

THE BOARD OF SUPERVISORS HELD A WORK SESSION ON THE 23<sup>rd</sup> DAY OF JUNE, IN THE YEAR TWO THOUSAND THREE OF OUR LORD IN THE COURTROOM OF THE OLD COURTHOUSE IN NEW KENT, VIRGINIA, AT 6:34 P.M.

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IN RE: ROLL CALL

Rebecca M. Ringley	Present
James H. Burrell	Present
Dean E. Raynes	Present
W. R. "Ray" Davis, Jr.	Present
Julian T. Lipscomb, Sr.	Present

Chairman Lipscomb opened the meeting.

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IN RE: AGENDA CHANGE

County Administrator Gary Christie requested a closed session at the end of the meeting for discussions relating to the acquisition or sale of real estate, to which the Board consented.

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IN RE: CAPITAL PROJECT PLANNING

Ted Cole and Courtney Rogers of Davenport & Company made a presentation to the Board on a preliminary capital planning approach to put in place a five-year plan for the County. Historically, New Kent has transferred any surplus remaining in the budget into the Capital Improvements Fund, after retaining 15% for contingency. However, as budgets are tightening, there will be less surplus available. Davenport suggested that the County should establish a formalized capital project planning process and to formulate a financing strategy for the adopted multi-year capital improvement program which will be reviewed annually.

The Davenport presentation was based on the following key assumptions: a Capital Projects Fund Balance at 6/30/03 of \$5 million; no monies will be added to the Capital Projects Fund Balance in FY04 and beyond; the County's CIP plan ("wish list") is funded as presented; all CIP items with a cost of \$50,000 or less will be funded through budgeted cash expenditures; portions of the Airport projects will be financed through Federal Aviation funds; school project financings are based upon the Literary Loan structure to the maximum amount possible, and all other project financings are based upon a 20-year level debt service financing schedule with an interest rate of 5.5%; bonds are assumed to be issued in January of each year; and estimates are inclusive of costs of issuance.

Mr. Cole presented three different scenarios. In Case #1, the entire Capital Fund balance of \$5 million is used to fund FY04 projects. In Case #2, \$300,000 of the \$5 million Capital Projects fund balance is used to fund FY04 capital projects. The remaining \$4.7 million is carried forward into future years to help offset the additional debt service burden associated with bond-funded capital projects. Case #3 is similar to #2 except the County maintains a Capital Reserve Fund balance of \$1 million.

Mr. Cole then presented a summary of the projected use of funds and source of funds through FY2008 in each case. He also provided estimated debt service figures through 2028 under each case scenario, as well as funds available by decline of existing debt service, the existing and projected value (based on a growth rate of 3.5%) and cumulative increase in the value of \$.01 in real estate tax rates through FY2013. Also included in the presentation was estimated debt capacity in each case through FY2013.

Mr. Cole suggested that the County evaluate its funding approach for the FY04 capital plan, taking into consideration future capital needs; formalize a multi-year capital projects planning approach, and work towards developing a funding schedule for current needs. He stressed that the timing and selection of projects is important and he does not want to delay or jeopardize any of the FY04 projects that have been approved. He feels that the needs assessments currently being done on the schools will help structure any plan.

Mr. Christie confirmed that the \$5 million in the CIP plan for FY03/04 is earmarked.

In response to an inquiry from Mr. Davis, Mr. Cole reported that the cost involved in issuance of bonds is between 2 and 3% of the project total. The funds in the water and sewer fund were not included in the figures.

Mr. Christie requested authority to work with staff to develop a “wish list”, as well as with Davenport to develop a five or six year Capital Improvements Projects plan (with projects ranked and prioritized) for the Board’s review and approval in September or October. It is important that such a plan be in place before budget planning starts for the next year. The Board authorized Mr. Christie to move forward.

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IN RE:           OFFICE SPACE

John Crump presented the Board with drawings and figures regarding New Kent Preservation Office Park which his development group is proposing for the property between the County Complex and the Middle School. Those plans include preserving the existing historical structures as well as construction of two office buildings and 61 parking spaces. The first building to be constructed will be parallel to Route 249 and contain up to 10,800 square feet of office space on two floors, and will be available to house County offices with no upfront County costs or maintenance. Real estate taxes generated by this building are estimated to be \$16,000 per year. Monthly rental was estimated to be \$16,913 (\$16 per square foot).

