

VIRGINIA:

At a recessed meeting of the Board of Supervisors of the County of Northampton, Virginia, held in the auditorium of the former Northampton County Middle School, 7247 Young Street, Machipongo, Virginia, on the 16th day of May, 2011, at 7:00 p.m.

Present:

Willie C. Randall, Chairman

Samuel J. Long, Jr., Vice Chairman

H. Spencer Murray

Oliver H. Bennett

Laurence J. Trala

Richard Tankard

1. The meeting was called to order by the Chairman.

2. Public Hearing:

Chairman Randall called to order the following public hearing:

Conduct a public hearing to solicit public comment on the estimated revenues, projected expenditures and supporting tax rates of the Fiscal Year 2012 budget.

The Chairman asked if there were any present desiring to speak.

Ms. Katherine H. Nunez, County Administrator, presented a powerpoint presentation on the Fiscal Year 2012 County Budget as follows:

Northampton County, VA

Annual Operating Budget

Fiscal Year 2012

July 1, 2011 – June 30, 2012

MISSION STATEMENT

The mission of the Northampton County Government is to provide the necessary services to protect the health, safety, welfare, environment and quality of life of our citizens consistent with the communities' values and priorities. This mission is accomplished by encouraging citizen involvement, by preserving the County's fiscal stability, traditional values and unity of our people through the implementation of effective and efficient government programs; consensus building; managing the County's natural, cultural, and historic resources; planning for the future; and representing citizen needs and desires to other levels of government.

LONG TERM GOALS

- Develop financial plan to enhance community by providing quality of life & safe environment.
- Invigorate economic viability while preserving natural resources & tranquil lifestyle.
- Maintain reasonable tax structure by balancing needs with available resources.
- Maintain a Capital Improvement Program to address capital expenditures for infrastructure and required services.
- Promote accountable, responsive local government with efficiency & effectiveness.
- Facilitate the development of a quality educational environment that provides for high quality educational and job readiness skills for all Northampton County residents.

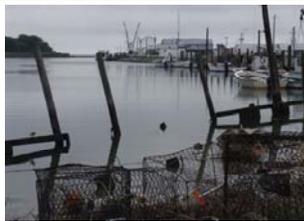
Budget Comparison

Fund Expenditures	FY11 Adopted Budget	FY12 Proposed Budget	FY12-FY11 Variance	FY12-FY11 % Change
General Fund	22,673,403	22,910,375	\$236,972	1.05%
Less Transfers	(\$12,923,995)	(\$12,602,080)	\$321,915	-2.49%
Net General Fund	\$9,749,408	\$10,308,295	\$558,887	5.73%
Social Services Fund	\$3,380,109	\$3,294,231	(\$85,878)	-2.54%
Less Transfers	(\$77,500)	(\$77,500)	\$0	0.00%
Net Social Services	\$3,302,609	\$3,216,731	(\$85,878)	-2.60%
ES Regional Jail Fund	\$3,465,358	\$3,493,095	\$27,737	0.80%
Purch. of Devpt. Rights	\$0	\$25,012	\$25,012	N/A
General Debt Service	\$2,940,279	\$5,272,775	\$2,332,496	79.33%
School Debt Service	\$1,319,056	\$1,343,087	\$24,031	1.82%
Public Utilities Fund	\$119,960	\$141,637	\$21,677	18.07%
School Operating Funds	\$20,088,345	\$19,992,540	(\$95,805)	-0.48%
Net Grand Total	\$40,985,015	\$43,793,172	\$2,808,157	6.85%

