

A BUDGET RETREAT AND JOINT MEETING WAS HELD BY THE NEW KENT COUNTY BOARD OF SUPERVISORS AND THE NEW KENT SCHOOL BOARD AT 9:00 A.M. ON THE 18TH DAY OF MARCH IN THE YEAR TWO THOUSAND SIXTEEN, AT 11301 POCAHONTAS TRAIL, PROVIDENCE FORGE, VIRGINIA, HAVING BEEN CONTINUED FROM MARCH 14, 2016.

IN RE: CALL BACK TO ORDER

Chairman Stiers called the meeting, continued from March 14, 2016, back to order.

IN RE: ROLL CALL

Thomas W. Evelyn	Present
C. Thomas Tiller, Jr.	Present
Patricia A. Paige	Present
Ron Stiers	Present
W. R. Davis, Jr.	Present

IN RE: SCHOOL BOARD CALL TO ORDER

School Board Chair Sarah Grier Barber called the School Board meeting to order. Other School Board members present included Kristin Swynford and Andrea Staskiel. Gail Hardinge joined the meeting at 9:17 a.m. Ms. Barber noted School Superintendent David Myers was not present due to a family medical situation. School Executive Director of Finance/Budget Haynie Morgheim, School Executive Director of Administration Cynthia Pitts and School Executive Director of Curriculum/Instruction Byron Bishop were also present. Ms. Barber turned the meeting over to Ms. Morgheim for the schools' budget overview.

IN RE: NEW KENT COUNTY PUBLIC SCHOOLS (NKPCS) - SUPERINTENDENT'S FY16-17 RECOMMENDED BUDGET OVERVIEW

School Executive Director of Finance/Budget Haynie Morgheim distributed and presented an overview of the Superintendent's FY16-17 recommended budget. She noted State revenue was expected to increase by \$1,093,913 (8%) and New Kent Schools were requesting an additional \$400,000 from New Kent County for employee compensation (salary and benefits). With the addition of moderate increases in School Textbook, School Grant and School Nutrition funds, total revenue was expected to increase by \$1,438,220 (4.9%).

Ms. Morgheim reported NKPCS was budgeting for an 18% increase in healthcare insurance costs (\$358,900). She indicated they were hopeful this would be lower but final figures would not be known until later due to the open enrollment cycle. Increases totaling \$87,869 were also expected due to benefit rate changes. Tuition increases totaling \$42,857 for several regional programs including Bridging Communities, Chesapeake Bay Governor's School and the Maggie Walker Governor's School were also noted. Startup costs associated with the new Code RVA coding instruction program for high school students would be \$15,000. Executive Director of Curriculum/Instruction Byron Bishop noted plans were for one ninth grade and one tenth grade student from New Kent High School to be enrolled in this program. Instruction would be offered at a site near Maggie Walker Governor's School (exact location to be determined) to facilitate meeting transportation needs from localities within the region. Ms. Morgheim briefly reviewed "Other Expenditure Adjustments" noting \$40,000 in reductions and \$39,793 in increases netting a total reduction of \$207. Proposed salary adjustments included but were not limited to a 3% salary increase for all employees, teacher scale decompression, paraprofessional scale decompression and clerical scale

decompression resulting in an increase of \$731,187. Ms. Morgheim noted the General Assembly had approved 2% salary increases for SOQ funded positions.

Mr. Stiers asked if the proposed 3% salary increase also included bus drivers and cafeteria workers. Ms. Morgheim indicated it would include all bus drivers and cafeteria workers. The only employees who would not receive this increase would be those in part-time hourly positions.

Mr. Evelyn asked for information on SOQ salary increase. Ms. Morgheim indicated SOQ or Standards of Quality positions made up only a portion of the NKCPs positions. An additional \$118,000 in State funding was expected to provide this increase to those positions which were either fully funded or partially funded by SOQ funds. She indicated with the proposed changes to the teacher salary scale, a first year teacher with a bachelor's degree would start at \$39,592 and those with a master's degree would start at \$42,363.

