

A BUDGET WORK SESSION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF NEW KENT WAS HELD ON THE TWENTY-SEVENTH DAY OF MAY IN THE LARGE CONFERENCE ROOM IN THE COUNTY OFFICE BUILDING BEGINNING AT 9:00 A.M.

Mr. Ringley called the meeting to order and asked for a roll call.

Julian T. Lipscomb	Arrived at 9:50
James H. Burrell	Aye
Frederick G. Bahr	Aye
Mark A. Hennaman	Aye
E. David Ringley	Aye

Mr. Emerson, County Administrator explained the additional budget cuts he was proposing in order make the necessary adjustments to balance the budget at a real estate tax rate of 82¢ per hundred valuation and personal property at \$3.75 per hundred valuation. The proposed budget cuts include shifting \$175,000 of bond proceeds acquired for the renovation of the Old Courthouse/Administration Building for the construction of the two convenience center sites; elimination of a deputy's position and the proposed building inspector. Mr. Emerson explained they will need a new building inspector once the racetrack begins building. He stated the money from the permits will be enough to hire this position and he will ask for an amendment to the budget in order to hire the inspector. The Sheriff has agreed to give us a vehicle when the inspector is hired. The schools were reduced an additional \$112,667 which will leave them with level local funding. Mr. Ringley asked Mr. Emerson, it was his understanding the School Board said they could live with these cuts. Mr. Emerson replied yes. Mr. Hennaman stated Ms. Gill spoke with him and said they could work with the money given them. Mr. Emerson continued, they will only be able to publish one newsletter next year; part-time salaries for the Commissioner of Revenue and Treasurer's Departments were reduced to what the Compensation Board approves for these two departments; the Sheriff Department will receive no new vehicles this year; Animal Control Department will not receive a new vehicle this year; eliminate the donation to the Disability Services Board; the donation to Quin Rivers was cut; donation to Scenario was eliminated; airport manager will be kept to 35 hours per week. Mr. Burrell felt the Board needed to raise the tax rate on airplanes and charge the same rate as the personal property at \$3.75. The airport does not serve most of the community. Mr. Ringley replied he was also in favor of raising the rates on airplanes, but at the present time the rates have been advertised and you would either have to readvertise or do it at a later time. Mr. Emerson added, it was not a significant amount of revenue. He suggested they wait until the Board makes a decision on where they are going with the airport. Mr. Burrell said the County is subsidizing the airport when it only serves a fraction of the community. Mr. Bahr asked, before they do anything, they speak with Mr. Simons and the Flyers Club to see what they can offer to bring in more revenue to the airport.

Mr. Emerson continued, the raise for the County employees and part-time workers was reduced to 4.35% and made effective December 1, 1996; the reserve for contingency was reduced to \$135,818. These, along with various line item changes, reduced the proposed budget by an additional \$469,258. Mr. Emerson stressed it is important they retain a contingency fund because of current litigation, rising costs of gasoline, CYSA and other unanticipated costs that could deplete the already meager General Fund balance. The low fund balance will cause problems in September/October/November with paying bills and salaries because it is the lowest fund time prior to collecting taxes. The auditors recommend having 5-10% in the fund balance. His goal is to have two million in the General Fund account.

Mr. Emerson explained some of reasons of how they got in this position and one reason is that the reassessment has only been done once every six years and over the last five or six years, the revenues were overly aggressively forecasted and they did not raise taxes. The revenues came in short which

caused them to go to the Fund Balance and last year you had the problems with the schools and trash collections which took more money away from the General Fund. Mr. Emerson stated he asked for a tax increase last year but the Board felt since it was an election year they didn't want to raise taxes. Mr. Emerson suggested doing the reassessment every three to four years and raise the taxes a few cents at a time. Another area he felt needed to be looked at is joining one of the regional economic development groups that would help the County go after the projects that would bring in better revenue than houses.

Mr. Ringley stated, with the low fund balance, they will really need to consider any appropriation requests during the year, especially when you have matching grant money. Mr. Burrell felt the departments should be put on notice because of the bare bones budget, any appropriation request will probably not happen unless it is something that is beyond their control.

