr. Davis' comments but noted that the County had spent significant money on the process and that although there were some issues, many had been rectified or were under consideration by the Board of Equalization. He inquired if there was a way to "not accept" a portion of the reassessment. Mr. Summers advised that was not an option, and that the Board could only accept or not accept it as a whole. He added, however, that having made a decision to accept it, any remedies could be reflected in the tax rate that was levied. He indicated that if the Board accepted it, it would set the tax rate with the knowledge of how the reassessment was accomplished; otherwise, the Board would be acting as an assessor.

Mr. Evelyn asked what tax rate would be necessary to fund the budget if the assessment was not accepted. Mr. Budesky advised that some costs were unknown, including the cost to recapture the previous assessment values, but it was estimated that the rate would have to be \$1.13 or higher, which would result in New Kent having the highest tax rate in the region.

Mr. Evelyn noted that citizens who felt their assessments were wrong had the options of talking with the Commissioner of the Revenue and the assessor, and then still had an opportunity to appeal to the Board of Equalization and then to the Circuit Court. Mr. Davis noted that there were 18,000 parcels and that there was no way everyone would have a chance to meet with the Board of Equalization. He stated that he did not approve of the methodology that the Assessor used by considering every parcel as a building site and he wished he had known that before it was finalized. He noted that New Kent was a rural county and he would like to see it stay that way. He again complained that with the resulting increase in assessments, people were being forced to sell their property.

Mr. Evelyn noted that the same appraisal firm was used during the last reassessment. Mr. Davis agreed, but said that they didn't do it the same way before.

Mr. Trout commented that it would be a big mistake for the Board to set values on individual properties and there was a misperception that all parcels had been over-assessed. He emphasized that the Equalized Rate was a calculated figure and that the revenue needed was the same, no matter what values were used. He stated that it was his understanding that using a calculated average was acceptable methodology and he discouraged the Board from getting involved in assessment disputes. He noted that there was a system in place for the landowner to appeal to the assessor, the Board of Equalization and then the Circuit Court, but not to the Board of Supervisors. He pointed out that a lot of changes had been made by the assessor, and that many were under consideration by the Board of Equalization, and it would be inappropriate for the Board of Supervisors to "throw out" the assessment. He encouraged property owners to use the appropriate channels that were in place. He noted that with the development of alternative septic systems, homes could now be constructed on many parcels that used to be "not buildable".

Mr. Sparks agreed that there were many parcels that were correctly assessed and that those believed to be incorrect were being dealt with. He repeated that the County had a significant amount of money invested in the process and that if the assessment were "not accepted" then it would likely cost taxpayers close to \$500,000 to repeat the process, which was equivalent to another two cents on the real estate tax rate. He stated that he could

not support that and urged dissatisfied property owners to work through the process in place, noting that the Commissioner of Revenue could be of assistance.

Mr. Burrell stated that although he understood Mr. Davis' point, historically the Board of Equalization had been able to rectify the inequities and he could not recall of any assessments that had been appealed to the courts. He pointed out that "throwing out" the reassessment would not reduce the tax burden because the County needed a certain amount of funding to run the government, no matter what the tax rate or assessment values were deemed to be.

Mr. Sparks reiterated that throwing out the assessment would cost the taxpayers money. Mr. Evelyn agreed stating that, although he didn't like the reassessment, what mattered was the tax rate.

Ms. Ecimovic commented that everyone recognized that there were some anomalies in the reassessment process but that she would like to address the building lot issue mentioned by Mr. Davis. She said that 95% of the time, the first acre of a parcel was always assessed as a home site, and she did not believe that the assessor changed his methodology from the last assessment, but "just called it something different". She confirmed that it was a common practice to consider the potential of the parcel. The other issue that she was concerned about was that the land records had been updated and she did not know if they even had the ability to extract the old assessment information because the software no longer supported it. She reported that her staff had worked hard to clear up many of the factual errors that did not require Board of Equalization action, and they were continuously running reports and had delayed their normal work in order to make these corrections. She said that she felt confident that the issues could be addressed and she would continue to encourage citizens to take advantage of the Board of Equalization process on those issues that her office could not correct. She said that she had brought anomalies to the attention of the Board of Equalization and would continue to do so.

