

VIRGINIA:

At a recessed meeting of the Board of Supervisors of the County of Northampton, Virginia, held in the Board Room of the County Administration Building, 16404 Courthouse Road, Eastville, Virginia, on the 10th day of May, 2012, at 5:45 p.m.

Present:

| | |
|-----------------------------|----------------------------------|
| Oliver H. Bennett, Chairman | Willie C. Randall, Vice Chairman |
| Richard L. Hubbard | Larry LeMond |

Absent:

Laurence J. Trala

The meeting was called to order by the Chairman.

The County Administrator presented an updated spreadsheet to the Board entitled, “Budget Matters for Discussion by Katie Nunez and Leslie Lewis”.

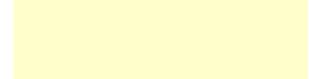
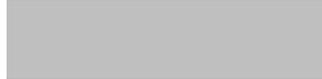
**PROJECTED DEFICIT AS OF
4/19/12** \$ **1,194,761.00**

Remaining issues driving this deficit

AMOUNT

| | | | |
|--|------------------------------------|---|--------------------------|
| 1. Increased requested contribution for School Operating Fund | \$ 592,569.38 | This should be reduced further as final state budget is released. According to Conference Report, it appears that additional revenue will be forthcoming in the amount of \$240,732 | TAX INCREASE TO ADDRESS? |
| 2. Increased contribution to meet new bus replacement lease payments | \$ 57,353.94 | | |
| 3. Increased requested contribution for Jail Fund | \$ 50,851.00 | This excludes the cost of the VRS employee contribution specific to the Jail which is captured in #4 below. | |
| 4. Change to VRS Employee Contribution requiring county to provide 5% salary | \$ 401,195.78 | | TAX INCREASE TO ADDRESS? |

increase



Remaining Deficit

\$ 92,790.90

**Adjustments made
4/24/2012 (day after BOS
Budget work session)**

\$ 1,194,761.00 STARTING DEFICIT, as of 4/19/2012

Reduction in Jail Per Diems
(State Revenue) - Comp
Board memo dated
4/24/2012

\$ (89,745.00)

Increase in Comp Board
Revenue for Sheriff/Jail
memo dated 4/24/2012

\$ 63,291.00

Decrease in funding from
comp board for clerk of
court - memo dated
4/24/2012

\$ (138.00)

Increase in funding from
comp board for Com. Attny
- memo dated 4/24/2012

\$ 58.00

Increase in funding from
comp board for Com. Of
Rev. - memo dated
4/24/2012

\$ 28.00

Increase in funding from
comp board for Treasurer -
memo dated 4/24/2012

\$ 31.00

Reduction in Recordation
Tax state adopted budget

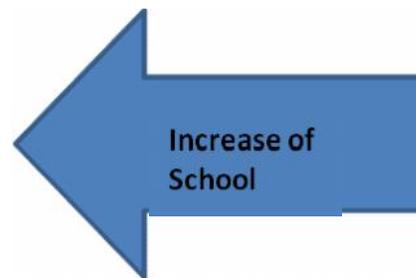
\$ (9,143.00)

Increase in Local sales &
use -state adopted budget

\$ 110,356.00

Decrease in the Reduction
to Localities Aid based
upon state adopted budget
which is reducing this local
contribution from a state
wide amount of \$60 million
this fiscal year to \$50
million in FY13 - the state
has not released the
specific allocation but I am
projecting a number based
upon prior years

\$ 24,927.00



Increase in School Board
Funding-state adopted
budget

\$ 102,151.00

Adjust overage from the
FY12 Bus Lease
Contribution and not carry
this error forward into FY13
- decrease school budget

