

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 13TH DAY OF MARCH IN THE YEAR TWO THOUSAND TWENTY, AT 9900 CARRIAGE ROAD, PROVIDENCE FORGE, VIRGINIA.

IN RE: CALL TO ORDER

Chairwoman Patricia A. Paige 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
John N. Lockwood	Present

IN RE: SCHOOL BOARD CALL TO ORDER

School Board Chairwoman Dr. Gail B. Hardinge called the School Board meeting to order. Other School Board members present included Wayne Meade, Kristin D. Swynford, and Sarah Grier Barber. School Superintendent Mr. Brian Nichols, Executive Director of Finance/Budget Haynie Morgheim and Executive Director of Administration Cynthia Pitts were also present. Copies of the School Board presentation and budget were distributed.

IN RE: NEW KENT COUNTY SCHOOL BOARD – CORONAVIRUS (COVID-19) UPDATE

School Board Chairwoman Dr. Gail Hardinge provided an update on the preparations being made in New Kent County Public Schools (NKCPS) for COVID-19. The website was being updated daily and they were following State guidelines. There had been a conference call on March 12th with the State Superintendent of Education and local superintendents. A great deal of effort was being made in NKCPS and she commended the administration. She turned the floor over to Mr. Nichols. Mr. Nichols suggested NKCPS could not do what they were doing without the partnership they enjoyed with the County, Emergency Services, the Health Department and others. He had participated in the conference call mentioned by Dr. Hardinge and there would be another call later in the day. NKCPS would be closed on Monday to prepare for the continuation of learning in the event of an extended closure. Options were being developed that would not require the need for internet. Elementary students would be given packets for review and secondary students would download material to their Chromebooks. He acknowledged it would be difficult for some students to learn without the presence of a teacher but suggested the information provided could serve as a bridge until classes were in session again. Approximately 60% of NKCPS employees did not live in New Kent and could pose a problem for staffing schools if Hanover County and Williamsburg/ James City County decided to close for an extended time. Although New Kent was making all the suggested preparations, the final decision could come down to staffing. He reminded everyone that when school were closed, meals would also be closed. NKCPS was looking at options to meet the needs of the students and the community would be taken care of regardless of the length of any closure. Copies of a "Frequently Asked Questions" page were distributed and this page would be updated frequently. A webpage had also been devoted to COVID-19 to keep the community updated on NKCPS's response. He thanked the Board for the opportunity to share this information.

IN RE: NEW KENT COUNTY SCHOOL BOARD - SUPERINTENDENT'S FY21 BUDGET

NKCPS Superintendent Brian Nichols noted the theme of his presentation was "Working Together for Success". This was a County/Schools partnership which he had come to truly appreciate in the short time he had been in New Kent. Having spent 23 years in another locality, he suggested New Kent was fortunate to have such a partnership. He drew attention to the following key themes.

- "Our Budget is Focused on People" – 83.3% of the FY21 recommended budget was connected to salaries and benefits. A 1% salary increase was proposed for all staff at a cost of \$239,089. New Kent was currently ranked 9 out of 10 comparable divisions in starting teacher pay for teachers with a bachelor's degree.
- "Our Budget is About Partnership" – The budget operated without a contingency fund. Money was moved from account to account in partnership with the County. Schools and the County were utilizing year end funds for school capital projects. Mr. Nichols thanked the Board for two recently approved year end funded capital projects including upgrading the stadium lighting and the replacement of a Special Education bus.
- "Our Budget Balances Both the Present and Future of NKCPs" – The School Board's current request for County funding included a net increase of \$925,000. This request included \$300,000 for planning positions (Principal, Secretary, Counselor, Teacher) for the new elementary school scheduled to open in the Fall of 2021.

Mr. Nichols provided an overview of the School Division budget process which had started in September or October and had included the following:

- Baseline budgets and per pupil adjustments were sent to all schools.
- Division Directors reviewed expenditure line items and submitted position requests which were reviewed by the Division Leadership Team and the School Board.
- Budget recommendations were presented to the School Board.
- Recommendations were discussed with staff through faculty meetings and roundtables.
- Feedback was received through parent advisory and teacher advisory group meetings.
- Collaboration with the Board of Supervisors - Mr. Nichols reported County Administrator Rodney Hathaway and he had met numerous times to discuss the budget.
- A public hearing would be held on the recommended budget.
- Input would also be received by email at budget@nkcps.k12.va.us
- Common goals of the School Board, Superintendent, the Board of Supervisors, staff and community would all be considered.

Mr. Nichols provided revenue details for the division's \$34,788,631 proposed FY21 budget. Local revenue was projected to remain flat at \$218,480 and State revenue was projected to increase by 7.8% (\$1,411,860) for a total of \$19,410,556. NKCPs was recommending that County revenue increase by 6.5% (\$925,000) for a total of \$15,159,595. Since the initial budget had been presented, the House and Senate had come to agreement on educational funding and NKCPs was expecting to receive an additional \$200,000. He noted the County's current budget recommendation left NKCPs with a \$425,000 deficit. It was NKCPs's intent to use this additional funding for salaries. The Governor's budget had included a 2% salary increase for teachers but did not include all teachers and staff positions. All localities would be receiving a 2% increase which would result in New Kent making little progress in moving up in salary rankings.

Mr. Nichols provided an overview of expenditure adjustments for FY21.

- Increases in regional program tuition such as Bridging Communities Career and Technical Center, Governor's Schools and Code RVA.
- Cyber Services and Protection/Detection Systems – NKCPs had started the year under a cyber attack. Extensive systems upgrades costing almost \$100,000 had been made.
- Utilities/Electricity and Fuel.

- HVAC Contract Services.
- GPS Bus App – Providing real time bus location information to parents and families with up to the minute information on their student’s bus location, etc.
- VRS Rate Increases
- Healthcare Considerations (Projected 5% increase)
- New Elementary School Planning Positions
- Other position requests to include teachers (due to growth at the elementary and middle school levels), counselors (Governor’s budget requirement), athletic stipends (paid assistant coaches), bus drivers (due to growth) and other district support positions.
- Salary adjustment for staff with a focus on the teacher salary scale. Mr. Nichols reported the current plan was a 2% salary increase for staff and to focus on improving the teacher scale. Almost 69 cents of every dollar was spent on instruction and this was actually higher when administrative costs related to instruction were considered.

Mr. Nichols drew attention to a teacher compensation slide. He commended the County Administrator and Board Chairwoman and Vice Chair for their discussions outside of the budget process on changing this. New Kent ranked 9 out of 10 on the bachelor’s degree scale and 8 out of 10 on the master’s degree scale. Only a few hundred dollars separated New Kent from the next closest salary. \$610,000 had been included in the budget to address salary scale issues. This would allow NKCPs to move toward the top half of the ranking with 3% to 4.5% increases in addition to the 2% across the board increase. A 4.5% increase would cost approximately \$800,000. West Point and Henrico County were both proposing 3% teacher salary increases which would make it difficult to compete.

Mr. Nichols presented the division’s plans for continued success including:

- Advocate for a regionally competitive salary and benefits package while focusing on commitment to staff retention and workforce satisfaction. The division would continue striving to make an impact on compensation, provide competitive healthcare options and working to gain feedback from staff on recruitment and retention. COVID-19 would make recruitment and retention look very different. All recruiting trips had been canceled and student teachers were not able to complete required hours of instruction. The State Superintendent was considering waiving this requirement.
- Expand college and career opportunities. Mr. Nichols reported about 50% of NKCPs students went to a two or four-year university and he wanted to be sure the other 50% went into careers where they could be successful. Next year would be a planning year for an Army ROTC program and EMT and other career options were being considered.
- Continue to renovate and refresh facilities and work together with partners to provide community use of school facilities.
- Manage growth and project needs at the school level.
- Support the County’s Envision New Kent Strategic Plan to envision the best future of our community and schools. NKCPs would also be participating in the Fire House Chats scheduled at the five County fire stations.
- Provide a quality education for all students through the effective, efficient, and accountable use of resources.