Mr. Davis asked when the last year had been that NKCPs employees had not received a raise. Ms. Morgheim indicated she was not sure. Ms. Barber reminded everyone that it had been just a few years ago when all school employees had been furloughed four days. Dr. Hardinge also noted there had been years when health care increases had resulted in lower take-home pay for some employees. Ms. Morgheim also noted the current teacher salary scale had varying degrees of difference between each step and the goal was to adjust the scale to achieve a uniform difference of 1.5% between each step. She noted it would take several years to reach this level but \$240,652 of the proposed FY16-17 salary adjustments was to be used to work toward meeting this goal.

Ms. Morgheim pointed out proposed position/staff changes totaling \$208,043 were also included in the recommended budget. She noted her handout indicated \$61,286 was still needed to balance the budget but as of March 17th, NKCPs had learned they would be receiving an additional \$83,904 in State revenue. As previously noted, the full impact of anticipated healthcare increases would not be known until healthcare renewal information was received later in the year.

IN RE: NKCPs ENROLLMENT PROJECTION UPDATE

School Executive Director of Finance/Budget Haynie Morgheim presented enrollment update and classroom requirement information through the 2023-24 year. She noted projections, which were based on the annual October 1 child count and then updated based on the annual March 31 ADM (Average Daily Membership), suggested an enrollment of 3,273 by the 2023-24 year. The current trend was for greater increases at New Kent Elementary than at G. W. Watkins Elementary. FY16 elementary school classroom needs were equal with both schools needing 32 rooms to accommodate current enrollment. A significant shift was projected by FY17 with the need at New Kent Elementary increasing to 34 rooms and the need at G. W. Watkins decreasing to 31. She pointed out the recent technology initiative would make it possible for several computer labs at each school to be reclaimed for general classroom instruction. Projections for the next eight years suggested there may be a need for one additional trailer at the elementary level and one at the middle school level. There were no additional space needs in the foreseeable future at New Kent High School.

IN RE: NKCPs CAPITAL NEEDS

School Executive Director of Finance/Budget Haynie Morgheim provided an overview of projected NKCPs capital needs through FY20-21 totaling \$16,978,707. She pointed out the bulk of these needs were listed in the FY16-17 year and totaled \$15,059,217. The largest

item on the list was the renovation of New Kent Elementary at a cost of \$13,642,550. Ms. Morgheim indicated there had been discussions between NKCPs and the County regarding the possibility of a collaborative effort to relocate the NKCPs Maintenance Shop. This project was estimated to cost \$558,775 and, if funded, would free up the property at the current shop location for other uses. Additional support for the technology one-to-one digital conversion totaling \$200,000 and bus replacements totaling \$275,208 were also included in the list of FY16-17 needs. Ms. Morgheim noted school buses were on a state-mandated fifteen-year replacement cycle and the FY16-17 funding would cover the cost of three buses. The list also included the third phase of New Kent Middle School (NKMS) lighting upgrades totaling \$70,000 and NKMS window replacements totaling \$90,000. Ms. Morgheim noted there would be a fourth and final phase of the lighting upgrades at NKMS which would include outside lighting.

Mr. Stiers asked if the School Board had given any further consideration to outsourcing transportation. Ms. Morgheim noted there had been no further consideration given to this option. She indicated there had been some turnover in the Transportation Department and the new Director (Mervin Hence) was working to improve efficiencies and had been exploring the possibility of leasing buses. Mr. Davis indicated he believed all NKCPs buses were diesel engines and asked if the fifteen-year replacement schedule was any different for natural gas engines. Ms. Morgheim indicated she was not sure if the replacement schedule would be any different but noted Mr. Hence was also looking into natural gas buses. Ms. Paige asked for the capacity of buses currently used by NKCPs. Executive Director of Administration Cynthia Pitts (supervisor of the Transportation Director) indicated the capacity of NKCPs buses varied from 66 to 72. She also noted Edulog software was being utilized to develop the most efficient routes and match them with the proper capacity buses.

Ms. Paige asked for details on the proposed New Kent Elementary School (NKES) renovation. Ms. Barber noted the renovation would include most of the school with the exception of the cafeteria which had recently been renovated and the gym which was relatively new construction. Renovation would include classrooms, the kitchen, permanent room partitions, new ceilings, HVAC upgrades and the construction of several additional classrooms. School Board members extended the offer of a tour of NKES to Supervisors.

There being no further questions or comments, the School Board adjourned their meeting at 10:00 a.m. Mr. Stiers called for a fifteen minute recess. The meeting reconvened at 10:15 a.m.