\$ 5,009.00

overall by this amount

| | |
|--|----------------------|
| Projected Deficit as of 4/24/2012 | \$ 987,936.00 |
|--|----------------------|

| Issues to address to resolve deficit: | | |
|---|---------------|---|
| 1. School Requested Increased Contribution (original request of \$592,569.38 less increased school revenue from state budget adoption of \$102,151 and correct bus leasing by reducing contribution by \$5,009) | \$ 485,407.38 | TAX INCREASE TO ADDRESS? |
| 2. Increased contribution to meet new bus replacement lease payments | \$ 57,353.94 | |
| 3. Change to VRS Employee Contribution requiring county to provide 5% salary increase | \$ 401,195.78 | TAX INCREASE TO ADDRESS? |
| 4. Increased requested contribution for Jail Fund | \$ 77,305.00 | This excludes the cost of the VRS employee contribution specific to the Jail which is captured in #3 above. |

| | |
|---|-----------------------|
| Remaining Deficit or (Surplus) as of 4/24/2012 | \$ (33,326.10) |
|---|-----------------------|

| Projected Deficit as of 4/25/2012 | \$ (987,936.00) | |
|---|------------------------|--|
| Correct and reduce EMS Salary Expenditures (5/7/2012) | \$ 14,517.00 | |
| Remove one vehicle from Sheriff's expenditure (5/7/2012) | \$ 31,032.00 | |
| Correct and reduce the County contribution to the Social Services Fund (5/7/2012) | \$ 10,705.00 | |
| Restore previously reduce county fines revenue (Governor's final adopted | \$ 14,370.00 | |

| | | |
|--|------------------------|-------------------------------------|
| legislation increased the cut-off from 30% to 50% which now exempts us) (5/7/2012) | | |
| Remaining (Deficit) or Surplus as of 5/7/2012 | \$ (917,312.00) | |
| Decrease the Machinery & Tools Tax from a rate of \$2.25 to \$2.00 | \$ (12,386.16) | PROPOSAL FROM WILLIE RANDALL |
| Decrease the Personal Property Tax from a rate of \$4.10 to \$3.85 | \$ (197,183.00) | |
| Increase the Real Estate Tax from a rate of \$.49 to \$.54 | \$ 1,227,826.00 | |
| SURPLUS | \$ 100,944.84 | |

| ITEMS STILL TO BE REVIEWED BY COUNTY ADMINISTRATOR & FINANCE DIRECTOR THAT MAY IMPACT THE BOTTOM LINE | ITEMS TO CONSIDER RESTORING TO BUDGET, IF BOARD ACCEPTS PROPOSAL ABOVE | |
|--|---|---------------------|
| 1. Do we provide any increase in Fire Dept contribution? | \$15,000.00 | \$3,000 PER COMPANY |
| 2. Complete phone expense analysis - DONE - in NWS | | |
| 3. Verify computer maintenance contract expenses - DONE - in NWS | | |
| 4. VOiP Switch - can I fund this in FY12 and not FY 13 (\$6K expense)? Retain in FY13 budget - DONE | | |
| 5. EMS PT Funding - possible reduction? - Done - reflected in new numbers above (not in NWS as of 5/10/12) | | |
| 6. EMS - Lease of Building Rent - could be eliminated if operations are moved to middle school. | | |

| | | |
|---|------------------|---|
| 7. State budget now complete all local revenue is now included in budget as of 4/25. | | |
| 8. Once final changes are made in NWS to electric, phone & fuel, need to update the outgoing transfers to the following budgets: Jail, Social Services, Public Utilities. | \$10,000.00 | Restore reduction |
| 9. Update the outgoing transfer to the Jail budget with Line of Duty increase-done & changed in NWS as of 4/25 | | |
| 10. Establishment of School Capital Reserve - impact on Debt Service Funding. Current amount scheduled for reserve is \$252,229. Retained in NWS as is. | | |
| 11. Request of new position for Public Utilities Account -budgeted but won't fill until Bayview acquisition is resolved. | | |
| 12. Sheriff - Request for new position of School Resource Officer | \$46,000.00 | Restore request for new position |
| 13. Restore Board iPads, data plan and agenda software | \$10,230.00 | Restore request for Board agenda software & iPads |
| 14. Restore Grant Software (eCivis) | \$11,000.00 | Restore grant software |
| 15. Restore funding for Cape Charles fireworks | \$7,000.00 | Fund request from Cape Charles |
| 16. Remainder goes to contingency to balance budget | \$1,714.84 | |
| BALANCED BUDGET | \$ (0.00) | |