Mr. Nichols noted the NKCPs recommended FY21 budget had been posted on their website for several weeks and copies of the detailed budget had also been provided to the Board of Supervisors. He entertained questions.

Mr. Evelyn reminded everyone that ten to twelve years ago NKCPs had been very low on the list of teacher salaries and noted he felt good about being within a few hundred dollars now. Mr. Nichols agreed and noted the position on the list may have been similar but the gap had been closed significantly. He noted he did not think New Kent would ever be

number one in compensation but suggested New Kent was able to do things other counties could not. "We support people differently. We wrap around people differently. We do a lot of things for community and families that some school divisions will not be able to do." He suggested being in the top five would be good and noted the talent pool was getting smaller and recruiting more difficult. He introduced Executive Director of Administration Cynthia Pitts and noted she was responsible for recruiting. Ms. Pitts agreed it was becoming more difficult to recruit but noted New Kent was attracting some wonderful teachers. She suggested prospective teachers have heard about New Kent and they know New Kent has great students. She suggested New Kent was getting their attention and expressed appreciation for anything the Board of Supervisors could do to help keep New Kent competitive. Mr. Nichols reported 10 to 15 years ago the teacher critical shortage list had included subject such as Special Education and Math. Now, the only subject not on that list was high school History. The addition of Elementary Education to the list had been a clear indication of how serious the shortage was becoming.

IN RE: NEW KENT COUNTY SCHOOL BOARD - ELEMENTARY SCHOOL CONSTRUCTION

NKCPS Superintendent Brian Nichols updated the Board on progress on the new elementary school. Bids had been received and there had been six responses. The bids had been very close with four of the six being within \$400,000 of each other but all were significantly higher than the estimated \$35,000,000. The apparent low bidder had been Suffolk based Heartland Construction. He reviewed a summary of the project costs which included:

• Current Apparent Low Bid	\$31,548,169
• Architectural/Engineering and Other Fees	\$ 4,486,991
• Possible Adjustment on Quaker Road	\$ 220,000
• Additional Technology Equipment	\$ 150,000
• Clerk of the Works	\$ 100,000
• Furniture	<u>\$ 760,512</u>

Total Final Request for New Elementary School \$37,265,672

Mr. Nichols reported he had been in discussions with the School Board and the County Administrator about funding options for some of the above listed items. He suggested one-time funding could be used for:

• Furniture	\$ 760,512
• Playground Equipment	\$ 435,000
• Additional Work on Quaker Road	\$ 220,000
• Clerk of the Works	<u>\$ 100,000</u>

Total \$ 1,515,512

Remaining Total \$35,750,160

The School Board was working with Heartland, School Board Member Sarah Barber who was also an architect, NKCPD Director of Maintenance Tim Pollock and Moseley Architects on value management. The school would be for the next fifty years and they did not want to do anything that would result in the need for additional construction at a later date at higher cost. He entertained questions.

Ms. Paige asked if contingency had been included. Mr. Nichols reported contingency was included but was not advertised. A conservative contingency amount had been included but he did not want to need to come back to the Board to request more funding. Any additional road improvements were not included in these figures. Assistant Finance Director Larry

Clark asked if this cost included the waterline extension. School Board Member Wayne Meade indicated the waterline extension cost had been included in sitework costs. Mr. Evelyn suggested the Architectural and Engineering costs seemed high. Ms. Barber reported this figure included other components beyond Architectural fees and she was not sure what portion was designated for Architectural and Engineering. Mr. Nichols reported this item included the contingency figure. Mr. Stiers asked if plans were to have only a four-foot wall on the second floor to keep children from falling over to the first floor. Ms. Barber suggested the wall would be higher than 48" but indicated she was not sure of the exact height. Mr. Clark asked for the source of the funding for the \$1.5 million in one-time expenditures. Executive Director of Finance/Budget Haynie Morgheim indicated this would be funding from the \$1.7 million noted in the County Administrator's budget Presentation. Mr. Hathaway reported a little over \$2 million was actually available but noted there had been discussions about borrowing additional money rather than utilizing Capital Funds which could be used for other projects. There would be more discussion on this when Davenport & Company staff presented information later in the meeting. Ms. Paige suggested the recent meetings between the Vice Chairs, Chairmen, County Administrator and Superintendent had made a big difference in the process and those meetings would continue.

Mr. Nichols noted he would keep the County updated on any shifts in regard to COVID-19 and encouraged the County to keep forwarding any questions involving schools their way. Mr. Lockwood asked if schools were closed, did they expect it would be two-weeks or longer. Mr. Nichols indicated the length of a closure would depend on the "why" behind the closing. If the closing was due to a confirmed case or a staffing issue due to neighboring school division closings, NKCPs would mirror what other divisions were doing. NKCPs had 20 days built into its schedule and only two had been used. Unless a closure went beyond the 18 days, there would be no need to extend the school year. If a closure was longer than 18 days, the State would likely put in a waiver of the instructional hour requirement. Mr. Lockwood asked if the initial information students were receiving would be enough to last more than two weeks. Mr. Nichols indicated it would not and reported the materials would last about a week. Schools would be closed on Monday for staff to have an opportunity to prepare additional materials and plans were to have students in school on Tuesday. Mr. Evelyn asked how this would impact sporting events. Mr. Nichols reported Williamsburg/James City was almost half of the Bay Rivers District and York County was most of the other half. Williamsburg/ James City had canceled all after school activities including sports. He jokingly suggested if York County did the same, New Kent should not cancel and become District Champions. He reported consideration was being given to the possibility of a three-week mini season. Mr. Meade noted the trickle-down effect of closing schools for three weeks or more would also impact Parks & Recreation programs. He also suggested the big crisis the County would face would be there would be no place for students to go for the next few weeks and day care centers were under pressure to close as well. Mr. Lockwood suggested it may be better for students to be in a controlled environment where proper sanitation procedures were in place and where symptoms could be recognized. Mr. Meade indicated it had been suggested that schools were now the cleanest places in America and were probably safer and cleaner than most households. Mr. Lockwood suggested that until there was a case in the County, the risk was zero. School Board Member Kristin Swynford suggested a big concern was that people may be infected and not know it especially since testing was not readily available. Mr. Nichols indicated the CDC (Centers for Disease Control) gave the State Superintendent guidelines for closing schools. Those guidelines included: 1. You have a confirmed case, 2. There is a significant increase in absenteeism and 3. A community mitigation effort around the virus. Ms. Paige suggested we should pray for the best and prepare for the worst. Mr. Nichols expressed his appreciation for the Board's time.

There being no further questions or comments, the School Board adjourned their meeting at 9:47 a.m. The Boards thanked each other for the opportunity to meet. Ms. Paige called for a brief recess. The meeting reconvened at 9:54 a.m.

IN RE: CORONAVIRUS (COVID-19) & CULTURAL EVENTS PERMITS

County Administrator Rodney Hathaway announced that in light of the COVID-19 situation, the County was considering pulling back several previously approved cultural events permits. The County would like to work with the event operators and encourage them to take proper action. He specifically noted A Taste of New Kent wine festival, a marathon and the New Kent Farmers Market were all scheduled for early May. His goal was to keep the County open and running as long as possible and the first phase of possible action in the County's plan would be shutting County facilities to the public. Offices would continue to operate, business could be conducted by phone or online and documents, payments etc. could be left in the drop box in the County Administration Building parking lot. He was hopeful it would not be necessary to go this route and again stressed that his goal was to keep the County open as long as possible. Mr. Lockwood also noted several other upcoming events including the County Shredding event and Relay for Life. Ms. Paige reported she had been in touch with the American Cancer Society and suggested the possibility of relays being canceled. She also noted Colonial Downs had a number of special events and NKPCS also had a marathon scheduled. Mr. Hathaway reported the Governor had declared a state of emergency and a provision in his declaration discouraged events of 250 or more. He indicated this was driving the County's decision to look at cultural events permits.