The members were polled on Mr. Davis's motion to not accept the appraisal done by Tri-County Appraisals:

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

The motion failed.

IN RE: EQUALIZED & EFFECTIVE REAL ESTATE TAX RATE

Mr. Budesky advised that the equalized tax rate was one of the "toughest things to try to explain" and admitted that the example that was mailed out was confusing and that staff would try to improve on that process in the future. He explained that State law required that the equalized rate be determined so that the revenue from the equalized rate would be no greater than 101% of the revenue at the old rate. He indicated that the total land value after reassessment determined that the 93-cent current tax rate be equalized to 67 cents. He noted that had land values decreased, the equalized rate would have been higher than the current rate of 93 cents. He acknowledged that there were valid concerns with some of the assessments and many of those were currently under consideration by the Board of Equalization. He advised that the Board of Equalization was a fair group that continued to

support the reassessment process, and was continuing to work on individual issues, meeting two times per week. He reported that there was still time to schedule a hearing and provided details on that process.

The Chairman opened the Public Hearing.

George Oden, Jr. admitted that Mr. Davis' motion had "taken him off guard". He referred to the reassessment as a "bunch of junk" and a "juggling of figures in a data base", noting that he had personally identified at least 25 "gross errors that cost the County a lot of money". He stated that he appreciated the fact that the County Administrator, Treasurer, and Supervisor from District 3 had met with a group of concerned citizens. He spoke about the bad economy and citizens who weren't getting raises, including retirees. He noted that he lived on a one-acre lot on the Chickahominy River that had been valued at \$364,000, and had appealed to the Board of Equalization but wouldn't hear anything until July. He urged the Board to keep the budget "slim and trim".

George Slepmp thanked Mr. Davis, stating that he had "a lot more nerve than a lot of people in the County". He said he understood the Board's reluctance to throw out the reassessment, but felt that the County should be able to recover the cost from the assessor. He said that he and his neighbors in The Colonies had found many errors in the reassessment and had offered to share these with the County. He also understood that there was a time constraint involved in adopting the budget, but he felt that the County had "painted itself into a corner" and urged the Board to re-do the reassessment. He stated that he had a problem with raising taxes which would take too much out of the pockets of citizens who couldn't afford it. He predicted that the number of foreclosures would increase as a result.

He commented that he knew it took money to run government but encouraged the Board to strike out unnecessary items.

Vic Golderos stated that he agreed with the comments made by the previous speakers.

Wayne Hogue applauded Mr. Davis "for standing up for the citizens". He agreed with previous comments regarding errors in the assessments and advised that he owned .6 acre on the river in The Colonies that had been valued at \$364,000. He said he was not against paying his fair share but he felt that the reassessment had not been done equally or consistently and it should be thrown out. He referred to similar action being taken in other localities and commented that he "could not believe someone could come in and do such a disservice to the citizens and County", noting that the assessor "hadn't even stayed long enough to explain his data base to the Commissioner of the Revenue". He indicated that he had met with the Board of Equalization who seemed very positive and had listened to his concerns, but he felt that having to go to court for further remedy "was just another step that would cost the citizens". He noted that just a couple of hundred property owners would have an opportunity to meet with the Board of Equalization and wondered about the others and those on fixed incomes, who perhaps misunderstood the information about equalized rate and didn't realize that the tax rate was going up and wouldn't realize the impact until tax bills were received.

Alease Christian expressed her concern that not everyone impacted by the reassessment would be able to meet with the Board of Equalization. She said that she met with the Board of Equalization as an advocate for about fifteen senior citizens regarding their assessments. She indicated that she found the Board to be very considerate but they would not be receiving information until July on any corrective action. She thanked Mr. Davis for

his motion and suggested that the County publish a notice advising that citizens could make prepayments on their taxes and not have to wait until tax bills came out in November.

