

A SPECIAL WORK SESSION OF THE NEW KENT COUNTY BOARD OF SUPERVISORS WAS HELD ON THE 24th DAY OF MARCH IN THE YEAR TWO THOUSAND FIVE OF OUR LORD IN THE BOARDROOM OF THE COUNTY ADMINISTRATION BUILDING AT 6:05 P.M.

IN RE: ROLL CALL

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

Chairman Davis called the meeting to order.

IN RE: OTHER BUSINESS

Interim County Administrator distributed maps of the proposed site for the vehicle maintenance garage which does not appear to conflict with the site designated for the new high school. Mr. Trout still does not feel comfortable that there isn't a conflict and suggested that the County needs to look into that further.

Deputy Clerk Connie Nalls reviewed the proposed meeting agenda for April 11 and received permission to advertise the proposed transient occupancy tax and consumer utility tax.

Mr. Hill announced that if the Board decides to schedule the Farms of New Kent application for the May meeting, he will ask that the date of the meeting be moved from May 9 because he will not be available on that date.

There was discussion about the engineering bill for Phase II of the sewer project. Mr. Ellyson indicated that he and Ms. Altemus had contacted VPSA to see if the County could use some of the money borrowed for Phase I to pay this, and were told that it could not use those funds for that purpose at this time. Ms. Altemus expressed her concern about a \$260,000 contract with R. Stuart Royer for which there has been no appropriation made. There was discussion about these additional projects and it was agreed to discuss them further with Mr. Harrison and Mr. Hart at the March 28 meeting.

IN RE: FY 05/06 OPERATING BUDGET

Accounting & Budget Director Mary Altemus and Assistant Accounting & Budget Director Amy Stonebraker distributed handouts which included a Revenue and Expenditure Analysis of Fund 98 for FY06. The bottom line was reported to be revenue totaling \$12,202,430 and expenditures of \$12,095,504 with a contingency of \$106,926. Included in the revenue was \$9,975,000 that will need to be borrowed in FY06 for the Courthouse project as well as the Parham Landing force main and expansion projects.

Also distributed was the Summary of the Administration Recommended Budget as well as a listing showing those changes made in the March 17 budget work session, as well as a General Fund Expenditures Analysis.

The Board members also received memos from both the Sheriff and the Fire Chief repeating their requests for LEOS benefits.

Ms. Altemus reported that she has balanced the budget based upon a 5¢ increase in the real estate taxes. It includes \$300,000 in debt service payments on a loan of \$10 million for the renovation project at the elementary school, as well as \$120,000 as debt service on the loan for the primary school project. 1¢ on the real estate tax rate has been calculated to bring in \$138,466 in revenue and she reported that the value of a penny is not growing at the 5% rate used by the Financial Advisors in their projections.

The Board reviewed the additional cuts that have been made by staff, which included CSA. The funding for schools has been cut by \$145,000, but is still \$699,000 more than what was funded last year. Adoption of a LEOS plan is estimated to cost \$203,000 for this year and has not been included.

The Board discussed the fire marshall position, the Bay Transit grant, Quinton Community Park, the two new inspector positions, the assistant to Buck Stewart, the assessor position, the loan to the EDA for purchase of property and the proposal to raise the personal property tax to \$4.00 from \$3.75. There was also a discussion about the tax on airplanes, about which Ms. Altemus will obtain some additional information for the Board.

The Board agreed to eliminate the position of fire marshall, one inspector (Mr. Homewood can decide which he needs most) and Buck's assistant. It was agreed to keep the assessor position unfunded for this year. It was also agreed to balance the budget based on a 5¢ increase in the real estate tax rate, which will leave about \$140,000 for contingency. There will be no change in the personal property tax, but there will be \$5 increase in the cost of County decals.

There was discussion about the salary study. It was agreed to provide a cost of living adjustment of 2.7% for employees as well as a 2% salary adjustment across the board, both to be effective on July 1, 2005.

IN RE: CAPITAL FUND - FUND 7

Mr. Ellyson reported that the County should have a little more than \$4 million in its General Fund fund balance which in past years has been rolled over into the Capital Fund (Fund 7) after reserving 15%. He projected that it is unlikely that there will be any large balance in future years. It was reported that there is currently about \$2 million in Fund 7, and it is unlikely to grow in the manner in which the Financial Advisors are predicting. Ms. Altemus indicated that she needs the Board to review the capital projects and decide which will be funded during the upcoming year.

Included in the capital budget is \$2.2 million to be borrowed for the vehicle maintenance garage. Four school buses have been included and Ms. Altemus is

recommending that the number be reduced to two, to which the Board agreed. The Board agreed to fund the airport projects at \$105,000, but reduced the amount for purchase of development rights from \$133,000 to \$25,000. The Board agreed to fund the \$40,000 for the ISTEA village improvements (of which \$32,000 is grant funded), and \$250,000 for VDOT revenue sharing. The Board eliminated the \$150,000 designated for both utility and road improvements at the Weir Creek Commerce Park, as well as the \$75,000 set aside for the building space needs assessment. Funding for the Sheriff's Annex was left intact. Also eliminated were funds for vehicles no longer necessary because of the elimination of positions earlier in the meeting. The \$125,000 set aside for a new ambulance was eliminated, as well as \$50,000 for a study on new financial software.

Mr. Ellyson reported that the amount owed to the low bidder on the GIS contract has now exceeded the amount of the second lowest bid, and there was a discussion about that.

There was discussion about transferring \$500,000 to Fund 3 to begin the engineering and architectural studies for construction of the new high school.

The Board asked staff to make the agreed changes and will review the budget again at its meeting on March 28, 2005.

IN RE: ADJOURNMENT

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

Mark E. Hill	Aye
D. M. "Marty" Sparks	Aye
James H. Burrell	Aye
Stran L. Trout	Aye
W. R. "Ray" Davis, Jr.	Aye

The motion carried. The meeting was adjourned at 8:56 p.m.
