

THE BOARD OF SUPERVISORS MET ON THE 24TH DAY OF JULY IN THE YEAR TWO THOUSAND FOUR OF OUR LORD TO PARTICIPATE IN A RETREAT HELD AT ANDY'S BARBEQUE RESTAURANT IN NEW KENT, VIRGINIA

IN RE: CALL TO ORDER

Chairman Burrell called the retreat to order at 8:30 a.m.

IN RE: ROLL CALL

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

IN RE: WORK SESSION

Board members developed a list of topics for discussion:

- providing public utility services to areas including the Courthouse
- interim financing for primary school construction
- staff evaluation
- proposed landfill
- sewer-based development
- motorized racing at Colonial Downs
- payment for attending meetings of boards and committees
- use of consultants
- tour of facilities
- seminars/training
- employee training
- Comp Plan: respect it or change it

The Board discussed the **AFD process**, and the suggestion to ask the General Assembly to remove the \$300 cap which was enacted in 1977. It was the consensus of the Board that Mr. Davis bring this up as a legislative issue with the VACO steering committee.

There was discussion regarding the possibility of changing to a land use system, and the Board requested a comparison of each, including the difference in revenue. If the County remains with the AFD system, it was suggested that there only be one or two times a year when property could be added or withdrawn.

Also reported was a move underway to have the General Assembly impose a **fee** of \$1 per week per household to raise \$3.2 billion **to clean up the Chesapeake Bay**, although there is no "plan" in place and at least 40% of the pollution in the Bay originates in the northern states. It was recommended that the County officials speak with its General Assembly representatives about this issue.

Dan Siegel reported that Ted Cole had negotiated on the bids for **interim school financing**. Citizens & Farmers has re-bid the bank qualified loans for both 2007 and 2008 maturity dates, and the new rates are 2.21% and 2.56% respectively. All terms and conditions of their original proposal remain the same. Peoples Bank has opted not to rebid.

Davenport has recommended that the Board accept the revised C&F bid for the 2008 maturity, with the School Board taking the same action, and closing in early August after the School Board meeting. Mr. Siegel advised that the County would not be violating the Public Procurement Act because of an Attorney General opinion from 1984.

Mr. Christie warned that the County would most likely lose Peoples Bank as a potential bidder in the future. Mr. Trout agreed that this would hurt the County on future bids.

Mr. Sparks disagreed, saying that he did not think this will affect future bids as there are plenty of "hungry" businesses.

Mr. Siegel advised that in the future, the County should advertise for negotiated competitive bids.

Mr. Sparks moved to accept the bid from Citizens & Farmers Bank for a 2008 maturity date at 2.56% and to adopt Resolution R-27-04 as presented. The members were polled:

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

The motion carried.

Dan Siegel provided a handout regarding sewer policy issues and tap fee policy for the County sewer system. The recommendations from Sands Anderson are based on managing growth, requiring developers to pay their "fair share" and making the County system self-supporting. He reviewed the following recommendations as a **County sewer policy**:

- Growth Management - permit incremental and managed residential growth in "designated growth areas" while preserving the "rural character" of the County.
- Growth Management - encourage commercial and industrial growth along the I-64 area and in designated business opportunity areas.
- Fair Share - charging each user his proportionate share of the System costs based on expected "flow".
- Fair Share - developers pay all of the costs of the "infrastructure" within their development.
- Fair Share - developers pay their proportionate share of any connection line from the System to the development (the "Subtrunk Line").

- Growth Management - County Control - The County should control the location, design and construction of any Subtrunk Line, to assure (1) quality, (2) consistency and (3) design with County needs in mind - to avoid the Chickahominy Plant type (quality and design) problems and to avoid Subtrunk Lines being located along areas where the County does not want growth. County controls right of ways/easements on Subtrunk Line as well.
- Fair Share - Eliminate Rebates - Rebates should no longer be permitted since everyone pays their fair share and the County controls design, location and construction. System construction will occur in a master financing structure, cheaper financing than possible by private developers.
- Self-Supporting - All costs should be recovered from System users in order to be self-supporting.
- Fair Share - County use would be paid from Enterprise Fund reserves since any County use would benefit citizens.
- Fair Share - Industrial and Commercial users would pay the same as developers, based on "flow" expected as determined by County engineers or consultants.
- Growth Management - Fair Share - Self-Supporting - Proffers would no longer be necessary for sewer. Cash proffers or proffers for more appropriate County needs instead of proffers which simply help the developer

All connections to the County system would have to conform to these policies.

Mr. Siegel indicated that adoption of this policy may be the single-most effective way to manage growth in the County and conserve its "rural" character. The policy is fair to all users, thereby taking the "perception of politics" out of utility system decisions.