Treasurer Herb Jones confirmed that citizens could make advance payments on their taxes at any time and that he would be glad to publish a notice to that effect.

Ron Yarbrough commended Mr. Davis for his motion, which he indicated "threw a monkey wrench into the works" with respect to the comments he had planned to make. He advised that he was shocked to see that the value of his land had increased by 103% and his home by 50%. He indicated he had met with the assessor and had been able to work out something on the land but had not met with the Board of Equalization. He indicated he was not in favor of a 75 cent tax rate, which was 11.9% above the equalized rate. He spoke about the current economic downturn and how a lot of people were having problems making ends meet, with increases in the cost of energy and food, and a 11.9% increase was not appropriate. He stated that it was "time for the government to learn to live within its means the way everyone else was" and that he knew of no one who was getting a 11.9% raise, as there were many who were getting no raises and others who were losing their jobs. He urged the Board to keep the tax rate to a minimum, stating that he'd like to see it stay at 67 cents, and to take the luxuries out of the budget. He commented that the County "needed to walk before it ran".

Floyd Philbates spoke about errors in the reassessment, noting that values on all of his land had increased, and stated that he felt that some things were "not equalized". He advised that he had met with both the assessor and the Board of Equalization, but would like for "someone to look at these hard" and felt that the increases were a lot more than what was being advertised.

Rick Bishop called his recent assessment "shocking" and talked about the flaws in the assessments made on parcels in The Colonies. He noted the substantial increases for waterfront problems and the fact that some of the interior parcels in The Colonies were assessed the same as some of the lots in Woodhaven. He urged the Board to take another look at the reassessment. He advised that he had met with the assessor twice and "got nowhere". He predicted that his taxes would be increasing about 20% and did not feel it was justice that the tax increase wasn't spread equally among all of the property owners.

Chris Kuhn asked about the purpose of the public hearing, and if there was anything the Board could do to truly "equalize" the process. He talked about the futility of the process and how the economy had worsened and land values had decreased since the assessments were made.

There being no one else signed up to speak, the Public Hearing was closed.

IN RE: PROPOSED FY08/09 BUDGET

Mr. Budesky reviewed the budget process and reminded that even though it had authorized the new tax rate to be advertised at 75 cents, the Board could reduce it from that amount at the time of adoption. He spoke about the work of the Budget Team and the Finance Committee and how the budget process started in November. He reviewed what was being done to maintain fiscal responsibility, which included departments aligning their requests with the Board's goals; maintaining a zero-based budget and requiring full justification for all line items; categorizing funding as either mandated or discretionary; and considering outsourcing for savings. He advised that the Board had agreed to spread the tax rate impact of the high school and other construction debt over a number of years. He noted

that the schools had requested around \$1.3 million in new funding, and that new positions had been requested that would have cost almost \$900,000. He spoke about the cost of funding the Comprehensive Services Act (CSA), which was mandated through the courts and schools and provided services for special needs students. He talked about the challenge of balancing revenues and expenditures, noting that most taxpayers were concerned about how their tax dollar was being spent.

He pointed out that the largest portion of the County's revenues continued to come from real estate taxes. He spoke about cuts in State funding, which were able to be absorbed in the County's budget because of cuts in operating expenses. He reviewed other sources of revenue, which included meals tax, fines & forfeitures, aid from the State, and General Revenue.

Mr. Budesky reported that revenue from ambulance expense recovery was slow to be paid by insurance companies, and that less revenue was being generated by building permit fees. He indicated that rental revenue for the new Human Services Building would help offset the debt service on the building, and pointed out that CIP projects would be cash funded in the upcoming year by either proffers or general fund balances, with no borrowing anticipated for non-utility projects. He reported that the County would no longer receive revenue from alcohol sales and reviewed other cuts made by the State. He indicated that based upon discussion with members of the School Board and School staff at the previous work session, the Board had increased funding for the schools by \$20,000 in order to boost teacher salaries.

