

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

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IN RE: CALL TO ORDER

Chairman C. Thomas Tiller, Jr. called the meeting to order.

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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.

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IN RE: HERITAGE PUBLIC LIBRARY UPDATE

Heritage Public Library (HPL) Director Chandra McPherson thanked the Board for the opportunity to speak and thanked County Administrator Rodney Hathaway for recommending full funding of the HPL FY20 budget request. HPL had requested \$178,865 which was a \$3,865 increase over FY19. Ms. McPherson distributed a detailed HPL proposed FY20 budget as well as information on the state aid formula for libraries. She reported the library continued to fail to achieve local funding requirements to receive full state and federal funding, but indicated she believed the current waiver would be extended and they would receive full funding. Noting the HPL was regional, she reported combined funding from the two localities (New Kent and Charles City) continued to move closer to the local funding requirements. She noted that although the HPL was getting by with less local funding than the state formula suggested was needed, it did not mean they did not need every penny. She reported plans for the next five years would include converting some part-time positions to full-time status. She also reported the library would like to do more outreach and suggested the possibility of pop-up libraries and more children's programs. She entertained questions from the Board.

Mr. Davis noted the funding formula provided indicated that because the HPL was a regional library, the square mileage portion of the formula was double the rate for single jurisdiction libraries. He also noted Charles City County was building a new library and suggested they had a much better chance than New Kent of qualifying for certain grants. He asked Ms. McPherson if she felt the regional arrangement with New Kent would continue. Ms. McPherson reported Charles City was investing \$3.2 million in the new facility and the HPL had requested \$122,000 to operate on a full-time basis. She suggested Charles City was invested in this arrangement and indicated she didn't see it going away. She also noted there were many benefits to having multiple branches and the state encouraged regional partnerships. Mr. Evelyn asked if the new Charles City library was fully funded. Ms. McPherson reported a dedication ceremony would be held on June 9<sup>th</sup>, there had been some fundraising and the remainder of the funding had come from the County. She also reported the future possibility of localities being given credit for in kind services such as those provided by New Kent County General Services. As an example, she specifically noted additional New Kent funding for HVAC work the previous year which had not been

considered in the state funding formula. Mr. Stiers noted HPL had requested additional funding from New Kent the previous year to extend operation hours. He asked if additional hours were included in this year's budget request. Ms. McPherson indicated plans were to be open forty hours a week and remain closed on Thursdays as was currently the practice. She suggested they could look at opening on Thursday but had not requested any additional funding to extend hours. She again noted they would be working on new initiatives including additional outreach and reported they were already providing outreach to daycares and Head Start programs. The HPL was also planning to offer open "Makerspace" time and had Cricut® die-cutting equipment which Ms. McPherson reported the teachers loved. Mr. Davis asked if they had a 3D printer. Ms. McPherson reported they had two 3D printers thanks to the generous support of the New Kent Rotary Club. She also reported they had a 3D scanner. The library would also be offering STEAM (Science, Technology, Engineering, Arts and Math) courses for adults as well as children. Lego® robotics had been very popular with students and would be offered for adults in March. Individuals wishing to use the 3D printers were currently allowed to do so free of charge thanks again to donations from the New Kent Rotary. Ms. McPherson suggested this equipment was a good way to extend the classroom learning as well as provide technology instruction to those who were no longer in school. She reported the library's lowest paid staff member would begin receiving \$10.00 per hour next month. She also reported the passport program was doing very well but noted this program was taking staff away from other library duties. A little over \$2,000 had been generated by this program for the month of January but unfortunately, this revenue could not be included in the state funding formula. The HPL's current waiver from the state would expire in 2020 but she suggested increased funding levels from both localities for the past two years were good indicators of the localities' commitment and she didn't believe getting a waiver extension would be a problem. She also reported that although the library was closed on Thursdays, the Wi-Fi was on 24/7 and there were some parking lot users. She indicated statistics had been included in the budget submission packet and noted many classes were filled and had waiting lists. Noting recent Weldon-Cooper figures had suggested a 21% growth rate in New Kent County, Ms. McPherson reported there had been a 22.85% increase in HPL patrons.

Mr. Tiller thanked Ms. McPherson for the presentation.

