

THE REGULAR WORK SESSION OF THE NEW KENT COUNTY BOARD OF SUPERVISORS WAS HELD ON THE 24<sup>th</sup> DAY OF JULY IN THE YEAR TWO THOUSAND SIX OF OUR LORD IN THE BOARDROOM OF THE COUNTY ADMINISTRATION BUILDING AT 12:00 NOON.

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IN RE: ROLL CALL

Mark E. Hill	Present
David M. Sparks	Present
James H. Burrell	Present
Stran L. Trout	Present
W. R. Davis, Jr.	Present

Chairman Sparks called the meeting to order at 12:00 noon.

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IN RE: SIX YEAR PLAN

John Crews, Resident Administrator with the Virginia Department of Transportation, reported to the Board on the impact to New Kent's Secondary System Six Year Plan resulting from the recent budget adoption by the General Assembly.

Mr. Crews reported that funding had been reduced by 21%, from approximately \$4.5 million to \$3.3 million. He indicated that the reduction in funding would have no impact on the current projects on Terminal Road and Stage Road but that the advertising date for the Mt. Pleasant Road project would be pushed out into the future. He did indicate that the General Assembly would be re-convening in October to work on a transportation plan and there was hope that additional funding might be available. He reminded that the new Secondary System Six Year Plan would come up for consideration in November or December.

He indicated that the reductions were made statewide based upon a formula.

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IN RE: JOINT MEETING WITH THE NEW KENT ECONOMIC DEVELOPMENT AUTHORITY

The Board met with members of the New Kent Economic Development Authority (EDA) which included Larry Forbes, Charles Davis, Paul Robinson and Conway Adams, to review the proposed Economic Development & Tourism joint mission statement, departmental mission statement, department functions, joint 2007 goals, performance measures and proposed job description for the new Economic Development Director.

Paul Robinson indicated that he felt it was important to add language to set forth that the Director would review and evaluate the current comprehensive plan as well as any development ordinances that would impact taxpayers, in order to identify challenges and make recommendations on how to address those challenges.

There was consensus among the members of both bodies that it was important that it be clarified that the new Economic Development Director would report to the County Administrator.

Mr. Forbes shared with the Board the various projects and/or responsibilities that some of the EDA members had assumed. There was discussion regarding possible restructuring of the Jamestown 2007 committee. There was also discussion regarding the need for more informative prospect reports balanced against the necessity for confidentiality.

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Following discussion on proposed performance measures, there was consensus to increase the *Total New Investment* to \$8 million.

It was also emphasized that one of the priorities for the new Director would be retention of existing businesses.

Regarding the Visitors Center, it was reported that the Jamestown 2007 Committee was compiling a list of possible names for the facility. There was discussion regarding the cost of highway signs, which Pete Johns reported was currently \$1,650 per sign.

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IN RE: ECONOMIC DEVELOPMENT AUTHORITY BOND ISSUE

Before the Board for consideration was Resolution R-27-06 authorizing parameters and other related documents for issue of an Economic Development Authority bond, as well as proposed Financial Policy Guidelines.

Present were Financial Consultant Ted Cole and Bond Counsel Dan Siegel. Mr. Cole explained that adoption of Resolution R-27-06 would basically approve the documents in their "near final form" with the caveat that additional work was being done which might result in non-substantial changes before dissemination to potential investors. He reported that the EDA had approved a similar resolution earlier in the day. Mr. Cole reported that it was their plan to have a bond sale in mid-August (at which time the terms, rates and conditions would be fixed) and close a few weeks later, at which time funding would be available for the High School, Elementary School, Courthouse and Sheriff's Annex projects. Mr. Cole assured the Board members that he and Mr. Siegel would closely monitor the pricing of the bonds to make certain that it was in compliance with the general parameters of what had been approved by the Board.

Mr. Cole described a pending visit by a representative of Moody's Investors Service, a primary rating agency for municipalities, to provide an opportunity for that agency to "get a sense" of the County and its opportunity to evolve. He explained that the representative would report back to a "rating committee" who would then assign a rating to the County. He indicated that because New Kent had never received a formal credit rating, it could choose whether or not to accept the rating.

Mr. Cole further explained that there were four main municipal bond insurers who would also do their own assessment of New Kent County before submitting proposals. He indicated that not accepting the credit rating would not preclude the County from obtaining insurance but could result in a higher premium.

Mr. Cole briefly explained the different ratings and gradations, and that once a rating was given, it should be routinely reviewed by the rating agency on an annual basis. He indicated that the County would be looking at receiving two ratings – one for the County as if it were issuing GO bonds, and the second for this specific financing appropriations bond (which would generally be a notch below the first). He stated that they were hoping that New Kent would receive a GO rating of A1 or A2, with the high school financing being an A2 or A3. He advised if the GO rating was A3 or lower, it would be best to go to market without the rating. He emphasized that, irregardless, this was a very marketable financing.