IN RE: NEW SCHOOL FINANCING AND DEBT AFFORDABILITY – PART 1

Davenport & Company Analyst Ben Wilson distributed copies of an overview of potential new school borrowing. Davenport & Company Senior Vice President Ted Cole noted the County was preparing to participate in borrowing through a State school funding program known as VPSA (Virginia Public School Authority). This program would give the County good access to tax exempt long-term rates. A great deal of volatility had been seen in the bond market recently and it remained unsettled. The schedule for VPSA indicated they would be selling bonds on April 21st and this would be the date the interest rates would be set. There was one final decision VPSA would need the Board to make and that was to determine if they wanted to participate in the spring pool borrowing. VPSA would need to have a decision by April 2nd. If the spring pool deadline was missed, standalone borrowing would be an option or the Board could wait until the fall pool. Mr. Cole reminded the Board that standalone borrowing could be done on New Kent's schedule. Applications for both the spring pool and standalone borrowing had been submitted and both applications were expected to be approved. Mr. Cole suggested the pool option was the preferred approach if the County was ready to move forward and the standalone was another option that would still allow the County to move forward on its own schedule. Mr. Lockwood asked if there was an interest advantage to the pool vs. standalone. Mr. Cole indicated timing was a big difference between the two options. He also reported there were some fixed costs that would be spread out more efficiently with the pool and there were additional costs associated with the standalone option. He suggested bank funding would not be a good option because of the size of the loan and because of the desired longer-term rates. He suggested the pool was the better option because of the efficiencies but added standalone was not a bad option if it was difficult to get things in order to participate in the pool.

Mr. Cole began a review of the booklets previously distributed. He reported the information on existing tax-supported debt did not include any debt associated with Public Utilities. Outstanding debt as of June 30, 2019 was reported as \$50,361,164. This included debt on

school and County projects. Payments were level at a little over \$6 million for the next seven years and began dropping significantly after that point until paid off in 2034. He reminded everyone that they County had been preparing for the new school debt by establishing a school set aside fund several years ago.

Mr. Cole noted the County had adopted the following three debt policies many years ago:

- 10-Year Payout Ratio – This was an indicator of how quickly the County would be amortizing its debt over the next ten years. The County was almost at 100% while the policy required 50%.
- Debt to Assessed Value – This was a measure of the outstanding debt as a percentage of the County's tax base. The percentage should not be greater than 4.5% and the County's rate was currently just under 2%.
- Debt Service to Expenditures – This was a ratio of debt service expenditures as a percentage of the total governmental fund expenditures. The percentage should not exceed 12% and the County's rate was currently a little over 10%.

Mr. Evelyn noted these policies had been in place for a long time and asked Mr. Cole if he felt these standards were numbers the County should continue to strive to meet. Mr. Cole indicated he did believe these were good policies, they were still relevant and the percentages in place were appropriate. He noted the County's current Debt Service to Expenditures was a little close but suggested the new school loan would not be hindered by these policies. Assistant Finance Director Larry Clark suggested these policies would serve the County well if the Board decided to go the standalone route. Mr. Cole agreed.

Mr. Cole provided an overview of the Elementary School Project. The Davenport report suggested that based on bids received, the new elementary school project was anticipated to cost \$38.1 Million. (A lower figure had been reported in an earlier agenda item due to the School Board's efforts to identify areas of savings.) The County was considering two possible borrowing scenarios, one for \$26 million and the other for \$29 million with existing reserves making up the balance. Both options were based on the pool option, assumed a closing date of May 12, 2020, level debt service for 25 years and an interest rate of 2.15%. Case 1 for \$26 million would have an average annual debt service of \$1,383,755 beginning in FY22. FY21 would be a partial year with a debt service payment of \$633,732. Total payments over the life of the loan would be \$33,843,860. Mr. Cole noted County debt ratios would still be met. Case 2 for \$29 million would have an average annual debt service of \$1,542,539 beginning in FY22. Again, FY21 would be a partial year with a debt service payment of \$706,482. Total payments over the life of the loan would be \$37,727,413. Debt ratios/County policies would still be met.

Mr. Cole provided a comparison of the affordability of the two options. For planning purposes, this comparison was recommending the County budget \$1,452,000 for debt service payments on the new elementary school project. Based on current market estimates, Case 1 for \$26 million would produce lower debt service than the current budget while Case 2 for \$29 million would produce debt service higher than the budget. With Case 1, there would be a \$68,245 surplus and a \$90,539 deficit with Case 2. Actual debt service results would depend on the borrowing amount and the interest rate. Mr. Cole again noted New Kent had done a very good job of preparing for this and reminded the Board that VPSA would need an answer by April 2nd. He reported the VPSA Board met only twice a year and if the applications were not approved now, the next opportunity would be October 2020.

County Administrator Rodney Hathaway reminded Board members that the proposed resolutions before them for this financing were for \$37 million. The County did not anticipate borrowing this much and the resolutions indicated this was a "not to exceed"

figure. He reported he had been leaning toward using additional cash reserves to make up the difference but after seeing current interest rates, he was recommending the County borrow the additional funds to free up Capital reserves. He reminded everyone that plans were in process for a new post office and the renovation of the Historic High School also needed to be addressed. He suggested the County should take advantage of the lower interest rates instead of borrowing in the future when rates could be higher. Mr. Hathaway noted this was something he had not really discussed with staff and encouraged those in attendance to voice opinions. Ms. Paige asked Mr. Clark if he had any comments. Mr. Clark reported everyone knew he hated debt but agreed with Mr. Hathaway that if there were other projects to be funded in the future, the County could end up paying more. He noted rates were "fickle" and suggested 2.15% was a very attractive rate. Mr. Evelyn asked Mr. Hathaway how much he was considering borrowing. Mr. Hathaway reported he was suggesting moving forward with Case 2 for \$29 million. He suggested the actual amount would be a little less than this and the one-time funding mentioned in earlier discussions would not be used. He reported the County did have a healthy Capital reserve with a little over \$5 million in unappropriated funds which did not include the \$9 million set aside to buy down the debt on the new elementary school.

Mr. Stiers asked about broadband funding. Mr. Hathaway noted this was another future big Capital item and a reason to save Capital resources for other investments. Mr. Cole indicated broadband was more difficult to finance than schools and was not tax exempt. Ms. Paige suggested the County could pay down the debt if they wished. Mr. Hathaway noted the County was always looking for opportunities to refinance or pay debt early.

IN RE: PINE FORK PARK REFUNDING

Mr. Cole indicated he planned to share information later in the meeting on possibly refunding the BB&T Pine Fork Park bond. He also reported there were several Public Utilities bonds through the Virginia Resources Authority which could potentially be refunded. The proposed new elementary school bond through VPSA would have a ten-year period during which it could not be prepaid but there were other loans which could be paid off during that time. Mr. Lockwood asked for the interest rate on the debt that could be paid off. Mr. Cole reported the Pine Fork bond was at 3.58% with \$3 million outstanding. This rate could be reduced to 2.5% which would result in \$10,000 to \$11,000 in annual savings. Mr. Clark distributed a detailed list of the County's existing debt. This list included interest rate information but not all of the bonds could be paid off early due to prepayment provisions.

Ms. Paige noted she was concerned that the school costs were not concrete and suggested borrowing more now would reduce the need for the County to use additional cash reserves. Mr. Evelyn asked Mr. Cole for his opinion. Mr. Cole indicated he would not have expected interest rates to fluctuate as they had. He suggested saving cash could allow the County to avoid borrowing in the future at some unknown interest rate. Mr. Clark noted the County had refinanced several bonds over the years and specifically noted one bond with a current interest rate of 1.84% which had been refinanced twice. After further discussion, the general consensus was to look further into the possibility of refinancing the Pine Fork Park bond. Mr. Cole would request a written proposal from BB&T and bring information back to the Board. He noted this loan included a 1% prepayment penalty until April 2026 and BB&T had offered to reduce this penalty to ½%. An RFP could be issued to get proposals from other lenders but if the County went with another lender, the BB&T prepayment penalty would not be reduced. Mr. Tiller asked if BB&T would consider shortening the term of the prepayment penalty. Mr. Cole indicated he could ask for this and he could also ask them to consider periodic paydowns without penalty.