IN RE: REPORT ON 2016 REASSESSMENT

Commissioner of Revenue Laura Ecimovic provided an overview of the 2016 Reassessment Report effective January 1, 2016. She indicated her staff had worked hard to complete this reassessment and notices had been mailed to all property owners on January 20, 2016. Appeals to the Commissioner of Revenue had been completed on March 11th and final determination letters were scheduled to be mailed on March 21st. Staff had also developed a "New Resident Tax Guide" which had been mailed to all new residents to help them better understand the New Kent tax structure and provide information on services available through the Commissioner of Revenue's office. The 2016 property values after appeals, factual error corrections and the addition of all new parcels recorded before January 1, 2016 was \$2,709,794,040. Ms. Ecimovic reported transfers of property had totaled 1,195 in 2015 with 451 being considered qualified market sales, 131 were by will or probate and 45 were foreclosure related. The number of qualified market sales had increased 19.4% in the past year and foreclosure related sales had stabilized at 9.98%. New home sales had outperformed the sales of existing homes and had been higher in 2015 than 2008. Median

home prices continued to rise with \$320,000 being the new home median price, \$220,000 being the existing home median price and the median lot price being \$56,000. Ms. Ecimovic also noted a number of commercial projects had been completed in the past year and several others were expected to be completed in the near future. She suggested these factors indicated a stabilizing market.

Ms. Ecimovic pointed out a number of charts and graphs had been incorporated into the report to depict the distribution of zoning, value and use for all parcels in the County. These charts and graphs revealed that commercial properties comprised only 4% of the total parcels but represented 11% of the total value. Residential improved parcels comprised 56% of the total parcels and represented 59% of the total value.

Ms. Ecimovic reported that New Kent was showing significant growth in a number of areas and had recently been named the fifth fastest growing county in the Commonwealth of Virginia. She noted an 11.51% growth rate since 2010 and reported revenue generated from growth (new construction) would increase \$490,320 in 2016. Estimates for 2016 Land Use Taxation suggested 479 parcels would be in the program and \$799,214 in tax revenue would be exempted if the equalized tax rate of .83 was used. If the rate was raised to .84, an additional \$257,000 to \$260,000 would be exempted.

The 2016 reassessment had resulted in a total taxable value of \$2,668,184,140. After hearing approximately 200 appeals to the Commissioner of Revenue, this total taxable value had increased to \$2,709,794,040. This increase in assessed value would result in an increase of \$609,776 in revenue at the equalized tax rate of \$.83. Ms. Ecimovic noted the goal was to assess at 100% of fair market value and New Kent's current revaluation reflected an overall median ratio of 100.006%. The County's COD (Coefficient of Dispersion) was currently 4.17%. The COD measured how closely the individual ratios were arrayed around the median. The desired result of reassessment was to provide fair and equitable assessments to ensure the distribution of tax base was evenly spread and the tighter the dispersion, the more uniform or equitable the assessments would be. Based on the equalized tax rate of \$.83, revenue was expected to increase by \$1.2 million in 2016. Once projected collection rates were considered and other revenue sources including the Public Service Personal Property Taxes were factored in, revenue could potentially increase by \$1.8 million in 2016. Board members thanked Ms. Ecimovic for the work she had done on this recent reassessment. Ms. Ecimovic indicated the credit should go to her staff and she noted the extra efforts they had put into the reassessment.

IN RE: PUBLIC UTILITIES – GENERAL COMMENTS, FY17 CIP AND FUTURE OPPORTUNITIES

Director of Public Utilities Larry Dame reported no rate increases were included in the FY17 Public Utilities budget. He indicated there had been a number of areas in which the department had been able to reduce expenditures including the cost of sludge hauling and fuel expenses. Savings were also being generated by the recent move to interconnect communities to the County water supply and reduce the number of smaller community wells. Mr. Dame also indicated he was comfortable with the staffing level in his department and no new positions were being requested. He reported on recommended changes to availability fees. The sewer availability fee was currently \$5,075 and the recommendation was to reduce this fee to \$2,500 and add a water availability fee of \$2,500. Mr. Dame reminded the Board of the impending State-mandated water reduction which was the result of the groundwater replenishment rate being much lower than the consumption rate. He noted permits for wells in Bottoms Bridge and the Farms of New Kent would be up for

renewal in 2019 and it was uncertain to what degree the withdrawal limits would be reduced. Public Utilities would continue to focus on new water sources.