Mr. Siegel reviewed the recommended formula for **Tap Fee Calculation**. Based on calculations from Steve Jacobs with help from Roger Hart, each household will continue to be assumed to use 300 gpd (this is the figure that the Community Development and Public Works Departments have used in approving PUDs and is less than the 400gpd that the Health Department uses).

He indicated that the total County System cost (less depreciation but including the Trunk Line to Parham Landing) is approximately \$28 million. The total sewer capacity expected is approximately 1.3 million gpd. Each house (300gpd) represents approximately .024% of the System capacity and would pay \$6,600 toward the Total Costs of the County system.

He stated that if there was no connection or Subtrunk Line, the only Tap Fee would be \$6,600 per house. For a development of 100 homes with no connection or Subtrunk Line, the Tap Fee would be \$660,000.

However, if there is a connection or Subtrunk Line, the same developer would pay the "fair share" of the costs of that Subtrunk Line as well. If the Subtrunk Line costs \$4 million, and the Developer (for a 100 home development) uses 25% of the Subtrunk Line capacity, then the Subtrunk Line costs to the Developer is \$1 million.

The County System "fair share" costs of \$660,000 plus the Subtrunk Line "fair share" costs of \$1 million would be added together for a total tap fee cost of \$1.6 million for a 100 home development.

Mr. Sparks requested information on policies used by other localities.

There was discussion regarding **clustering**, and including green space requirements in covenants or deed restrictions. Mr. Trout reported that he had information about Hanover's rural residential cluster district for anyone who may be interested.

It was reported that **West Point** is not satisfied with using Hampton Roads Sanitation District for their **sewer** needs and discussions are underway about their using the Parham Landing Wastewater Treatment plant.

There was a request to make a decision today about where to allow **sewer service**, so that the County can give answers to the various developers. There was discussion regarding the importance of complying with the Comp Plan, and Mr. Hill urged the members not to be concerned about what'll happen in 2008. It was reported that 254 homes were built in 2003, housing starts are up 8% this year, and there are 5,300 new residential lots now approved. Availability of sewer to residential developments will increase the growth rate. The Board requested current maps showing the R-1 zoned lots.

Regarding the proposed **landfill**, Mr. Burrell reported that he had talked extensively to Steve Minor of King George County, the odor seems to be the only problem. It is 8 – 10 years old and brings King George \$7 million in annual revenue. He indicated that there is an upscale subdivision that has located within four miles of the landfill. He reported that there is a mist system that can deal with odor problems. He stated that public perception is important and it is necessary to educate the public.

Mr. Trout stated that he was against the landfill. He reported that other waste management companies were expressing interest in competing for a landfill in New Kent, and have indicated that New Kent should be receiving more revenues from the landfill operator than what has been offered.

There was consensus to proceed to consider the landfill application once it is filed. There is nothing to which to react or upon which to comment prior to the time that the application is filed.

Mr. Burrell reported that he had attended the **National Association of Counties** annual conference in Phoenix and that the 2005 conference will be held in Hawaii.

There was further discussion regarding the **tap fee**. Mr. Christie asked the Board if any Board member had a problem with a tap fee in the neighborhood of \$10,000. It was pointed out that a higher tap fee would slow growth.

The proposed development of 2400 homes by the Farms of New Kent was plugged into Mr. Siegel's formula, which showed a sewer system cost for that development of \$15,862,619, or a

tap fee of \$6,609.42 per home. This would be separate from the \$6,000 sewer connection fee. Mr. Siegel suggested that the tap fee and connection fees be collected at either the time of rezoning, subdivision or permitting, whichever stage is first. It was reminded that a tap fee pays for flow. The County could choose to give commercial or business applicants a grant through the EDA that would pay for some or all of their tap fee.

Regarding **rebates**, Mr. Davis reported on the recommendations of the Rebate Committee from last year, which included providing a 25% rebate on business connections and 10% to residential in the village areas. The County could also charge only the \$6,000 being assessed in the Bottoms Bridge Service District, rather than the higher amount being charged to everyone else. Developers would be able to pay their fees with cash, or guarantee payment through a performance bond or letter of credit which the County could call if construction does not take place within a certain time frame. In this way, the County would no longer be subsidizing development. There was some concern that this would eliminate or decrease the construction of smaller affordable homes.

There was discussion regarding Mr. Crump's proposal for **utility services in the Courthouse area**, and the need for the Board to decide exactly what areas should be served and the path for the sewer line. Some of the items discussed were the \$660,000 price tag for a drain field at a new high school, whether to run the line down Egypt Road or down Route 249/Route 155, the need to maintain the sewer line during the summer months, and the proposed residential developments that have inquired about sewer service. There was consensus to reduce the size of the utility project at the Courthouse to include only the Schools, the government complex and Mr. Crump's project, and to run the sewer line down Egypt Road.