IN RE: NEW SCHOOL FINANCING AND DEBT AFFORDABILITY – PART 2

Ms. Paige noted the deadline to make a decision on school financing was April 2nd and asked if a decision was needed today. Mr. Hathaway indicated the Board could wait until the work session. If they moved forward with a motion, the resolution would be for the maximum amount of \$37 million and would include a decision between the pool and standalone options. He reminded everyone that the County had not been briefed on School Board negotiations with the contractor and he recommended the Board wait to make a decision at the work session. County Attorney Brendan Hefty also noted if the School Board was ready to enter into a contract before the County had closed on the borrowing, the contract should include a provision stating the County's obligation would be contingent upon receiving financing. The Board continued to discuss components of the proposed school construction/financing including concerns regarding the contingency amount, water and sewer hookup costs and other expenses that may not have been included in the earlier presentation.

Ms. Paige called for a brief recess at 10:50 a.m. The meeting reconvened at 10:58 a.m.

IN RE: PUBLIC UTILITIES – CORONAVIRUS (COVID-19) UPDATE

Director of Public Utilities Larry Dame briefed the Board on COVID-19 as it related to his department. No special precautions were advised and the County's drinking water was safe. COVID-19 had not been detected in drinking water or the wastewater treatment plant. The virus was very susceptible to disinfection/chlorine and all wastewater treatment plants were built to treat viruses. He was concerned about staff absenteeism if any became ill.

IN RE: PUBLIC UTILITIES – FY21 BUDGET/UTILITY RATES DISCUSSION

Director of Public Utilities Larry Dame reported no rate increases were being proposed for the fourth year due to good growth in the utility system. There were several "big ticket" items in the budget including sludge hauling at \$300,000, filter cloth replacement at \$16,000, UV bulb replacement at \$16,000 and upgrades at the Legends well at \$21,000. Sludge hauling costs were increasing yearly and he suggested it may soon be necessary to consider the cost benefit of the County doing its own sludge treatment. He reported the Parham Landing Wastewater Treatment Plant funding could change as a result of the upcoming jail contract renewal. The current contract was based on a percentage costs and it was uncertain if this practice would continue or if billing would be based on metered usage. The proposed FY21 budget also included a two-cent decrease in the Bottoms Bridge Service District ad valorem tax and aging equipment would soon require upgrades or replacement. Construction on the Parham Landing plant had been completed in 2011, the Bottoms Bridge well system had been completed in 2008 and the Courthouse well system in 2010. All of these were aging and breakdowns were more frequent.

Mr. Dame provided an overview of the Public Utilities CIP (Capital Improvement Project) list. Projects included:

- Construction of the water Interconnect between the Farms of New Kent and the Kentland PUD – All of the pipe had been laid on Olivet Church Road and they had begun laying pipe on Criss Cross Road the previous week.
- Tank Replacements at Sherwood (40 accounts) and Whitehouse Farms (55 accounts) – The Sherwood tank would be increased from 10,000 to 15,000 gallons and the Whitehouse Farms tank from 15,000 to 20,000 gallons. Mr. Dame also reported construction had started on a second well to serve as a backup at Sherwood.

- Pre-Treatment Ordinance – To protect the wastewater treatment plant from damage that could be caused by the dumping of certain waste into the system. Preliminary work was complete and the first draft had been presented to the Board.
- Mitigation for Surface Water Withdrawal Permit – \$25,000 per year for three years for a herring study in Kimages Creek (James River). This was the second of the three years.
- ARCGIS Mobile Collector - This software would be used to set up mapping for a tablet to be used in the field for line locations.
- Land Acquisition – Surface water intake site. The survey was underway and there had been discussions with the landowner. Once the survey was complete, an appraisal could be ordered followed by negotiations with the owner.
- Parham Well No. 1 Generator – Generator installation and associated electrical work were estimated to cost \$300,000. This well served the jail (operated by Henrico County) and backup power was necessary. Mr. Hathaway asked if Henrico County would be paying any portion of this cost. Mr. Dame reported they would be paying approximately 90%.
- Colonies Site Upgrade – It was possible both wells (almost 45 years old) would need to be replaced at a cost of \$100,000 each. Larger tanks were preferred but may not be possible due to the close proximity to a cliff.
- AWIA (America’s Water Infrastructure Act) Risk & Resiliency Assessment – This was a requirement of the 2018 federal act.
- Vehicle Replacement – All Public Utilities trucks had well over 100,000 miles, some were 15 to 16 years old and one vehicle used to haul chlorine had recently been taken out of service due to a severely corroded frame.

Mr. Dame provided an overview of the future outlook for Public Utilities. He began by reporting all permits for the Pamunkey River Withdrawal project had been obtained. As previously reported utilities growth had been good and there were no proposed rate increases. Expanding on the growth, he reported the following:

- The second section in the Farms of New Kent Land Bay 4 was almost complete.
- Plans for the second section in the Farms of New Kent Land Bay 5 were under review.
- A section had also opened in Viniterra with the completion of Pump Station 1 and work would soon begin in The Cottages at Viniterra.
- There were five homes in Dispatch Station.
- A second section had opened in Rochambeau Estates and there were fewer than ten lots remaining in Section 1.
- Utilities were complete in the Oaks Section 5 (the final section) and road work remained.
- Patriots Landing was nearly complete with less than six lots remaining.
- Twelve units were under construction in the Cumberland Townhomes at Patriots Landing with eight more units planned.
- He also noted work in progress in Rock Creek Villas with Shurm Homes.

Mr. Dame reported there were several “looming” projects including:

- The previously mentioned jail contract and sludge hauling.
- The possible need to upgrade several Brickshire pump stations. The Dairy Queen pump station had been upgraded several years ago at a cost of \$500,000. The Kentland No. 5 station had been overtaxed from the beginning due to poor design and an undersized force main. There had been conversations with the developer regarding upgrades.
- The last water system interconnection would be on Route 249 from Airport Road to the new school. This would be the longest section and would serve as a backup for Bottoms Bridge. Once complete, the County would have a fully unified system.
- Bottoms Bridge Service District – Proposed Two Cent Tax Cut – He reminded the Board that any loss of revenue would need to be made up elsewhere. He also noted that per the Service District Code, homeowners did not pay any availability fees which was

saving each home \$5,000. Commercial construction had been doing well and Public Utilities had already made \$137,000 in connection fees.

Mr. Dame reported Wastewater Treatment Plant nutrient credits were good. The department could realize a payment of \$150,000 in FY21. The DEQ was considering dropping nutrient amounts. The proposed new standards could be met but at an additional cost. He indicated the DEQ (Department of Environmental Quality) was pushing this hard and he believed it could go through the General Assembly. He entertained questions.

Referencing Mr. Dame's previous comments regarding corrosion on vehicles due to chlorine, Ms. Paige asked if there was some type of mat that could be used to prevent this damage. Mr. Dame reported the chlorine was hauled in containers but noted it did not take much of a leak to cause damage. The beds of the trucks had been cleaned, sandblasted and repainted but apparently there had been a leak onto the vehicle frame.

Referencing the reduction of the ad valorem tax, Mr. Tiller asked for the impact of reducing user rates by 1%. Mr. Dame indicated a 1% reduction would save the customer \$11.50 per year. Mr. Hathaway noted an information sheet had been distributed on the history of Utility Fund rates and the Bottoms Bridge Service District ad valorem tax which indicated a 1% reduction would equal \$40,700. Mr. Dame suggested it was nice to reduce rates but noted reduced rates could encourage additional usage and the DEQ could respond by reducing the County's allocation. He also mentioned the ongoing interconnections and reported \$2,000,000 was in the budget for this. His goal was to do this without borrowing additional funds and suggested revenue from growth would be needed to realize this. Mr. Hathaway agreed. He also reported a healthy fund balance but noted the Public Utilities Capital Improvement Plan for the next five years included \$19,000,000 in projects. Mr. Dame suggested it would be great if rates could be cut to help the citizens but also noted he would hate to cut the rate and then have to come back the following year with an increase.

