

THE REGULAR WORK SESSION OF THE NEW KENT COUNTY BOARD OF SUPERVISORS WAS HELD ON THE 25th DAY OF MAY IN THE YEAR TWO THOUSAND ELEVEN OF OUR LORD IN THE BOARDROOM OF THE COUNTY ADMINISTRATION BUILDING IN NEW KENT, VIRGINIA, AT 3:00 P.M.

IN RE: CALL TO ORDER

Chairman Evelyn called the meeting to order.

IN RE: ROLL CALL

Thomas W. Evelyn	Present
David M. Sparks	Present
James H. Burrell	Present
Stran L. Trout	Present
W. R. Davis, Jr.	Present

All members were present.

IN RE: CLOSED SESSION

Mr. Sparks moved to go into Closed Session to discuss a personnel matter pursuant to Section 2.2-3711A.7 of the Code of Virginia involving performance. The members were polled:

David M. Sparks	Aye
James H. Burrell	Aye
Stran L. Trout	Aye
W. R. Davis, Jr.	Aye
Thomas W. Evelyn	Aye

The motion carried. The Board went into closed session.

Mr. Davis moved to return to open session. The members were polled:

James H. Burrell	Aye
Stran L. Trout	Aye
W. R. Davis, Jr.	Aye
David M. Sparks	Aye
Thomas W. Evelyn	Aye

The motion carried.

Mr. Sparks made the following certification:

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

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

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

The Chairman inquired whether there was any member who believed that there was a departure from the motion. Hearing none, the members were polled on the certification:

Stran L. Trout	Aye
W. R. Davis, Jr.	Aye
David M. Sparks	Aye
James H. Burrell	Aye
Thomas W. Evelyn	Aye

The motion carried.

IN RE: FY12 BUDGET

Before the Board for consideration were Ordinance O-06-11 amending Appendix A – Fee Schedule; Ordinance O-07-11 establishing tax levies for FY11/12; the Administrative Recommended Capital Improvement Plan for FY2012-2016; and the proposed FY12 budget.

County Administrator Cabell Lawton reviewed the changes to the Fee Schedule, the most significant being an 8% increase in the utility fees and rates. He indicated that both Public Utilities Director Larry Dame and County Financial Advisor Ted Cole were present to answer questions and address concerns raised by Board members and the public about the need for the utility rate increases.

Mr. Evelyn asked about the proposed elimination of the fee for issuance of a temporary certificate of occupancy (CO). Building Official Clarence Jackson explained that temporary COs were seldom if ever required with the process presently in place.

Mr. Trout asked whether the courthouse maintenance and construction fees were at the maximum allowed in the State Code. Staff indicated that they would check on that and any changes could be made at a future date.

Mr. Trout expressed concern about whether an 8% increase was necessary in the utility rates and fees. He commented that the increase in rates would significantly affect residents in Brickshire, Oakmont, Patriot's Landing, and a few other developments who were billed for water, sewer and irrigation, noting that the homes in those areas were also the ones who suffered the "biggest hit" on valuations in the current economic climate. He indicated that he understood that the 8% annual increase was in place in order to bring the system to a point where the user fees paid for the operational costs; however, he suggested that it might be a good year to decrease the percentage of the increase in rates, with the understanding that such action would lengthen the time to reach the point where operations of the system were fully funded by user fees.

Mr. Dame indicated that he had asked Mr. Cole to look at that scenario and the "numbers didn't look good". He explained that if the percentage of increase were lowered for FY12, then it was likely that a higher increase would be needed in future years. He spoke about how his department had significantly cut its operating budget requests for FY12 and staff was doing everything they could to minimize costs and operate as efficiently as possible,

while still meeting State and Federal mandates. He reported that an 8% increase on an average monthly bill would be \$1.40 for water and \$1.94 for sewer.

There was a discussion regarding irrigation. It was noted that there were also irrigation customers in The Oaks and in the Courthouse area. Mr. Dame indicated that there were irrigation systems in the first section of Patriot's Landing, but those systems would not be permitted in other sections, pursuant to the Bottoms Bridge groundwater withdrawal permit that had been negotiated with the State. It was confirmed that irrigation would likewise not be permitted in future sections of Brickshire, but would be allowed in the older sections where the infrastructure was already in place.

