

A SPECIAL MEETING OF THE BOARD OF SUPERVISORS WAS HELD ON THE 23RD DAY OF MAY IN THE YEAR TWO THOUSAND TWO OF OUR LORD IN THE BOARDROOM OF THE COUNTY ADMINISTRATION BUILDING AT 6:05 P.M.

IN RE: INVOCATION AND PLEDGE OF ALLEGIANCE

Mr. Burrell gave the invocation and led the Pledge of Allegiance.

IN RE: ROLL CALL

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

Chairman Davis called the meeting to order.

IN RE: OTHER BUSINESS

Mr. Ellyson brought the Board up to date with respect to the search for a new County Administrator. Mr. Slavin has reported that a total of 52 resumes have been received, and he was quite pleased with the quality of the applicants. Mr. Slavin has agreed to attend the June 10 work session at 4:00 p.m. and bring information on the top 18 qualified candidates in efforts to narrow the field down to 7 or 8. He will then do a more in depth check on those applicants. Mr. Burrell suggested that the entire June 10 work session be devoted to this matter. Mrs. Ringley requested that Mr. Slavin bring a chart or work sheet in order to assist the Board members on that day, rather than try to review 18 resumes during the work session.

Mr. Ellyson reported that the Industrial Development Authority is going to have a contest, with a \$250 cash prize, to name the industrial park on Route 33. The contest will be open only to New Kent County residents, with entries due in the County's Administrator's Office no later than June 12. Judging will be done by the full IDA at its meeting on June 13. Consultant fees for suggestions of names and logos had been estimated to cost approximately \$15,000.

Mr. Ellyson reported that a meeting had been held with K. W. Poore, the firm contracted to prepare the Comprehensive Plan, regarding its failure to perform as specified in the contract. He reported that the Planning Commission has lost all faith in this firm. Approximately \$36,000 has been paid to Poore to date, with two invoices being held. Mrs. Ringley inquired whether the problems with staff turnover had played any part in their non-performance. Mr. Lipscomb reported that Poore had indicated to the Planning Commission that they had other contracts that were more important. K. W. Poore has now been directed to stop all work and to deliver documentation for work done to date for which they have already been paid. It is hoped that the next phase can be handled in-house between the Planning Commission and the Planning Department, after which the Comprehensive Plan can be prepared. Mr. Lipscomb recounted for

the Board some of the problems encountered with K. W. Poore by the Planning Commission. At their last meeting, staff from Poore was scheduled to make a presentation but had nothing. At a prior meeting where Poore was scheduled to review the rough draft with the Planning Commission, they had no rough draft. County Attorney, Ms. Katz, reported that the contract the County has with Poore is quite specific as to time frame for deliverables, and that efforts are being made to obtain what has been paid for to date. The total contract was approximately \$71,000 for all four phases. Phase 3 gives the County the Comprehensive Plan, which is all that is required. Ms. Katz estimated that it would cost another \$10,000 to get through Phase 3. Phase 4 is zoning and zoning maps. Efforts are being made by Ken Poore to try to restore some faith with the Planning Commission and get through Phase 3. Mr. Ellyson indicated that he had advised Mr. Poore that these efforts are too little, too late.

IN RE: CITIZENS COMMENT PERIOD

Chairman Davis opened the Citizens Comment Period. No one elected to speak, and the Citizens Comment Period was closed.

IN RE: BUDGET

Chairman Davis invited Commissioner of Revenue, John Crump, to explain the latest projected revenue figures provided by his office. Mr. Crump reported this information to be current as of June 23. He indicated that the figures did not include some of the Chesapeake properties recently sold and subdivided, as surveying is still being performed. Also not included were pro-rated assessments for new construction. He anticipates meeting or exceeding the new construction supplements of \$62,331.27 from 2001. Assessments from the Brickshire clubhouse, Sales & Visitors Center, pool, and golf are also not included in these figures, and he anticipates \$15,400 in revenue relating thereto. He reported that the assessment for Dairy Queen was also not included, and explained the difficulties in assessing this commercial property with few comparables within the County. He reported that the information from the Eagle System was migrated and loaded into the Bright system for editing and validation, resulting in total estimated revenues from real estate in the sum of \$7,735,628.98. Business license revenue to date is \$454,197.24 and he anticipates receiving an additional \$58,000.00 between now and the end of December. Personal property estimates, based on actual assessments for 2002, are in the sum of \$3,744,424.46. He reported that the sales ratio for Public Service Real Estate has dropped to 85% - 86% which is lower than it has been in the past, and is estimated to be \$468,555.47 for real estate and \$1,737.23 for personal property. Total estimated revenue from all sources is \$12,462,543.38, based on a tax rate of \$.77. He reported that he feels comfortable with these numbers.