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IN RE: BRIEF ON COMPREHENSIVE PLAN APPENDIX D

Environmental Director Justin Stauder and Planning Director Kelli Le Duc shared information with the Board on proposed amendments to the New Kent County Comprehensive Plan – Appendix D. Mr. Stauder noted he had met with the Board in November to review seven conditions in the 2017 Corrective Action Plan provided by the Virginia Department of Environmental Quality (VDEQ). One of those conditions had been satisfied by the Board's adoption of R-32-17. Staff had continued working with VDEQ to address the remaining six conditions (two of which were still outstanding) as well as draft a stand-alone appendix entitled "*A Water Resources Element*". Areas highlighted in the proposed appendix were Ground and Surface Water, Protection of Potable Water Supply, Chesapeake Bay Preservation Areas, Water Access Facilities, Commercial and Recreational Fisheries, Shoreline Erosion and goals, strategies and objectives regarding each topic. Environmental staff had received final approval of the completed document from VDEQ on January 28, 2019 and was ready to move forward with the County review process. It would be necessary to adopt the appendix within ninety days of the VDEQ approval date to remain in compliance with terms of the Corrective Action Agreement. Ms. Le Duc indicated a public hearing would be scheduled before the Planning Commission on March 18 and the Board of Supervisors in April.

County Administrator Rodney Hathaway noted there was a “time crunch” due to the 90 day adoption provision under the notice of violation. Mr. Evelyn asked which two conditions had not been met. Mr. Stauder indicated the Comprehensive Plan Amendment remained as well as a condition involving the Chesapeake Bay Board. He indicated they had not been able to meet the Chesapeake Bay Board condition because there had been no applicants. Mr. Davis asked, “Will this get DEQ off our back?” Mr. Hathaway indicated it would.

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IN RE: WELL DRILLING CONTRACT FOR PINE FORK PARK

County Administrator Rodney Hathaway reported three bids had been received on February 7, 2019 for the Pine Fork Park well. The project engineer had suggested an estimated cost of \$125,000. Toano Well & Pump Service had offered the lowest bid at \$71,886. Mr. Hathaway indicated the well contract had been pulled from the general construction package to avoid additional contractor markups. Provisions of the contract required completion of the well within 75 days of the contract date. Mr. Hathaway indicated a preconstruction conference would be held on Thursday, February 28<sup>th</sup> if the contract was approved at today’s meeting.

Mr. Davis asked why Toano Well had been so much lower than the engineer’s estimate. Mr. Hathaway drew attention to a bid sheet which had been included in the meeting package. He noted the high bidder had been a Maryland company and suggested extra travel costs had been factored into the bid. He noted the middle bid had also been under the engineer’s estimate and the low bid had been submitted by a local company. Mr. Davis questioned the location of the well and its proximity to an existing County well. Mr. Hathaway indicated the well would meet the fifty foot setback requirement and would not be too close to the County well. He reported consideration had been given to extending utilities to the site but it had been deemed too costly. Ms. Paige asked if the septic system would also be pulled from the general construction package. Mr. Hathaway indicated the septic system had remained in the general contract and would be installed as a part of the site work. Parks and Recreation Director Kim Turner reported the construction of the concession building had also been pulled from the general contract. Mr. Tiller asked if the septic system would have the usual warranty. Mr. Hathaway indicated it would. Mr. Davis questioned the depth of the well. Mr. Hathaway indicated the well would be 450 feet deep which was similar to other wells in the area. Ms. Paige asked if the well would have any impact on the residential community being built adjacent to the park. Mr. Hathaway indicated it would not and noted this community and the park were both too far from public utilities to make a connection feasible. Mr. Tiller suggested perhaps the residential community could connect to the Pine Fork Park well. Mr. Hathaway indicated the size of the Pine Fork Park well would need to be increased and a DEQ permit would be necessary for that to be possible.

Mr. Evelyn moved to authorize the County Administrator to sign the proposed contract totaling \$71,886 for well drilling services at Pine Fork Park. The members were polled:

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

The motion carried.

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IN RE: FISCAL YEAR 2019-2020 BUDGET PRESENTATION AND DISCUSSION

County Administrator Rodney Hathaway reported he had received revised revenue numbers for FY20 the day before the Budget Retreat and, as a result, had not been prepared to present the budget at that meeting. (The Budget Retreat originally scheduled for February 15, 2019 was canceled and rescheduled for March 15, 2019.) He distributed copies of the County Administrator's Revised FY20 Proposed Budget. He reported the School Board budget had been received since his initial presentation on February 11<sup>th</sup> and the FY20 Proposed Budget total was now \$70,010,642. The real estate tax rate would remain at \$0.82 with each cent generating \$291,291 in revenue.