Mr. Burrell said he had some overall items he wanted to bring to the Boards attention. He suggested only essential travel be done, dues and memberships on only those that are pertinent to the operation. Another suggestion was to use a code on long distance so you know what department is making those calls. Mr. Emerson replied, that was put in place over six months ago. Reduce employees salaries to 2% or a wage freeze. He felt the Board should show a good faith effort to the citizens and reduce their salaries to \$6,600 and no fringe benefits. Mr. Ringley interjected, he spends a lot of time and money keeping his constituents informed and doesn't charge one cent for mileage. He didn't feel the \$11,000 was too much reimbursement. He felt each supervisor has to look at how much time they put into it, but pretty much 50% of his time is dealing with matters related to the County. Mr. Burrell said if you look at the surrounding counties, they do pretty much the same thing and they are making less money. It would show good faith to the public. We are asking them do without some services, we are asking our employees to take a cut in salary and the Board almost tripled their salary. Mr. Ringley interjected, it was 20 years since the Board's salary had been increased. Mr. Burrell stated he realized that, but don't do it all at one time. The Board is asking everybody to sacrifice and he felt they should also sacrifice. Mr. Bahr said after Wednesday night, he couldn't think of a better public relations move. He suggested maybe putting the difference in escrow for a later time. Mr. Burrell added, if they weren't in this tight situation it would be different. Each supervisor spends a lot of hours doing work for the county. He usually loses eight days of leave time from his full time employment to do County business during the year. Mr. Ringley added, if they do reduce it you can't go back and replace it. The Board cannot raise their own salaries, they can only raise the salaries for the next Board. Mr. Emerson said he would ask the County Attorney for a legal opinion on this. Mr. Lipscomb stated he spent over four hours with one man the previous day. He, Mark and Fred are in the County all day and you can't get away from talking to the citizens and he has spent over thirty dollars on gas just in one week on County business. Mr. Bahr agreed and that nobody questions there isn't a lot of time spent on County business, but this is a tight year. Mr. Lipscomb suggested, if they cut the salaries, would they pay mileage. Mr. Burrell suggested leaving the salaries the same and do away with the fringe benefits. Mr. Ringley interjected, he has a medical condition and he would have a great problem getting medical insurance if the benefits were cut off right now. Mr. Lipscomb said he has three or four people come in a day to his place of work and nobody has said a word about the Board's salaries. Mr. Burrell stated he has had a lot. Mr. Ringley felt that each Board member works diligently and earns their salaries, they are reading their packages before they get to the meeting, they are meeting with the citizens and he did not want to see the salaries reduced. He didn't know of any twenty million dollar company that paid their CEO's fifty thousand dollars a year. Mr. Burrell said they should compare themselves with like counties. Looking at King William, King & Queen, James City, Gloucester, Middlesex, Charles City and other government entities, New Kent is much higher than these surrounding counties. This is a service to the community and shouldn't be compared to a corporation. He agreed with Mr. Ringley, he puts in a lot of hours but it is a service to the public and he didn't run for the salary. He could see, with Mr. Ringley's medical condition, this would be an option for him to get medical insurance. Mr. Ringley replied, it is offered to the Board members the same as Constitutional Officers, we can have the same benefits they have. Mr. Burrell interjected, he understood that but it is still a cost to the