Mr. Ellyson reported that staff had applied a collection rate of 97% to these latest revenue figures in preparation of the current proposed budget at a suggested tax rate of \$.79. Also provided was a proposed budget at the \$.80 advertised rate based on the prior revenue figures.

Mr. Ellyson reviewed some recent developments which were not accounted for in the proposed budgets. Since the last meeting, the funding for CBLAD has been lost, and the County has just been advised that IBM will discontinue support of the AS400 as of December 31, 2002.

Additionally, the Comp Board has approved one new position for both the Commissioner of Revenue and the Sheriff, and the County's costs for these positions has not yet been determined, although he anticipates it to be approximately \$6,000 per employee.

Mr. Crump reported that the State Comp Board represented that his office was the only Commissioner of Revenue in the state to be given a new position. Some of his part time salary budget may be able to be eliminated but he would like to reserve some of those funds to possibly hire a student.

Mr. Ellyson recommended that the Board adopt a budget with a tax rate of \$.79, based upon the latest revenue figures, and restore the funds previously cut from the budget for legal services (\$80,000), health department (\$11,309), schools (\$40,000) and the Sheriff (\$61,492). Restoring these funds, and using the new real estate revenue figures at a collection rate of 97%, would result in a contingency fund balance of \$206,722.

Using the old figures and a collection rate of \$.80 would result in a contingency fund balance of \$76,000.

The funds for the AS400 would be appropriated out of the Capital Account. Mr. Ellyson reported that there are sufficient unassigned funds in that Account to cover that unexpected expense.

Mr. Burrell reminded the Board that there are appropriations at every meeting. \$404,000 has been appropriated from the Capital Projects fund thus far this year, and \$215,000 from the Fund balance, resulting in \$620,000 not included in last year's budget. He felt that these items should be included in the budget rather than be appropriated. He also expressed concern about the new staff positions that were requested but not included.

There was discussion about the need for a full-time assessor and some of the problems that arise from using an assessment service. Mr. Burrell reported that some properties have been left off, and assessments were too low in other instances, and he encouraged the Board to include the cost of a full-time assessor in the budget. He expressed his opinion that citizens should not have to resort to the Equalization Board in order to contest assessments, and felt this might be eliminated or reduced by having a full-time assessor. Mr. Ellyson recommended against including that position this year, and represented that \$126,000 would not cover the cost of a full time assessor, and the associated vehicle and office equipment.

Chairman Davis reminded that the Board was not here to discuss the hiring of an assessor and redirected the discussion to the Budget.

Mr. Ellyson remarked on the following:

1. only three citizens spoke out at the Public Hearing in opposition to the proposed 3¢ rate increase
 2. most residents are aware of the state budget cuts and expect a tax rate increase
 3. surrounding localities have increased tax rates up to 6¢
 4. the state is expected to make additional cuts next year
-

5. the County will need to spend \$200,000 next year to man the new fire station
6. during the last 2 years, the Schools have asked for additional funds
7. the County needs to be prepared to pay for debt service relating to the upcoming referendum
8. several new positions were requested and not included in this budget
9. the need to keep the contingency fund at a healthy balance

Mrs. Ringley indicated that she was not comfortable with using the revised revenue numbers at this late date.

Mr. Lipscomb expressed concern about using the proposed collection rate of 97% and would rather use a rate of 95%. Mrs. Ringley agreed, but would be willing to compromise at 96%.

Chairman Davis asked about the length of time between the date a Certificate of Occupancy is issued and the time of assessment. Mr. Crump indicated that he tries to assess new construction within 90 days, but that the assessment is pro-rated from the date of the Certificate of Occupancy.

Mr. Burrell recounted that in past years when the Board had miscalculated its revenues, it was necessary to borrow money in order to cover expenditures. He felt that there has been no public outcry against the advertised 3¢ tax rate increase. He was of the opinion that there was no fat in the budget and any extra revenues will help cover state cuts in the coming years. Although he was not in favor of raising taxes, it costs to run Government and the County is either going to have to “pay now or pay later”. He reminded the Board that it receives frequent requests for appropriations from the Sheriff. He felt that not increasing the rate to \$.80 would result in a smaller fund balance and may possibly result in the County having to borrow money.