Mr. Hathaway asked if the Board was in agreement to proceed with plans for a two-cent reduction in the ad valorem tax. Mr. Tiller indicated he would like to see a five-cent reduction. Mr. Stiers indicated he would like to also see his rate cut. Mr. Dame reminded the Board that anything they did today would have an impact in the future and that anytime money was taken out of the system, it had to be made up elsewhere. Mr. Tiller again suggested the reduction should be greater than two cents and again suggested making it five cents. Mr. Hathaway indicated a decision needed to be made soon because a change would require a public hearing for an amendment to the County Code. Ms. Paige suggested it would be better to plan reductions by small consistent amounts rather than one large amount and reminded everyone that Mr. Dame had reported these customers were already not paying the \$5,000 availability fee. Mr. Lockwood concurred and suggested a two-cent reduction was a good place to start and he too would like to see incremental reductions. Mr. Evelyn asked how New Kent's rates compared to other localities. Mr. Dame reported water rates were about in the middle and sewer rates were on the high end. Mr. Tiller suggested he would be comfortable with a two-cent reduction annually for the next five years. Mr. Hathaway reminded him that such an action would be committing a future Board. Referencing Mr. Stiers' comment about his water and sewer rates, Ms. Paige asked Board members for their opinions. Mr. Evelyn suggested if something was being done for Bottoms Bridge, the Board also needed to do something for the other customers. Mr. Stiers agreed. He also noted he had been told at least 50 new permits had been issued in Brickshire since January. Mr. Dame reported there had been 17 new connections in Brickshire since July 2019 and there were other homes under construction. He suggested that as long as the growth continued, the Public Utilities Fund could manage these reductions but he was concerned about the future if growth declined.

The general consensus was to move forward with plans for a two-cent ad valorem reduction and a 1% water and sewer rate reduction.

IN RE: PUBLIC UTILITIES PROFORMA

Davenport & Company Senior Vice President Ted Cole suggested Public Utilities Director Larry Dame had already done a very good job presenting this information. He indicated he did not think any one of the proposed reductions would jeopardize the financial position of the Utility Fund. He did however note that with the slow down in the economy, an aging system and greater capital needs, all of these collectively over a period of time could result in the need to increase rates. He reminded everyone that Public Utilities had several outstanding bonds which required certain financial targets to be met each year and it had always been the County's policy that Public Utilities would not receive any general fund support. Mr. Dame agreed that Public Utilities had always been a standalone operation and no general fund tax dollars had gone into it. This was why County facilities and the new school would be expected to pay connection fees and water and sewer fees.

Ms. Paige called for a recess for lunch at 12:04 p.m. The meeting reconvened at 12:32 p.m.

IN RE: SHERIFF'S DEPARTMENT STAFFING

Sheriff J.J. McLaughlin, Jr. and Chief Deputy Lee Bailey presented an overview of staffing needs in the Sheriff's Office. Copies of the Sheriff's Office 2019 Annual Report, the 2019 Staff Inspection Report as well as two PowerPoint presentations were distributed. Sheriff McLaughlin indicated one of the PowerPoint presentations had been shared with the budget review committee and the other presentation would be reviewed in today's meeting. He thanked the Board for the opportunity to speak and Chief Deputy Bailey for his assistance.

Sheriff McLaughlin provided a brief overview of the areas of responsibility of the Sheriff including law enforcement, courts, civil, communications and jails. He drew attention to the jails portion of the list and reported New Kent was fortunate to be able to use a regional jail and was not responsible for day to day management. New Kent was responsible for costs associated with incarceration and confinement of offenders.

A brief review of training requirements indicated:

- Patrol Officers – received 26-29 weeks of basic law enforcement academy training plus a minimum three to four months of field training.
- Court/Civil Process – received 9 weeks of academy training plus a minimum two months of field/on-the-job training.
- Animal Control Officers – received 5 weeks of academy training and a minimum of two months of field/on-the-job training.
- Communications – Dispatch Training – received 40 hours of academy training (Chesterfield Police) or 120 hour of academy training (Crater Regional Academy) and a minimum of two to three months of on-the-job training.

Information on the Department of Criminal Justice Services training requirements and performance-based outcomes for each position were also reviewed. Sheriff McLaughlin reported a new officer was not able to begin working until training requirements were met. New Kent officers were sworn in on the day of hire prior to completing training and they were paid while being trained even though they were not yet able to perform their duties. Some agencies were not swearing their personnel in prior to training and there were also

some academy attendees who were paying their own way. New Kent's practice allowed personnel to have liability and Workers' Compensation coverage.

Drawing attention to three slides on leave totals for 2018 and 2019, Sheriff McLaughlin reported the number of leave hours lost by personnel each year was surprising. County Administrator Rodney Hathaway had granted annual leave extensions for the past two years but some time had still been lost at the end of the year. He turned the floor over to Chief Deputy Bailey to provide more details. Chief Deputy Bailey drew attention to the first individual on the list who had been granted an extension to carry 240 hours over. At the end of the year, this individual had lost 96 hours. Numerous individuals who had lost time were noted on the list. The total number of hours carried over in 2018 had been 2,294.75 and 609.50 of these hours had been lost at the end of 2019. Even when leave time was scheduled, overtime frequently reduced the amount of leave used. There had also been issues several years ago with staff not being able to take holiday time when holidays fell on the calendar. Staff were now given holiday hours up front to make scheduling easier. He noted the department was short staffed and this was a contributing factor to the lost leave issue. Sheriff McLaughlin also reported staff were being required to work overtime to keep the department from going below minimum staffing requirements. The 2,294.75 hours carried over in 2018 had been just over the total number of hours a deputy would be expected to work in a given year. The 2,691.75 carried forward in 2019 was over 400 hours over the annual work load. Chief Deputy Bailey added that due to safety issues for both officers and citizens, he could not staff with fewer personnel.

Other notable statistics mentioned in the presentation included:

- 54 personnel had worked 123 hours providing funeral escort assistance in 2019.
- Draft days (when an officer was called to work on a scheduled day off or a supervisor had covered the shift) in 2019 had included 20 days for Patrol Platoon A and 35 days for Patrol Platoon B. 31 draft days were reported for School Resource Officers. The department was authorized for four Resources Officers but was currently down one. No draft days had been necessary for courts but court days of 10-14 hours were becoming the norm. Mr. Hathaway asked if a request for a fifth Resource Officer should be expected in the Sheriff's Office FY22 budget presentation. Sheriff McLaughlin confirmed and noted an officer at the new school would be a necessity due to its distance from the Sheriff's Office and close proximity to I-64.
- Communications/Dispatch had averaged 5,400 calls per month including 911, non-emergency and administrative in 2019. Of those calls, 23,528 had been to 911. Several actual calls were played to give a feel for what Dispatchers were receiving. Sheriff McLaughlin reported current Communications Center shifts were understaffed and noted his appreciation for the Board's consideration of his request for an additional position.
- An extensive list of special events was also included. The number of days, number of deputies and number of hours worked were noted for each event. Off duty personnel were utilized whenever possible and in most cases the vendor or sponsor reimbursed the County for services. Mr. Evelyn asked if auxiliary officers were covering any of these events. Sheriff McLaughlin reported there were only three auxiliary officers. One was a Class A (sworn) Officer who had gone through the academy and the other two were Class B (not sworn) Officers who could not write tickets, make arrests or carry guns.
- Figures on separations of both sworn (35) and non-sworn (46) personnel over the past ten years were also shared. Many of the separations were due to retirement.
- Animal Control and the Animal Shelter had been involved in 185 after hours call outs and had received 2,499 calls for service from January to October 2019.
- Several charts and graphs provided an overview for arrests, incident reports, citations, etc. for 2018 through 2020. Numbers were steadily increasing and as of March 10, 2020 there had been 9,561 calls for service, 123 arrests and 548 incident reports completed.

This was approximately 1,800 more calls for service than at the same time the previous year. Video/audio of an actual traffic stop where a gun was involved was played.

- FY20 overtime figures for various departments including Sheriff, Courts, Animal and Dispatch all were nearly at or had already surpassed FY19 figures.
- The number of FOIA (Freedom of Information Act) requests was increasing yearly.

