

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 15TH DAY OF MARCH IN THE YEAR TWO THOUSAND NINETEEN, AT 9900 CARRIAGE ROAD, PROVIDENCE FORGE, VIRGINIA.

IN RE: CALL TO ORDER

Chairman C. Thomas Tiller, Jr. called the March 11, 2019 New Kent County Board of Supervisors meeting 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 Adriane J. Marshall, Kristin D. Swynford, Andrea Staskiel and Dr. Gail B. Hardinge. School Superintendent Dr. David Myers and Executive Director of Finance/Budget Haynie Morgheim were also present. Copies of the School Board presentation were distributed.

IN RE: NEW KENT COUNTY PUBLIC SCHOOLS (NKPCS) - SUPERINTENDENT'S FY19-20 RECOMMENDED BUDGET OVERVIEW

Dr. Myers began the presentation by providing an overview of recent successes and division highlights. He reported all schools were fully accredited and the 1:1 Chromebook initiative focusing on 21st century skills had successfully been implemented. Under the leadership of Executive Director of Curriculum and Instruction Dr. Byron Bishop, the school division had spent about six months developing a new Six Year Strategic Plan which was now in place. A new student support facilitator had been hired to connect families with needed services. Students were being provided additional educational opportunities including more than 39 options in dual enrollment and industry certifications as well as multiple STEM programs at all levels. Regional opportunities included a technical/STEM center, two governor's schools, an early college academy and a computer science school. He reported the community had been involved in a Threat Response Review with first responders, County officials and the Virginia Department of Emergency Management. Members of the community had also been engaged in multiple division-wide committees including the development of the new six Year Strategic Plan. Community organizations were also involved in partnerships with New Kent County Schools including a weekend food program, drug prevention activities, the County Fair and internships. Dr. Myers also reported the Forge Foundation was involved in providing support to students who did not qualify for free meals but were still in need of financial assistance in order to participate in the school lunch program. He also reported he had never seen a group more committed to the success of New Kent County Schools than the New Kent Educational Foundation (NKEF). The NKEF had raised over \$30,000 at its most recent annual bowl-a-thon. He shared some statistics from the previous year including students being transported safely over 1,000,000 miles to and from school. This had included 400 athletic and field trips. 1,115 facility work orders and countless other tasks had also been completed. These work orders and tasks had included numerous

upgrades to facilities including lighting, HVAC, athletic facilities, painting and refurbishing. Students had been served 335,000 meals through the school nutrition program.

Plans for continued success included advocating for competitive regional salaries and benefits to attract and retain strong talent. Dr. Myers reported a national teacher shortage was making recruiting a challenge. Plans also focused on updating the instructional framework for continued success for 21st century learning throughout all classrooms and continuing to renovate/refresh facilities. Continued safety enhancements including a focus on prevention and emergency response training would also be a focus. This would include working closely with the Sheriff's Office, Fire-Rescue and the Department of Social Services.

Dr. Myers provided an overview of the School Division budget process. He reported many people had been involved and noted the following:

- Baseline budgets were sent to all Principals. All position requests were reviewed with Principals and updates and recommendations were discussed at faculty meetings.
- Meetings were held with Division Directors to review current expenditure line items and requests, to review position requests and to consider areas for potential savings.
- Expenditure line items and position requests were reviewed with the Division Leadership Team.
- Budget recommendations were presented to the School Board.
- The School Division worked closely with County Finance staff throughout the process.
- The Board met with the Board of Supervisors to collaborate and discuss items of focus.
- A public hearing would be held on Monday, March 18th to receive public comment.

Dr. Myers reported the division's \$33,134,475 proposed budget was based on 3,280 ADM (Average Daily Membership) which he believed was conservative. The division would be receiving an additional \$605,217 due to the increase in ADM, state revenue would increase by \$1,761,137 and the School Board was requesting an additional \$200,000 from the County. Dr. Myers predicted there would be carryover funds at the end of the year resulting from enrollments over the 3,280 projection.