Mr. Hathaway reviewed a chart depicting how the \$70 million dollar budget would be allocated. Top allocations included a school budget of \$35,165,788 which was a little more than half of the total budget, public safety at \$9,743,236, annual debt service at \$6,374,058, administration at \$4,126,736 and school set-aside at \$2,039,037.

Mr. Hathaway reported a projected increase of \$1,120,999 in general fund revenues for FY20. He drew attention to revenue sources noting an increase of \$392,294 in real estate tax revenue which was \$675,213 less than had previously been reported. Mr. Davis asked why this number had changed. Mr. Evelyn suggested this had been an honest mistake attributed to software used in the office of the Commissioner of the Revenue. Mr. Hathaway began a review of a list of recommendations to address the reduced revenue estimate. The following were noted:

- Revised School Set Aside – Reduced \$185,047 – Mr. Hathaway noted his recommendation was to reduce this set aside from 7.4 to 7 pennies.
- Revised Investment Revenue Estimate – Increased \$60,000 – Mr. Hathaway reported that investment revenue estimates had historically been very conservative and with increasing interest rates the projected revenue was expected to increase.
- Advanced Deposit Wagering – Increased \$50,000 – Mr. Hathaway reported this was revenue from the four operating off track betting facilities in the state. As with investment revenue, estimates for advanced deposit wagering revenue had been very conservative. He indicated he was comfortable with increasing the FY20 projection by \$50,000. He reported the County had first started receiving this revenue in 2015 and the numbers had increased each year. \$291,499 had been received the previous year with \$250,000 having been budgeted. With this trend, Mr. Hathaway suggested this revenue would be well over \$300,000 in FY20.
- School Operating Transfer Reduction – Reduced \$200,000 – Mr. Hathaway noted he had recommended an additional \$200,000 for school operating in his previous budget presentation and was now recommending it be removed. He suggested this was not an indication that he did not support schools and reminded everyone that at the time he had made the original recommendation, he had received no budget information from the schools. He reported the schools were slated to receive an additional \$1.9 million in new money from the state compared to the County's new revenue of \$1.1 million.
- Information Technology – Reduced \$115,000 – Mr. Hathaway reported the County had planned to move to Office 365 in the next fiscal year but he was recommending this be delayed. Ms. Paige questioned the annual maintenance costs associated with Office 365. Mr. Hathaway suggested the annual cost would be approximately \$100,000. He also noted that once the County moved to Office 365 it would no longer be necessary to pay computer software license fees which he estimated to be \$4,000 per computer.
- Eliminate Department of Social Services Program Coordinator Position – Reduced \$14,687 – Mr. Hathaway suggested this was a small amount to fund a full-time position. The lion's share of funding for this position would be provided by the state.

- Employee Health Insurance – Reduced \$93,684 – Mr. Hathaway reported original projections had suggested an 8.5% increase in premiums. He noted that although New Kent had some very high claims, the fact that we were a member of a pool with some members having very good claim years had resulted in a much lower increase of 3.5%.

Mr. Hathaway noted these changes would result in \$43,205 in additional contingency and an excess of \$67,687 above the \$300,000 contingency required by policy. This excess contingency could be allocated as the Board chose.

Mr. Evelyn asked for the status of the Procurement Officer position. Mr. Hathaway indicated this position which was estimated to cost \$98,438 had initially been cut from the budget recommendations but had been added back after receiving the lower insurance figures. Mr. Stiers expressed concerns regarding the recommendation to cut \$200,000 from schools while putting more funds into contingency. He suggested the Procurement Officer position should be cut and the excess contingency funding given to the schools. Mr. Hathaway indicated he believed the schools would be comfortable with that funding and suggested they had been expecting the possibility of no additional funding. Ms. Paige expressed concerns regarding cutting the Procurement Officer position. She noted this position had been approved several years ago and filling the position had been delayed several times. She suggested this position could save the County and specifically referenced the Fire Station 5 project where it had recently been necessary for the Board to appropriate additional funds. She further suggested this position could serve as an assistant to the County Administrator and noted this was a position for which she was willing to fight. Mr. Evelyn noted the Board was seeing this revised budget presentation for the first time. He further noted the Board would be holding a Budget Retreat where there would be an opportunity to speak with School Board members.

