

A REGULAR WORK SESSION WAS HELD BY THE NEW KENT COUNTY BOARD OF SUPERVISORS ON THE 27TH DAY OF SEPTEMBER IN THE YEAR TWO THOUSAND SEVENTEEN IN THE BOARDROOM OF THE COUNTY ADMINISTRATION BUILDING IN NEW KENT, VIRGINIA, AT 9:00 A.M.

IN RE: CALL TO ORDER

Chairman W.R. Davis, Jr. called the meeting 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

All members were present.

IN RE: FINAL FY17 SUPPLEMENTAL APPROPRIATIONS AND INTERDEPARTMENTAL BUDGET TRANSFERS

Financial Services Director Mary Altemus reported that the proposed transactions before the Board were being presented as a part of the FY17 year-end closeout. She also announced that auditors would be in New Kent in a few weeks for the FY17 audit. Transactions before the Board for consideration included:

1. FY17 Supplemental Appropriations
 - a. Additional Funds for the Treasurer's Office Due to Charge Card Fees/Processing - \$13,250.00
 - b. Funds to Cover Overspent Lines in the Registrar's Department - \$24,001.00.
 - c. Correct Appropriation of Additional Grant Funds Received for Stretchers/Cot Retention - \$31,083.12
 - d. Debt Service Funds Due to Loan Refinancing of the Human Services Building and Financing of the Fire Station - \$14,852.00
 - e. School Nutrition Program Funds Collected Above the Original Estimate - \$10,718.62
 - f. Funds to Cover Overspent Lines in the General District Court - Overspent Lines - \$832.99
 - g. Additional Loan Proceeds Received for the Construction of a New Fire Station Above Original Budget - \$446,000.00

\$478,571.49	Total
\$30,941.12	Total In/Out - General Fund (1)
(\$446,000.00)	Total In/Out - Capital Projects (7)
(\$3,678.16)	Total In/Out - Cafeteria (209)
(\$37,941.99)	From Fund Balance - General Fund (1)
(\$14,852.00)	From Fund Balance - Debt Service (40)
(\$7,040.46)	From Fund Balance - Cafeteria (209)

2. FY17 Interdepartmental Budget Transfers
 - a. Airport – From Wages – Part-Time Regular to Retirement (\$1) and to Disability Insurance Premiums (\$1), \$2.
 - b. CSA – From Office Supplies to Worker’s Compensation \$17.
 - c. Circuit Court – From Travel – Convention to Wages – Regular (\$28), to Compensation – Jurors/Witnesses (\$417) to Medical Insurance (\$84), to Group Insurance – Life (\$1) and Disability Insurance Premiums (\$1), \$531.
 - d. General District Court – From Maintenance Service Contracts to Furniture & Fixtures (\$169.66), From Maintenance Service Contracts to Dues & Association memberships (\$45), From Maintenance Service Contracts to Appointed Attorney’s Fees (\$297.34), From Postal Services to Appointed Attorney’s Fees (\$90), From Lease/Rent-Equipment to Appointed Attorney’s Fees (\$589.48), From Office Supplies to Appointed Attorney’s Fees (\$0.60) and From Books & Subscriptions to Appointed Attorney’s Fees (\$25.92), \$1,218.
 - e. Information Technologies – From FICA to Group Insurance – Life, \$2.
 - f. Parks & Recreation Administration – From Wages – Part-Time Overtime to Retirement – VRS, \$1.
 - g. Sheriff’s Department – From Wages – Regular to Wages – Supplemental Activities, \$1,477.
 - h. Treasurer – From FICA to Medical Insurance, \$20.

