

A REGULAR WORK SESSION WAS HELD BY THE NEW KENT COUNTY BOARD OF SUPERVISORS ON THE 25th DAY OF JUNE IN THE YEAR TWO THOUSAND FOURTEEN IN THE BOARDROOM OF THE COUNTY ADMINISTRATION BUILDING, NEW KENT, VIRGINIA, AT 9:00 A.M.

IN RE: CALL TO ORDER

Chairman Evelyn called the meeting to order.

IN RE: ROLL CALL

Thomas W. Evelyn	Present
C. Thomas Tiller, Jr.	Present
James H. Burrell	Absent
Ron Stiers	Present
W. R. Davis, Jr.	Present

IN RE: VIRGINIA'S NUTRIENT MANAGEMENT PROGRAM

Derik Cataldi of the Department of Conservation & Recreation and New Kent resident Pete Sweet provided information regarding Virginia's Nutrient Management Program (NMP), to include what it was, where it was used, and the State's commitment regarding the timing and application of nutrients.

Mr. Davis advised that every acre of agricultural land has had its own NMP for the past 15 years and, although this was not something new, it was now being expanded down to urban situations.

Mr. Cataldi agreed, indicating that there was a new law that required reporting of the application of fertilizer to any public land and that localities with a certain density of population were also required to have a Total Maximum Daily Loads (TMDL) Action Plan outlining how they would reduce their nutrient loads. He advised that he wanted the localities that had a potential for growth to be aware of the possibilities and perhaps have something in place in order to "put them off on the right foot".

Mr. Sweet, who worked as a certified planner in James City County, explained that that locality's program was voluntary and there was a one-time fee of \$30.

Mr. Cataldi advised that this was a program that was delegated to the states by the Environmental Protection Agency (EPA), and the states were in turn looking to the localities.

Mr. Stiers complained that the Board had just spent the last nine months fighting the Stormwater Management Program and he felt this was just more regulations and costs being passed on to the taxpayers.

Mr. Davis indicated that currently the State of Virginia paid for the agricultural plans but expected that could change.

Mr. Cataldi explained that urban cities were trying to get a cost share from the State. He added that currently the program was voluntary but as it expanded and plans were required, the State would provide free technical assistance. He indicated that all plans were currently being written by certified planners with different fee schedules.

He suggested that it might help New Kent to have someone on staff who was a certified planner.

Board members thanked him for his presentation.

IN RE: RADIO SYSTEM PROJECT

County Administrator Rodney Hathaway reported that in response to a directive from the Board at its May meeting, staff had been working with Financial Advisor Ted Cole to develop some financing options for the proposed new radio system project.

Mr. Cole reviewed the goals and objectives of his presentation which included a detailed analysis of the County's existing tax supported debt profile to include key financial ratios, an overview of the County's potential E-911 radio system project, and to review a series of potential financing scenarios.

He noted that New Kent's tax supported debt as of June 30, 2014 was \$57,535,805, all of which would be fully retired by 2029 with only a gradual annual decline.

He reported that the 10-year payout ratio for FY14 was 57.4%, a percentage that was well within the County's 50% policy.

He indicated that the County's debt per capita (per person basis) for FY14 was \$2,897.

He advised that the County's Debt to Assessed Value ratio (outstanding debt as percentage of tax base) for FY14 was 2.24%, which was in compliance with the County's policy of 4.5% or less.

He noted that for Debt Services v. Expenditures ratio (annual debt service payment as a percentage of the budget) for FY14 was 11.29%, just shy of the County's policy ratio of 12%.

He remarked that a Debt Affordability Analysis reflected that New Kent's debt was paid down in a sustainable fashion, but reminded that the County's Debt Service fund balance (with \$300,000 annual withdrawals) would be exhausted in FY18 and the County would have to find a way to make that up.

He reviewed that New Kent had been offered an opportunity to join the Counties of Gloucester, James City and York in a regional radio system project. He recounted that Motorola had been procured to provide the system design, construction and maintenance, and had asked New Kent to commit to a countywide E-911 radio system design process that would take approximately 30 days, after which time New Kent would be provided with a firm project cost. He explained that the current estimate for the system design and construction, which was a high-end conservative estimate, was \$6.7 million. He noted that Motorola would be requesting the New Kent Board of Supervisors to approve a construction contract as early as August 1, 2014, and that after a two-year warranty period, New Kent would have to fund an annual maintenance contract of \$350,000. He pointed out that the County currently had \$138,440 built into its FY15 budget for maintenance of its existing system, resulting in an additional net maintenance cost of \$211,560 beginning in FY18.