He briefly reviewed the proposed financial policy guidelines, which he indicated were based on current policy and procedure and would provide for continuity from Board to Board and staff to staff. He advised that the fact that the Board had not adopted the guidelines would not be a negative with the bond rating agency, but that the agency would look favorably

upon a jurisdiction that had a written policy in place that was adhered to and followed. He indicated that there was nothing in the guidelines that would commit the County to do anything that it was not currently doing or was unable to do. He confirmed that the guidelines would memorialize and better define the fund balance policy that the Board had in place. He advised that the CDA bond financing would have no effect on the EDA bond, or vice versa.

Mr. Hill moved to adopt the proposed Policy Guidelines for New Kent County. The members were polled:

Mark E. Hill	Aye
James H. Burrell	Aye
Stran L. Trout	Aye
W. R. Davis, Jr.	Aye
David. M. Sparks	Aye

The motion carried.

There was further discussion regarding the financing. Mr. Siegel explained that \$3 million of the bond financing would pay for the balance due on the Elementary School renovation project over and above what was requested from the State through a Literary Loan.

Mr. Hill moved to adopt Resolution R-27-06 as presented. Mr. Burrell stated that he would "prefer to go another way" but would support the financing as proposed. The members were polled:

James H. Burrell	Aye
Stran L. Trout	Aye
W. R. Davis, Jr.	Aye
Mark E. Hill	Aye
David M. Sparks	Aye

The motion carried.

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IN RE: FINANCE ITEMS

Before the Board were requests for approval of the following appropriations and inter-departmental budget transfers:

Supplemental Appropriations for FY2006

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|----|--|--------------------|
| a. | Funds received from Colonial Downs for law enforcement services for the Triple Crown races on June 3, 2006, \$624.00 |                    |
| b. | Funds for State SOL on-line initiative funds approved at the April 2006 School Board meeting, \$50,000.00            |                    |
| c. | Funds to be invoiced to the Farms of New Kent for CDA Administrative expenditures for FY06, \$20,116.00              |                    |
|    | \$ (70,740.00)   | Total              |
|    | \$ 70,740.00   | Money-in/Money-out |

Carry Forward Appropriations for FY2007

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|----|--|
| a. | State Fire Program Funds in the Fire & Emergency Management Dept., \$38,381.76 |
| b. | Virginia Power funds in the Fire & Emergency Management Dept., \$10,417.81     |
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- c. Funds for Information Technologies for the Telephone Switch Project – PO #27276 (Northrop Grumman) that as not complete on June 30,2006, \$17,666.00
- d. Funds for Fire & Emergency Management for the Radio System Project that was not complete on June 30, 2006, \$113,148.84
- e. Funds for Jamestown 2007 projects in the Economic Development Dept., \$12,081.64

\$(191,696.05)	Total
\$ 60,881.21	From General Fund–fund bal
\$ 130,814.84	From Fund 7 – Capital fund Bal

Supplemental Appropriations for FY2007

- a. Additional funding received from the State for Social Services Eligibility Administrative pass-thru funds, \$24,500.00
  - b. Funds for a Rescue Squad Assistance Fund (RSAF) Grant received from the Office of Emergency Management in conjunction with the Virginia Dept. of Health to be used for a new defibrillator for the new ambulance, \$11,342.00
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|---------------|--------------------|
| \$(35,842.00) | Total              |
| \$ 35,842.00  | Money-in/Money-out |

Interdepartmental budget transfers:

- a. Public Utilities: \$678.00 from various line item for Water Department Insurance-Fire/Property
- b. Administration, Commissioner of Revenue, Treasurer, Financial Services, Information Technologies and Registrar: \$8,768.00 from Merit Pay Contingency and Salaries & Wages for personnel clean-up due to change in medical rate, higher than anticipated merit increases and under budget predictions
- c. Circuit Court Judge, Sheriff, High School RO and Middle School RO: \$24,130.00 from Part-time Salaries, Merit Pay Contingency, Career Development, Workers Comp and Overtime for end of year personnel clean-up due to change in medical rate, higher than anticipated merit increases and under budget predictions
- d. Victim Witness, Commonwealth's Attorney, Fire & Emergency Management, Animal Protection, Parks & Rec, Economic Development, Social Services and V-Stop Grant: \$8,089.00 from Workers Comp, Merit Pay Contingency, Hospitalization, P/T Overtime, & Part-time Wages for end of year personnel clean-up due to change in medical rate, higher than anticipated merit increases and under budget predictions
- e. E-911, Airport, Water, Parham Landing, Sewer, & Bottoms Bridge: \$8,740.00 from Salaries & Wages, Workers Comp, VRS, 3<sup>rd</sup> Dispatch Work Area, & Overtime for end of year personnel clean-up due to change in medical rate, higher than anticipated merit increases and under budget predictions

Financial Services Director Mary Altemus was present to answer questions regarding the requests.

Mr. Trout moved to approve the appropriations and interdepartmental budget transfers as requested and that they be made a part of the record. The members were polled:

Stran L. Trout	Aye
W. R. Davis, Jr.	Aye
Mark E. Hill	Aye
James H. Burrell	Aye
David M. Sparks	Aye

The motion carried.

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IN RE:           BOTTOMS BRIDGE UTILITIES PROJECT

Before the Board for consideration was a request for a Change Order in the contract with Sydnor Hydro, Inc. in the sum of \$63,820.00 for the Five Lakes Well #3 Rehabilitation portion of the Bottoms Bridge utilities project.