County Administrator Rodney Hathaway noted the Board had previously requested that the Registrar be present to discuss overspent line items in her department budget. He noted Registrar Karen Bartlett was present as was Electoral Board Chairman Charles Moss. Mr. Hathaway also reported that some of the overspent areas were the result of unbudgeted expenses associated with the primary election and the cost of mandatory electronic poll book training. He suggested the County could automatically build the budget assuming there would be a primary election but if there was no primary, funds that could be budgeted for other uses would be held in the Registrar’s budget unnecessarily. Mr. Evelyn asked for the cost of holding a primary election. Ms. Bartlett suggested the cost was approximately \$15,000 and she noted in the case of a dual primary the cost was higher due to the need to purchase additional materials (two different ballots). Mr. Evelyn then requested the cost of a regular November election. Ms. Bartlett suggested the November election costs were in the \$16,000 to \$20,000 range. Mr. Moss noted agreement with the figures provided by Ms. Bartlett for a November election but indicated he believed costs associated with a primary election were higher. Ms. Bartlett also noted the State had been providing ballot envelopes but had recently stopped this practice making it necessary to use office supply funds for this purpose. Mr. Davis reported he had heard that localities could print their own ballots in emergency situations. Mr. Moss confirmed this and noted ballot printing was contracted out at a cost of \$.54 each. Mr. Evelyn asked if the main cost of an election was the ballots. Both Ms. Bartlett and Mr. Moss indicated funding for poll workers was the greatest expense in an election. Mr. Moss pointed out the State Board of Elections provided localities with recommendations for the number of ballots to be ordered. These recommendations were based on estimated voter turnout and were usually suggesting a 50% or higher rate when in most cases New Kent had a much lower turnout. Mr. Evelyn asked for the number of poll workers hired for each election. Ms. Bartlett indicated the type of election dictated the number of workers – seven workers for a primary election, eight workers for a general election and sometimes as many as nine workers at the Providence Forge precinct. Ms. Bartlett also noted another factor causing some of the overspent line items was that the State had required localities to use paper poll books as a backup to the electronic poll books. This had resulted in the need for two additional poll workers at each precinct. She

noted it was her understanding this would not be a requirement for future elections. She also noted each precinct was given at least two electronic poll books and the Providence Forge, Southern Branch and Quinton precincts each received three. Mr. Moss also pointed out programming the electronic poll books was another cost factor. He indicated the State would be picking up this cost next year which would result in a savings of approximately \$1,000. Ms. Paige indicated she had initially raised the questions regarding the Registrar's overspent budget because she had wanted to better understand why the budget had come up so short. She had questioned if the primary election had been the cause or if this had been the result of budget management issues. She indicated her questions had been answered satisfactorily. Mr. Davis pointed out because there was no way to know if a primary election would be necessary, it was difficult to budget. If funds were budgeted to cover a primary and there was none, then other areas may not be funded. If no funds were budgeted and then a primary was necessary, line items would be overspent.

Mr. Evelyn moved to approve the final FY17 Supplemental Appropriations and Interdepartmental Budget Transfers as presented. The members were polled:

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

The motion carried.

IN RE: FY18 BUDGET TRANSFERS FOR SCHOOL PROJECTS

Financial Services Director Mary Altemus reported that the proposed FY18 budget transfers before the Board were being presented at the request of the School Board. The School Board had requested a transfer of funds for additional needs at New Kent High School for the Theatre Department/Auditorium Lighting Console – from Funds from Prior Years to New Kent High School Lighting Console - \$7,790, and at New Kent Elementary School for acoustics in the gym - from Funds from Prior Years to New Kent Elementary Acoustics - \$35,986. The total requested transfer was \$43,776. Mr. Evelyn questioned the need and cost of the New Kent Elementary Acoustics project. County Administrator Rodney Hathaway noted this project was for the school gym and acoustics in the gym had been a concern for some time. Teachers were finding it difficult to be heard by their students.

Mr. Evelyn moved to approve the FY18 Budget Transfers totaling \$43,776 as presented. The members were polled:

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

The motion carried.