County. Mr. Ringley said, you don't look at it as an additional salary, it is not something that you can touch. Mr. Burrell stated, if you had to buy it yourself, this is saving you \$8,000 or \$9,000 a year. Mr. Ringley asked the other Board members how they felt. Mr. Lipscomb felt the same as Mr. Ringley, if he went out to buy insurance on his own he won't get it. Mr. Burrell replied, we could save money by reducing salaries and keep the insurance. Mr. Lipscomb said his district must be different from everybody else. He told his constituents what the salary and benefits would be and if he was elected he would accept them. None have had any complaints with it. He also gets people in his store from Mr. Burrell's district and none of them have mentioned anything about the salaries. His district expects taxes to go up, this is the way it has always been. They feel they have had a break for the last five years and they knew it was coming. Mr. Hennaman also stated, he has not had one person say anything to him in reference to the salaries or benefits they received. In fact, he had one or two people say they won't even do it no matter what kind of salary or benefits were given. Mr. Hennaman stated one thing he did not expect when running for office was the fact that he can't go anywhere where he doesn't get hung up with somebody. There is an awful lot of time that goes into the job. If you do the job the way it should be done it is a full time job. His employer has been very compassionate to his situation, but he gets people in the office that want to talk County business and it's hard to walk away and tell them you will speak with them later because this is your place of work, they don't want to hear it. Mr. Lipscomb has met people at twelve o'clock at night to meet the constituents schedules. Mr. Ringley asked the Board what the members decision is on this new proposed budget. Mr. Burrell said, New Kent is not unique. The people are tired of government spending, spending, spending. When he mentioned about reducing their salaries and reducing travel, it wasn't a reflection on anyone personally, but it is a sacrifice that needs to be made. There are many people in New Kent who have lost a job or will be losing a job and won't be able to pay this increase in taxes. We need to make this budget bare bones. Mr. Lipscomb said there are a lot of things that will come up this year and we won't have the money to fund them. Mr. Ringley said Mr. Emerson has gone back and reduced the budget to 82 cents real estate tax and \$3.75 personal property as he was directed to do by the Board. He has gone over the changes with the Board, we have advertised the adoption of the budget on Wednesday, May 29th, what is the Board's feeling on the cuts that he has made. Mr. Burrell said he was glad he made those but he felt there were additional cuts that could be made to lower it even more. Mr. Bahr moved the Board be paid at the rate of \$7,500 for the balance of the year with the difference be put into escrow and reviewed at their meeting in December. Mr. Burrell and Mr. Ringley both said that won't help the budget at all. Mr. Bahr withdrew his motion. Mr. Ringley moved to leave the salaries and benefits the way there are for this coming year. Mr. Burrell moved that they reduce the salaries to \$9,000 a year. The Board voted on Mr. Burrell's motion.

Julian T. Lipscomb	No
James H. Burrell	Aye
Frederick G. Bahr	Aye
Mark A. Hennaman	No
E. David Ringley	No

Motion failed.

The Board then voted on Mr. Ringley's motion to leave the salaries and benefits the way they are for 1996/97.

Julian T. Lipscomb	Aye
James H. Burrell	No
Frederick G. Bahr	No
Mark A. Hennaman	Aye
E. David Ringley	Aye

Motion passed.

Mr. Hennaman said he had no problem with the proposed cuts. Mr. Bahr also stated he had no problem with the cuts made. Mr. Bahr wanted to know by approving Mr. Emerson's cuts they weren't excluding any other cuts. Mr. Burrell restated he wanted Dues and Memberships be reduced to only those that were essential. Travel to be all cut except that which is essential. He suggested the salary increase for employees be 2% maximum effective July 1, 1996. Mr. Burrell suggested looking at the budget for the year we are in, we can look at annualizing it and where we spent less and we are not going to spend it between now and June 30th, those line items unless something comes to show it is needed, all those line items be reduced to reflect the actual spending of this year or maybe a little more. As an example, if the line item had a budget of \$2,000 and the amount spent was only \$700 for the year, don't budget \$2,500 for next year unless there is some justification for that. He wanted to look at each line item and pull out some additional savings. Mr. Emerson hit the big things and he liked that but maybe when you save \$500 there and \$200 somewhere else it will add up and could, in fact, be a good sum of money. It is hard to determine looking at the budget and not knowing what the actual is but when you look year to date there are quite a few line items that we will not spend entirely.