Mr. Dame reminded that the rate increases would have a greater impact on those who used more water, and explained that staff made it a practice to contact homeowners with large irrigation bills in an effort to educate them on conservation and cost-savings.

Mr. Evelyn asked about the need for an 8% increase in connection fees. Mr. Dame advised that connection fees were being used to help cover operations and if those were not increased along with the other fees, then a bigger burden would fall to existing users.

Mr. Sparks asked how long it would take for the user fees to fully cover operations, and also how far off the County system was in meeting connection projections. Mr. Cole indicated that he did not have the number on connections, but advised that he had been tracking the system since FY06, during which time period connection fees had ranged between \$680,000 and \$1.5 million per year, noting that some years were tied to County projects. He reported that availability fees had ranged from \$50,000 to \$250,000 per year.

Mr. Sparks commented that the Board needed to keep in mind that it was a young system and needed new connections. He stated that the County had not expected the drop in housing demand and, although he shared Mr. Trout's concern about the increase in utility bills over the past five years, it was important to keep the utility fund healthy or it would "be in trouble down the road". He indicated that he didn't like the increase but didn't see that it would make that much of a difference.

Mr. Trout commented that "anything going up 8% was ahead of the economy".

Mr. Burrell stated that if the users didn't pay for the system, it would fall to the general taxpayers.

Mr. Davis commented that the cost of drilling a well had gone up more than 8% in the past few years.

Mr. Dame indicated that the utility system "would be in this spot" until the economy improved but the County did have an advantage in having the infrastructure in place and wouldn't "see a lag time" in serving new customers once housing demand rebounded.

Mr. Evelyn asked what would happen if the economy did not improve. Mr. Cole explained that the County had spent all of the \$40 million paid as up-front connection fees by the Farms of New Kent, on system improvements and projects and did not have any risks in the near future resulting from additional borrowing. He indicated that there was only one piece of debt outstanding at a cost of \$1.1 million per year. He explained that in order to meet the conditions of that borrowing, the County had to have \$1.15 for every \$1 in debt and it could not meet those conditions with just operating revenue. The Board was reminded that

there would be an increase in operating expenses with the recent upgrades; however, there were also some savings in operations by not having to operate two plants.

Mr. Cole indicated that the County had between \$1 million and \$1.5 million of one-time funds received for connections fees and availability fees that was covering the operations gap as well as debt service. He indicated that in FY12, after debt service was paid, there would be about \$184,000 left over for capital expenses with a capital budget of \$1 million. He advised that there were some reserves in the system that would help pay for the capital expenditures. He indicated that the only other place to get funds would be a transfer from the general fund.

Mr. Trout asked how much it would affect the utility system's income if the connection fees and availability fees were increased by 8%, but the user fees only increased 6% for FY12, and how much that would delay reaching "break-even" point. Mr. Cole indicated that such a reduction would remove between \$40,000 and \$50,000 from the system. He indicated that the current break-even year was projected to be 2015 (excluding debt service) and that the 6% rate increase suggested by Mr. Trout would move that to beyond 2016.

Mr. Burrell commented that he did not feel that an 8% increase in rates was an undue burden and he supported the recommendation of staff.

Mr. Davis moved to adopt Ordinance O-06-11 as presented, amending Appendix A (Fee Schedule) of the New Kent County Code. The members were polled:

David M. Sparks	Aye
James H. Burrell	Aye
Stran L. Trout	Aye
W. R. Davis, Jr.	Aye
Thomas W. Evelyn	Aye

The motion carried.

Regarding FY12 tax levies, Mr. Lawton confirmed that all tax levies were recommended to remain unchanged from FY11. Mr. Trout asked if the County expected any kind of shortfall or excessive revenue at the proposed rates. Mr. Lawton advised that the budget did provide for increased fuel costs and prisoner confinement costs, adding that the County did have a "cushion" with the funds transferred from the Meals Tax Fund Balance, but that there was nothing significant being anticipated.