Dr. Myers noted 82.5% of the proposed budget would be in salary and benefits. He provided an overview of expenditure adjustments for FY20. Expenditure adjustments included an increase of \$7,780 in regional program tuition. There would be a reduction of \$17,600 in Bridging Communities Technical Center tuition as a result of the implementation of a new formula to calculate each school division's share. Chesapeake Bay Governor's School tuition was expected to increase by \$3,948, Maggie Walker Governor's School by \$1,932 and Code RVA by \$19,500. Dr. Myers drew attention to a list of additional expenditure line item increases totaling \$92,967. The most notable of these was a \$45,652 increase in the cost associated with custodial services. Dr. Myers reported the starting salary for these positions was being increased to \$9 per hour. Salary adjustments totaling \$868,692 were also proposed. Dr. Myers reported this included a proposed 3% step and wage adjustment for all staff totaling \$681,252. Additional teacher and paraprofessional scale adjustments as well as stipend schedule adjustments were expected to cost \$187,440. The additional teacher scale adjustments would result in an additional 1% to 2% increase for some teachers. He noted the current teacher scale was more compressed on the front end and these adjustments were recommended to address this concern. A 5% increase was also recommended for paraprofessionals.

Dr. Myers provided a number of statistics regarding student population changes since 2008. Student population had increased by 509 or 18.59% in the last ten years. He noted there had been a 6.5% increase from 2008 to 2013 and an 11.35% from 2013 to 2018. He reported a number of staff changes were being proposed to address this growth. Seven

teacher positions to support growth and programs needs for a total of \$501,176 were recommended. One additional paraprofessional to support Special Education at a cost of \$30,906 was also recommended. Dr. Myers noted New Kent Schools did not have a registered nurse at all four schools and one additional nurse position at a cost of \$67,475 was recommended. Dr. Myers also noted that along with the increase in student population also came an increase in the number of bus routes. Recommendations included shifting four part-time drivers to full-time status and the addition of two new full-time drivers. He noted the New Kent Schools health insurance plan year ran from October 1 to September 30 and as a result, actual figures for FY20 would not be known until after the budget was adopted. He reported they had been advised to plan for a 3% increase.

Dr. Myers noted he and the School Board appreciated the Board's efforts in finding and finalizing the land purchase for a new elementary school. He reported the timeline for opening the school would depend on how much site work was needed. He also reported on a meeting with the adjacent property owner, Journey Christian Fellowship, who was planning to build a 20,000 square foot facility as well as athletic fields. He suggested a church and a school next to each other would be a "win-win." He also reported the School Board was moving forward with due diligence. He noted the original cost estimate for the new school had been \$28,000,000 and suggested a more accurate cost estimate would soon be known. He also reminded the Board to keep in mind that the operating expenses of the new school would be approximately \$2,240,000. He reported the goal would be to open the new school in FY22 but noted again opening date would be determined by the amount of site work required. He also suggested that if opening was delayed beyond FY22, it would be necessary to consider purchasing additional trailers. District lines for the new school had not been established but all indications were that three new buses and three new bus routes would be needed. He also reminded the Board that New Kent Elementary School was almost 50 years old and had never had a real renovation.

Dr. Myers closed by presenting the School Board's funding request. The recommended budget included an increase of \$200,000 from the County in general operating funds. This increase had originally included a \$300,000 request from County operations and a \$100,000 reduction in the Capital Improvement Plan (CIP) transfer for a net increase of \$200,000. Dr. Myers noted the School Board was asking the Board to consider holding the CIP transfer at \$200,000 for an additional year, along with an increase of \$200,000 from the County. He suggested that without the requested funding the School Board would be at risk of not being able to recruit qualified staff at a desired salary as well as the number of teachers needed for the rapidly growing student body. He entertained questions.