Sheriff McLaughlin reported the shortage of manpower was causing a number of additional concerns including:

- Wellness – Overtime was increasing due to staff shortages. This was causing stress on staff which was affecting family life, dedication to the job and the appointee. Mental health and wellness as well as physical health were also concerns.
- Fatigue – Staff shortages were resulting in fatigue due to the inability to receive sufficient time off. Fatigue can affect the efficiency of an appointee and result in an inappropriate reaction to a situation. Appointees are also concerned they will fail to properly carry out duties or make an error in judgement.
- Public Safety Concerns – Staff shortages would result in the inability to respond to calls for service in a timely fashion and/or an insufficient number of responders available to address the call.

Sheriff McLaughlin closed by indicating the staff shortage was affecting the employees, the department's ability and efficiency and ultimately the community. He thanked the Board for their support, friendship and kindness and for doing what they could based on financial constraints. He noted it was important to share some of the issues faced by his office.

Mr. Hathaway indicated he felt it was important to understand the needs of the Sheriff's Office. He reminded the Board that he was recommending six positions in the FY21 budget proposal. Sheriff McLaughlin noted four of the six proposed positions would be new positions and the other two would be converting part time positions to full time. Mr. Hathaway pointed out the six positions were less than a third of what had been requested and there were still staffing needs in the Sheriff's Office. He felt it was important for the Sheriff's Office to attend and express their needs. Ms. Paige thanked Sheriff McLaughlin and Chief Deputy Bailey for their presentation.

IN RE: COUNTY ADMINISTRATORS FY21 PROPOSED BUDGET REVIEW

County Administrator Rodney Hathaway reported he would like to give Fire Chief Rick Opett an opportunity to brief the Board on COVID-19 at the end of the meeting. There were some developments unfolding and the Chief was currently on a conference call.

Mr. Hathaway noted two handouts including a one-page summary of the FY21 budget presentation and a list of outside agency funding requests had been distributed. Details on outside agency funding had not been included in the previous presentation.

Outside Agency Funding - The outside agency funding list included non-County departments who had submitted requests for FY21. Bridges of Change Domestic Violence Shelter had submitted a request for \$5,000 which had been added since the budget committee had last met. Mr. Hathaway indicated he was not recommending this be included yet but did want the Board to know the request had been received. Victim Witness Director Karen Mortensen was also submitting budget requests to the other localities participating in the shelter program and their levels of participation were not yet known. The Board had recently met with Heritage Public Library Director Chandra McPherson to discuss the library's funding needs. The request had been for \$232,461 and flat funding at \$178,865 was proposed. He noted Ms. McPherson was present and was requesting that the Board budget a little more to

show the State that the County was working to meet their matching requirements. Most other items on the list were level funded. The County Fair Association had been cut from \$9,500 to \$2,500. He indicated he did not believe New Kent Stage Hands had submitted a request but because they had been funded in FY20, they had been noted on the list. No funding was recommended in FY21. An increase of \$1,200 was recommended for the Soil and Water Conservation District. This increase included a pilot program involving home practices for storm water which they were proposing to start in New Kent. He entertained comments on outside agency funding.

Mr. Evelyn asked how the \$225,000 being recommended for the New Kent Economic Development Authority would be used. Mr. Hathaway noted this was for the Incentive Grant program. His budget request had included \$278,000. In addition to the incentive grant funding, funding for a marketing program had been included. The EDA had a contract with a new marketing consultant and they were ready to move forward. Funding for picture upgrades in the New Kent Visitors and Commerce Center was also included.

Ms. Paige noted Rappahannock Community College (RCC) had requested more funding. She asked if it was RCC or the Bridging Communities Career and Technical Center (BCCTC) who had requested a rent waiver. Mr. Hathaway reported BCCTC was paying rent and RCC had requested a waiver the past two years. He believed the RCC lease was for \$67,000. Ms. Paige indicated she was not in agreement with waiving rent and giving an increase. Mr. Tiller asked if the original agreement with RCC had been no rent for the first five years. Mr. Hathaway reported the original agreement had been for five years and had included waiving the rent for the first three years. RCC had since requested a fourth and fifth year on the waiver. Mr. Tiller asked how many students were enrolled. Mr. Hathaway reported recently speaking with RCC President Dr. Shannon Kennedy and noted she had indicated they were pleased with the numbers and the programs were growing. The next rental payment would be due on August 1st and there had been no request to extend the waiver. Mr. Hathaway asked for confirmation that the Board wished to reduce the additional \$202 budget for RCC and flat fund at \$4,998. The Board concurred.

Ms. Paige suggest the Board should wait to see what the funding commitment of the other jurisdictions would be for the Bridges of Change Domestic Violence Shelter. Mr. Hathaway asked for confirmation that the Board did not support funding Bridges of Change. Mr. Stiers indicated he felt the County should fund the \$5,000. Ms. Paige noted she was not saying to not fund this but to wait to see what funding the other jurisdictions would provide. Mr. Stiers noted the facility was in New Kent and suggested it shouldn't matter what the other localities did. Mr. Tiller noted agreement with Mr. Stiers. Mr. Stiers noted it had been such a struggle to get this facility open and he felt strongly the County should fund it. Mr. Evelyn asked if the shelter was being used much. Mr. Stiers and Mr. Hathaway both indicated it was. Mr. Lockwood also noted the shelter had received a great deal of support from the community and he supported funding the request.

Mr. Lockwood indicated he would like to see the County do something more for the Heritage Public Library that would make it easier for the library to receive grants. Mr. Hathaway asked Ms. McPherson how much more funding would be needed for the State to feel comfortable that New Kent was moving in the right direction. Ms. McPherson indicated that when she asked these questions, she didn't get clear answers because the State didn't want to commit to any set figure. The requested amount was based on a per capita calculation and was what was needed to reach State goals. She reported New Kent was getting a little bit of a break because Charles City County was paying in more than was required because they could not run/staff a library based on the per capita funding requirement. Heritage Public Library was operating branches in both New Kent and Charles City and Charles City's

population was only 7,000. Ms. McPherson reported the State combined the contributions of both localities and they were not concerned if one locality paid more than the other. The State had been pleased with increases New Kent had made in recent years but the drop in funding when rental payments had stopped had given the impression that funding had been cut. Rental payments had been stopped at the time New Kent had purchased a permanent library facility. Ms. McPherson reported the State suggested New Kent needed to show some increase and reminded everyone that when the five-year waiver agreement had been signed, a commitment had been made to increase funding by \$15,000 annually. There was nothing that would force the Board to fund at this level but it could be necessary to request another waiver. She noted the importance of being able to keep the State aid funding and reported the Library needed to be eligible for State aid in order to receive federal funding. Additional funding was needed for salaries so that more staff hours could be added and programs expanded. She also noted she would like to be able to have the New Kent location open on Thursdays but current funding would not support that. This goal could be accomplished with \$7,000 in additional funding. She suggested that some token increase could be sufficient to keep the State funding. Mr. Evelyn asked if additional State aid had been included in the State budget. Ms. McPherson indicated it had but it was still uncertain how that would impact the library. She had given the \$232,461 figure so the Board could see what would be necessary to meet the State's goal. She understood the challenges the County was facing and wished the State Library Board would be a more lenient with local contributions. Ms. Paige asked Ms. McPherson how she would feel about a \$2,000 increase. Mr. Lockwood suggested a \$7,000 increase to expand hours to Thursdays. Mr. Stiers asked if the State aid figures would be known by the time New Kent had its budget public hearing on May 11th. Ms. McPherson indicated the figures provided in her request were estimates provided by the State and she could try to have a more concrete figure by May 11th. Mr. Stiers suggested the Board wait until a more definite figure was received from the State. Ms. McPherson indicated they would be grateful for \$2,000, \$7,000 or whatever the County could give. Mr. Lockwood asked Ms. McPherson if she had been able to determine if donations could be counted as local aid. Ms. McPherson indicated she had not and reported she had spoken with those implementing the policies but had not been able to speak with the Library Board. Ms. Paige asked what the library's foundation was donating. Ms. McPherson reported the foundation did not donate regularly but was donating on demand. Ms. Paige thanked Ms. McPherson for her input. Ms. McPherson thanked the Board for the opportunity to speak and for their consideration.