Chief Deputy Joe McLaughlin clarified that the requested commitment letter did not impose any financial obligation on New Kent, and would include tower sites and anything else that was available, and that there was a tentative date set for the process to begin.

Mr. Cole explained that the various funding scenarios were based on the \$6.7 million estimate and \$211,560 of additional net annual maintenance costs.

He reviewed that the County had the option of financing the cost of the project with Motorola at a quoted rate of 3.6% for 10 years or could look at bank-financing.

He explained that the County could reallocate some existing funds in its Capital Improvements Program (CIP) for projects that had been removed, to include \$175,000 for the Watkins Elementary tank removal and \$48,000 for a marine patrol craft, as well as use the FY15 school set-aside (2 cents) in the amount of \$486,136, and a like amount from a FY16 County fund balance contribution to be reimbursed with the FY16 school set-aside.

He noted that all of the funding scenarios repurposed the 2-cent school set-aside of \$486,136 and included a one-cent real estate tax increase beginning in FY16 valued at \$247,736.

Option 1 provided for a down payment of \$709,136, borrowing \$5,990,864 for 10 years at the Motorola rate of 3.6%, resulting in an annual debt service \$723,985. This option would also require another one-cent increase in the tax rate for FY18.

Mr. Evelyn asked about the FY14 school set-aside funds. Mr. Hathaway explained that those funds were reserved for roof and other work needed on the buildings. Mr. Evelyn suggested that the \$138,440 currently budgeted for the maintenance contract on the existing radio system could be used to help with the down payment during the warranty period. It was explained that the County would need to keep that system and its maintenance contract in place until the new system went live.

Option 2 was the same as Option 1, but was based on one-year capitalized interest, resulting in an annual debt service of \$750,049.

Option 3 had a larger down payment (\$1,195,272) and one-year capitalized interest, resulting in annual debt service of \$689,185.

Mr. Cole explained that this debt would not affect the County's policy compliance and the project would be considered an essential one by potential lenders.

There was discussion regarding security. Mr. Cole advised that he expected Motorola would be less choosy about collateral and there would be some type of lease-financing on the equipment.

There was also discussion regarding public perception if the Board used the 2-cent school set-aside for the radio project instead of for an elementary school.

Mr. Davis commented that since the letter of intent was not a financial obligation, he moved to authorize the County Administrator to send a letter of intent to Motorola, Inc. for the purchase of a new regional radio system. The members were polled:

C. Thomas Tiller, Jr.	Aye
James H. Burrell	Absent
Ron Stiers	Aye
W. R. Davis, Jr.	Aye
Thomas W. Evelyn	Aye

The motion carried.

IN RE: PARKS & RECREATION DEPARTMENT RESTRUCTURING

Parks & Recreation Director Kim Turner reviewed a request for a restructuring of positions in her department. She explained that their Recreation Programmer had left in April 2014 and the position had not yet been filled because she wanted time to figure out the best way to utilize the funding for that position in order to meet her department's needs.

She reported that the current Parks Operations Supervisor had been performing about a third of the programmer's duties (sports and athletics) since April and she had been covering the other portion, which had taken her away from some of her other duties as Director. She indicated that not having the programmer position would result in a cutback of services as well as revenue. She proposed to use a percentage of the funding (approximately \$8,700 for salary and benefits) from the programmer position to upgrade the Parks Operations Supervisor position to Parks/Athletics Operations Supervisor and hire a part-time programmer. She indicated that these changes would not require any additional funds and would be re-evaluated in six months' time to make sure they were meeting the department's needs.

She warned that with the build-out of Pine Fork Park, there may be some additional staffing needs.

Mr. Tiller moved to approve the salary compensation for the Parks/Athletics Operations Supervisor beginning July 1, 2014. The members were polled:

James H. Burrell	Absent
Ron Stiers	Aye
W. R. Davis, Jr.	Aye
C. Thomas Tiller, Jr.	Aye
Thomas W. Evelyn	Aye

The motion carried.