County Administrator John Budesky and Public Utilities Director Alan Harrison reported that a delay in Dominion Virginia Power's (DVP) providing service to the Talleyville pump station might delay completion of the utilities project until mid September. Mr. Budesky indicated that he had recently met with economic development representatives from DVP who were going to do what they could to speed up the project. Mr. Harrison reported that the utility work itself should be finished by the second or third week of August.

Regarding the requested Change Order, Mr. Harrison reported that DEQ had required a second observation well and additional screens for the first observation well. He explained that in anticipation that these items would be required, they had been included on an alternate bid schedule. He indicated that it was not a "budget breaker" as there were sufficient funds in contingency to cover it. He advised that the price was reasonable and that the work had already been done.

Mr. Davis moved to approve a Change Order to the contract with Sydnor Hydro, Inc. in the amount of \$63,820 for the Five Lakes Well Rehabilitation project, as requested. The members were polled:

W. R. Davis, Jr.	Aye
Mark E. Hill	Aye
James H. Burrell	Aye
Stran L. Trout	Aye
David M. Sparks	Aye

The motion carried.

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IN RE:           LAW ENFORCEMENT OFFICERS' RETIREMENT SYSTEM (LEOS)

County Administrator John Budesky reminded the Board that it had two cents of the real estate tax rate increase budgeted to cover LEOS benefits if they were mandated by the General Assembly. He reported that the LEOS legislation had not been successful; however, it was the general opinion that it would be reconsidered and approved for partial State funding next year for all jurisdictions. He reported that an actuarial study had resulted in an estimate of \$141,000 to cover New Kent's eligible employees for nine months, which was close to the value of one cent in the real estate tax rate. He explained that he had concerns that not offering the benefit would adversely affect New Kent's ability to recruit and retain public safety employees. He recommended that the Board roll back the real estate tax rate by one cent, and approve the use of the remaining one cent, as well as \$2,000 from General Fund contingency, to fund LEOS benefits for eligible employees (identified to be the fire chief, paid firefighters/EMTs, and full time sworn deputies) for nine months. It was reported that the State was currently paying for this benefit for the Sheriff.

Sheriff F. W. Howard, Jr. explained some of the staff shortage difficulties his department was having as well as the cost of training new deputies. He indicated that during recent

interviews, three potential hires had declined job offers because of non-competitive retirement benefits and salaries.

Sheriff Howard distributed statistics for Sheriff's Office for July, which included 1,327 calls for services; 46 felony arrests; 172 training hours; 410 special assignment hours; 13 court days; 15 inmate transport trips; 3 TDOs (mental detainees) served with transport; 13 civil court days; 15 civil prisoner transports; and 352 civil papers served. He reported that three of his deputies had been exposed to AIDS while wrestling with/transporting a mental subject and four were exposed to hepatitis while arresting a suspect in the Bottoms Bridge area.

Soon-to-be Fire Chief Tommy Hicks was present and explained the retirement benefits that are available for public safety employees in the City of Richmond.

Interim Fire Chief Spencer Cheatham also requested that the Board consider providing the coverage.

Sheriff Howard pointed out that his department had not expended all of the money in its jail confinement budget (some of the jurisdictions had held New Kent prisoners at no charge as a favor to him) and suggested those funds could be used to help offset the cost of LEOS. It was explained that unspent funds were returned to the General Fund.

Mr. Burrell moved that the real estate tax rate be reduced from 94 cents to 93 cents, using \$142,665 of the amount in the LEOS contingency to offset the reduction, and to use the remainder of the LEOS contingency as well as a sum not to exceed \$2,000 from the General Fund contingency, to fund LEOS coverage beginning October 1, 2006, for the fire chief, paid firefighters/EMTs, and full-time sworn deputies. The members were polled:

Mark E. Hill	Aye
James H. Burrell	Aye
Stran L. Trout	Aye
W. R. Davis, Jr.	Aye
David. M. Sparks	Aye

The motion carried.

Sheriff Howard expressed his thanks to the Board and to Mr. Budesky.

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IN RE: MEETING SCHEDULE

Chairman Sparks announced that the next regularly scheduled meeting of the Board would be held at 6 p.m. on Monday, August 14, 2006, in the Boardroom of the County Administration Building.

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IN RE: APPOINTMENTS

Mr. Trout reported that at a recent meeting of the Planning Commission, Thomas Evelyn had resigned from his appointment as Planning Commission representative to the Richmond Regional Planning District Commission.

Mr. Trout moved to appoint Brenda Snyder as New Kent's Planning Commission representative to the Richmond Regional Planning District Commission to complete a term ending December 31, 2006. The members were polled:

James H. Burrell	Aye
Stran L. Trout	Aye
W. R. Davis, Jr.	Aye
Mark E. Hill	Aye
David M. Sparks	Aye

The motion carried.

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IN RE:           ADJOURNMENT

The Board recessed at 2:30 p.m. and re-convened at Colonial Downs where it adjourned at 5:00 p.m. prior to hosting a meeting of the Virginia Peninsula Mayors & Chairs.

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