Mr. Lipscomb said a lot of them are small things. As an example, on the budget for road signs. All it would take to wipe out the budget is for someone to ride down the road and start pulling signs. Just fixing the signs that have been damaged or missing right now would take all the money in the budget. If you go picking on small amounts, especially unforeseen ones, where will you get the money from when it is needed. Mr. Burrell replied, when you reduce the budget by a substantial amount, you should be able to put more in your fund balance if something comes up then you make the appropriation at that time. Travel per diem under the County Administrator, you have \$4,500 estimated to spend \$564 this year, the next budget is again \$4,500. There are many line items like that in the budget, if you look at what is budgeted and what has been spent there is a big difference, there maybe some justification for that but we need to look at these. If we don't cut them, generally if you have it you spend it. He said he could go down many, many of them and what we annualized and what we budgeted for is a lot less. Mr. Burrell felt they should go through the budget by line items and make more cuts. Mr. Ringley said this was made up by a group that doesn't have any idea of what's going on here in the government. For example, they called the Sheriff and wanted to know why he hadn't expended anything for prisons and he had \$60,000 for next year. They didn't realize that Henrico County is giving him \$100,000. We have paid Mr. Emerson and Mr. Johnson, who are professionals, to prepare a budget, we have met with 57 agencies head and we have cut and we have cut and now you want to sit here and let an unemployed accountant or somebody tell us how we are going to cut the budget and in what places. We need to decide who is supervisor and who is running this County. Who is running this County Mr. Burrell, you are your little citizens group? We have been going since March on this budget and you are coming up three days before the time to adopt the budget and send out school contracts and you are coming with all of these things you have no way of substantiating. Mr. Burrell, replied, the budget is greater than last year by a substantial amount. Mr. Ringley said, then vote no on the budget and let it go on. You need to decide whether you are running the County or whether somebody is running you. He knew exactly where this budget came from and you didn't have anything to do with preparing it. Mr. Burrell replied, he did have something to do with it. Mr. Ringley interjected, very little. If you did you spent more time on that than our budget. Mr. Burrell replied, he did have something to do with. Mr. Ringley stated, very little, you were absent during a lot of times they were working on the budget and he was sick and tired of him coming up at the last minute with something like this. Mr. Burrell replied, he was absent one day on the budget work session. Mr. Ringley said, don't come up two days before it is time to adopt and start your budget ah la Jimmy Burrell and think that I'm going to go for it. We are paying these gentlemen good money and how many years of experience William has. Mr. Johnson replied, nine. Mr. Burrell asked how much money was spent over last years bottom line. It doesn't matter how you get there it is how much money you are spending over last year. Mr. Ringley said, if you want to go in and take each line and cut it, why didn't you do that sometime between March and

May. You didn't even know what the budget was all about. Mr. Burrell asked, did you know what it was about. Mr. Ringley replied, yes he did. He stated Mr. Burrell was one of the ones who wouldn't meet the last time to go over it. Mr. Burrell replied, the last time he met with the Board, it was the first time. Mr. Ringley replied, he was talking about to go over it individually to see any items he wanted to cut out. Mr. Ringley asked the Board if they wanted to go through this line by line and go with citizen report #1, do we want to start this whole budget process again after working with 50 some department heads. Mr. Ringley read several items from the 'new' budget and highlighted some of the items they were questioning. They have no idea what is involved in each item, they don't know what they are talking about. If these gentlemen don't know what they are talking about we need to get rid of them, but we don't need to bring a citizens group in to tell the Board of Supervisors how to do the budget. Mr. Ringley asked the rest of the Board how they felt about this. Mr. Lipscomb stated, all the money we don't spend should go into the General Fund and that is what they are looking to build up. Mr. Ringley stated the departments should not be spending the budgets down to zero, if they are not going to use it that should revert back to the General Fund. Mr. Bahr said he would like to see a budget starting at zero. Mr. Emerson responded, they must remember, the Board met with every department and they justified every line in the budget. Mr. Ringley stated, the Board sat two entire days and questioned each department and agency, that was when this should have been brought up, not now. Mr. Ringley said, not until the armchair happened did a whole new budget get presented. What would happen if you went to the State Legislature a week before they adopted their budget and threw something like that at them, they would laugh you right out of the aisle. Mr. Bahr said it was a marvelous experience because we are always learning, so next year we will be more sophisticated. He felt the citizens group had a right to ask questions. Mr. Ringley replied, certainly but not here at this meeting. They can ask questions and talk during Citizen's Comment, this is a work session. Mr. Burrell said what they were proposing is to raise taxes 15 cents per hundred on real estate and 25 cents on personal property. Cut it anyway you want, talk about the citizens anyway you want, your proposal right now is to raise it 15 cents. He was in disagreement, the citizens that worked on the budget took their time and with a lot of expertise, just like we have here, they don't know a lot of things and a lot of this cannot be done, but it was something to look at, if it could have been done earlier it would have been done earlier. He has no problem with citizens, they pay the taxes here, and they have a right to know this. He is not embarrassed at all and he didn't feel remiss at any of this, he is saying, at 15 cents, if we were operating last year on this why do we have to go up 15 cents to operate one year different. It should be reduced from 82 cents, if you want to do it yourself, do it. If you don't like what the citizens have done it doesn't bother him in the least but the mere fact is, when you cut it, it is from 67 cents to 82 cents and that is 15 cents and you are charging 25 cents on personal property it is a substantial tax increase and he was recommending to go back and ask for additional cuts. He felt it should go down to at least 79 cents. He will stand by this. All of your talk about how the supervisors run, I make the votes, the citizens don't sit up there and vote for me and if they vote for you - Mr. Ringley interjected, they vote for me. I get their opinion a long time before it has to be voted on. I don't wait until the night we are having the public hearing and pick up one of these things from Mr. Lipscomb's store that you have left for me and expect me to come over here and look at this. If they were going to do this, why didn't they prepare it two months ago so we could really sit down and look at this rather than wait until the last minute. Mr. Burrell asked, did we have anything two months ago? Mr. Ringley replied, the proposed budget was done as early as March. Mr. Burrell replied, the mere fact is the 15 cents proposed and 25 cents on personal property, he would not support that and he thinks the citizens have a right to ask questions. They don't run this show for him and if you think they run the show that is your own opinion. I run my own votes, I applaud the citizens for taking an attempt at this and some of this goes with saying some of this cannot be done but it is something for us to look at. Mr. Ringley asked Mr. Emerson, they even had a grant they wanted to eliminate. That is money in, money out, that we have nothing to do with. Mr. Burrell stated, they don't know this. Mr. Ringley replied, that is why I can't put a lot of faith in it. Mr. Burrell said you can look at items that are annualized for a lot less than was spent. All these line items that are less, then all of a sudden are they going to be spending that money between now and June 30th, I would submit to you no. Mr. Ringley replied, by our memo the Board is asking not to completely spend each budget and we will see what is