Regarding the public utility system (enterprise fund), he reported that most projects were coming to completion and that there was one large phase remaining. He noted a slight increase in revenues from the ad valorem tax paid by landowners in the Bottoms Bridge Service District, as well as a decrease in the number of connection fees. He justified the two new part-time utility positions by reminding that the County now had over 33 miles of utility lines and 20 pump stations to maintain. He spoke about a few planned small utility projects, which included improvement of the old VDOT site, Kentwood well replacement, and sewer pump station improvements.

Regarding public safety, he spoke about the lack of expected revenue from emergency response recovery, as well as upgrading of a few positions, and a new reduced personal property tax rate for fire-rescue volunteers and auxiliary deputies on one vehicle per volunteer. He noted the addition of one squad vehicle to Company 3 to augment their ability to serve the community.

He reminded that the recent reassessment would be the last time the County would use an outside company and those duties would be assumed and performed on a two-year cycle by staff in the office of the Commissioner of the Revenue, which required another position.

Mr. Budesky reminded that the Board had recently increased the income and net worth thresholds to the highest allowable by law to allow more elderly and handicapped citizens to qualify for real estate tax relief.

Under Customer Service improvements, he referred to the upgrades made in some of the positions, as well as New Kent's citizens' academy (New Kent University) and a quarterly newsletter.

He spoke about improvements to parks and recreation facilities, noting that the new Recreation Specialist position would be funded by program fees and therefore would be cost neutral to the citizens.

Under Economic Development, he noted that the County had adopted an incentives policy that included grants for existing businesses to assist them in upgrading, partially funded by Meals Tax revenue. He reminded that in the new budget, the tax on machinery and tools would be reduced by 50% as another incentive to attract and retain businesses.

Regarding Quality Education, he pointed out that the majority of the County's debt service was for school construction, and that the recommended new local school funding represented an increase of 8.6%, but was less than what the schools had requested. He reported that in order to meet the full request, real estate taxes would have had to have been increased by another two cents.

Mr. Budesky spoke about the County's continuing to fund the Purchase of Development Rights program, as well as a \$20,000 increase in funding for the County's branch of the Heritage Library who was required to move into leased space earlier in the year. He also noted that some funds were budgeted to continue work on the Eltham Battlefield project.

He advised that the proposed school funding of \$834,737 represented an 8.6% increase in local funding, with an equivalent value of almost four cents on the real estate tax rate.

He reported that the proposed expenditures closely mirrored revenues, with 58% going to the schools, 7% to Social Services, 6% to the Airport, 20% to the General Fund, 9% to public safety and 3% to fire and emergency management.

He noted that the funding for CSA, one of the County's fastest growing cost centers, equaled nearly one cent on the tax rate and over which the County had no control.

Mr. Budesky reviewed that sixteen new County positions had been requested, with only five full-time and one part-time being recommended, along with two that were revenue-neutral. He reported that out of the 34 position upgrades that had been requested, only eight were being recommended. He reviewed other items that had been "pared down" which included the merit increases for County employees (1%), funding for the schools (by an amount equivalent to one cent on the real estate tax rate), as well as the elimination of custodian, firefighter, and environmental compliance inspector positions, upgrade for the Airport Manager, and some other initiatives, which had a value equaling one cent on the tax rate.

He reviewed the proposed COLA of 2.5% and merit raises of 1% for County employees, noting that the proposed raises would be the lowest since 2001.

He advised that although the School Board would set the raises for its staff, the proposed funding would be based upon raises of 6% for teachers, 8% for paraprofessionals and 4% for all other school staff. He reviewed a chart showing a comparison of raises given to School employees and County employees since 2000, noting that in all but two years, the School Board employees received higher raises than County employees.

Mr. Budesky reminded that to fully fund the Schools budget request would have required an amount equal to two cents on the real estate tax rate.

He reviewed that of every dollar in the General Fund, 28.8% went to General Administration (26% to operations, 2% to debt), 44% to Schools (32.7% operations and 11.3% for debt), 17.3% to Public Safety, 5.8% to Health & Welfare, and 4.1% to the Court System.