The FY17 Public Utilities CIP (Capital Improvement Plan) list included projects totaling \$532,950. Mr. Dame indicated plans were to move forward with working toward a central water system and the interconnection of additional community water systems. \$190,000 was being proposed to begin the design work in support of this initiative. Mr. Dame reported a storage/garage building on Public Utilities property had been built on poor soils and unfortunately its foundation was failing and could not be repaired. Replacement of this building was estimated to cost \$156,950. Mr. Dame also noted \$100,000 was being budgeted to continue the DEQ water supply feasibility study. He reported the historical/cultural resources work associated with this project was complete and the Army Corps of Engineers had completed the wetlands delineation. He indicated the County was ready to submit an application for a surface water withdrawal permit to the State and the Corps of Engineers and noted this could take up to eighteen months. This permit would have a ten-year expiration. Other CIP items included well and pump preventive maintenance costing \$50,000, replacement of a vehicle for \$22,000 and computer replacements for \$14,000.

Mr. Dame reported HRSD (Hampton Roads Sanitation District) had approached the County regarding the possibility of connecting the Town of West Point to the County's Parham Road Wastewater Treatment Plant. County staff had met with HRSD representatives who had come for a tour of New Kent's plant. He reported HRSD had been impressed with the plant but nothing more had been heard from them since this meeting.

Mr. Dame also reported WestRock (paper mill in West Point) had approached the County regarding building a "wet yard" (wood storage yard equipped with spray apparatus to keep logs from drying out) near the Parham Road Wastewater Treatment Plant. WestRock was interested in using "gray water" (reclaimed water) from the treatment plant. Mr. Dame indicated WestRock and the County were currently working on a contract and plans were for the wet yard to be up and running by late 2017.

Mr. Dame noted there had been much in recent news regarding the water situation in Flint, Michigan. Water service lines in Flint contained lead and for many years the water supply had been treated with a process that would not affect the pipes or cause any leachate of the lead. The treatment process had been changed and had impacted the pipes resulting in high level of lead in the drinking water. Mr. Dame reassured the Board there was no need for concern in this regard in New Kent because there was no lead in the County's water service lines.

IN RE: DAVENPORT & COMPANY - UTILITY PRO-FORMA PRESENTATION

Mr. Ted Cole with Davenport & Company reported the Public Utilities enterprise fund was meeting and exceeding its debt service coverage ratio requirement and minimum cash reserve levels, as well as continuing to operate with no General Fund support. Mr. Cole pointed out no rate increases or new debt were being recommended for FY17. He distributed copies of the utility *pro forma* which included projections through FY22. He drew attention to non-operating revenue and noted the build out of Patriots Landing would result in the loss of approximately \$.5 million in connection fees over the next five years. Mr. Cole also provided an overview of revenues available for debt service and debt service parity coverage through FY22. He noted a debt service coverage ratio of 1.15 was required and given current projections, New Kent would drop below this threshold by FY20. The

preliminary FY17 budget projected an unrestricted cash balance of \$3.4 million or 103.6% of total operating revenues. A minimum of 50% was required.

Mr. Cole provided an overview of the Bottoms Bridge Analysis including debt service and ad valorem taxes. He pointed out the Bottoms Bridge share of the debt service was a little over \$700,000 and ad valorem taxes had generated between \$200,000 and \$215,000 in recent years. Ad valorem taxes were estimated to generate \$295,000 by FY22.

Mr. Cole also provided a number of rate increase options for consideration in future years. These options were all designed to achieve the 1.15 debt service coverage ratio and the 50% cash as a percentage of operating revenues requirement.

Mr. Hathaway reminded the Board there were no increases in the proposed Public Utilities budget. He indicated the rate increase options had been provided to make the Board aware of what was on the horizon.

Mr. Stiers reported he had been meeting with Mr. Dame regarding extending water and sewer to Providence Forge. He suggested Shawn Weingast (associated with Kentland property at the 214 exit off I-64) had proffered water and sewer to Route 60 a number of years ago and Public Utilities staff were looking into the possibilities.