It was confirmed that real estate assessments would not change for the tax bills due on December 5, 2011, but new assessments would be effective January 1, 2012.

Mr. Sparks moved to adopt Ordinance O-07-11 as presented, to impose tax levies on real and personal property for the 2011/2012 tax year in New Kent County. The members were polled:

David M. Sparks	Aye
James H. Burrell	Aye
Stran L. Trout	Aye
W. R. Davis, Jr.	Aye
Thomas W. Evelyn	Aye

The motion carried.

The Board next considered the recommended CIP Plan for FY2012-FY2016. Mr. Lawton confirmed that the Plan had not changed since it was reviewed with the Board at earlier meetings, and that most of the FY12 projects were cash purchases of Sheriff's Office vehicles, Fire-Rescue vehicles, and school buses. He reviewed that projects in future years included larger items such as another elementary school, but that the Plan was evaluated each year by the Board and subject to change. It was confirmed that some of the proposed vehicle purchases had been postponed from earlier years and Mr. Trout commented that "this might be a good time to try to catch up" on the replacement cycle.

Mr. Sparks indicated that he did not see anything to cut, remarking that the County had no choice on the taxiway project at the Airport.

Mr. Trout moved to adopt the Administrative Recommended Capital Improvement Plan for FY2012-2016, as presented. The members were polled:

James H. Burrell	Aye
Stran L. Trout	Aye
W. R. Davis, Jr.	Aye
David M. Sparks	Aye
Thomas W. Evelyn	Aye

The motion carried.

The Board next considered the proposed budget for FY12. Mr. Trout advised that he had previously inquired about some "double listings" for the Planning District Commission (PDC) and one of the volunteer agencies and staff had explained that although those items were shown in two places, they had been counted only one time. He also noted that the amount shown for the PDC was more than the annual dues that had actually been charged.

Mr. Trout also spoke about the High Growth Coalition, a group of high growth communities along the I-64 and I-95 corridors. He noted that New Kent had dropped out of the group last year and although he did not feel that FY12 was the year to start paying dues for that again, New Kent might want to consider rejoining the group in the future.

Another topic addressed by Mr. Trout was the possibility of having an estimate and timeline to restore a rail station in Providence Forge in the event that federal funds became available for rail projects.

The last item addressed by Mr. Trout was a request to develop a way to make the budget "more readable", perhaps including revenue as well as expenses together so that there was a truer picture for the public as to what part of a particular department's expenses was paid from local taxes as opposed to grants, the Compensation Board, or other State and/or Federal funding. For example, he noted that there was a line item for purchase of gasoline in the New Kent Airport budget, but nothing that indicated the amount of revenue from the sale of gasoline, as well as the various grants that funded items in the Fire-Rescue budget, State funding for the Sheriff's Department, and Federal and State funding for the Schools.

Mr. Burrell spoke about New Kent Airport, stating that it was a hobby airport subsidized by the taxpayers through either local, state or government taxes, and it should not be equated to either the Sheriff's Office or the Schools. Chairman Evelyn suggested saving that topic for a future discussion.

Mr. Trout asked about the manner of payment for the funds budgeted for employee compensation. Chairman Evelyn suggested that decision could be made after the budget was adopted. Mr. Lawton agreed, confirming that the money was in the budget for whatever method the Board decided.

There was discussion regarding the projected tax collection rate. Chief Deputy Treasurer Norma Holmes reported that the current collection rate for real estate taxes was 96.29% (exclusive of CDA assessments and Bottoms Bridge *ad valorem* taxes), and that she was comfortable with using a 97% collection rate for FY12. She indicated that the current collection rate for personal property taxes was 92.5%. She explained that any unpaid personal property taxes, including the registration fee, could be collected from State income tax refunds of those taxpayers, or could be collected by the Department of Motor Vehicles at the time that vehicle licenses were renewed. She advised that those processes were working well.

Mr. Lawton suggested that since the County intended to keep the Assistant County Administrator position, the funds budgeted for the proposed Reorganization be moved into that line item, which would have no net effect on the budget.