Mr. Stiers noted the School Board was purchasing new buses every year and asked if they had considered cooperating with other counties to order buses as a group and by doing so, possibly get lower prices. Dr. Myers reported school buses were purchased from the state contract and indicated he believed this was the lowest price available. Ms. Morgheim also reported that if a bus vendor sold a bus to anyone lower than the state contract price, they had to offer the same lower price to others. Dr. Myers indicated there were three bus vendors and they were pitted against each other with each trying to offer the lowest price. He again indicated he felt New Kent was purchasing buses for the lowest possible price. Mr. Evelyn noted the County's current proposed budget had no additional funding going to the schools. County Administrator Rodney Hathaway indicated he would be presenting a revised proposed FY20 budget later in the meeting and this revision did include \$160,000 in additional funding to schools. He indicated there had been an excess of \$67,687 in his previous proposed budget which had been designated as additional contingency. A Procurement Manager position had been eliminated resulting in a savings of \$98,438. Additional Compensation Board Funding in the amount of \$37,112 had also been noted.

With a total of \$203,237 in excess funds, he was now recommending the allocation of a school operating transfer of \$160,000 and the reinstatement of a Department of Social Services position at \$14,439. (The County was responsible for 25% of the cost for this position.) Other recommendations included an additional 1% COLA for constitutional officers, an additional 1% COLA for Social Services employees, an additional 3% for the registrar and an additional 2% for the Electoral Board. These increases were the result of General Assembly actions. An \$18,016 balance would remain after these allocations. Mr. Hathaway noted the General Assembly had also passed legislation requiring localities where law enforcement officers were using body cameras to hire a Deputy Commonwealth's Attorney to review camera footage. He suggested this additional funding could be utilized to fund a part time position to view the footage. He noted the Code did allow for a locality to enter into an agreement with the Commonwealth's Attorney for something less than a Deputy Commonwealth's Attorney.

Mr. Evelyn asked the School Board how much carryover funds had been left at the close of the previous fiscal year. Ms. Morgheim suggested there had been approximately \$650,000, \$100,000 of which had been moved to the School Set Aside Fund, \$100,000 to School General Operating and the balance to the CIP. Dr. Myers suggested moving carryover funds to the CIP was a good way to manage year end funds. He suggested this practice encouraged the School Board to not spend on things that weren't needed when they knew the funds would be used for schools.

Ms. Paige asked for clarification regarding the textbook fund and if this fund included funding for Chromebooks. Dr. Myers indicated the textbook fund was not used for Chromebooks and that it must be spent only on textbooks. He also reported all textbook funds could be carried forward and did not have to be spent in any given year. Ms. Paige asked for details regarding the individual costs for students attending regional programs such as Governor's Schools. Dr. Myers reported Maggie Walker Governor's School tuition was approximately \$8,500 and Code RVA was a little over \$9,000 per student. He noted the individual cost for these programs was actually less than the division's \$9,600 per pupil expenditure. He also noted these regional programs allowed New Kent students access to programs that only larger school systems were able to offer. Ms. Paige asked how many students were enrolled in these programs. Dr. Myers reported there were 12 (three per grade) enrolled in both the Chesapeake Bay Governor's School and the Maggie Walker Governor's School and there were 8 (2 per grade) enrolled in Code RVA. He also reported there were 80 enrolled in Bridging Communities this year but that number would be reduced to 74 next year. Ms. Swynford pointed out that students enrolled in these regional programs were also counted in the division's ADM.

Mr. Tiller suggested the Board of Supervisors had been criticized in social media for the recent announcement of their plans to purchase land for future school and County facilities. He asked the School Board what they saw for the school population in the next ten years. Several comments suggested the recent high rate of growth was expected to continue. Dr. Hardinge suggested the two boards should meet more frequently so they could look at growth trends and make plans together to address growth. Dr. Myers suggested it was important to look at the facts and numbers regarding school growth and then visit those schools to get a better understanding of the strain on school facilities.