Mr. Raynes recommended against depending on revenues from taxes on homes in Brickshire. With the current economy, several of the builders are having a hard time in selling and are suffering financially. Although he was not in favor of a tax rate increase, he was of the opinion that citizens know that the state has cut funding and are expecting a rate increase. He felt that the County needs money in the bank and needs to hold on to it.

Mr. Lipscomb described problems in the past when the County did not raise taxes when it needed to, and in one year had a re-assessment and raised taxes by 10¢. It is easier on citizens to have smaller increases here and there rather than a large one all at one time.

Mrs. Ringley indicated that she does not support the proposed \$.80 tax rate and does not want an increase at all. She advised that with a budget that provides no new services or positions, the most she would support is a 2¢ increase to \$.79. She understood from the Sheriff that he anticipated that he could get back from the State some of the \$61,000+ cut from his budget. She also indicated that the Schools had seemed to “roll over” on the \$40,000 cut from their budget.

Mr. Ellyson reported that the Sheriff has now learned that his department will not be receiving any funds for equipment from the State, or any travel reimbursement. Furthermore, the Schools had to shave small amounts here and there to incorporate the \$40,000 cut from its budget. He

expressed his opinion that the School Board is a good steward of its money and spends any left over funds on new school buses.

There was discussion about fully restoring the funding for the health department in the sum of \$11,309 in order not to lose matching funds from the State.

Mr. Raynes suggested restoring legal to \$100,000, restoring the health department in full, and restoring the Schools and Sheriff by half. There was discussion about teacher raises and Mrs. Ringley reminded that nothing the Board did tonight would affect those.

Mrs. Ringley indicated that she would not support increasing the legal budget back up to \$140,000 but would agree to an increase to \$100,000. She felt that the County had some unusual matters this past year that needed expanded legal services. She suggested an increase in the tax rate to \$.79, using the Commissioner's new revenue projections.

Ms. Katz indicated her willingness to work with the County Administrator to help keep legal costs within budget but warned that the Colonial Downs litigation was just starting, and that if the County lost, it could be looking at rebating \$200,000 to \$300,000.

A short break was taken at 7:25 p.m. and the meeting resumed at 7:30 p.m.

Mrs. Ringley reiterated that she did not want to raise taxes any more than necessary. She then made a motion to adopt the proposed budget with the changes as outlined by Mr. Ellyson, with the following additional changes:

- Increase expenditures for legal services by \$40,000, to \$100,000
- Increase expenditures for health department by \$11,309
- Increase expenditures for the Schools by \$20,000
- Increase expenditures for the Sheriff by \$30,746

and a tax rate of \$.78, using the Commissioner's new real estate assessment figures. Such action would reduce the contingency from \$206,722 to a little less than \$200,000. The \$90,746 that was proposed to be added to contingency would be a part of that penny reduction.

Mr. Burrell then made a motion to increase the tax rate to \$.79 per \$100 of assessed value, leaving everything else as advertised, and including the changes that Mrs. Ringley enumerated in her motion, adopting Ordinances O-10-02 and O-11-02, as presented. The members were polled on Mr. Burrell's motion.

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

The motion carried.

IN RE: OTHER BUSINESS

Mr. Ellyson reviewed proposed Ordinance O-15-02R which had been deferred at the last meeting so that Planning Director, George Homewood, could revise it to remove the language concerning camouflaged towers. This proposed Ordinance give authority for administrative approval of “FT Worth” towers, which are installed inside existing structures.

Mr. Lipscomb moved to approve O-15-02R as presented. The members were polled.

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

The motion carried.

Mr. Ellyson reported to the Board that since the previous meeting, as a result of Mrs. Ringley’s inquiry, Ms. Katz has further researched the meal tax referendum issue and now recommends that the Resolution previously adopted specifying a 4% meal tax rate, be repealed and a new Resolution be adopted which does not specify the amount of the tax. Mrs. Ringley moved that the Board adopt R-19-02. The members were polled.

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

The motion carried.

Mr. Ellyson thanked the Board for its indulgence and cooperation in dealing with these unscheduled issues.

IN RE: MEETING SCHEDULE

The next regularly scheduled meeting of the Board of Supervisors will be on June 10, 2002, beginning at 4:00 p.m. for a work session and a joint public hearing with the Planning Commission at 7:00 p.m.

IN RE: ADJOURNMENT

The meeting was adjourned at 7:40 p.m.