IN RE: DAVENPORT & COMPANY – GENERAL FUND FINANCIAL AND DEBT OVERVIEW

Mr. Ted Cole with Davenport & Company distributed copies of the General Fund Financial and Debt Overview for the County. He pointed out the County was not currently rated by Moody's Investors Service, Standard and Poor or Fitch but suggested if it was rated, the rating would be AA based on Moody's methodology. These ratings were driven by data as well as qualitative factors including economy/tax base, finances, management and debt/pensions. Mr. Cole noted the County continued to manage itself in a very conservative fashion.

Mr. Cole provided an overview of General Fund operations from FY12 to FY15. He drew specific attention to the "Change in Fund Balance" line which indicated a change of \$373,901 and an ending fund balance of \$8,637,701 for FY15. He noted the County's policy was that the Unassigned Fund Balance should not exceed 15% of the total budgeted General Fund revenues as reflected in the budget document ending June 30th of the current year. Any amounts in excess of the 15% minimum requirement were to be transferred to the Capital Projects Fund by December 31st of each year.

The Existing Tax Supported Debt Profile indicated an estimated outstanding debt amount of \$56,414,468 as of June 30, 2015, \$45,646,479 of which was for school projects. A table depicting the ten-year payout for the total debt indicated the total principal and interest would equal \$72,707,062. Mr. Cole noted the ten-year payout ratio measured the amount of principal to be retired in the next ten years and New Kent's ratio was currently 70.5%. He noted County financial policy established a minimum ten-year payout ratio for all tax supported debt of 50%. He also noted County financial policy set a maximum Debt to Assessed Value level of 4.5% and the County's level was currently 2.28%. County policy also set a maximum Debt Service to Expenditures level of 12%. New Kent's level for FY16 was 10.13% and would be 10.75% in FY17.

Mr. Evelyn asked if there were any debts that would be paid off in the near future. Mr. Cole indicated most of the debt had eight or more years before they would be retired. He noted there were some smaller debts that would be retired sooner but nothing significant.

The Board recessed for lunch at 12:20 p.m. The meeting reconvened at 12:40 p.m.

IN RE: FIRE-RESCUE – OPERATIONAL OVERVIEW

Fire Chief Rick Opett distributed a comprehensive Fire-Rescue operations packet to Board members. He noted that as a part of its mission, Fire-Rescue was committed to the safety, prevention and protection of the citizens and visitors of New Kent County. The department was striving to deliver high quality fire, rescue and patient care services while utilizing safe practices with one mission in mind, helping out our neighbors. The department maintained the highest standards of excellence in all aspects of its operations and values such as professionalism and hard work, integrity and honesty, compassion and courteousness and service excellence were consistently reinforced.

Chief Opett reported staffing levels included 23 full-time and 17 part-time employees dedicated to operations (93%) and three full-time employees dedicated to administration (7%). Staff were divided into nine divisions including: Emergency Medical Services, Operations/Special Operations, Communications/Support Services, Fire-Rescue Training, Fire Marshal's Office, Emergency Management, Volunteer Coordination, Human Resources Development/Professional Standards and Asset Management. Station 501 (Providence Forge), Station 502 (Quinton) and Station 503 (Eltham) were staffed twenty-four hours a day, seven days a week. Station 504 (Lanexa – Pocahontas Trail) was staffed during peak hours on Tuesday, Thursday, Friday, Saturday and Sunday.

Chief Opett provided updates on several department projects. He reported three ambulances were scheduled for delivery in May and the new radio system was scheduled for turn on in July. He also reported the previous CAD (Computer Aided Dispatch) vendor was no longer in business and the new owner of the company would not provide any support for our current system. Funding for replacement of the CAD system had been included in the radio project budget. Staff was actively involved in a regional effort to develop a rail plan to address potential situations resulting from the transport of hazardous materials by train through the County. Chief Opett also reported New Kent had received a THIRA (Threat and Hazard Identification and Risk Assessment) grant and a workshop would be held later in the month to begin working on the County's THIRA Plan. Training rooms for Fire-Rescue were now setup in several classrooms located in the Historic School.