Noting Dr. Myers' recent resignation from his position as New Kent School Superintendent, several Board members indicated it had been a pleasure to work with him over the past five years and wished him well in his new position with the Virginia Department of Education. Ms. Barber reported the School Board was collecting input for the Superintendent search through an online survey and encouraged everyone to take a moment to respond.

There being no further questions or comments, the School Board adjourned their meeting at 10:05 a.m. The Boards thanked each other for the opportunity to meet. Mr. Tiller called for a brief recess. The meeting reconvened at 10:15 a.m.

IN RE: FY20 REASSESSMENTS

Commissioner of Revenue Laura Ecimovic provided copies of the 2019 Estimated Real Estate Totals. The report indicated the 2019 assessment estimated fair market value of all real estate, taxable and exempt, was \$3,052,306,277. She reported less than twenty new homes remained to be assessed and land and improvement figures were as of March 14, 2019. Once exemptions were taken into consideration, the total taxable value would be \$2,919,468,215 which would generate \$23,939,639.26 in revenue. This figure was up \$53,783 from the previously reported total of \$23,885,856.

Ms. Ecimovic also provided copies of a report comparing 2018 to 2019 personal property statistics. Approximately 600 new vehicles had been added in the past year which would net a tax revenue increase of \$448,490.83. Machinery and tools tax revenue was expected to decrease by \$125,000 as a result of the Board's decision to cut this tax rate in half. All personal property was estimated to generate a revenue increase of \$418,470.27. Ms. Ecimovic reported there had also been a significant increase in campers and motor homes. She also noted boat value figures, which were supplied by the Virginia Department of Game and Inland Fisheries, had been not included. She entertained questions.

Mr. Davis noted Ms. Ecimovic had reported a \$53,783 increase in real estate tax revenue since February. He asked for the total increase since the previous year. Ms. Ecimovic indicated she did not have that figure with her. Mr. Davis suggested there had been approximately 400 new homes built in 2018 and suggested the average price had been \$283,000. Ms. Ecimovic suggested there had been approximately 400 sales but only 200 new homes. She noted new home construction had been stable and referenced construction in several Farms of New Kent communities as well as new subdivisions. County Administrator Rodney Hathaway also noted the Building Official had been reporting a slowdown in the number of permits issued. Mr. Davis suggested increases in real estate and personal property revenue would total approximately \$1,000,000. Mr. Stiers noted it had been suggested prior to the construction of the Love's Travel Stop that it would generate \$380,000 annually in tax revenue. He asked Ms. Ecimovic if she could share whether or not this was close to the actual revenue generated. Ms. Ecimovic noted that under the Freedom of Information Act, gross receipts were protected information and she was not able to answer. Mr. Davis suggested a fixed assessment for Colonial Downs had been set by the courts many years ago and questioned how this would impact the track's reopening. Ms. Ecimovic indicated she was not aware of any special conditions for the Colonial Downs assessment and suggested this property was subject to reassessment every two years as was the case for all other properties in the County. She further indicated the property would be assessed based on what would be there on January 1, 2020. Mr. Davis asked how betting machines at Colonial Downs would be taxed. Ms. Ecimovic indicated these machines would be taxed as business equipment. Mr. Davis noted the Board had discussed setting aside Colonial Downs revenue. He asked what specific revenue this would be or would it be all revenue generated from the track. Mr. Hathaway indicated discussions had been to set aside all Colonial Downs revenue in the capital reserve fund. He recommended the Board set aside the Colonial Downs revenue for future debt. He noted the County had borrowed at very good interest rates (1½ to 2%) and to pay off low interest loans and then have to borrow at higher rates was not recommended.