left by June 30th. Mr. Burrell replied, no, I say go to a bare bones budget and if we have some additional money by having a little more taxes than needed fine, we have that money but to say don't spend it, it gets spent. He told Mr. Emerson and Mr. Johnson they have done a great job and he recognizes what they have done and he supports it, but he would submit to the Board, we need to look at all the areas we need to cut because whatever we did, we have a few things that went up from last year, but we have to cut, cut, cut. Mr. Lipscomb asked what happened to the General Fund last year? Mr. Burrell inquired, what General Fund, you mean Fund Balance, yes. Mr. Burrell replied, the fund balance is low because the Board did not want to raise taxes, part of the twice a year was to keep from raising taxes and get the money up front. Mr. Lipscomb wanted to know why the fund balance decreased, because we didn't have enough there. Now we have to build it up, it tells you right there, there was not enough budgeted last year and with the taxes we didn't have enough income, so yes, you will have more this year because you were spending money that you shouldn't have been spending last year. You were spending money from your savings account. They did not raise the taxes and they spent the money. Mr. Ringley agreed, that is why they have to adjust for that now. Mr. Burrell added, if they were adjusting at 82 cents and we going to use 3 cents or 4 cents of the 82 cents to go into the fund balance, then he could support it, but he is not supporting the County to operate at a much higher level than last year. Mr. Emerson mentioned we might have some problems with youth services, we may have to deplete the fund balance even more. Mr. Burrell stated, he is not supporting the 82 cents. He moved to ask the County Administrator to review this budget and have it to the Board by Tuesday afternoon, May 28th by reducing the expenditures to reflect a 79 cent real estate tax. Mr. Hennaman asked this before the vote, is it possible? Mr. Emerson replied, if you cut schools, that is the only place where you will get it. Mr. Burrell said the schools are only taking some. Mr. Emerson replied, you are having to replenish the money that you gave the schools of \$408,000 and you are trying to keep them at level funding. You have over \$200,000 additional in garbage which makes that \$608,000. Mr. Burrell interjected, that is suppose to go down. Mr. Emerson replied, yes but we don't know what it is going to do this year and that is why we have budgeted it appropriately so you would not have that additional expense. You have CYSA that went up, that is where your money is. You had a false budget last year because you went into your General Fund for the \$408,000 for schools, \$200,000 for garbage, you have additional costs at your convenience center sites for the personnel of \$152,000. This is approximately \$800,000 above the budget which makes it about 15 cents you will need. The reassessment did not increase revenues. The only real new revenue you have in the budget is the OTB parlor of which I have budgeted \$200,000. Mr. Burrell asked if they could make it 81 cents. This would show them we are doing something. Mr. Lipscomb said the citizens don't know what makes up the budget. Mr. Ringley added, they sent out the newsletter which couldn't have been anymore informative, the ones who took time to look at it I think understand it. Mr. Hennaman asked if they could do 81 cents. Mr. Emerson replied, they would have to take it from the schools. Mr. Burrell asked if they could hold back in some areas and if they have to appropriate it later than they could do that. Mr. Emerson replied, no he didn't think so and that would be false budgeting. Mr. Johnson asked if he could make a comment. You pull the money out and then come back in say December, and appropriate, you have spent money you haven't budgeted and the citizens will ask what do you have these work sessions for. Why are you doing the same thing this year you did last. Mr. Burrell asked, if you were told to reduce it a penny, you will need \$65,000? Mr. Emerson replied, yes. Mr. Ringley stated he didn't want another cent coming from the schools. They have said they can live with what they got and he will fight to keep what they have. Mr. Burrell responded, he didn't have a problem with that at all. There was more discussion between Board members on the possibility of getting one more cent and reducing it to 81 cents. Mr. Emerson replied, if you cut the entire staff salaries completely it won't amount to any more than one quarter of a cent. This would amount to \$19,000 and he would implore the Board not to do that to their employees. They are overworked. You could lay some people off or make some part-time but this would cripple the office. He looked at taking the Legal Secretary part-time but we need three secretaries in the office. Mr. Burrell inquired about the County Attorney, can we reduce there? Mr. Emerson replied, no. Mr. Burrell asked, aren't we paying \$90,000. Mr. Emerson replied, we are paying \$50,000 plus the secretary. It is down compared to the full-time attorney. The litigation costs you really have no control over other than not

