

THE BOARD OF SUPERVISORS HELD THE PUBLIC HEARING FOR THE PROPOSED  
FY2001-2002 BUDGET ON THE 4<sup>TH</sup> DAY OF JUNE IN THE YEAR TWO THOUSAND  
ONE OF OUR LORD IN THE BOARDROOM OF THE ADMINISTRATION BUILDING AT  
6:00 P.M.

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IN RE: INVOCATION AND PLEDGE OF ALLEGIANCE

Mr. Raynes gave the invocation and led the pledge of allegiance.

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IN RE: ROLL CALL

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

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IN RE: PUBLIC HEARING – ORDINANCE O-02-01 establishing Tax Levies for New  
Kent County, FY2001-2002 Budget, ORDINANCE O-06-01 establishing Water  
and Sewer Rates and Fees and Water and Sewer Connection Fees, ORDINANCE  
O-03-01 establishing A Tax on Admissions Charged for Attendance at Events in  
New Kent County, Virginia, and ORDINANCE O-04-01 establishing A Tax on  
Mobile Local Telecommunications Services in New Kent County, Virginia.

Mr. Emerson stated the proposed budget of \$32,336,134 has been balanced with a 6-cent tax increase. Based upon the proposed rate, local revenues for FY2002 are projected at \$13,768,530 and, along with other directed revenues, complete the total FY2002 revenue number of \$32,336,134. The total proposed FY2002 budget for New Kent County will exceed last years budget by 13.8 percent. This has been made possible by a growing tax base, a strong capital fund balance, and grant funds provided by the state of Virginia and the federal government for capital projects on the Route 33 corridor, at the New Kent Airport, and at the County Courthouse complex.

In the revenue category, real estate has been projected at 95 percent collection and personal property has been projected at 94 percent collection. Data provided by the New Kent County Treasurer's Office supports the projected collection rates. The County is realizing growth in sales tax, consumer utility taxes, motor vehicle licenses, business licenses, recordation tax and investment revenues, which can be attributed to a growing business base and strong fund balance. State provided revenues for the operation of constitutional offices and Registrar has grown only .44 percent or \$4,553. The total operational cost of the constitutional offices is \$2,938,984; the county's share of that cost is \$1,607,352. Pari-mutuel receipts (funds from Colonial Downs) are forecast on numbers provided by the State Racing Commission and are projected to increase 3.1% or \$15,200 above FY2001. Two new tax categories have been

proposed for the upcoming fiscal year: a proposed admission tax will be a tax imposed on admission charged for attendance at events within the County and shall be 10% of the amount charged for any such event; the other proposed tax is a tax on mobile local telecommunication services which shall be 10% of the first \$30 of the month gross charge to a consumer of mobile local telecommunication services, not to exceed \$3. In simple terms, this equates to a \$3 per month charge for each individual contracting for cellular phone service in New Kent County. The revenue projected for these two categories has been set at a nominal amount of \$2,500 respectively until a year's worth of historical data can be collected.

Mr. Emerson also noted the Board's effort to increase business at the New Kent County Airport by decreasing the tax rate on aircraft from \$1.25 per \$100 to \$.50 per \$100. This equates to a \$5,107 or 58.3% loss in revenue from the assessment on personal aircraft. However, if lower tax rates result in additional planes hangared and higher activity at the Airport, revenue will increase to the County through additional property tax from new aircraft, increased fuel sales, grant funds, and revenue through business (license) activity from the fixed based operator. This is a strong attempt by the Board of Supervisors to continue the recovery of the County Airport.

The proposed budget contains \$16,260,531 for the New Kent County School System with an additional \$419,302 set aside in an enterprise fund for the School Food Program creating total School funding of \$16,679,833. The schools are proposed to receive \$617,081 of new local contribution creating a total allocation of \$7,166,038. This represents a 9.4 percent increase in local funding. Based on this allocation, the School board will be able to meet their goal of a 6 percent raise for county teachers. Revenue from the Commonwealth of Virginia has decreased 1.2% from FY2001. Because of the decreasing revenue from the Commonwealth, the overall School Budget will grow only 3.12% for the upcoming fiscal year.