Mr. Christie reported that his **evaluation** will be due in September and inquired whether the Board wanted to appoint one or two of its members to sit on a committee for this or proceed with the complete Board. It was the consensus to perform this evaluation as a group at a closed session at the end of the September meeting. Mr. Christie will see that the Board receives evaluation forms.

Mr. Christie reported that the County's application for a **CDBG grant** for rehabilitation work in **Plum Point** had been approved in the sum of \$900,000, 10% of which can be used for road improvements. Mr. Siegel was requested to provide an update to the Board on the condemnation proceedings.

Mr. Sparks requested updates from the County Attorney regarding **airport** issues involving Mr. Worley and Dr. Bennett.

Mr. Christie reminded the Board that it has an agreement with **Newport News Waterworks** to receive 1 million gallons of raw water per day if the King William Reservoir is approved. This is a good resource for the future. The Board is on record as supporting the reservoir project.

Mr. Sparks inquired about the **salary study**. Mr. Christie reported that he had received parts of it, which had been returned to Steve Jacobs for further work.

Mr. Christie reported that Virginia Natural Gas will be meeting with parties interested in **natural gas service** at a community meeting in Quinton on July 29. Dominion is currently providing propane gas (at natural gas prices) to some customers in the Woods at Five Lakes and is looking to replace that fuel farm with natural gas service, as well as offer natural gas to Bottoms Bridge businesses and Patriot's Landing.

Mr. Hill reported that a **grant writing class** will be offered to government employees by James City County, and he will obtain and share the information with anyone who might be interested.

There was more discussion regarding sewer based development and the comp plan, and the option of using cluster zoning. Mr. Sparks reported that he is not that impressed with Hanover's plan. There was also discussion about **design standards** for areas outside of the village areas, including hamlets, and whether the Planning Department should be charged with developing a process to do that. Mr. Christie reported a "disconnect" between the Planning Department and the Economic Development Authority, although he thinks that some of that may be solved with Rodney Hathaway's attendance at the EDA meetings.

There was also discussion about the position of **Economic Development Director**, and whether a new position should be created to encompass that under the title of Assistant County Administrator. Mr. Christie reported that the Board had approved a budget for an Assistant to the County Administrator to take care of human resources and work on Board projects, and did not think that personnel and economic development would be a good mix in one position. It was suggested that if the County took the money budgeted for the Assistant position and combined it with that paid for the part time Economic Development Director, it would be enough to fund a full time Assistant County Administrator who would handle Economic Development. Mr. Christie reported that he would anticipate that person would primarily perform economic development, and very little else. It was suggested that person could also serve as legislative liaison and head the Jamestown 2007 committee and tourism efforts. Mr. Trout will discuss this with Larry Forbes, EDA chairman.

There was a discussion regarding the use of studies and **consultants**. It was the consensus of the Board to decide on a case by case basis whether to hire a consultant.

Mr. Trout suggested that the Board come up with a policy for **payment** to its members **for attending meetings** as New Kent representatives. Mr. Christie agreed to provide information about current and past practices. Mr. Trout stated that if one is paid then all should be.

Mr. Christie asked for input regarding reducing the size of the **Planning Commission**. It was agreed that an eleven-member committee was too large for committee dynamics. It was the consensus that, effective January 1, 2005, the size of the Planning Commission should be reduced from eleven to eight, with five district appointments, two at large, and one Board member, and to require that an appointee must reside in the district from which he or she is appointed. There was also some discussion about changing to two-year terms. In light of Mr. Burrell's early departure from the retreat, there was consensus to discuss this with him and if he is in agreement, to put this on the agenda for the August work session. It will be necessary to have a Public Hearing thereafter since this will require a change in the Code.

Mr. Trout distributed information regarding **training classes** for the planning process.

Mr. Trout reported that he understands that **Colonial Downs** will be filing an application to hold **motorized races** once a year.

Mr. Christie reported that Economic Development Director Andy Hagy is attending a motorsports economic development meeting in Nashville.

There was discussion regarding the proposed **Strategic Plan**, setting goals and objectives and developing a mission statement. Mr. Christie indicated that he needs a goal to share with staff.

There was discussion about the **vehicle maintenance facility**. There was consensus that the committee should meet again to “pare down” its wish list.

It was reported that the **high school weight room project** came in approximately \$20,000 over budget and that the School Board is suggesting that the difference be paid from school proffers collected from Brickshire. Following discussion, it was the consensus of the Board that the County offer to pay \$10,000 from proffers, to be matched by money from the School Board.

Inquiry was made as to when the report from the **School Board’s Six Year Plan Committee** would be available. Mr. Sparks agreed to check on that and report back.

It was agreed that a topic for the next retreat would be the **Capital Improvement Plan**. The draft CIP should be to the Board for review after the September work session.

There was also discussion about **space needs** for the Sheriff’s Department.

IN RE: ADJOURNMENT

There being no further business, the Retreat was adjourned at 3:30 p.m.