getting into litigation. Mr. Burrell asked about trash. Mr. Emerson replied, he had \$500,000 in that line item for garbage. It may be a little while getting the Harwood site up, we are meeting with Mr. Hennaman's citizens to talk about that site later in the week. He would highly caution the Board not to touch that money, if they don't spend the money, it will go into the General Fund but if it is there you don't have to come back and appropriate. The General Fund is meager. Mr. Burrell said he was looking for a penny so psychologically they could say they reduced the taxes. Mr. Burrell asked Mr. Emerson, if he was ordered to cut a penny where would you cut. Mr. Emerson replied, he didn't know. Mr. Burrell asked, if you cut all these little things you couldn't come up with \$60,000? Mr. Emerson, replied, no he didn't think so. The Board discussed putting in a number for delinquent taxes but the general feeling was this was an unknown and they didn't want to do that. Mr. Emerson stated one thing they would do this year is keep the departments to the line items and not let them transfer line item to line item and drain their budget. Mr. John Crump, Commissioner of Revenue, was attending the meeting and did not agree with Mr. Emerson's statement. Mr. Emerson said, every local government he has ever worked for has line item control, we have a small budget and you have seen the wrangling they have gone through today trying to make this budget work. Mr. Ringley is not in favor of line item transfers and I was told not to let people do it, it is in the By-Laws. Gentlemen, if you have anything you wish to say, I wish you would say it, I'm caught in the middle. Mr. Lipscomb said, unless it was something extenuating, he was not in favor of it. He hoped the Constitutional Officers have got enough in their budgets. Mr. Crump asked to speak. Mr. Ringley replied, generally they don't take comments but it was all right with him if the other Board members agreed. All agreed. Mr. Crump said he has submitted his budget with reductions that he thought were appropriate. He understands their concerns about line item transfers and their need to control those expenditures. But if you want him to cut the budget he needs line item changes that will allow him to take the initiative to improve service. He will need flexibility in certain areas to control the budget. For an example, if he could automate some things that will save him staff hours, he would need to shift money to allow for the automation. Coming back each time to justify those things doesn't make sense to him. It is a big commitment on the Board's staff and a big commitment on his staff. He asked the Board to evaluate that again. He understands he has a budget and the bottom line is x, if you need more money tell him what you need and let him find where to get the money, but give him the flexibility to spend money the way he thinks it should be spent. He has eighteen years experience, and he thinks he can control his budget. Mr. Lipscomb felt he should be able to shift the money but the Board should be made aware of when and where it is happening. Mr. Crump replied, he has no problem with that.