Chief Opett reported Fire-Rescue personnel were currently being given performance evaluations three times a year. The first evaluation was used as an opportunity to set goals and objectives for the year, the second was a time to review the goals and objectives to see what progress had been made and the third would be the final performance review. In addition to the recruitment and retention of volunteers, NFPA (National Fire Protection Association) occupational safety and wellness standards (NFPA 1500, NFPA 1583 and NFPA 1582), including a firefighter cancer prevention program, were also a point of focus.

Chief Opett noted the Fire-Rescue FY17 CIP (Capital Improvement Plan) requests focused on facilities. He reported several fire stations were in poor condition and a fifth station was needed. Several other items on the CIP list, including the replacement of Engine 581 and the purchase of new stretchers and monitors, were partially grant funded and would require a County match.

IN RE: FIRE-RESCUE – CALENDAR YEAR 2015 STATISTICS

Fire Chief Rick Opett reported there had been an average of 7.3 calls per day in 2015 which equated to an 11% increase in volume over the previous year. Although the department's

average call response time goal was six minutes, actual average call response time had been nine minutes. He indicated this was something the department would continue to work on and also noted they were working with dispatch in an effort to receive calls from 911 sooner. He noted the average time between 911 receiving a call and its relay to Fire-Rescue was eight minutes. Emergency Communications Officer Kathy Cheely was working to improve this relay time. 2015 statistics also indicated 43% of all calls were in the Quinton area, with the busiest units being Captain 501 with 1,272 calls and Medic 501 with 943 calls. The highest volume day of the week was Saturday with Tuesday, Sunday, Friday and Thursday each running a close second place. The least number of calls had been received on Wednesdays. Most calls had been received between the hours of 7:00 a.m. and 7:00 p.m. Fifty-five percent of all calls were in residential areas and 21% were on highways. Most highway calls were to incidents occurring on I-64 with the bulk of those occurring in the westbound lanes between exits 211 and 214. The total Fire-Rescue budget of \$2,614,537 was distributed with 75% in personnel, 22% in operations and 3% in capital items.

Chief Opett indicated there were a number of challenges faced by Fire-Rescue. Among those noted were, access to water, the increasing call volume, the aging fire apparatus fleet and the County's 212 square mile operating area with only three and a half stations providing coverage. The department was focused on meeting NFPA 1710 call handling standards which included provisions covering functions and objectives of fire department emergency service delivery, response capabilities, and resources, including staffing levels, response times, and levels of service. He indicated that based on the current staffing model, the department frequently went "NUA" (No Units Available). As an example, he noted if station personnel were out on an EMS call and another call came in for a fire engine, there would not be sufficient staff remaining to respond to the second call. He suggested an additional 54 personnel would be needed to meet NFPA 1710 standards. He also suggested a fifth fire station was needed now and two additional stations would be needed in the future. He indicated Station 3 and Station 4 were in poor condition and need to be replaced (\$1.5 million each). He also reported the County did not own Station 2 but was responsible for maintenance on the facility. He noted the condition of this facility was such that roof work was needed and the floor was collapsing.

Chief Opett's proposal for FY17 included staffing Station 4 with six firefighters, replacing Stations 3 and 4 and adding a fifth station in Bottoms Bridge or near the Farms of New Kent. He suggested a one cent tax increase to support funding of a thirty-year loan with \$245,000 in annual debt service payments would cover the estimated \$4.5 million needed to build three fire stations. A concept drawing for these proposed new fire stations was included in the information packet. Chief Opett suggested an additional one cent increase would be necessary to address the need to replace aging apparatus. He indicated most departments used a ten-year apparatus rotation schedule but he was suggesting New Kent use a twelve-year rotation with the apparatus being on the front line for twelve years followed by twelve years in reserve. A list of apparatus thirteen or more years in age contained the following: Engine 591 (Pumper 27 years old), Quint 501 (Ladder/Pumper 17 years old), Squad 502 (Squad/Heavy Rescue 16 years old), Engine 504 (Pumper 16 years old), Engine 502 (Pumper 14 years old) and Engine 501 (Pumper 13 years old). The oldest of these was in reserve and all others were still in front-line use.