**IMPACT OF REAL PROPERTY TAX INCREASE & PERSONAL
PROPERTY TAX DECREASE PROPOSAL FOR AVERAGE HOME
& VEHICLE**

| | |
|---|-----------|
| \$200,000 Assessed Value of Home | |
| Current Tax Rate of \$.49 | \$ 980.00 |

| | | |
|-----------------------------|----|---------------|
| Proposed Tax Rate of \$.54 | \$ | 1,080.00 |
| Annual Increase of: | | |
| | \$ | 100.00 |
| \$20,000 Vehicle | | |
| Current Tax Rate of \$4.10 | \$ | 820.00 |
| Proposed Tax Rate of \$3.85 | \$ | 770.00 |
| Annual Decrease of: | | |
| | \$ | 50.00 |

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The Northampton County School Board was also present and in session.

Mr. Hubbard stated that he had seen a reduction in the proposed revenues, specifically from Planning & Zoning fees, but no related reduction in personnel levels. He would like the County Administrator to look at this as a potential source of reductions in the draft budget. The Chairman asked that the County Administrator not restrict her attention to one department but to be fair and across-the-board in her review. Ms. Nunez responded that she has already completed such a review in getting the budget document to this point, but if that was the Board's direction, she would comply; however, she would not be recommending any reduction in staff from the Board departments who have already sacrificed in order to form a completely new department, Economic Development, at the Board's direction. Mr. Randall agreed that the Board had requested a new position – the Director of Economic Development – and that currently, the existing position of Building Inspector was unfilled. He suggested that the Board consider cuts in these areas as they did not affect existing staff.

Board members made various suggestions to the Board for funding additions and reductions, including a further reduction in the Machinery & Tools tax by another twenty-five cents but the inclusion of funding for an increased contribution to the County's fire companies and for a school resource officer through the Sheriff's Office.

Dr. Walter Clemons, Division Superintendent, Dr. Dick Drury, School Board Chairman, and Ms. Brook Thomas, Director of Finance, addressed the Board's questions with regard to the proposed FY 2013 School Board Budget, noting that they started out with a \$2 million deficit and through many cuts, have reduced that to \$485,000.00. Over 20 positions have been reduced either through attrition or retirement. Dr. Clemons stated that he believed the School system "can work with the proposal as outlined [an additional \$485,000 in local contribution], hopefully with the Board agreeing to provide through lump-sum appropriation rather than categorical appropriation.

Chairman Bennett read a portion of a letter written by Supervisor Randall and provided to the Board at the May 3rd meeting (no quorum), as follows:

"We should also set high expectations for our schools so that the public can gain confidence of the school board that we have appointed. That being said, these are some of the expectations that I think the school board should set when we grant the lump sum funding:

- 1) A more rigorous academic standard for our students.
- 2) Strong enforcement of all school policies to include the dress code for students and teachers
- 3) Policies that require parents of the students to review their children's academic performance with their teachers and guidance counselors to identify academic problems
- 4) Zero tolerance policy for misbehaving in schools. Schools are for learning.

If the board agrees with these recommendations, we should ask that measurements and benchmarks be set so that we can see how the schools are progressing.”

Mr. Bennett asked if “we are taking care of what we have?” and answered “probably not”, noting that he would not be in favor of giving funds to the school system if the facilities are not being taken care of....the public works too hard for their money for it to be used in this way.

Mr. Randall stated that the Board should give the School Board the resources it needs to do a great job.

Dr. Clemons stated that he will work with staff to meet both the academic demands as well as the demands for facilities maintenance and upkeep and is asking for the opportunity to be considered on an annual basis for lump sum appropriation. He promised to notify the Board of any major shifts between categories.

In response to a question from Mr. LeMond, Dr. Clemons explained his request for lump sum vs. categorical appropriation, saying that “checks and balances” are already in place and asked that the School Board be given the ability and control to best use its funding without having to get the Board of Supervisors’ approval. Ms. Nunez responded that she believed Dr. Clemons’ request was premature based on his first year of crafting a budget and objected to the use of the term “checks and balances” as that would imply that the Board could deny any of the School Board’s transfers when that is not the case if the Board chooses to provide lump sum appropriations.