Mr. Hathaway drew attention to the revised recommendations for the allocation of the new FY20 revenue totaling \$1,120,999. He noted this was a short list with the recommendations being very focused. Recommendations included:

- Employee COLA – 5% effective July 1, 2019 totaling \$509,268. Mr. Hathaway distributed Cost of Living information comparing New Kent County with Social Security Administration (SSA) figures. SSA figures suggested the annual cost of living had increased 14.5% since 2010 while County salary increases since 2010 had only been 9%. He used an employee with an annual salary of \$40,000 in 2010 as an example. Based on SSA figures, this employee should now have a \$45,800 salary. Based on New Kent County salary increases over the same period of time, this employee would have a \$43,600 salary. He pointed out this assumed New Kent salaries had been at the appropriate level in 2010 but indicated he believed County salaries had been behind the market at that time. He reported former employees participating in exit interviews often indicated their reasons for leaving were salaries and health insurance. He further reported many were paying less than half of New Kent's insurance rates in their new positions. He noted the importance of providing high quality service to residents and suggested this could only be done with a high quality staff. He suggested the 5% increase was not a solution but was a step in the right direction. He also noted school employees had received a 2% increase the previous year and the proposed FY20 school budget included a 3% increase.
- Six New Positions – These positions would total \$360,643 and included four new firefighter/EMT positions, upgrading a part-time custodian position to full-time and one new deputy position. Mr. Hathaway noted a minimum of six positions would be needed to man the new fire station. Two positions had been approved in FY19 and four were proposed for FY20. The new station was projected to be open Fall 2019. He reported

the Sheriff's Office had requested seven new positions which had included a combination of civil process, road deputy and dispatch positions. Mr. Evelyn asked if additional days were being added to the court schedule in New Kent. Sheriff Joe McLaughlin indicated there would be a new Juvenile and Domestic Relations judge and New Kent would be the home base for this judge. He also indicated this would mean four additional court days in New Kent each month.

- Confinement of Inmates – As previously reported, there would be an increase of 7% for the per diem rate for the confinement of inmates as well as additional funding in response to New Kent's increasing jail population. Total recommended increased funding in this area was \$269,000. Mr. Davis asked what the total annual allocation for confinement of inmates would be after this increase. Mr. Hathaway reported the total would be just over \$1 million. Mr. Evelyn asked if the growth in New Kent was connected to the increase in inmate population. Sheriff McLaughlin suggested that it was connected and noted the growth also increased the need for services. He reported charges for confinement of inmates were \$41 per day, per inmate and total costs the previous month had been \$74,000.
- Health Insurance Increase - 3.5% and Employee Cost Reduction of 5% for employee plus one and families - Mr. Hathaway noted he had previously reported the County was expecting an 8.5% increase in health insurance rates for FY20 but was pleased to report the number had come in much lower at 3.5%. With this decrease, the total projected increase in insurance allocation was \$77,586. Mr. Hathaway also distributed information collected by our benefits consultant comparing New Kent's health insurance premiums with those of nine other localities and the Commonwealth of Virginia. He pointed out New Kent currently offered two medical plans and employees had the options of single, employee plus one and family plans. He also noted families with both parents employed by New Kent received a special rate. He suggested the proposed 5% rate reduction was a step in the right direction but noted New Kent rates would still be higher than other localities.
- Other - Mr. Hathaway also reported additional cuts totaling \$95,498 had been made to the operating budgets in various departments.
- Mr. Hathaway also noted one new position and one position upgrade totaling \$55,864 were recommended for Public Utilities. Public Utilities positions were service fee supported.

Mr. Hathaway noted the remainder of the February 11<sup>th</sup> budget presentation had not changed. He reminded the Board that they still needed to reschedule the Budget Retreat or at least schedule a time to meet with the School Board. Several suggestions were made including meeting at 5:00 p.m. prior to the Supervisor's meeting on March 11<sup>th</sup> or some time on March 18<sup>th</sup> when the School Board was scheduled to meet. It was noted the Planning Commission would meet on March 18<sup>th</sup> and Mr. Davis suggested more than one hour should be scheduled. Friday, March 15<sup>th</sup> and Friday, March 22<sup>nd</sup> were suggested as other possible dates. Mr. Hathaway indicated he would let everyone know once a date was confirmed with the School Board. He also noted he would like to discuss Supervisor salaries at the March work session. He suggested these salaries had not changed since 1996.

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IN RE: OTHER BUSINESS – APPOINTMENTS

Mr. Evelyn moved to appoint Rod Molina as a representative to the Airport Advisory Commission to serve a four-year term beginning January 1, 2019 and ending December 31, 2022. The members were polled:

Patricia A. Paige

Aye

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

The motion carried.