The proposed budget reflects no less than a 3½ percent cost-of-living increase for county employees, employees of Constitutional Offices (for those offices which choose to participate) and Social Services employees. The County contracted for a salary study to include the employees not only of the Board of Supervisors, but also of the Constitutional Officers and Social Services. Due to the results of the salary study, most employees will realize greater than a 3½ % increase in salary. The increases for the Constitutional Officers' (who choose to participate in the plan) employees will be effective December 1, 2001, and increases for Social Services employees will occur once deviating status is obtained for that agency. County employees' adjustments will be effective July 1, 2001. These time lines are reflective of current schedules in place for those offices. Employees covered under the County plan will also be eligible for a 0-2 step (step = 1.5%) merit increase based upon a performance review on their anniversary date.

Mr. Emerson stated also worthy of noting are funds set aside in the Economic Development Department for the creation of a joint agency between New Kent, West Point and Charles City. The FY2002 cost to New Kent County for this program is \$139,000. The benefits to be gained by such a regional partnership will far exceed this investment. He further stated it is staff's hope to see this partnership fully implemented during the upcoming fiscal year. He congratulated the Board of Supervisors for their foresight in working to implement such a program.

Mary Altemus, Director of Accounting and Budget, presented details of the proposed FY2001-2002 budget.

Chairman Lipscomb opened the public hearing. The first person to speak was Ms. Christiane Groth. Ms. Groth stated she had come into the County offices and purchased a budget book as she was interested in the budget process. After receiving the book Ms. Groth had done some comparisons with New Kent and James City County as far as taxes per capita, the Sheriff's Department, Animal Control and the Commissioner of Revenue Office. Ms. Groth's feelings were that there were areas New Kent was spending more per capita than James City County and she thought there were places where the budget could be cut back, and all done without an increase in real estate tax and without the addition of a mobile phone tax.

The next person to speak was Butch Carter. He wanted to thank the Board of Supervisors for supporting the Providence Forge Rescue Squad. He stated the squad had answered 1,322 calls in 2000. He stated he was proud of their organization and its volunteers and he thanked the volunteers for their time and effort.

John Crump was the next to speak. He thanked Ms. Groth for her comments and invited her to his office so she could more fully understand the budget figures as he did not think her comparison was accurate. Mr. Crump also expressed concern that he felt the departments did not work together in preparing this budget, that this was the first time he had actually seen the budget. He stressed his desire for all departments to work together in preparing the budget.

Mr. W. H. Fitzgerald was the next person to speak. He is retired and on a fixed income and very worried about the increase in real estate taxes. He asked the Board of Supervisors to please consider giving seniors a break on the real estate taxes.

Ms. Lynn McPherson was next to speak. She stated she is a District 1 resident and she was very concerned that there were very few citizens at this budget public hearing. She thanked the Board of Supervisors for stepping up to the plate again for the schools and for giving them the funds for a 6% teacher raise. She hopes this will keep New Kent in a good position to keep good teachers.

Ms. Patty Wyatt was next on the sign up sheet. She declined to speak.

Mr. William Swartz was next to speak. He is the Vice President of Atlantic Rural Exposition and he expressed ARE's displeasure with and opposition to the proposed admissions tax. He presented their opposition to the tax from two standpoints: facility/owner and event producer. He encouraged the Board not to approve the admissions tax.

Mr. A. C. Worley was next. He expressed his disappointment that there were so few County residents at such an important meeting. He also spoke in opposition to the proposed real estate tax increase. He stated that lowering the aircraft tax will only bring New Kent in line with other counties --it will not bring in revenue. He ended by saying he spoke for a lot of County people and senior citizens and asked the Board not to adopt the proposed tax increase.

Mr. Ian Stewart, President of Colonial Downs was next to speak. He voiced his opposition to the proposed admissions tax and urged the Board members to seriously consider the impact of the admissions tax and what it will do the County.

Mr. W. C. Pearson, Chief of the Quinton EMS, was next to speak. He thanked the Board for their support of Company 2, which included new equipment and a new ambulance.