IN RE: PUBLIC UTILITIES – FY20 CIP/UTILITY OVERVIEW

Director of Public Utilities Larry Dame provided an overview of the Public Utilities CIP (Capital Improvement Project) list. Proposed projects to be funded in FY19-20 included:

- Construction of the Interconnect between the Farms of New Kent and the Kentland PUD - He reported this would increase the reliability of the elevated storage tank, lessen fluoride issues and reduce maintenance costs. Mr. Stiers asked if this would mean a drop in customer rates. Mr. Dame indicated it would not.
- Video Well Surveying – He reported this was something that should be done for all wells every ten years. This would involve removing the pumps and inspecting the wells for possible defects. He noted some County wells had never been surveyed.
- Tank Replacements at Sherwood and Whitehouse Farms – Public Utilities had found it would be just as economical to replace the tanks as to paint them. He also reported plans for a second well to serve as a backup at Sherwood.
- Evaluation of Surface Water Withdrawal Site – A study of the intake site and water quality would be needed as well as a survey of the site for a plat.
- Pre-Treatment Ordinance – This would be necessary to protect the plant from anyone building something and dumping their waste into the County’s system. Funding would also be needed for a consultant to write the pre-treatment ordinance.
- Mitigation for Surface Water Withdrawal Permit – Mr. Dame reported that as a part of the permitting process it would be necessary to pay \$25,000 per year for three years for a herring study in Kimages Creek on the James River. This study would focus on the alewife and the blueback herring which were both classified as “species of concern” with the U.S. National Marine Fisheries.
- Compact Track Loader with Brush-Cutter Head – This equipment would be used for easement work. Mr. Dame reported Public Utility easements were growing up faster than staff could keep up with and this equipment would reduce the manpower needed for manual clearing. This equipment would also allow access on slopes that were difficult to reach.
- ARCGIS Mobile Collector - This software would be used to set up mapping for a tablet to be used in the field for line locations. This would also allow staff to do customer work orders in the field.
- Land Acquisition – This acquisition would be for the surface water intake site. The site was two acres of waterfront property and the purchase price would be approximately \$250,000.

Mr. Dame provided an overview of the future outlook for Public Utilities. He began by providing an update on the Pamunkey River Withdrawal permits. He reported that as of December 2018, the County had received the DEQ (Department of Environmental Quality) Permit and the VMRC (Virginia Marine Resources Commission) permit had been approved February 2019. The Corps of Engineers permit was still in the works. The programmatic agreement had been approved and they were awaiting information from NOAA (National Oceanic and Atmospheric Administration). Mr. Dame reported the recent government shutdown had slowed the process.

Mr. Dame also reported that growth had been good for Public Utilities and no rate increases were recommended. A second section was being cleared in the FONK (Farms of New Kent) Land Bay 4 and the first section was nearly complete. FONK Land Bay 5 was also almost complete. A section had also opened in Viniterra with the completion of Pump Station 1. Things were also moving along in Dispatch Station and Rochambeau Estates. Development in the Oaks continued to be slow but steady. Patriots Landing was nearly complete with less than 18 lots remaining. Five lots were currently under construction and 3 were posted as sold leaving only 10 lots for sale. Mr. Dame indicated he believed these would be sold by

year end. He also noted work in progress in Rock Creek Villas with Shurm Homes. He reported Public Utilities was running out of subdivisions that would be on the water system.

Mr. Dame also reported the federal government's American Water Infrastructure Act (AWIA) required the County to conduct a Risk and Resilience Assessment and to update the Emergency Response Plans by June 2021. They would be meeting with consultants to determine what may be needed and there was a possibility this could be done in house. Public Utilities was also planning to add a new Utility Specialist position in FY20. Mr. Dame reported there were over 1,200 more water customers now than in 2009 and nearly 1,000 new customers.

Mr. Dame reported he had both good news and bad news regarding the Wastewater Treatment Plant. He reported nutrient credits were good. Payments had been in the \$30,000 to \$35,000 range for some time and had gone up to \$58,000 this past year. He reported the department could realize a payment of \$100,000 or more in FY20. The bad news was that the DEQ was considering dropping nutrient amounts. Citing previous conversations with HRSD (Hampton Roads Sanitation District) regarding the possibility of treating wastewater from the Town of West Point, Mr. Dame reported he had not heard anything more from HRSD and was not sure New Kent's plant could meet reduced nutrient levels with additional flows from West Point.