Mr. Sparks suggested that the Board needed "to get ahead of the ball" but that conversation could be saved for another time. He commented that he did not see anything of significance in the budget that the Board could change but that there were some things that could be evaluated and "tweaked" later on.

Mr. Lawton agreed that this would be a good year to "evaluate the big picture", the "real numbers" and any trends.

Mr. Burrell moved to adopt and appropriate the Fiscal Year 2011/2012 budget as submitted by the County Administrator in the general categories as follows:

General Fund	\$15,995,982
Social Services	1,300,595
School Capital	0
Grants	0
Capital Projects	1,431,270
Human Services	2,133,073
Wireless E-911	60,000
Schools	25,040,046
School Food Service	863,423
Litter Control	0
Meals Tax	0
Debt Service	5,692,186
Airport	716,344
Computer Replacement	70,000
Total Governmental & Schools	\$53,302,919

Water/Sewer	\$3,634,886
Bottoms Bridge Sewer	1,117,845
Total Public Utilities	\$4,752,731
Total Proposed FY11/12 County Budget	\$58,055,650

The members were polled:

Stran L. Trout	Aye
W. R. Davis, Jr.	Aye
David M. Sparks	Aye
James H. Burrell	Aye
Thomas W. Evelyn	Aye

The motion carried.

IN RE: INTRODUCTIONS

Commissioner of Revenue Laura Ecimovic introduced two New Kent High School students in attendance, Megan Mephram and Hannah Poole, stating that she felt that students who showed interest in their local government should be recognized.

The Board took a short recess and when the meeting was resumed, Mr. Burrell requested and received consent to leave the meeting early.

IN RE: FIRE-RESCUE UPDATE

Fire Chief Tommy Hicks updated the Board on several issues.

He provided a breakdown of \$3.8+ million in grants and cost-savings initiatives over the past five years.

The next item involved a proposal to use County-owned property at the main refuse site on Olivet Church Road/Rt. 618 for a multi-purpose law enforcement and fire-rescue training center, adjacent to the existing firing range area. Chief Hicks explained that he was looking for feedback from the Board before the Sheriff's Office and New Kent Fire-Rescue began efforts to enlist its "regional partners" in the project and to seek grant funding. He confirmed that grant applications for regional projects were more likely to receive funding and emphasized that the Board was not being asked to commit local funding. He reviewed that this was merely a long-term plan to use the property for that purpose.

There was discussion regarding road improvements that would likely be required, as well as whether the property would be needed for expanding refuse collection. Mr. Trout noted that there were no nearby residences and the property did have natural barriers and buffers suited for that purpose. Chief Hicks estimated that the project could take fifteen years to complete.

There were no objections voiced by the Board members.

Chief Deputy Joe McLaughlin joined Chief Hicks to review the growing challenges for both the Sheriff's Office and Fire-Rescue in responding to calls on Interstate 64. Chief Hicks shared some photographs of recent accidents and reviewed safety concerns for responders to these incidents. Chief Deputy McLaughlin reported that between May 2010 and May 2011, the Sheriff's Office Dispatch Center fielded calls on 3,107 incidents on I-64 (with many of the incidents triggering multiple calls), with 1,000 involving law enforcement (reckless driving, accidents), and 1,700 requiring EMS or fire response. He confirmed that the recently increased speed limit had amplified the danger and severity of the interstate incidents, an issue that Sheriff Howard planned to address with legislators after he was able to complete his assessment of the data.

Chief Hicks next reviewed response times to calls by New Kent Fire-EMS, reporting a 54% increase in calls since 2007. He indicated that current call volumes and staffing translated to an average of 6.7 hours per day when the County did not have any fire or EMS coverage. He added that fortunately, even with the shortfall, the average response time on a call was being consistently maintained at 7 minutes 19 seconds. He reviewed charts showing the number of EMS calls by hours of the day and days of the week, explaining that more staff was assigned during the peak hours (11 p.m. and 12 midnight) and on the weekends (driven by I-64). He reviewed that there were more fires during November and December but higher value losses in January and February, noting that the 7-minute response time was significant in keeping losses down. There was also a review of Advanced Life Support (ALS) and Basic Life Support (BLS) calls, and he reported that 70% to 75% of the calls in the County involved ALS. He also reviewed information regarding the average clearing times by destination facility, noting that diversion status at area hospitals often drove the amount of time that a unit was out of the County.