IN RE: FY17 PROPOSED BUDGET REVIEW

County Administrator Rodney Hathaway noted a great deal of information on the FY17 proposed budget had been shared at the March 14th meeting. He distributed information on several other budget options proposing use of the additional revenue noted in Commissioner

of Revenue Laura Ecimovic's earlier report. Budget options included both an \$.84 tax rate option (increase of \$.01) and an \$.83 cent equalized tax rate option. Both options included a two percent cost of living adjustment for County employees, Virginia Municipal League insurance increases and an additional \$.01 set aside for school construction. The \$.84 option also included three additional firefighters and funding for one additional fire station. The \$.83 option included two additional firefighters and no new fire station funding.

Board members began a discussion of the proposed options. Mr. Tiller suggested it would be fairer if everyone received the same raise rather than a percentage. Mr. Davis suggested the tax rate should remain at the \$.83 equalized rate and the proposed County employee cost of living adjustment should be reduced to 1.5% with the remaining funds used for additional firefighters. He further suggested additional funding requested by the schools should be reduced so that a new fire station could be funded. After some additional discussion on the proposed options, Chairman Stiers suggested the Board move forward and advertise a proposed \$.84 tax rate. He noted this would give the Board additional time to work on the ideas and options that had been shared and he pointed out the Board could vote to reduce the rate if they wished but they could not vote to set the rate any higher than the \$.84 advertised rate. Board members concurred.

IN RE: OTHER BUSINESS – LEASE FOR RADIO EQUIPMENT STORAGE

County Administrator Rodney Hathaway reported on the need for a secure location for storing the new radio system equipment while installation was in progress. Approximately 6,000 square feet of storage space would be needed and a number of possible locations within the County had been considered. Several locations had been ruled out after site visits had revealed security and climate control concerns. Warehouse space at Parham Landing Commerce Park had been selected as the best option. Mr. Hathaway noted the space was larger than what was actually needed but the owner had offered the County a very good price of \$3,000 per month which was significantly lower than the previous tenant had paid. The space would be needed only during the installation phase of the project which was estimated to be three to four months. Mr. Hathaway distributed copies of the proposed lease agreement and asked the Board to consider authorizing him to sign a lease in a form approved by the County Attorney for the short-term rental of this property.

Mr. Davis moved to authorize the County Administrator to enter into a lease agreement in a form approved by the County Attorney, for the rental of property located in the Parham's Landing, Suite 11. The members were polled:

Thomas W. Evelyn	Aye
C. Thomas Tiller, Jr.	Aye
Patricia A. Paige	Aye
W. R. Davis, Jr.	Aye
Ron Stiers	Aye

The motion carried.

IN RE: CLOSED SESSION

Mr. Tiller moved to go into Closed Session pursuant to Section 2.2-3711A.7 of the Code of Virginia for discussion with legal counsel and briefings by staff members or consultants pertaining to actual or probable litigation, where such consultation or briefing in open meeting would adversely affect the negotiating or litigating posture of the public body; and consultation with legal counsel employed or retained by the Board regarding specific legal

matters requiring the provision of legal advice by such counsel involving the Bottoms Bridge Service District and service connections. The members were polled:

C. Thomas Tiller, Jr.	Aye
Patricia A. Paige	Aye
W. R. Davis, Jr.	Aye
Thomas W. Evelyn	Aye
Ron Stiers	Aye

The motion carried. The Board went into closed session.

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

Patricia A. Paige	Aye
W. R. Davis, Jr.	Aye
Thomas W. Evelyn	Aye
C. Thomas Tiller, Jr.	Aye
Ron Stiers	Aye

The motion carried.

Mr. Evelyn moved that the Board certify by roll call vote that to the best of each member's knowledge only public business matters lawfully exempted from the open meeting requirements of the Freedom of Information Act and identified in the motion to go into closed session were heard, discussed or considered in the closed session. The members were polled on the certification:

W. R. Davis, Jr.	Aye
Thomas W. Evelyn	Aye
C. Thomas Tiller, Jr.	Aye
Patricia A. Paige	Aye
Ron Stiers	Aye

The motion carried.

IN RE: ADJOURNMENT

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

Thomas W. Evelyn	Aye
C. Thomas Tiller, Jr.	Aye
Patricia A. Paige	Aye
W. R. Davis, Jr.	Aye
Ron Stiers	Aye

The motion carried.

The meeting was adjourned at 2:48 p.m.