Several Board members complimented Mr. Dame on the management of Public Utilities. Mr. Dame gave credit to his staff noting he had a very good staff who worked hard to do what they could to keep costs down.

IN RE: DAVENPORT & COMPANY LLC – COUNTY FINANCIAL OVERVIEW

R.T. Taylor with Davenport & Company LLC distributed copies of discussion materials and began by providing an overview of the County's existing tax supported debt. The Existing Tax Supported Debt Profile indicated an outstanding debt amount of \$54,562,061 as of June 30, 2018 with \$37,246,440 or 68% of this being for school projects. A table depicting the ten-year payout for the total debt indicated the total principal and interest would equal \$66,300,001. 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 89.5%. County financial policy established a minimum ten-year payout ratio for all tax supported debt of 50%. County financial policy also set a maximum Debt to Assessed Value level of 4.5% and a maximum Debt Service to Expenditures level of 12%. The County was in compliance with all three policies. Mr. Taylor also reviewed a Debt Affordability Analysis for the existing debt which indicated a total cash flow of \$6.3 million would be needed in FY20 to meet debt service obligations. Mr. Taylor also noted the County was anticipating setting aside approximately \$5 million in reserves by FY20. He pointed out the reports provided were to evaluate the difference between using these reserves to either buy down debt borrowing amounts or using these reserves as needed to offset future debt service.

Mr. Taylor provided a brief overview of potential capital projects including:

- New Elementary School – estimated cost of \$28 million in Fall 2019
- Historic School Renovation – estimated to cost \$4.5 million in Fall 2020

The new school project would generate additional operating costs to be funded in addition to the debt service. Those operating costs were estimated to be \$2,000,000 annually beginning in FY23. (Note School Superintendent Dr. David Myers had reported earlier in the meeting that this annual operating costs would be \$2,240,000.) No additional operating costs had been projected for the Historic School and debt service for this project would begin in FY22. Mr. Taylor also noted the County had recently funded the capital costs of the

Pine Fork Park Project. This park was anticipated to generate annual operating costs of approximately \$150,000 beginning in FY21.

School and County projects totaled \$32,500,000 and Mr. Taylor noted the discussion materials included several possible funding scenarios for consideration. Scenario 1 involved funding for only the elementary school and Scenario 2 included funding for both the elementary school and the Historic School. Each scenario provided four funding options. In each scenario, Options A and B utilized the \$5 million in reserves to buy down the borrowing amount. Options C and D suggested borrowing at the full amount and utilization of the reserves on an as needed basis to offset future debt service. In each scenario, Options A and C assumed a 20 year term and Options B and D assumed a 25 year term. All options assumed a two percent growth rate which Mr. Taylor suggested was conservative. Spreadsheets were reviewed for each option. Mr. Taylor drew attention to the total debt service and operating impact as well as potential tax rate impact with each option.

Mr. Evelyn asked what the County was proposing to do with revenue from Colonial Downs. Mr. Hathaway indicated there had been discussions suggesting Colonial Downs revenue should be used to pay down existing debts. He recommended the Board set aside the Colonial Downs revenue for future debt. He again noted the County had borrowed at very good interest rates and paying off low interest loans only to borrow at higher rates was not recommended. Mr. Evelyn suggested it would be better to put Colonial Downs revenue in a CD (Certificate of Deposit) and earn interest. Mr. Taylor agreed. Ms. Paige noted support for setting aside the Colonial Downs revenue. She also noted the Board had been hearing the new elementary school could be built for \$28,000,000 and indicated she did not believe it would come in at this price.

The meeting recessed at noon for lunch and then resumed at 12:30 p.m.