He reviewed information regarding the variety of medical conditions handled by EMS staff, which he indicated was a reflection of how the level of service had grown in New Kent, a development about which the County's Operational Medical Director was very pleased.

Chief Hicks next reviewed information regarding ambulance billing. He reported that between July 1, 2010 and May 25, 2011, the County had billed a total of \$524,617.92 for ambulance services, and received payments of \$300,606.77 and had adjustments totaling \$145,075.80, which included \$76,095.57 written off for New Kent residents. He indicated that this was a big improvement over the amount collected by the ambulance billing company and had resulted in better customer service. He confirmed that the County was no longer offering the subscription service to its residents since the County was writing off any unpaid balances on their bills. Mr. Davis spoke about the large amount of write-offs and his concerns that some residents might use the ambulances as a "taxi service". Chief Hicks indicated that was sometimes a problem, and that some localities were not offering write-offs for their citizens, an option that was available to the Board if it chose to make that change.

He confirmed that the County was required to send all County citizens a copy of their bill, regardless of whether or not they had insurance, and there were a few instances where residents had donated the difference between the total amount of the bill and what had been paid by their insurance company. He indicated that his staff was working with the Treasurer's Office on collection procedures for the non-paid bills.

Mr. Lawton indicated that \$350,000 had been projected for ambulance billing revenue for FY12.

Chief Hicks reported that there were still areas in the County that were outside of the required distances to qualify for improved Insurance Service Office (ISO) ratings for reduced insurance rates. He explained that staff had identified several solutions to address these issues as the County continued to grow. He also indicated that they were working with ISO to resurvey the County to incorporate fire stations 4 and 12, and he hoped to report back to the Board soon with improved ratings for those areas.

Mr. Sparks asked about the possibility of converting the Visitors Center into a fire station. Chief Hicks indicated that if that area grew as planned, then there would be a need for something in the vicinity, but he had not studied it and couldn't say that would be feasible, although he understood that the building had been designed to be able to add a set of bays in the rear. Mr. Trout expressed concerns that the Visitors Center was across from a site proposed for a shopping center and might not be the best place for a fire station.

Chief Hicks spoke about other ways in which Fire-Rescue assisted the County, which included providing training, inspecting fire extinguishers, installing street signs (effective July 1, 2011), and partnering with the Sheriff's Office on various things.

Mr. Trout asked if Fire-Rescue and Sheriff's Office vehicles were being serviced at the Vehicle Maintenance Facility (VMF). Chief Hicks advised that vehicles were being serviced at the VMF, with the exception of engine work on the ambulance fleet which, because of the cab and chassis design, had to be done elsewhere. Deputy Chief McLaughlin advised that their fleet was serviced at the VMF and it was working well.

IN RE: COPS GRANT APPLICATION

Before the Board for consideration was a request from the Sheriff's Office for approval of an application for a COPS grant that would involve County funding in the future.

Chief Deputy McLaughlin explained that permission from the Board was required for the Sheriff's Office to apply for a COPS grant which would pay the salary and benefits of a deputy for three years, with the County's agreeing to pay for the position for a minimum of twelve months thereafter. He indicated that there was only a "slim chance" for approval of the grant; however, it was important to keep applying in order to maintain an active presence in the process. He confirmed that this would be a new deputy position and that all positions funded under these grants in the past had developed into permanent positions.

Mr. Burrell left the meeting at 4 p.m.

Mr. Sparks moved to approve the application for the COPS grant. The members were polled:

W. R. Davis, Jr.	Aye
David M. Sparks	Aye
James H. Burrell	Absent
Stran L. Trout	Aye
Thomas W. Evelyn	Aye

The motion carried.