Mr. Crump explained that this project was not high on their priority list, but that could change if the County was interested in leasing the first office building for office space.

The second building, which will be perpendicular to Route 249, is expected to have 9,000 square feet. Also planned for this property is a historically themed park.

Other options for County office space was also discussed, and whether it was cheaper to rent than to build. Mrs. Ringley inquired as to when a report would be available from the architects

on renovations to the Courthouse. Mr. Lipscomb reported that the architects had reported that it should cost \$200,000 less than was anticipated to fix the HVAC system.

County Attorney Phyllis Katz reported that the County would be required to advertise their interest in lease space before entering any lease.

Mr. Christie reported that the target date for opening of the One-Stop Shopping Permit office was September 1, and that prior to that time, it would be necessary to relocate the Public Works Department. Two options for a new location have been explored. The first is the pet food building at the corner of Routes 249 and Route 155, and the second would be to lease a trailer to be located at the Parham Landing Wastewater Treatment plant. It was reported that the two-year cost for option one would be \$36,270, and \$45,947 for option two.

It was reported that there may be office space across the street in the Vaden house, but it is unknown what that would cost. Mr. Lipscomb also suggested that the County consider using the vacant offices at Old Camp 16.

Cost for relocation of the Public Works Department would have to be appropriated from the Contingency Fund. Mrs. Ringley was upset that this had not been anticipated and was not included in the budget.

Public Works Director Charles Loving reported that his department needs approximately 1400 square feet.

Mrs. Ringley stated that the Board needs more information than what has been provided and asked staff to bring back a more comprehensive report on all options.

The Board took a short break.

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IN RE: YEAR END FINANCIAL ADJUSTMENTS FOR FY03

Accounting and Budget Director Mary Altemus reviewed some budget transfers requested from Contingency for AFD and Historic Commission advertising, reassessment services, and legal services. Other budget transfers between funds that need approval involve the Sheriff's Office: to cover the local match for the law enforcement block grant, Cops in Schools (deficit from under-budgeted merit increases), and to cover amount overspent for bike safety equipment.

Ms. Altemus requested the Board's approval of several end-of-year appropriations regarding Two for Life, Local Law Enforcement Block Grant, and Chesapeake Bay Local Assistance.

Mr. Davis asked that staff look into ways to decrease the costs of advertising, perhaps by decreasing the size of the ads. Mrs. Ringley indicated that it was important that the ads be large enough to attract the proper attention and was skeptical that reducing the size would save that much money. Mr. Christie agreed to have staff look into this and report back to the Board at the next meeting.

Mr. Burrell moved to approve the year end adjustments as requested. The members were polled:

Rebecca M. Ringley	Aye
James H. Burrell	Aye
Dean E. Raynes	Aye
W. R. "Ray" Davis, Jr.	Aye
Julian T. Lipscomb, Sr.	Aye

The motion carried.

Mr. Christie reported that the County had been notified by the Department of Aviation that the grant for the tractor is available now rather than next fiscal year. The grant will pay for one half of the cost of the tractor and the remaining one half was included in next year's capital improvements fund. Mr. Christie requested permission from the Board to apply for the grant now. Airport Manager Bill Kelly reported that in order to qualify for the grant, he had to have the tractor on the property and invoice in hand by Wednesday at 5:00 p.m. He explained that the Airport has lost about half of the grass cutting services previously provided by inmates.

Mr. Davis moved that the County apply for the grant and transfer the funds for the purchase of the tractor at the Airport into the budget for the current year. The members were polled:

James H. Burrell	Aye
Dean E. Raynes	Aye
W. R. "Ray" Davis, Jr.	Aye
Rebecca M. Ringley	Aye
Julian T. Lipscomb, Sr.	Aye

The motion passed.

Mr. Burrell moved that with this particular purchase, an exception be made to the County's Small Purchase Procedures. The members were polled:

Dean E. Raynes	Aye
W. R. "Ray" Davis, Jr.	Aye
Rebecca M. Ringley	Aye
James H. Burrell	Aye
Julian T. Lipscomb, Sr.	Aye

The motion carried.