Board members thanked Ms. Turner and her staff for the good job they were doing.

IN RE: PUMP AND HAUL PERMIT REQUEST

Before the Board for consideration was a request from Oakmont Villas to add the model home for Section V to the County's pump and haul permit.

Public Utilities Director Larry Dame reported that he had received a request from the developer of Oakmont Villas to add its Section V model home/sales office to the County's pump and haul permit until such time as the sewer infrastructure had been constructed. He explained that it would be minimal usage and that he had no objection, and confirmed that the cost of the pump and haul would be paid by the developer. He indicated that he did not know the number of pump and haul locations currently on the County's permit.

Building Official Clarence Jackson advised that if it were a sales office, then handicapped accessible restroom facilities would be required.

There were questions from the Board members regarding the locations of some of the County public utility SCADA equipment. Mr. Dame explained that the SCADA equipment was located on the County's water tank in Bottoms Bridge, on some data poles, and on one commercial wireless tower in the public safety location at no cost.

Mr. Davis moved to include one model home/sales office located in Oakmont Villas Section V to the county's general permit for pump and haul service. He further moved to direct the County Attorney to prepare a contract with the property owner in accordance with section 38-74 of the County Code. The members were polled:

Ron Stiers	Aye
W. R. Davis, Jr.	Aye
C. Thomas Tiller, Jr.	Aye
James H. Burrell	Absent
Thomas W. Evelyn	Aye

The motion carried.

IN RE: BURN BUILDING PROJECT

Fire Chief Rick Opett reviewed a request to use County-owned property on Parham Landing Road as the site for the proposed burn building and regional public safety center.

Chief Opett explained that since receiving a grant for the project, New Kent had been negotiating with Henrico County for the old Jail Camp property. He advised that the project had the support of the Henrico County Sheriff and County Manager, but had recently been rejected by their bond counsel for fear of jeopardizing financing on the jail. He indicated that staff had been looking at other sites and had found a 10.98-acre parcel owned by the County across from the Parham Landing Wastewater Treatment Plan that would be suitable.

Board members agreed this would be a good site for the project.

Mr. Davis moved to allow the Department of Fire-Rescue to utilize tax map 27-6i, 10.98 acres of County-owned land located on Parham Landing Road for the construction of the burn building and regional public safety training center, if after a boundary survey, the property was found to be appropriate. The members were polled:

W. R. Davis, Jr.	Aye
C. Thomas Tiller, Jr.	Aye
James H. Burrell	Absent
Ron Stiers	Aye
Thomas W. Evelyn	Aye

The motion carried.

IN RE: PERSONNEL POLICIES MANUAL AMENDMENT

Before the Board for consideration was a request to amend the County's Personnel Policies Manual in order to comply with the Affordable Care Act (ACA).

Mr. Hathaway reviewed that although there was some legislation being considered that might change the ACA, County staff was moving forward to comply and amend those portions of its Personnel Policies dealing with part-time workers. He explained that the

changes would set forth that employees who worked an average of more than 30 hours per week would be entitled to health insurance benefits, and he proposed to limit part-time workers to 25 hours per week in order to provide a safety net. He indicated that there was a provision where he could approve a part-time position that could work more than 30 hours a week where necessary.

He advised that for 2015, employers only had to offer health care to 80% of those who qualified, and that based on FY14 data, only two part-time employees met the threshold, both in the Sheriff's Department, which put New Kent well within the 80%. He predicted that there would be more changes in the program, but that the proposed amendments would bring New Kent into compliance.

Mr. Davis moved to approve the proposed amendments to the New Kent County Personnel Policies Manual. The members were polled:

C. Thomas Tiller, Jr.	Aye
James H. Burrell	Absent
Ron Stiers	Aye
W. R. Davis, Jr.	Aye
Thomas W. Evelyn	Aye

The motion carried.

IN RE: SUPPLEMENTAL APPROPRIATIONS & INTERDEPARTMENTAL BUDGET
TRANSFERS

Before the Board for approval were the following:

Supplemental Appropriations:

- a. Hurricane Irene Funds Received \$524,526.73;
- b. State DMV Animal Friendly License Plate Sales, \$11,370.41;
- c. Spay/Neuter Income Tax Donations, \$43.75;
- d. Recovered Miscellaneous Revenue for the Sheriff's Office, \$7,895.49;
- e. Reverse June 2014 appropriation of additional CDBG Plum Point funds for home maintenance (will be made available through a budget transfer)

\$15,325.27 Total

\$513,185.84 Total In/Out

(\$528,511.1) From General Fund fund balance.