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IN RE: OTHER BUSINESS – PURCHASE AND SALE AGREEMENT WITH OAK RIDGE FARM, LLC

County Administrator Rodney Hathaway distributed copies of a draft Purchase and Sale Agreement with Oak Ridge Farm, LLC for the purchase of 15.18 acres of land (Tax Map Parcel Number 19-57) to be used for a new elementary school. The purchase price would be \$375,000 and a \$10,000 nonrefundable deposit was required. Mr. Hathaway also noted the agreement allowed for a 100-day due diligence period and New Kent Schools were ready to move forward with that process. Mr. Evelyn asked if the School Board was in agreement with this particular site. Mr. Hathaway indicated they were.

Ms. Paige moved to authorize the County Administrator to sign a Purchase and Sale Agreement with Oak Ridge Farm, LLC for the purchase of 15.18 acres of land for the price of \$375,000. The members were polled:

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

The motion carried.

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IN RE: OTHER BUSINESS – NEW KENT PARTNERSHIP 2030 RECOMMENDATION REGARDING BROADBAND

County Administrator Rodney Hathaway reported he had met with several representatives of the New Kent Partnership 2030 (NKP 2030) group regarding broadband. He indicated these individuals were involved in the broadband industry and had suggested the County initiate a broadband study which would focus on a fiber optic option. He noted fiber optic was the fastest and most reliable option. Mr. Hathaway reported the NKP 2030 group had been in contact with a group in southwest Virginia that was interested in conducting such a study in New Kent for \$16,000. He noted the County would have to follow procurement policy requirements before entering into any agreement. He asked the Board if there was any interest in looking into the fiber optic option.

Mr. Evelyn noted broadband was one of the biggest concerns of New Kent citizens and suggested it was worth considering. Ms. Paige asked if such a study would include information on the costs for households. Mr. Hathaway suggested the study would consider how a fiber optic system would be managed. Ms. Paige suggested it was important to get something better than was currently available. She noted a significant investment had been made with the purchase of Chromebooks® and suggested many students were not able to use them at home because of the lack of internet access. Mr. Davis suggested fiber would be the most expensive option. Mr. Hathaway indicated he had hoped there would be more assistance from the state. Mr. Davis suggested rural areas were getting farther and farther

behind. Mr. Evelyn noted the County had previously conducted a study and asked how much had been spent on this. Mr. Hathaway reported there had been a \$25,000 budget and approximately half of that had been spent leveraging a \$75,000 grant. New Kent had been working with SCS (SCS Broadband/AcelaNet, LLC) as had a number of other localities. He reported he had spoken with representatives of several of the other localities at a recent conference and they were "all in the same boat," SCS had "just not performed." Mr. Davis suggested the County needed to do something and noted "running wire is expensive."

The general consensus was to move forward with the procurement process necessary for a study focused on a fiber optic system.

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IN RE: ANNOUNCEMENT OF UPCOMING MEETINGS

Mr. Tiller announced the Board was about to go into closed session and there would be no further actions taken. He announced the next regularly scheduled meeting of the Board of Supervisors would be held at 6:00 p.m. on Monday, March 11, 2019, and the next work session at 9:00 a.m. on Wednesday, March 27, 2019, both in the Boardroom of the County Administration Building.

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IN RE: CLOSED SESSION

Ms. Paige moved to go into closed session pursuant to section 2.2-3711A.3 of the Code of Virginia for discussion and consideration of the acquisition of real property for a public purpose, where discussion in an open meeting would adversely affect the bargaining position or negotiating strategy of the County, involving future school facilities.

Mr. Hathaway noted for the record that this discussion would not involve the Board's previous action to authorize an agreement to purchase land for an elementary school. This discussion would involve other property.

The members were polled:

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

The motion carried.

Mr. Davis moved to come out of closed session. The members were polled:

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

The motion carried.

Mr. Evelyn moved to certify by roll call vote that to the best of each Board 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:

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

The motion carried.

Mr. Stiers moved to go into closed session pursuant to section 2.2-3711A.7 of the Code of Virginia for consultation with legal counsel pertaining to the threat of litigation regarding a farmers market in New Kent. The members were polled:

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

The motion carried.

Mr. Evelyn moved to come out of closed session. The members were polled:

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

The motion carried.

Ms. Paige moved to certify by roll call vote that to the best of each Board 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:

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

The motion carried.

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IN RE: ADJOURNMENT

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

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

The motion carried.

The meeting was adjourned at 10:58 a.m.