Dr. Clemons stated that his goal was to have the best instructional program possible and the best school system possible and that “trust goes both ways” and that lump sum appropriations would allow the School Board to increase their operations and improve their efficiency.

Mr. Randall responded that there is no need for the Board to micro-manage every dollar

that is given to the school system; this system may have been necessary in the past, but not now. The Board would still need to monitor the transactions, but that “we’ve got to trust them.”

When questioned by Mr. Randall, Dr. Clemons indicated that the School Board had cut eight kindergarten instructional assistants (estimated at \$110,000) and may consider cutting bonuses for staff.

At the conclusion of the discussion, the School Board recessed its meeting and the Board allowed a brief recess as well. After this recess, the Chairman reconvened the meeting.

The County Administrator asked for Board input with regard to the advertisement which must be submitted on Tuesday for the public hearing on the budget. Following much discussion, motion was made by Mr. Randall, seconded by Mr. LeMond, that the Board advertise a six-cent increase in the real estate tax rate, that the remaining tax categories be advertised at the current rates (with the understanding that the Board may be inclined to lower the Machinery & Tools tax rate, the Personal Property tax rate and the Boats tax rate). All members were present with the exception of Mr. Trala and voted “yes.” The motion was unanimously passed.

Action Items:

A. Adopt a proclamation to designate the week of May 20-26, 2012 as “Emergency Medical Services Week”

Motion was made by Mr. Randall, seconded by Mr. Hubbard, that the following proclamation be adopted. All members were present with the exception of Mr. Trala and voted “yes.” The motion was unanimously passed. Said proclamation as adopted is set forth below:

PROCLAMATION

To Designate the Week of May 20 - 26, 2012 as Emergency Medical Services Week

WHEREAS, emergency medical services is a vital public service; and

WHEREAS, the members of emergency medical services teams are ready to provide lifesaving care to those in need 24 hours a day, seven days a week; and

WHEREAS, access to quality emergency care dramatically improves the survival and recovery rate of those who experience sudden illness or injury; and

WHEREAS, emergency medical services providers have traditionally served as the safety net of America's health care system; and

WHEREAS, emergency medical services teams consist of emergency physicians, emergency nurses, emergency medical technicians, paramedics, firefighters, educators, administrators, and others; and

WHEREAS, approximately two-thirds of all emergency medical services providers are volunteers; and

WHEREAS, the members of emergency medical services teams, whether career or volunteer, engage thousands of hours of specialized training and continuing education to enhanced their lifesaving skills; and

WHEREAS, Americans benefit daily from the knowledge and skills of these highly trained individuals; and

WHEREAS, it is appropriate to recognize the value and the accomplishments of emergency medical services providers by designating Emergency Medical Services Week; and

WHEREAS, injury prevention and the appropriate use of the EMS system will help reduce national health care costs; and

NOW, THEREFORE, the Northampton County Board of Supervisors, in recognition of the event does, hereby proclaim the week of May 20-26, 2012 as

EMERGENCY MEDICAL SERVICES WEEK

and encourages the community to observe this week with appropriate programs, ceremonies, and activities.

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B. Adopt a proclamation to proclaim May 2012 as "Lyme Disease Awareness Month"

Motion was made by Mr. LeMond, seconded by Mr. Randall, that the following proclamation be adopted. All members were present with the exception of Mr. Trala and voted "yes." The motion was unanimously passed. Said proclamation as adopted is set forth below:

Northampton County

Proclamation

WHEREAS, according to the Centers for Disease Control and Prevention, Lyme disease is an infectious disease not limited to age, ethnicity or geographical area and is the most common vector-borne disease on the Eastern Shore of Virginia; and

WHEREAS, Lyme disease is transmitted by the bite of an infected blacklegged tick, caused by a bacteria and causes early symptoms, such as a bulls-eye rash, fever, aching muscles, headache and fatigue; and