IN RE: COUNTY ADMINISTRATORS FY20 REVISED PROPOSED BUDGET

County Administrator Rodney Hathaway distributed a handout entitled FY2019-20 Budget Highlights & Talking Points. He reported the following:

Taxes & Fees

- No proposed increases in real estate and personal property taxes.
- No proposed increases in utility rates, fees and ad valorem tax.
- Machinery & Tools Tax reduction. This reduction would give New Kent the lowest rate in the State.
- Elimination of the admissions tax. Mr. Hathaway noted a public hearing on eliminating the admissions tax would be held in April. Plans were to keep the provisions for an admissions tax in the County Code but to set the rate at zero. Mr. Hathaway indicated he believed the admissions tax had been established by referendum and suggested setting the rate to zero rather than eliminating the provision would avoid having to go through this process again if an admissions tax was to be charged in the future.

Operations

- Department operating budgets would be reduced \$74,000.
- \$160,000 in additional funding would be provided to schools
- \$2,039,037 would be transferred to the School Set Aside Account.

Staffing

- 7 new positions including 4 firefighters, 1 deputy, 1 custodian and 1 Department of Social Services (DSS) worker were to be added.

- A 5% salary increase was proposed for County employees.
- A 5% Health Insurance reduction was proposed for those on the Employee +1 or Family Plan.

Mr. Hathaway asked if the Board was comfortable with these staffing recommendations. Ms. Paige indicated she was not comfortable with adding only one deputy position while knowing the court system would be bringing one additional judge to New Kent County. She suggested two deputy positions be added and the DSS position eliminated. Mr. Davis noted there was a big difference in the cost for the DSS position and a deputy position. It had previously been reported the cost of the DSS position would be \$14,439 with the State covering the balance while a deputy position would cost \$69,058. Ms. Paige indicated she understood this and noted she believed the DSS position was not being proposed to help existing staff with their workloads. Mr. Hathaway confirmed this and noted the DSS position would be involved in grant writing and would be working with other agencies to find assistance for those who may fall outside of DSS programs. He suggested the Board could hold the proposed DSS position funding and reconsider staffing in December or January. If the Board was comfortable with contingency reserves at that time, they could consider the addition of a second deputy position. Mr. Stiers asked how many deputy positions the Sheriff had requested. Mr. Hathaway reported five deputies and two dispatchers had been requested. He asked if the Board wanted to keep the DSS position in the budget. Mr. Davis suggested this position was to be more proactive instead of reactive.

Capital Projects

- Establish a capital reserve account for revenue received from Colonial Downs. Mr. Hathaway suggested it was uncertain what revenue would be generated and current legislation involving casinos could impact Colonial Downs. He further suggested the County should let the process play out for a few years and see what happens.
- Major Capital Projects including:
 - School Bus Replacements - \$400,000
 - County Vehicles - \$396,000
 - Airport Land Services for Obstruction - \$300,000
 - School Generators (NKES & NKMS) - \$210,000
 - Water System Interconnections, Phase 1A - \$3,764,000
 - Pamunkey River Withdrawal Project, Land Acquisition - \$250,000

Ms. Paige indicated it had been her privilege to serve on the budget review committee this year and she wished to recognize Mr. Hathaway, Finance Director Mary Altemus, Assistant Finance Director Larry Clark and Accountant Shannon Walton for all the effort they each had put into the budget. She noted she understood the New Kent Schools wanted to be made whole in regard to salaries. She suggested County Employees were valued just as much as school employees and noted her support for the proposed 5% raise. She noted the School Board brought up the salary decompression issue each year but pointed out the Board should keep in mind that there were County employees with salaries below the State average. She reported she had learned so much during the budget process and she believed the County was being a good steward of its funds.

Mr. Hathaway distributed a handout on proposed FY20 funding to outside agencies. He drew attention to several agencies including:

- Colonial Community Corrections which had requested approximately \$5,500 in additional funding - Ms. Paige indicated she served on this board and did not see the value and suggested very little was contributed to New Kent. Mr. Hathaway suggested this may be a Code of Virginia requirement and he would have to check on the legality of not participating.