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IN RE: LEGAL FEES RESULTING FROM RECODIFICATION

Chairman Lipscomb elected to proceed with this item in open session, which concerns an outstanding bill of Sands Anderson in the sum of \$9,170.50 for a line-by-line review of the New Kent County Code after numerous errors had been discovered. County Attorney Phyllis Katz

reported that the County's options are to accept Municipal Code Corporation's offer to pay one-third of the bill, wherein the County would pay a third and Sands Anderson would waive the remaining third, or to reject the offer. Mr. Davis stated that the County had already paid Sands Anderson \$2,900 to review the proposed new code before codification and should not be responsible for any additional review charges. Mrs. Ringley felt that the County was in error when it sent the Code to MCC as accepted, bypassing Sands Anderson. Ms. Katz reported that according to Jim Cornwell, the prior County Attorney, he was only charged with reviewing the changes, not the entire Code. She maintained that many of the errors that were made by MCC were in connection with what State Code required. She admitted that no errors had been found by Mr. Cornwell's review, but the assumption had been made by the County and her firm that Municipal Code knew what they were doing, and no one felt that a line by line review was required. Once the mistakes were discovered and the Board lost confidence in MCC, she was asked to conduct a line by line review. She used the services of paralegals in order to keep the cost down. She insisted that no duplicate billing was made and reminded the Board that there would be legal costs involved in trying to collect the entire bill from MCC. Municipal Code's defense will be that the County did not give them a chance to make their own review and they are not responsible for the legal fees charged by Sands Anderson. Ms. Katz would agree that Municipal Code has no contractual obligation for the bill. Staff was requested to advise the Board as to the total amount paid to Municipal Code.

No action was taken on this matter.

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IN RE: PERSONNEL POLICIES

County Administrator Gary Christie inquired as to the Board's intentions regarding the Memos of Understanding entered into with the five constitutional officers. This item required no action from the Board, but Mr. Christie wanted to point out that if it was the Board's intention that the employees of the constitutional officers would be treated equally, that was not accomplished. Under the MOUs entered into with the Commissioner of the Revenue and the Clerk of Court, the County is obligated to, at termination, pay employees for any unused leave time; employees of the other constitutional officers will be limited to whatever the Comp Board pays at termination, which effective July 1, 2003, will be nothing. Copies of the MOUs were distributed to the Board members for their review.

Mr. Christie also reviewed the proposed changes to the County's Personnel Policies which addressed education, leave carry over, exempt employees under FLSA, telecommuting, promotions and workers compensation. Following discussion, Mr. Davis moved to approve the list of changes proposed by the County Administrator. The members were polled:

W. R. "Ray" Davis, Jr.	Aye
Rebecca M. Ringley	Aye
James H. Burrell	Aye
Dean E. Raynes	Aye
Julian T. Lipscomb, Sr.	Aye

The motion carried.

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Mr. Christie requested permission to move forward with the wage and classification study funding for which was included in the FY03/04 budget. He wants the Board to feel comfortable with the consultant and process. In addition to updating job descriptions and recommending salary ranges for each position based upon a survey of similar counties, he will also ask for a review of alternatives to the current pay step system. Mrs. Ringley recommended that a Virginia firm be selected to perform the study, and reminded that Robinson Farmer Cox had performed salary studies in the past. Mr. Christie indicated that he will seek proposals and conduct interviews before making a recommendation to the Board. The Board agreed that he move forward.

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IN RE: 2007 NACO CONFERENCE

County Administrator Gary Christie reported that VACO was requesting \$1,000.00 contributions from localities to help defray costs in hosting the 2007 NACO Conference to be held at the Richmond Convention Center. Mr. Burrell stated that this was inexpensive exposure for New Kent. Mrs. Ringley indicated that she would like for New Kent to become a part of the effort. Following discussion, Mr. Burrell moved that the County make a \$1,000 contribution to Conferences, Inc. to be applied toward the cost of hosting the 2007 NACO Conference in Richmond. The members were polled:

Rebecca M. Ringley	Aye
James H. Burrell	Aye
Dean E. Raynes	Aye
W. R. "Ray" Davis, Jr.	Aye
Julian T. Lipscomb, Sr.	Aye

The motion carried.