WHEREAS, more than 500 people that reside on the Eastern Shore of Virginia have tested positive for Lyme Disease in the last 5 years, while numerous cases go unreported or detected each year; and

WHEREAS, avoiding tick habitats, wearing a repellent, checking for ticks, and proper tick removal are imperative, and if done correctly and promptly can aid in the prevention of the disease; and

WHEREAS, the Northampton county Health Department provides residents with information about Tick-borne Illness Prevention to protect people from this disease.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Supervisors on behalf of the residents of Northampton County, does hereby proclaim May 2012 as

Lyme Disease Awareness Month

In Northampton County and urges all residents to learn about Lyme disease and how to protect themselves and prevent this illness so they “Don’t get sick from the bite of a tick.”

* * * * *

Closed Session

Motion was made by Mr. Randall, seconded by Mr. LeMond, that the Board enter Closed Session in accordance with Section 2.2-3711 of the Code of Virginia of 1950, as amended:

Paragraph 3: Discussion or consideration of the condition, acquisition, or use of real property for public purpose, or of the disposition of publicly held property.

16392 Courthouse Road, Eastville, Virginia

All members were present with the exception of Mr. Trala and voted “yes.” The motion was unanimously passed.

Due to a potential conflict, Mr. Hubbard excused himself from the Closed Session.

After Closed Session, the Chairman reconvened the meeting and said that the Board had entered the closed session for that purpose as set out in paragraph 3 of Section 2.1-3711 of the Code of Virginia of 1950, as amended. Upon being polled individually, each Board member confirmed that this was the only matter of discussion during the closed session. (Mr. Hubbard abstained from comment.)

Motion was made by Mr. Randall, seconded by Mr. Hubbard, that the Board adopt the following resolution to change the time of the next meeting from 5:00 p.m. to 5:30 p.m. All members were present with the exception of Mr. Trala and voted “yes.” The motion was unanimously passed. Said resolution as adopted is set forth below:

RESOLUTION

BE IT RESOLVED by the Northampton County Board of Supervisors, this 10th day of May, 2012, that the recessed meeting of the Board, scheduled for Tuesday, May 29, 2012 at 5:00 p.m., in the Board Chambers of the County Administration Building, 16404 Courthouse Road, Eastville, Virginia, be changed to Tuesday, May 29, 2012 at 5:30 p.m. in the Board Chambers of the County Administration Building, 16404 Courthouse Road, Eastville, Virginia; and

BE IT RESOLVED that, following this meeting, the date, time and place of the recessed meeting of the Northampton County Board of Supervisors shall revert to the fourth Monday of each month in the Board Chambers, 16404 Courthouse Road, Eastville, Virginia, at 5:00 p.m.

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Mr. Randall informed the Board that he had received a call from a constituent regarding his personal property taxes which are delinquent. The family is willing to make partial payments on the account; otherwise the constituent claims that his business will go into

bankruptcy. Mrs. Lewis responded that she was aware of the individual in question and that he was among the Top 40 Delinquent Taxpayers in the county. His history showed that he is consistently on the Top 40 Lists and that he has not been faithful in following payment plans.

On another matter, Mr. Randall asked that the Board receive the listing of tax-exempt organizations in the County.

Mr. Hubbard indicated that he had had a conversation with a constituent requesting a potential adjustment on the tax rate for airplanes which are classified as personal property and taxed at the existing \$4.10 rate. He believed that lowering this category of personal property would increase the number of planes which could be registered in the county. It was the consensus of the Board that the County Administrator be directed to add "Airplanes" as a separate category in the public hearing advertisement with a tax rate of \$4.10.

Recess:

Motion was made by Mr. Randall, seconded by Mr. LeMond, that the meeting be recessed until 5:30 p.m., Tuesday, May 29, 2012 in the Board Room of the County Administration Building, 16404 Courthouse Road, Eastville, Virginia, to conduct the regular work session (and budget public hearing). All members were present with the exception of Mr. Trala and voted "yes." The motion was unanimously passed.

The meeting was recessed.

_____ CHAIRMAN

_____ COUNTY ADMINISTRATOR