Mr. Budesky indicated that many asked about where the funds were going that made up the difference between the advertised rate of 75 cents and the equalized rate of 67 cents. He reminded that the Board could adopt a rate of 73 cents, and of that difference, 28.5% would go to schools, 32.9% to debt service, 7.5% to CSA, 7.9% to COLA and merit raises for County employees, 6.9% for new and upgraded positions, 8.9% to Building and Grounds, 1.6% increased funding to agencies, and 22% to the Contingency account to cover impacts from Board of Equalization adjustments.

He noted that the County funded 24 agencies, some of which were receiving increases and some receiving decreases from previous funding levels.

He reported that \$4.3 million from the General Fund would be used to pay debt service in the upcoming year, along with \$242,500 from the Meals Tax, \$232,500 from Brickshire proffers, \$17,919 from Airport hangar loans, and \$400,527 from the Debt Service fund balance.

He reviewed the expenditure of debt service funds, of which \$709,357 (13.6%) were for County projects and \$4.5 million for school improvements and construction, with debt service totaling \$5,225,894 for the upcoming year. He reminded that there was one more year of real estate tax impact from school construction, estimated to be 4.1 cents for the 2010 fiscal year.

The Chairman opened the Public Hearing.

Corey Blunt, a first grade teacher at George Watkins, spoke in support of school funding that would give teachers raises in the range of 6.5% – 6.7%. He thanked Mr. Evelyn for his support of salary increases and alluded to alleged non-support by some of the other Board members. He spoke about the lure of higher salaries in neighboring jurisdictions. He urged the Board, as elected leaders, to give priority to funding for teacher raises, commenting that even though there were improvements and new construction underway, “students couldn’t learn unless they had good teachers”.

Sheila Morris, a biology teacher at the high school, expressed her concern with what had happened to teacher salaries in New Kent over the past six years. She noted that despite the fact that there was a core group of teachers who lived and chose to teach in New Kent, every year new teachers came to the County to gain experience and then left for other systems that provide signing bonuses and salaries that were significantly higher. She reported that during the past five years, fifteen science teachers had “come and gone” and she spoke about how difficult it was to function as a department when they were constantly training new employees. She applauded the Board for building a new high school, but urged them to continue their investment in the community by providing competitive teacher salaries.

Kim Claytor stated that she felt that citizens were being taxed without proper representation, referring to two prior school bond referenda that were voted down. She noted that it took “only three Board members to over-rule more than 4,000 citizens” who had voted against the referenda. She advised that she supported education and wished that teacher salaries were higher, but if the County didn’t have the debt of a new high school, it would be able to pay more than it did. She clarified that she did not oppose higher

salaries for teachers, but did support the need for the Board to be accountable to the citizens. She mentioned problems with the assessments, noting that her real estate taxes would also increase, but attributed these increases to construction of the high school. She again urged Board accountability to the citizens and well as a better way to inform the citizenry as to what was going on.

Sheila Fowlkes spoke in favor of school funding and teacher raises.

Rick Bishop commended the County for proposing an increase in pay for its employees but cautioned the Board to consider delaying those raises, in light of what was happening with the State and in other localities, as well as the financial struggles that taxpayers would experience. He urged the County to budget only for things that were needed and to spend taxpayer money wisely.

Janet Ciaravino spoke in favor of increased salaries for teachers.

May O'Leary correlated teacher salary to teacher retention, and teacher retention to quality education. She urged the Board to make salaries for New Kent teacher competitive with other localities.

Corinne MacIntosh spoke in support of increases in teacher salaries and against the recent assessment. She presented the Board with a copy of an email petition showing support of full funding of the School's budget.

Sharon Jordan spoke in favor of higher salaries in order to recruit and retain quality teachers. She reminded that the quality of a school system was an important factor for prospective businesses when they were considering relocating to a locality.