Mr. Davis indicated he had a question for New Kent County Treasurer Norma Holmes and asked her to come to the table. He asked about penalties for late tax payment in New Kent. Ms. Holmes indicated any real estate tax accounts not paid by December 5th were

assessed a penalty (ten percent) on December 6th. Mr. Davis reported he had become aware of a situation in the City of Richmond where a business had overpaid taxes and had come back later demanding a refund plus ten percent. He suggested the law was written in such a way that a ten percent penalty could be charged to the locality for overpaid accounts. He asked Ms. Holmes if there were any checks and balances in New Kent to keep this from happening. Ms. Holmes indicated any overpayments were automatically given back to the payer unless they requested the funds be carried forward to the next tax year. County Attorney Brendan Hefty indicated a ten percent penalty against a locality would apply in the case of erroneous assessments but noted he was not aware of a penalty for overpayments as Mr. Davis had described. Mr. Davis suggested individuals were deliberately overpaying so they could get more money in return.

IN RE: EDA (ECONOMIC DEVELOPMENT AUTHORITY) BUSINESS INCENTIVE
PROGRAM DISCUSSION

Community Development Director Matthew Smolnik and EDA Chairman William O'Keefe were present to provide an update on the status of the EDA business incentive program. Mr. Smolnik indicated the program had been established by Board resolution in 2007. A spreadsheet was being used to determine award amounts which could be up to thirty-five percent of the estimated revenue to be generated for the County. Awards were distributed over three years and provisions were in place to reduce awards if goals set out in the agreement between the business and the EDA were not met. Mr. Smolnik indicated there was a ten percent cushion built into this program and awards were not increased in cases where actual figures were greater than projections. Incentive program applicants also consented to give Mr. Smolnik the authority to verify gross receipts for the first three years. Mr. Davis asked who was keeping track of these requirements. Mr. Smolnik indicated his department and the EDA were responsible for monitoring awards. Mr. Smolnik distributed a handout providing details on awarded grants and the corresponding business investment. Since the programs establishment, nineteen grants totaling \$231,571 had been awarded and the corresponding business investments had been \$11,342,405. Of the nineteen, three had ceased operations and one had moved to Charles City County because they had not been able to find a suitable location within New Kent. The loss of these four businesses had reduced the business investment figure to \$10,402,724. Mr. Smolnik drew attention to three additional businesses listed at the bottom of the report which had been approved for a total of \$107,470 in incentive grants and had estimated business investments totaling \$2,375,000. He reported that although these grants had been approved, funding was not available to cover the full three-year payout. He reported businesses received their first payment one year after the certificate of occupancy was issued and he estimated remaining funding was approximately \$2,000. Mr. Smolnik suggested the business incentive program had been successful and the majority of the businesses receiving awards were still open for business. Mr. Evelyn agreed, indicating the information provided suggested the program was working well. He expressed concerns regarding the EDA's use of funds for marketing through television advertisements on Channel 12. These advertisements had been running for a number of years and he suggested there wasn't any evidence that they were working. Mr. O'Keefe reported plans for any future marketing through the Richmond Times Dispatch were currently frozen. He also reported the EDA was beginning to explore digital marketing and artwork was currently being developed. He indicated the EDA was sensitive to the Board's concerns and agreed the business incentives were a much more important program.

Mr. Davis asked if there was any way the business incentive program could become self-supporting. County Administrator Rodney Hathaway suggested a percentage of meals tax or business license fees could be a source of funds for the program. Mr. O'Keefe reported