Mr. Burrell again asked, if they took 60 line items and took a \$100 off of these if they couldn't come up with the extra \$60,000 dollars. Mr. Emerson said it would have to be a \$1,000 not a \$100 dollars. He stated they have looked at the historical patterns and cut where they felt they could. The Board again reviewed the possibility of finding a penny. Mr. Emerson said the only place he could find the penny would be to take the money out of the contingency fund or schools. He was not in favor of reducing this down because there are still unknowns that have to be dealt with. CYSA is an open end budget, you never know when you might get some children into the County with special needs, there are also two litigations currently in progress and you don't know what the outcome will be and what it will cost. The lease purchases will catch up with us in three years on the school buses and the sheriff's cars.

The Board then addressed some of the upcoming needs of the County. Mr. Emerson said the County is and will have growing pains. He hopes to have enough revenue off the OTB's and other things to be able to come to the Board with the plans for the renovation of the Administration Building/Old Courthouse to pay debt service on close to two million dollars to take care of the complex. The Treasurer and Commissioner of Revenue need space, our area is very cramped, there is no storage space, the Registrar needs a new office, we will have to do something soon. He said he is looking at a modular unit for his secretary to better utilize what little space there is. There is also a problem with anything confidential because anyone coming in can read what is on her computer.

Mr. Hennaman said if they could swing 81 cents that would be fine but he feels confident the budget presented needs to stay at 82 cents. Mr. Hennaman moved to set the tax rate at 82 cents per hundred valuation and the personal property at \$3.75. Mr. Lipscomb said the Board should learn from their mistakes and if they would look at the last five years, it was a big mistake. He would rather be voted out of office by putting this County back in good financial state than letting it go like it has. Mr. Bahr felt the Board is firm that they will not spend money based upon future incomes. Mr. Burrell said he wanted to tip his hat to William and Joe. He knows they have done a lot of work and the savings he suggested wasn't to suggest that they weren't prudent, he was just pushing for more. He would support 82 cents reluctantly but with stipulations. During the year where there can be a savings realized, that Joe will push for it and William will keep him informed, if it appears a specific item or items can be cut or reduced they will, he would support it with that recommendation. He is realizing now, even though it appears that there are areas we can cut, and listening to Joe and William, we would probably put ourselves in a precarious position if we were to get into some situation where we have to spend more. He withdrew his motion for 79 cents but keep in mind that it is reluctant on his part and he is only doing it because he feels William is an expert in this area and we cannot do it unless we are put on thin ice. Mr. Ringley said, thank God for William, if we didn't have him he didn't know what they would have done this budget year. Mr. Burrell said, the budget can't afford it but from what he has seen, if the budget was in better shape, he would recommend a very healthy increase for William. The Board voted on Mr. Hennaman's motion to direct Mr. Emerson and Mr. Johnson to prepare the budget based upon 82 cents per hundred valuation and \$3.75 per hundred on personal property.

Julian T. Lipscomb	Aye
James H. Burrell	Aye
Frederick G. Bahr	Aye
Mark A. Hennaman	Aye
E. David Ringley	Aye

Motion passed.

Mr. Emerson said he would like to have an Executive Session to discuss a personnel matter pursuant to §2.1-344(a)(1) of the Code of Virginia.

Julian T. Lipscomb	Aye
James H. Burrell	Aye
Frederick G. Bahr	Aye
Mark A. Hennaman	Aye
E. David Ringley	Aye

Motion passed.

Mr. Burrell moved to go back into regular session.

Julian T. Lipscomb	Aye
James H. Burrell	Aye
Frederick G. Bahr	Aye
Mark A. Hennaman	Aye
E. David Ringley	Aye

Motion passed.

Mr. Hennaman certified that to the best of each member's knowledge (I) only public business matters lawfully exempted from open meeting requirements under Virginia law, and (ii) only such public business matters as were identified in the motion by which the executive meeting was convened were heard, discussed or considered in the executive meeting.

Julian T. Lipscomb	Aye
James H. Burrell	Aye
Frederick G. Bahr	Aye
Mark A. Hennaman	Aye
E. David Ringley	Aye

Motion passed.

Mr. Ringley moved to adjourn.

Julian T. Lipscomb	Aye
James H. Burrell	Aye
Frederick G. Bahr	Aye
Mark A. Hennaman	Aye
E. David Ringley	Aye

Motion passed.