Steve Miles thanked the Board for its support of and investment in the schools over the past five years, and requested that support and investment continue. He stated that the Board had a critical role in facilitating higher education by providing competitive compensation. He indicated that he did not feel that the proposed teacher salaries were adequate, and commented that although New Kent had many great teachers, it did have difficulty in attracting and retaining new talent. He spoke about the high cost and disruption to students when teachers left mid-year, and about his concern for those students who did not have anyone to advocate on their behalf. He asked citizens to encourage the Board to fully support the school system. He also thanked the Board for its continuing support of the Meals on Wheels program, without which the homebound residents of the County would not have the regular contact and food that they needed. He also recognized the volunteer drivers who delivered meals at their own expense at a time of high fuel costs.

Anita Otey read a statement from Kenneth Otey, President of the New Kent Education Association (NKEA), who was unable to attend because of a girls' softball game. His letter reflected that the NKEA supported the School Board and commended it for its efforts to develop a budget that would increase teacher salaries and improve retention of talented teachers. It went on to say that it was critically important that the Board of Supervisors meet its responsibility to allocate local funds to fully fund the Schools requests.

Wanda Watkins spoke in favor of higher teacher salaries and full funding of the Schools budget requests.

Steve Rocha spoke in favor of increasing teacher salaries in order to improve recruitment and retention of good teachers. He commended the Board for its support of school

construction and improvement and urged it to keep up the momentum by funding the schools budget.

Helen Poad spoke about teacher retention, citing statistics that for every \$1 invested in schools, there would be a savings of \$8 in costs of government support (Social Services and prison costs) in the future. She reported that when the need for new jails was being contemplated, one of the factors considered was the third grade reading level.

Lynn McPherson thanked the Board for its support of schools over the past years and spoke in support of increased teacher salaries. She said that over the last five years, New Kent had lost ground in its efforts to provide competitive teacher salaries and she urged the County to allocate enough funding over the next few years to return to the median level. She stated that the School Board was an excellent steward of tax dollars and noted that all of the schools were accredited. She commented that it was "not about spending money, but about investing money".

Van McPherson, former School Board member, spoke in support of funding for increased teacher salaries. He warned that New Kent was liable to lose 40% of its teachers because of low pay. He noted that in the years that the Board did not fully fund the schools' budget requests were the years that New Kent teacher pay dropped in the rankings, surmising that when salaries and benefits made up 85% to 90% of a budget, salaries would be the only area where cuts could be made. He indicated that even with the proposed 6% increase, there would be only a 1% gain, and at that rate, it would take New Kent 48 years to get teacher compensation back to the median level. He urged the Board to rely on the judgment of the elected School Board.

Chris Kuhn criticized the Board for ignoring the citizens and trying to become "big government". He cited the economic downturn and increased government growth and spending. He indicated that with reduced revenue for his business, he has had to cut back on jobs and services and that the County should do likewise. He asked that the Board stand up for the citizens and cut spending and the budget. He noted that most residents were on fixed incomes. He also criticized the County for waiting until the last minute to hold the budget public hearing.

Commissioner of the Revenue and Finance Committee member Laura Ecimovic offered to clear up some "misinformation". She stated that no one wanted to cut school funding, reminding that the County had made a "huge commitment" by building a new high school. She spoke about hard time and hard line issues. She noted that five of the six cents on the real estate tax rate increase were going to the schools. She acknowledged that there were needs but reminded that the Finance Committee had to consider all of the needs of the County and stated that the County could only ask so much of its citizens during such a hard year, with some of them being taxed out of their homes. She stated that the budget had to be balanced while still being fiscally responsible to the citizens and she urged the Board to adopt the budget as proposed.

Treasurer and Finance Committee member Herb Jones, Jr. congratulated the County on a fair, equitable and responsible budget. He reminded that County staff, the Budget Team and the Finance Committee had made some very difficult decisions and he commended them for their hard work. He noted that the proposed budget was a "reflection of the reality of the economy" and reported that every day his office received calls from people having difficulty paying their taxes and that there were currently three tax sales pending. He stated that the Finance Committee did the best it could to be fair to everyone and he encouraged the Board to adopt the budget as presented. He warned that things would

likely not improve any time soon and that the County would have similar challenges next year. He suggested that the budget process start earlier next year and that everyone, including the schools, be required to provide the same detail and justification for their requests.