the sale of timber on the Fisher tract could be a source of revenue for the program. He indicated it would be necessary for VDOT to clear an access to the property but he didn't think that would happen within the next year. He indicated the EDA would like to sell the timber first and then sell the land. Mr. Evelyn suggested access to the property should not be a problem and he didn't believe it would be necessary for VDOT to clear an access. Mr. Tiller suggested a percentage of new business tax revenues could be designated for the incentive program. Mr. Hathaway agreed and suggested numbers for several scenarios could be run. Mr. Stiers asked why the County needed to give businesses incentives if they were coming to New Kent anyway. He suggested the owner of one of the businesses receiving a grant also owned eighteen similar stores and didn't need New Kent money. He asked for justification for giving them anything. Mr. O'Keefe suggested incentive programs were normal and many localities in the area offered similar incentives. He also suggested that if New Kent didn't continue the program, the County would be at a disadvantage. He also pointed out a written policy was in place to govern the program and this policy was applied to all businesses in the same manner. He added that some of the grants had been used to leverage upgrades to store fronts before the Bottoms Bridge Overlay was put in place. Mr. Stiers suggested existing businesses were being told grants were not available for them. Mr. Smolnik indicated the program had been modified to include the ability to help grow existing businesses. Ms. Paige asked if there was a minimum and maximum grant award amount. Mr. Smolnik reported the smallest award had been \$564 and the awards could go no higher than \$49,999. Mr. Smolnik reported the EDA had met the previous week to discuss funding for the program and were asking the Board to consider an appropriation of \$150,000. Mr. Stiers asked Mr. Smolnik if he believed this would be an annual request. Mr. Smolnik indicated it would not be an annual request and noted the need to look into ways to make the program self-sustaining. He asked for guidance from the Board in this regard. Mr. Evelyn asked if payment of taxes was confirmed before businesses received grant payments. Mr. Smolnik indicated it was confirmed that all fees due to the County were paid prior to issuing grant payments. County Attorney Brendan Hefty pointed out specifics were built into the incentive program agreements and businesses received no funds until they performed. Mr. Davis asked what was being recommended as a source of the \$150,000 requested. Mr. Hathaway suggested the Capital Improvement – Fund 7 line item be used. Mr. Smolnik again asked if the Board wished to provide any guidance on developing a plan for self-sufficiency. Mr. Evelyn suggested Mr. Smolnik work with Mr. Hathaway to consider options and bring the information back to the Board. Mr. Stiers asked for a timeframe for this plan to be in place. Mr. Smolnik suggested it would take several months and noted the information would need to be brought back to the Board at a work session and then taken back to the EDA.

Mr. Stiers moved to appropriate \$150,000 from the County's Capital Fund to be transferred to the Economic Development Authority for the business incentive program. The members were polled:

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

The motion carried.

IN RE: NATIONAL 4-H WEEK – RESOLUTION R-34-17

Before the Board for consideration was Resolution R-34-17 proclaiming October 1-7, 2017 as National 4-H Week in New Kent County. County Administrator Rodney Hathaway noted Extension Agent Carl Frick was not able to be present and had asked him to present this resolution request on his behalf. There was no discussion.

Mr. Tiller moved to adopt Resolution R-34-17 recognizing October 1-7, 2017 as National 4-H Week in New Kent County. The members were polled:

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

The motion carried.

IN RE: FIRE STATION No. 5 DESIGN-BUILD PROCUREMENT – RESOLUTION R-35-17

Before the Board for consideration was Resolution R-35-17 for the design-build procurement of Fire Station No. 5. County Administrator Rodney Hathaway reported the Board had set out to procure the construction of Station No. 5 through the PPEA (Public-Private Education and Infrastructure Act). Staff was now recommending utilizing the County's adopted design-build procedures for this procurement. County policy required that design-build project be authorized by the Board. Mr. Hathaway reported staff had been working with Hobbs Management to draft design-build documents and he anticipated this approach would receive a much better response. He noted the same terms would be in place as well as the \$2.2 million approved by the Board.

Mr. Evelyn moved to adopt Resolution R-35-17 authorizing design-build procurement for Fire Station No. 5. The members were polled:

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

The motion carried.

IN RE: OTHER BUSINESS – PUBLIC UTILITIES RATE STUDY

County Administrator Rodney Hathaway reported he and Board members frequently received calls regarding utility fees. He reminded all that a four percent rate increase had been adopted in the FY18 budget. He reported New Kent's rates were not the highest in the area but were getting close to the top. Staff was looking into restructuring the existing fee schedule which had been in place since 2004. Staff was recommending the Board authorize a contract with Draper Aden Associates to evaluate the existing fee schedule and make recommendations. Public Utilities Director Larry Dame suggested Draper Aden had a great deal of experience in this area and would have a good idea of what would and would not