Interdepartmental Budget Transfers:

- a. Schools: \$700 from NKMS Social Worker Middle to Travel-Improvement of Instruction;
- b. Sheriff's Office: \$49,100 between various salary line items to cover shortages in personnel costs;
- c. Airport: \$5,000 from Grant Contingency to Obstruction Removal.

Financial Services Director Mary Altemus explained that most of the supplemental appropriations were reimbursements received as a result of Hurricane Irene and the budget transfers were for end-of-the-year cleanup. She reported that New Kent was due another \$121,448.70 for Hurricane Irene.

Mr. Davis moved to approve the FY14 Supplemental Appropriations and Interdepartmental Budget Transfers, as requested. The members were polled:

James H. Burrell	Absent
Ron Stiers	Aye
W. R. Davis, Jr.	Aye
C. Thomas Tiller, Jr.	Aye
Thomas W. Evelyn	Aye

The motion carried.

IN RE: CLOSED SESSION

Mr. Stiers moved to go into closed session pursuant to §2.2-711A.1 of the Code of Virginia for discussion, assignment or resignation of specific public officers of the County involving the deputy clerk; §2.2-3711A.29 of the Code of Virginia for discussion of the award of a public contract involving the expenditure of public funds and discussion of the terms or scope of such contract where discussion in an open session would adversely affect the bargaining position or negotiating strategy of the Board involving the Historic School project and cell tower contract; and pursuant to §2.2-3711A.7 of the Code of Virginia for consultation with legal counsel pertaining to actual or probable litigation, where such consultation in open meeting would adversely affect the negotiating posture of the public body and consultation with legal counsel employed or retained by the Board regarding specific legal matters requiring the provision legal advice by such counsel involving the Historic School project, the Airport, and DSS. The members were polled:

Ron Stiers	Aye
W. R. Davis, Jr.	Aye
C. Thomas Tiller, Jr.	Aye
James H. Burrell	Absent
Thomas W. Evelyn	Aye

The motion carried. The Board went into closed session.

Mr. Tiller moved to return to open session. The members were polled:

W. R. Davis, Jr.	Aye
C. Thomas Tiller, Jr.	Aye
James H. Burrell	Absent
Ron Stiers	Aye
Thomas W. Evelyn	Aye

The motion carried.

Mr. Tiller made the following certification:

Whereas, the New Kent County Board of Supervisors has convened in a closed session on this date pursuant to an affirmative recorded vote and in accordance with the provisions of the Virginia Freedom of Information Act; and

Whereas, Section 2.2-3712 of the Code of Virginia requires a certification by the Board that such closed session was conducted in conformity with Virginia law;

Now there be it resolved that the Board hereby certifies that to the best of each member's knowledge (i) only public business matters lawfully exempted from open session requirements by Virginia law were discussed in closed session to which this certification resolution applies and (ii) only such public business matters as were identified in the motion convening the closed session were heard, discussed or considered by the Board.

The Chairman inquired whether there was any member who believed that there was a departure from the motion. Hearing none, the members were polled on the certification:

C. Thomas Tiller, Jr.	Aye
James H. Burrell	Absent
Ron Stiers	Aye
W. R. Davis, Jr.	Aye
Thomas W. Evelyn	Aye

The motion carried.

IN RE: OTHER BUSINESS

Mr. Hathaway advised that Head Start had requested permission to use a classroom in the Historic School Gymnasium building for their program for next year, in the hopes that during the course of the year with a new superintendent, they would have an opportunity to work out permanent space arrangement with the Schools. He explained that during the past year, they had to operate an in-home program that did not work well and they were requesting to use the same room they did last year. He indicated that if there were no objections from the Board, he would move forward with a contract. There were no objections.

IN RE: ADJOURNMENT

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

James H. Burrell	Absent
Ron Stiers	Aye
W. R. Davis, Jr.	Aye
C. Thomas Tiller, Jr.	Aye
Thomas W. Evelyn	Aye

The motion carried.

The meeting was adjourned at 11:24 a.m.