- Hanover Health District who had requested approximately \$20,000 in additional funding - Mr. Hathaway reported the County had no control over these costs and if New Kent did not have a Health Department, residents would have to travel to Charles City County for well and septic permits.
- Metro Richmond Convention & Visitors Bureau FY20 membership at a cost of \$20,000 - New Kent had previously been a member but had withdrawn when the annual cost of membership had increased from \$10,000 to \$20,000. Mr. Evelyn reported Colonial Downs felt strongly that New Kent should be a member. Ms. Paige reminded the Board that the annual membership would continue to increase by \$10,000 until the annual rate reached \$50,000 and even at that rate, New Kent would only have a seat on the board every three years. Mr. Evelyn indicated he would not support membership if it was not for Colonial Downs. Ms. Paige noted that since New Kent had not renewed its membership, Richmond Region Tourism President Jack Berry had "stepped up and courted" New Kent in an effort to get the County to rejoin. Mr. Hathaway suggested if the membership costs went into marketing Colonial Downs, the County would get it back in returns from the track.
- Heritage Public Library who had requested approximately \$3,900 in additional funding - Mr. Hathaway suggested this was a small increase and noted he believed everyone had been comfortable with this when Library Director Chandra McPherson had presented her annual report and budget request.
- Henrico Area Mental Health (Providence Forge Community Service Board) who had requested approximately \$10,000 in additional funding - Mr. Hathaway indicated this funding increase had been requested to support the increased work related to opioid use/abuse.
- Stage Hands - Mr. Hathaway reminded the Board that \$5,000 had been given to the New Kent Stage Hands in the middle of the year and he was not recommending any additional funding in the FY20 budget.
- Bay Transit/Bay Aging who had requested approximately \$7,400 in additional funding - Mr. Hathaway reported this was the first year Bay Transit had ever requested an increase.

Mr. Hathaway noted he had gone over funding for the schools requests earlier in the meeting and asked the Board if they were comfortable with going to public hearing in April with the information they had. Mr. Tiller indicated he was comfortable with moving forward and announced that unfortunately he had to leave and turned the meeting over to Vice Chair Patricia Paige. Mr. Tiller left the meeting at 12:59 p.m.

Mr. Stiers indicated he would like to see \$5,000 put back in the budget for Stage Hands. He suggested this funding helped with the cost of costumes and pointed out the County was giving twice this amount to Arts Alive. Ms. Paige asked if the Board would be opening itself up to other organizations requesting funding. Mr. Hathaway suggested the \$5,000 could come from the \$18,000 he had previously mentioned which would leave a \$13,000 balance. He also noted \$30,000 was being held in reserve for funding a position to review body camera footage. Ms. Paige indicated she did not see how the Board could justify additional funding for Stage Hands.

Mr. Hathaway noted plans were to schedule the budget public hearing for April 8th and budget adoption for April 24th. He reported the budget needed to be adopted by July 1 but suggested early adoption by the County would be helpful to the schools in preparing teacher contracts. Ms. Paige suggested the Board should wait to consider any funding for Stage Hands until the issue of reviewing body camera footage was resolved. Mr. Davis asked why it was necessary for the camera footage reviewer to be full time. Mr. Hathaway noted this was an unfunded mandate and the requirement was that all footage would be reviewed.

Mr. Davis suggested there may not be enough work for this to be a full time position. Mr. Hathaway indicated he was working with the Commonwealth's Attorney and was hopeful an agreement could be worked out for another part time position to satisfy this need.

IN RE: ANNOUNCEMENT OF UPCOMING MEETINGS/ADJOURNMENT

Ms. Paige announced the next regularly scheduled meeting of the Board of Supervisors would be held at 6:00 p.m. on Monday, April 8, 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. Plans were to recess the March 27th meeting to travel to Fire Station #5 for a construction update, lunch and adjournment.

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

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

The motion carried.

The meeting was adjourned at 1:09 p.m.