K. C. Ward was next on the sign up sheet but declined to speak.

Herb Jones, Treasurer, was the next person to speak. He commended Mr. Emerson and his staff on their hard work on the budget but stated he echoed Mr. Crump's feelings about working together. He also spoke in opposition to the admissions tax and asked the Board to please reconsider the adoption of an admissions tax.

Mr. Ed Pollard was next to speak and voiced his concerns and opposition to the proposed admissions tax and cellular phone tax. He urged the Board not to approved those two taxes.

Baird Jones passed on his opportunity to speak.

Mr. Jim Weinberg spoke in opposition to the admissions tax, saying Colonial Downs was a beautiful facility and he felt an admissions tax in the County was make it much more difficult to attract collateral events at the facility. He urged the Board members to reconsider adopting an admissions tax.

Chairman Lipscomb closed the public hearing. The Board members had an opportunity for discussion of the budget. Mr. Burrell thanked the citizens who spoke and stated there were many valid points made. He commended the staff for their hard work but stated some issues needed to be re-visited. He confirmed with Mr. Emerson the cell phone tax was 10% of the first \$30 of the cell phone bill, not to exceed \$3.00.

Mrs. Ringley stated she wanted to clarify a few things with regard to Ms. Groth's comments. New Kent does not purchase theme park tickets to give to county residents. Parks & Recreation sells the discounted tickets to New Kent residents, and secondly, it was not accurate to compare New Kent with James City County in many ways, one being the money budgeted for the Sheriffs' Departments. James City County has a police department; therefore its Sheriff's Department does not have the same duties as New Kent's. Also, there are too many variables to compare Animal Control and the Commissioner of Revenue, to name a few. This is not an "apples to apples" comparison. She admitted the budget was difficult to understand and stated she appreciated all the comments received that night. She also understood the concerns about the admissions tax, stating her job was to represent the tax paying citizens of the County. She also confirmed Colonial Downs would not be paying the admissions tax when the pari-mutuel windows were open – they would still pay their \$.25 per head fee. The proposed admissions tax was a way to recoup money the County had to expend when large events were held. She also stated she had heard from many citizens on the cell phone tax.

Mr. Raynes stated he thought 10% was excessive on the admissions tax. He had talked to other localities and thought there were some areas New Kent could cut and make changes and keep from having a tax increase. He also stated he would like to see an adjustment in the Board members' salaries and would like to see insurance for part time employees (Board Members) discontinued. He also stated he thought the \$90,000 board room renovation could wait, as could some of the equipment requested by the Rescue Squads. He finished by saying he thought the Board should take another look at the budget and try to lower the proposed tax increase.

Mr. Davis reiterated Mr. Worley's remarks about how few County residents were at the hearing. He thanked those who were there and asked them to tell their friends and relatives they should have been there. He also stated for those expressing discontent with their recent real estate assessments, the Board of Supervisors has nothing to do with those assessments.

Chairman Lipscomb thanked everyone for being at the hearing. He stated there was still work to be done on the budget and while there may be some cuts made, there would probably still be a tax increase of some amount.

Mr. Emerson stated it should be noted that 10% is the highest the admissions tax can be under the Code of Virginia, but it can certainly be lower than 10%. The same goes for the cell phone tax – it can be lower than 10% up to the first \$30.

Mrs. Ringley summed up the meeting by telling the residents present a lot of work had gone into preparation of the budget. There had been budget work sessions and based on the Board of Supervisor's input, the proposed budget was very reflective of the wishes expressed by constituents. She commended the staff for their work.

Chairman Lipscomb stated this had been a very difficult budget to prepare in light of the situation with the state and not knowing what kind of money would come to the localities. Mr. Emerson reiterated that it may be August before the localities would be able to confirm the amount of money they would receive from the state.

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IN RE: MEETING SCHEDULE – The Adoption of the FY2002 Budget is scheduled for the regular monthly meeting of the Board of Supervisors on June 11, 2001 at 6:00 p.m. in the Board Room of the Administration Building.

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IN RE: ADJOURNMENT

Mr. Burrell made a motion to adjourn.

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

The Board adjourned at 7:23 p.m.