Mr. Hathaway asked if there were any additional questions or comments regarding the outside agencies. There being none, Ms. Paige recapped the Board's decisions in the following areas:

- \$5,000 for Bridges of Change Domestic Violence Shelter
- Reduce RCC by \$202
- Wait for numbers from the State before determining library funding

Mr. Evelyn indicated he felt the Board should add \$2,000 to the library funding now and discuss this further once the State funding was known. Board members concurred.

Request for General Services Positions Dedicated to Litter Pick Up - Mr. Stiers indicated he could not believe he was about to propose hiring two additional employees but suggested two positions be added to General Services to work specifically on picking up litter five days a week. Mr. Hathaway indicated he could work up a project budget and noted vehicles, uniforms and supplies would be needed. Mr. Stiers suggested a minimum of two and possibly four be hired. Mr. Hathaway questioned the ability to find the labor. Ms. Paige also suggested the liability of being on the highway should be considered. Mr. Hathaway reported the County would need to work with VDOT and go through their process to allow

litter pickup. Mr. Hathaway indicated he would have to look at what the total cost would be. Mr. Stiers suggested the cost would be \$72,800 at \$10 an hour. Mr. Hathaway suggested this figure seemed low. Discussions then centered around how many hours these individuals would work and if they would receive a full benefits package. Mr. Hathaway suggested he could work up a plan which would include information on full benefits as well as what funding would need to be moved to cover the costs. He agreed that litter on County roads was a real concern. Mr. Evelyn asked Sheriff McLaughlin if it was difficult to get inmate labor for this. Sheriff McLaughlin confirmed and reported inmates could not be forced to work and much of the clientele at the jail did not meet participation requirements. It was also difficult for the Henrico Sheriff's Office to find deputies who were willing to bring work crews out. Mr. Lockwood asked if New Kent was charged for the Henrico Deputy's time for these services. Sheriff McLaughlin indicated New Kent did pay for the services and Henrico was providing a truck, fuel and the necessary signage. New Kent was providing gloves, bags and grabbers. Mr. Lockwood asked if these supplies should be provided by VDOT since they had supplied these items for the community clean up day the previous spring. Sheriff McLaughlin indicated VDOT was more likely to give these supplies to volunteer groups than to local governments.

Proposed FY21 Personnel Actions - Mr. Hathaway drew attention to page 41 in the meeting packet and noted a number of personnel changes were recommended. There had been 55 personnel requests totaling \$3,269,586 received during the budget process. The budget committee had carefully reviewed these requests and had made the recommendations included in the packet. He requested feedback from the Board.

Mr. Evelyn drew attention to the proposed part time permit technician position in the Building Inspections department and suggested that given the expected increase in construction, funding should be reserved to make this position full time if the need arose. Mr. Hathaway noted the proposed position had been listed as part time with the intention that the Building Official could come back later in the year requesting the position be made full time if the work load warranted. Mr. Lockwood suggested it would be difficult to find someone who would be interested in a part time position that may become full time. Mr. Hathaway agreed and noted it was always difficult to fill part time positions. Mr. Evelyn asked if the position could be advertised in such a way that applicants would know there was the possibility of full time. Mr. Hathaway indicated that could be done.

Referencing the four new deputy positions and two part time positions being converted to full time, Ms. Paige asked if the Sheriff's earlier presentation was in support of those positions. Mr. Hathaway suggested the Sheriff's Office would not object to more positions if they were offered but the purpose of the presentation had been so that the Board could see the needs and know that what was being recommended did not fully address those needs. Ms. Paige asked if the budget committee should meet the following week to revisit the items discussed in today's meeting. Mr. Hathaway indicated the committee could meet again and noted it would be necessary to review the costs associated with the litter crew requested by Mr. Stiers. Referencing a proposed increase for the Economic Development Director certification, Ms. Paige asked if this would be paid at one time or multiple payments. Mr. Hathaway reported this item was a market adjustment that would be an increase to the annual salary and was not based on a certification.

FY21 Health Insurance Increase - Mr. Hathaway had previously reported health insurance rates were expected to increase by as much as 6.6% and that \$200,000 had been budgeted to cover this. The actual increase was now expected to be approximately \$150,000. He was recommending the increase be absorbed by the County rather than passed on to employees. He asked the Board if they were in agreement with this recommendation. Ms.

Paige asked how this would impact employees who were not on the County's health plans. Mr. Hathaway indicated employees not on the County's health plans would not be impacted and reported there were 23 employees currently not on a County health plan.

Health Insurance for Board of Supervisors – Part 1 – Mr. Hathaway reported he was recommending that health insurance coverage be offered to the Board of Supervisors. This had been an option about 16 years ago and the recommendation was to put this back into the budget. The cost would be \$48,000 if all five Board members participated. The Board would need to adopt a resolution at its March work session authorizing Anthem to change the County's plan to permit this coverage.

FY21 Tax Rate – Mr. Hathaway reported a public hearing on the FY21 tax rate would be conducted at the April 13th meeting to stay on track with the County's budget calendar. The proposed budget was based on \$0.82 and he was recommending that the rate be advertised at \$0.82. The Board could always go lower but could not go higher than advertised. He asked the Board members if they were comfortable with advertising at this rate. Mr. Stiers suggested if the rate was advertised at \$0.82 the advertisement should also state this would be a \$0.06 increase. Mr. Hathaway agreed.

Options and Contingencies - Mr. Evelyn suggested there would still be some options and contingencies to be worked out before the budget was finalized. Mr. Hathaway agreed and reported additional money which had not been included in the budget at the request of the Commissioner of the Revenue was anticipated to be available. The Commissioner budgeted a contingency in reassessment years to cover adjustments made during the appeals process and \$478,000 was being held this year. He recommended \$230,000 of this contingency be budgeted for a 2% salary increase for all County employees. The Commissioner had requested that the Board wait until the process in her office had been finished before budgeting these funds. Noting that the Commissioner was out of the country, the uncertainty of when she would be able to return, and based on historical data, Mr. Hathaway indicated he was comfortable with moving forward with a 2% increase. Mr. Lockwood asked if it would be necessary to wait for the Board of Equalization process to be complete for a final number. Mr. Hathaway agreed but suggested the number very rarely changed after the initial appeal process with the Commissioner's office. He also reported some owners who felt their properties were underassessed would file appeals requesting increases. Ms. Paige asked for the difference between giving staff a percentage increase and a set dollar amount. Mr. Hathaway noted he didn't have that number and indicated this had been done before. Assistant Finance Director Larry Clark suggested if every employee received \$1,000 the percentage of increase would vary from employee to employee. Mr. Evelyn reported that based on what he heard from staff, a percentage helped them more with VRS and he suggested most staff preferred a percentage increase. Ms. Paige indicated she had asked this question because she felt percentage increases caused the disparity between salaries to grow farther apart. Mr. Tiller agreed. Mr. Clark suggested set dollar amount increases would cause compression issues.

Health Insurance for Board of Supervisors – Part 2 – Revisiting the discussion on health insurance for members of the Board, Mr. Hathaway reported that when the Board had previously been given the health insurance option, it had been free. He indicated he had been proposing this coverage be offered free of charge again. Several Board members had suggested they should pay the same rates as employees. Employees were currently paying \$25 a pay period or \$50 a month for the 250 Plan for a single individual. Mr. Lockwood indicated he felt Board members should pay the same rates as other employees. Mr. Tiller agreed. Ms. Paige noted Board members did not have two pay periods per month. Mr. Hathaway reported he was a contract employee and was receiving free insurance as a part

of his contract so Board members would not be the only ones receiving free insurance if they chose to do so. Mr. Lockwood again indicated he felt Board members should pay the same rates for the same coverage as other employees and noted Mr. Hathaway's insurance had been negotiated as a part of his contract. County Attorney Brendan Hefty also noted the Code allowed for Board members to take the same fringe benefits offered to other employees so Board member payments would be in line with the Code. Mr. Clark asked if Board members would be eligible for the single plan only or all plans. Mr. Hathaway reported conversations with Anthem had suggested New Kent's contribution would be toward the single plan only and if a member wished to buy up to one of the higher plans they would pay the difference. Mr. Stiers asked if a supervisor could have these funds for expenses if they did not want to participate. Mr. Hathaway, Mr. Hefty and Mr. Clark all indicated that could not be done. Mr. Hathaway indicated he felt the Board was in a good position with the budget and there were several areas where he would be following up at the work session. He asked Board members to contact him with any questions.