Wayne Hogue stated that he was not against teacher raises but was against unnecessary spending.

Crys Gaston, President of the PTO at New Kent Elementary, stated that she understood the difficulty of having "limited funds and unlimited needs" and that the Board was doing the best it could. She suggested that bringing in more businesses would help with the tax base and reduce the burden on the taxpayers, but warned that big businesses looked at the quality of school systems and New Kent "might not be there yet".

George Oden, Jr. urged that the Board set the tax rate at the minimum "it needed to do business". He suggested that it might be helpful to color-code the budget so that mandated, needed and wanted items would be in different colors. He suggested that if salaries were so important, the School Board should use its funding for higher salaries and cut in other areas. He said he that he'd like to see the tax rate as low as possible and that all unnecessary spending be eliminated.

Floyd Philbates said that there'd been a problem with teacher retention for as long as he could remember, but that the County kept growing. He stated that he didn't feel that the County should be spending money on parks and he felt that there was some "fat in the School budget that could be trimmed". He was not in support of raising taxes in order to give salary increases, and he suggested that eliminating all of the "assistant" positions would save some money. He urged that the Board continue to look at the budget and "do some chopping".

There being no one else signed up to speak, the Public Hearing was closed.

The Board took a short recess then resumed its meeting.

IN RE: TAX LEVIES

Mr. Budesky reviewed the proposed tax levies, which included the advertised increase to 75 cents per \$100 assessed value in the real estate tax rate (which included manufactured homes); no change in the personal property tax rate of \$3.75 per \$100 assessed value; and a decrease in the tax on machinery and tools from \$3.00 to \$1.50.

He noted that the tax relief rate under the Personal Property Tax Relief Act had yet to be determined, but that in the current year, owners paid 43.5% of the tax.

Regarding the recommended real estate tax rate of 73 cents per \$100 assessed value, he provided information about tax rates over the past ten years and also information as to how that rate compared to rates in surrounding localities. He reported that the increase in taxes on an average-priced home in New Kent would be \$177 at the 73 cent rate and \$232 at the 75 cent rate, reminding that this was just an example and that tax changes would fluctuate from property to property.

The Chairman opened the Public Hearing.

Julia Hogge spoke about the financial struggles she was facing and how she could not afford even a small increase in her taxes. She congratulated Mr. Davis for his motion on the reassessment and suggested that the County should get its money back from the assessor and the taxpayers should not have to pay for a bad assessment.

Floyd Philbates expressed his support for a tax rate of 67 cents and letting the "Finance Department figure out where to make the cuts". He stated that there were "a lot of people hurting in this County" and predicted that New Kent would "end up with schools but no teachers, no kids and no businesses".

There being no one else signed up to speak, the Public Hearing was closed.

Mr. Burrell thanked everyone for their comments and advised that the Board would take them under advisement when it met to consider adoption.

Mr. Budesky thanked everyone for coming out and providing input.

Mr. Sparks expressed his appreciation for opinions expressed by the citizens, which he described as "very helpful".

Mr. Trout likewise expressed his appreciation, stating that there had been some good ideas on the various issues. He also reminded everyone about the upcoming Relay for Live event being held at the high school.

Mr. Davis thanked everyone for coming out and asked the Chairman to explain why the Board would not be voting until its next meeting.

Mr. Burrell explained that State Code required that the Board wait at least seven days before taking a vote and he assured that the Board would take all comments under consideration. He again thanked everyone for their participation, commenting that "government worked best when citizens got involved".

IN RE: MEETING SCHEDULE

The Chairman announced that the next meeting of the Board of Supervisors would be held at 6:00 p.m. on June 9, 2008, in the Boardroom of the County Administration Building, New Kent, Virginia.

IN RE: ADJOURNMENT

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

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

The motion carried.

The meeting was adjourned at 9:54 p.m.