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IN RE: OTHER BUSINESS

County Administrator Gary Christie reported that the New Kent County Economic Development Authority had been given control of four display stands and one wall board in the new I-64 Eastbound Welcome Center within which to market the County. The Grand Opening of the Center is scheduled for August 28. Kennedy and Green have been retained to develop marketing material for the displays.

Mr. Christie also reported that, in the past, the County has advertised in Virginia Site Selection magazine. This year the price for the ad is \$5,200, which exceeds what was budgeted for next year and, therefore, the County will not be placing an ad this year.

Mr. Christie reported that Timmons is still working on establishing rights-of-way in Plum Point. They have abandoned Plan A, which involved an overlay of the County tax maps with GIS, which did not work. Under Plan B, they are working with Stanley Payne, a surveyor from King and Queen. It has been reported that this option will not increase the cost of the work.

The Board reconsidered the meeting date schedule for the remainder of 2003, and it was the consensus to cancel the work sessions scheduled on July 28 and September 22. If work sessions are needed, they can be scheduled just prior to the regular session. September has five Mondays, and the September work session could be held on September 29. Those decisions will be made at a future date.

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RE:                    ROUNDTABLE DISCUSSIONS

Mr. Burrell reported that residents on Spring Run Drive have reported their wish to participate in the VDOT 50/50 match paving program. They have enough money to pay the match. It was requested that Mr. Christie look into this and provide guidance to those residents. Spring Run Drive has nine homes and is one half a mile long. There is a right-of-way question that VDOT will have to clear up, but it does not appear that the County will be requested to make any contribution.

Mr. Raynes inquired as to the County's policy in selling property, specifically in the EDA's Commerce Park. He is concerned that the County would be competing with private landowners. If the County were to sell its property for a lower price in order to entice a buyer, that may devalue surrounding privately owned property. He believes the County needs to set a policy in order to prevent this from happening. Mrs. Ringley reported that the EDA was sensitive to this issue, and the Board needs to communicate its concerns to the Authority. Mr. Lipscomb asked Mr. Christie to obtain information from Henry and Halifax Counties to see how they handled this problem. Mr. Christie suggested a Memo of Understanding between the Board and the EDA.

Mr. Davis reported that he is still working with VDOT regarding accepting the County's acceptance of the Eltham Bridge as a fishing pier. He will bring a proposal to the Board once final figures have been obtained.

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IN RE:                CLOSED SESSION

Mr. Davis moved to go into closed session for discussions relating to the acquisition or sale of real property pursuant to Section 2.2-3711A.3 of the Code of Virginia. The members were polled:

James H. Burrell	Aye
Dean E. Raynes	Aye
W. R. "Ray" Davis, Jr.	Aye
Rebecca M. Ringley	Aye
Julian T. Lipscomb, Sr.	Aye

The motion passed. The Board went into Closed Session.

The Board emerged from closed session. Mr. Davis made the following certification:

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Whereas, the New Kent County of Supervisors has convened a closed session on this date pursuant to an affirmative recorded vote and in accordance with the provisions of the Virginia Freedom of Information Act; and

Whereas, Section 2.2-3712 of the Code of Virginia requires a certification by the Board that such closed session was conducted in conformity with Virginia law;

Now, there, be it resolved that the Board hereby certifies that to the best of each member's knowledge (i) only public business matters lawfully exempted from open session requirements by Virginia law were discussed in closed session to which this certification resolution applies and (ii) only such public business matters as were identified in the motion convening the closed session were heard, discussed or considered by the Board.

Chairman Lipscomb inquired whether there was any member who believed that there was a departure from the motion. Members were polled on the certification:

Dean E. Raynes	Aye
W. R. "Ray" Davis, Jr.	Aye
Rebecca M. Ringley	Aye
James H. Burrell	Aye
Julian T. Lipscomb, Sr.	Aye

The motion passed.

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IN RE:           ADJOURNMENT

There being no further business, Mrs. Ringley moved for adjournment. The members were polled:

W. R. "Ray" Davis, Jr.	Aye
Rebecca M. Ringley	Aye
James H. Burrell	Aye
Dean E. Raynes	Aye
Julian T. Lipscomb, Sr.	Aye

The motion carried.

The meeting was adjourned at 9:50 p.m.

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