FY21 Funding for Schools – Mr. Evelyn asked for an update on school funding. Mr. Hathaway reported the proposed budget was off by \$200,000. Mr. Evelyn noted the School Board had asked for an increase of \$925,000 and the difference between their request and the County's proposed funding was \$200,000. Mr. Hathaway distributed copies of a new revenue spreadsheet and noted total new school FY21 operating funds were budgeted at \$1,929,745 compared to total new County FY21 operating funds of \$1,954,813. These figures were close to even and the difference between the proposed increase and the other \$200,000 would be a 1.5% raise. The already proposed funding would cover a 3% increase and the additional \$200,000 would give a 4.5% increase. Mr. Tiller suggested the additional \$200,000 requested should be split between the schools and the County and asked how an additional \$100,000 would impact County employee raises. Mr. Hathaway reported a ½% raise for County employees would equal approximately \$107,000. Discussion continued regarding the funding the School Board would need for a 3% raise and how far off the County was from meeting the School Board's budget request. In closing, Mr. Hathaway asked for confirmation that the Board was in agreement with moving forward with the proposed funding for schools. Board members concurred.

IN RE: CORONAVIRUS (COVID-19) UPDATE AND
DECLARATION OF LOCAL EMERGENCY – RESOLUTION R-17-20

Fire Chief Rick Opett reported there were 30 confirmed cases of COVID-19 in Virginia, ten were hospitalized and no deaths had been reported. Most of the cases were in James City County, Fairfax and Arlington. Most of these cases were travel related or were individuals who had been in contact with someone who had traveled outside of the United States. The number of probable cases was high but no details on those cases were being provided. The number of cases in the United States was now reported at 1,268. There were 137,000 cases world-wide with 69,000 of those having recovered and 5,000 having died. Chief Opett reported the number of individuals affected in Virginia was steadily increasing. He suggested declaring a local emergency was in order not because there were any confirmed cases in New Kent but because it would allow the County to begin preparations. He also suggested the Board should begin making plans in the event County facilities would need to be closed to the public. Richmond, Chesterfield, Hanover, Henrico and the City of Williamsburg had declared local emergencies earlier in the day and James City County was about to do so. First responders including the Sheriff's Office and Fire-Rescue had met two days earlier and had put new protocols in place in an effort to limit exposure. Assistant Finance Director Larry Clark asked if declaring a local emergency would put New Kent in a position to receive federal funding and if so, how should staff document hours worked. Chief Opett indicated declaring the local emergency would make New Kent eligible for

federal assistance and he noted this would be handled using the same process as with a hurricane or other natural disaster. The County would need to meet a threshold (\$70,000) first and this was why it was important for New Kent to keep track of what was being done as a part of the response. The State would have to meet its threshold before New Kent could receive funding and Chief Opett reported he did not think that would be an issue. He also reported the possibility of the President declaring a national emergency. Mr. Lockwood noted Governor Northam had declared a state of emergency the previous day and there were no confirmed cases in New Kent. He asked if there were any probable cases. Chief Opett again reported there were no confirmed cases and no information had been provided on any of the PUIs (Persons Under Investigation). Mr. Stiers asked if this was the time to do this and suggested declaring a local emergency could add to the "frenzy." Chief Opett agreed that it could but noted if something were to happen over the weekend it would be difficult to get the Board together. He also suggested if the Board did not take action now, the perception could be that nothing was being done. Mr. Lockwood suggested the declaration should include language noting this was being done to set the stage in the event something happened and not because something had happened. Chief Opett indicated the County would issue a press release providing additional details simultaneously with the declaration. County Attorney Brendan Hefty suggested this declaration was analogous to what the County would do ahead of a hurricane. The Board would take action a couple of days in advance of the event and if nothing happened, there was no harm in having declared an emergency. County Administrator Rodney Hathaway asked if there was any plan for possibly opening the Emergency Operations Center (EOC). Chief Opett reported staff were in the process of setting up the EOC. Ms. Paige noted County employees may have college students who were on spring break and could be on vacations with or without their families. She suggested these students could become exposed while traveling and then expose their families. She asked how the County would respond to this. Mr. Hathaway reported anyone who had traveled outside of the Country would be required to stay at home for two weeks. Chief Opett reported there were also some suggestions that anyone traveling outside of the State would also be expected to stay at home for two weeks. He noted there were currently only three states without confirmed cases. Mr. Hefty advised that typically a local emergency would be declared by Chief Opett and the Board would then have a period of time in which to approve it. He suggested it was reasonable for the Chief to make the declaration and the Board to then confirm it since they were all together rather than schedule another time to come back to take action.

Mr. Tiller moved to approve a resolution (R-17-20) confirming a declaration of local emergency declared by the New Kent County Coordinator of Emergency Management on March 13, 2020. The members were polled:

Thomas W. Evelyn	Aye
C. Thomas Tiller, Jr.	Aye
Ron Stiers	Aye
John N. Lockwood	Aye
Patricia A. Paige	Aye

The motion carried.

Mr. Evelyn asked if updates would be provided over the weekend. Chief Opett reported updates would be provided. Mr. Evelyn asked if someone was planning a party for the weekend, should they consider canceling it. Chief Opett suggested everyone should use common sense and that anything sanctioned by the County should be canceled. Mr. Hathaway reported the St. Patrick's Day Breakfast for County employees had been canceled. He also reported that some localities in the region were canceling all public

meetings until the end of the month and noted this may be something the Board would want to consider. Mr. Stiers reported he had been asked to speak at the Woodhaven Shores Property Owners Association meeting on March 23rd and had been notified it had been canceled. Several others mentioned upcoming events and meetings which had been canceled. Mr. Lockwood noted the Board had a number of time sensitive items scheduled for the next few months and asked how they would be impacted. Chief Opett reported he had heard that the Governor would include a provision in his declaration for public bodies to be able to adopt their budgets without the public being present. Mr. Hefty indicated he was not aware of anything like this and noted this type of emergency was something no one had ever contemplated. He reported on a provision in the Freedom of Information Act that stated that during an emergency declared by the Governor, electronic meetings could be held but the only thing that could be discussed was the emergency. Sheriff Joe McLaughlin reported he had just received notice that the Governor had closed all schools for the next two weeks. Mr. Hefty indicated he expected there would be a lot of information to come that would impact County government operations. Mr. Hathaway suggested public meetings such as the "Fire House Chats" not be canceled but rather be postponed in hopes of rescheduling. He also indicated he would like the Board to be able to move forward and complete the budget adoption process. Ms. Paige suggested it may be necessary to have Relay for Life as an on line event. Mr. Hefty reminded the Board that they had not approved the resolution for the borrowing for the new school and that would be on the upcoming work session agenda. Mr. Lockwood suggested they should consider approving the resolution now. Mr. Evelyn asked what would happen if the Board approved the resolution and then the schools ran into problems with the contractor. Financial Advisor Ted Cole suggested the Board could call a special meeting to rescind the resolution. Mr. Hathaway suggested some contingencies could be added to the motion such as authorizing the County Administrator and Board Chair to sign if the contract came in at \$37 million or less. If the price was higher, the signatures would not be authorized. Mr. Lockwood suggested the Board could wait and meet again in a couple of weeks to make a decision. Mr. Hefty suggested it would be better to wait than take action with the suggested contingency. This item would be scheduled for the work session.

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 13, 2020, and the next work session at 9:00 a.m. on Wednesday, March 25, 2019, both in the Boardroom of the County Administration Building.

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

C. Thomas Tiller, Jr.	Aye
Ron Stiers	Aye
John N. Lockwood	Aye
Thomas W. Evelyn	Aye
Patricia A. Paige	Aye

The motion carried.

The meeting was adjourned at 2:35 p.m.