work. Mr. Dame also noted that rate increases didn't necessarily equate to an equal increase in revenue. Draper Aden would be asked to not only look at rates but to also review irrigation issues. Mr. Dame suggested recommendations from a neutral party would be beneficial. Mr. Hathaway indicated staff was requesting an appropriation of \$30,000 from Public Utilities funds for the rate study. Mr. Davis agreed utility rates should be reviewed. Mr. Stiers also agreed and noted some residents in his district were paying \$1,800 water bills (bimonthly). He suggested tax payers should be given some relief. Mr. Davis asked if gas was a public utility. Mr. Dame indicated it was but noted gas in New Kent was managed by Virginia Natural Gas and not County Public Utilities. Mr. Davis noted the gas being provided to West Point was coming through New Kent County and he reported gas users in West Point were being charged a tax. Mr. Hathaway noted Virginia Natural Gas was looking to add customers in areas where it made good business sense.

Mr. Stiers moved to appropriate \$30,000 from the Public Utility Fund 098 to contract with Draper Aden Associates to conduct a water and wastewater rate analysis. The members were polled:

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

The motion carried.

Mr. Davis also asked Mr. Dame for a status update on the WestRock wet yard. Mr. Dame indicated the project was moving forward. Mr. Stiers asked how quickly the rate study would be performed. Mr. Dame indicated Draper Aden would be able to start as soon as the agreement was approved by the County Attorney and signed. He suggested findings should be ready in time for the Board's consideration during the budget process next spring.

IN RE: OTHER BUSINESS – LINE OF DUTY TAX EXEMPTION

County Administrator Rodney Hathaway reported he had received information from the Office of the Commissioner of Revenue regarding recent General Assembly legislation giving localities the ability to exempt the surviving spouse of certain individuals killed in the line of duty from paying real estate taxes. It would be necessary for localities to hold a public hearing and adopt an ordinance to put this exemption in place. Mr. Tiller asked who would be considered eligible for the exemption. Mr. Hathaway indicated Code allowed for the exemption to be made available to the surviving spouse of military and first responders. Mr. Davis asked if disabled veterans were currently receiving a tax break. Mr. Hathaway indicated they were. Mr. Evelyn asked if the Code set any limits on how long an exemption could be in place. Mr. Hathaway indicated it was his understanding that a surviving spouse would no longer be eligible for the exemption if they remarried. Ms. Paige indicated she would like to see figures on how such an exemption would impact the County financially. Mr. Hathaway suggested it could be difficult to determine the financial impact and noted he believed the number of individuals who would currently be eligible in New Kent was small. Mr. Stiers asked if this exemption was in place, would the wife of Trooper-Pilot Bates who had recently been killed in the line of duty be eligible. Mr. Hathaway indicated she would be eligible. The general consensus was that staff would review the options and develop recommendations for Board consideration.

IN RE: OTHER BUSINESS – REGIONAL BROADBAND COMMISSION

County Administrator Rodney Hathaway reported Congressman Rob Wittman was establishing a Regional Broadband Commission and had requested that a representative from New Kent be appointed. Mr. Hathaway indicated he would be willing to serve and asked the Board to consider appointing him as New Kent's representative. He also reported he had recently attended the Governor's Summit on Rural Prosperity in South Boston, Virginia and broadband had been the number one topic of discussion. Mr. Stiers asked how New Kent's broadband design was progressing (AcelaNet, LLC broadband design services contract). Mr. Hathaway reported about forty-five days remained in the design phase.

It was the general consensus of the Board that Mr. Hathaway would serve as New Kent's representative to the Regional Broadband Commission.

IN RE: ADJOURNMENT

Mr. Davis announced the next regularly scheduled meeting of the Board of Supervisors would be held at 6:00 p.m. on Monday, October 9, 2017 and the next work session would be held at 9:00 a.m. on Wednesday, October 25, 2017, both in the Boardroom of the County Administration Building.

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

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

The motion carried.

The meeting was adjourned at 10:12 a.m.