IN RE: ALLEN/CLEAR SIGNAL CELL TOWER APPLICATION

Planner Matthew Ebinger briefed the Board on an application filed by Clear Signal Towers LLC and George Allen Jr. for a conditional use permit to install a 250-foot lighted cell tower on property located at 11200 White Mill Road, tentatively scheduled for public hearing on June 13, 2011.

He explained that the 29-acre parcel was adjacent to the Kentland Planned Unit Development (PUD) and confirmed that the tower company had submitted propagation maps showing a lack of coverage as well as evidence that the proposed tower would fill those needs. He reported that the proposed tower site did not meet the 750-foot setback required in County ordinances and in order for the tower to be constructed, the Board would have to approve its close proximity to two residential units on the parcel, both owned by the applicant, Mr. Allen. He advised that there had been no comments made at the public hearing held by the Planning Commission, who had thereafter recommended approval, provided the Board reduced the set-back. He indicated that balloon simulations reflected that the tower would be partially visible from Carriage Road and Route 60, but not from Brickshire.

There was discussion regarding the fact that the tower would be lit because of its height and what determined whether there was a strobe light (like on the tower behind the Courthouse that was generating complaints by neighbors) or a red light (like on the tower in Barhamsville). County Attorney Michele Gowdy indicated that lighting was controlled by the Federal Aviation Administration but she would check with the tower company regarding that issue.

It was reported that space on the proposed tower had been offered to County emergency services but there was no need for it at the present time, and that Verizon had expressed interest in space thereon.

IN RE: LAKE CHRISTOPHER – REQUEST TO REMOVE PARCEL

Planner Kelli Le Duc updated the Board on a request filed by Mid-Atlantic Communities LLC and Ada Isabel Davis White Jarvis to remove tax parcel 28-12, 0.635 acres, from the Lake Christopher development, tentatively scheduled for a public hearing on June 13, 2011.

Ms. Le Duc reviewed that two years previously, the Board had approved this development which was comprised of four different parcels – the subject parcel owned by Mid-Atlantic and the other three by Ms. Jarvis. She indicated that they had since filed an application to have one parcel removed, which would require a new ordinance and modification to the proffer statement. It was speculated that Mid-Atlantic wanted to sell the parcel in order to liquidate its assets. Ms. Le Duc advised that removing the parcel would not hurt the ability to develop the rest of the property.

IN RE: OLIVET CHURCH ROAD CELL TOWER LEASE

Assistant County Administrator Bill Whitley briefed the Board on an issue arising out of a lease of a County-owned communications tower at the Route 618 main refuse site.

He reviewed that in December 2010, the Board had approved a renegotiated lease with Verizon for the cell tower at \$3,000 per month. He indicated that he had since been contacted by the president of Tower Assets Newco, a company that recently purchased the

cell tower lease from Verizon, who indicated that the lease amount and terms were “unreasonable” and that pursuant to a provision in the lease, they could “walk away” from the lease with their only obligation being to take the tower down, if the County did not agree to a reduced lease payment of \$9,600 per year.

Ms. Gowdy advised that she had checked with other localities and the current lease amount was not unreasonable and the term of the lease was not too short. She indicated that the specifications on the tower had been requested by the County several times but had never been provided. It was noted that this small lattice tower was at least 18 – 19 years old and the only carrier on it was Intelos, who had a five-year contract as of December 2010.

Mr. Whitley indicated that Tower Assets Newco was a company that managed tower leases and his research showed that this company was using the same scare tactics with private landowners of large parcels in rural areas, many of whom were accepting the deal rather than get nothing.

There was discussion including the marketability of the site for another tower, its proximity to interstate, and the average lifespan of towers. There was consensus not to accept the offer from Tower Assets Newco.

IN RE: MEETING SCHEDULE

The Chairman announced that the next meeting of the Board of Supervisors would be held at 6:00 p.m. on June 13, 2011, in the Boardroom of the County Administration Building, New Kent, Virginia.

IN RE: ADJOURNMENT

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

David M. Sparks	Aye
James H. Burrell	Absent
Stran L. Trout	Aye
W. R. Davis, Jr.	Aye
Thomas W. Evelyn	Aye

The motion carried. The meeting was adjourned at 5:11 p.m.