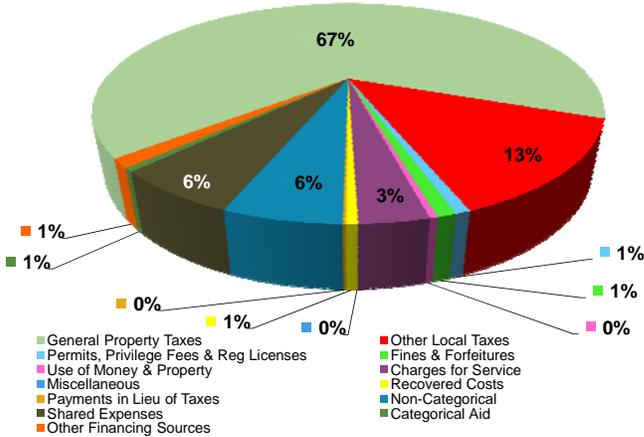
School Funds Detail-Budget Comparison

Fund Expenditures	FY11 Adopted Budget	FY12 Proposed Budget	FY12-FY11 Variance	FY12-FY11 % Change
School General Operating Fund	\$16,323,487	\$16,671,486	\$347,999	2%
School Federal Grants Fund	\$2,920,544	\$2,435,858	(\$484,686)	-17%
School Food Service Fund	\$844,314	\$885,196	\$40,882	5%
Total School Op. Funds	\$20,088,345	\$19,992,540	(\$95,805)	-0.48%

GENERAL FUND



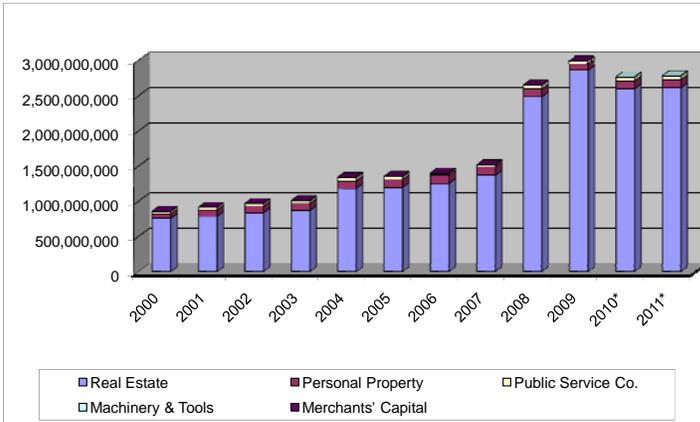
General Fund Where the Money Comes From



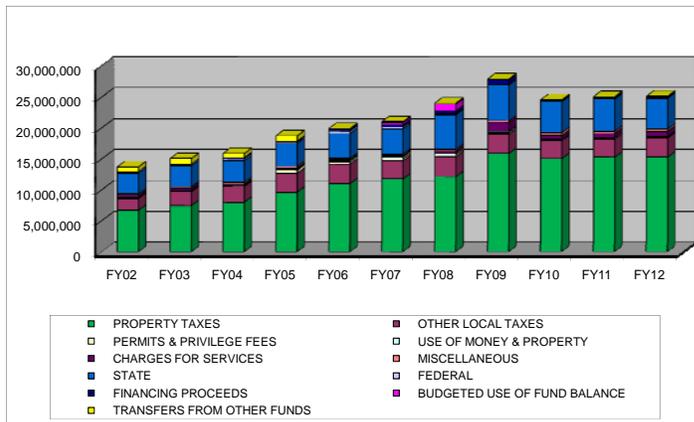
Tax Rates Proposed for the FY12 Budget

	Tax Year 2010 Tax Rate Per Hundred	Tax Year 2011 (Proposed) Tax Rate Per Hundred
Real Estate	.49	.49
Mobile Homes	.49	.49
Solar Installations	.49	.49
Personal Property	4.10	4.10
Boats	.99	.99
Machinery & Tools	2.25	2.25
Merchants Capital	0.00	0.00
Farm Machinery & Equip.	1.43	1.43
Heavy Construction Equip.	2.86	2.86

Taxable Assessed Property Values



General Fund Revenues by Classification (inc. Jail)



Revenue Changes in Detail

There have been improvements to the economy, as seen through the sales tax and charges for services, particularly in solid waste disposal. This is the first year since the FY09 budget that we have been able to project an increase in revenue and not a decrease in revenue. We continue to see the state shift funding responsibility to the locality on a variety of issues.

- Receipt of remaining State Contribution of \$3,116,112 for the construction of the Regional Jail.
 - Reduction of Funding for Constitutional Officers from the State of \$57,000.
 - Sales Tax: increase of \$139,000
 - Charges for Services (Recreation Fees, Solid Waste Fees): Increase of \$190,000. This includes a recommended increase to the Solid Waste Tipping Fee of \$2 per ton as of July 1, 2011, bringing the rate to \$63 per ton.
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Revenue Changes in Detail

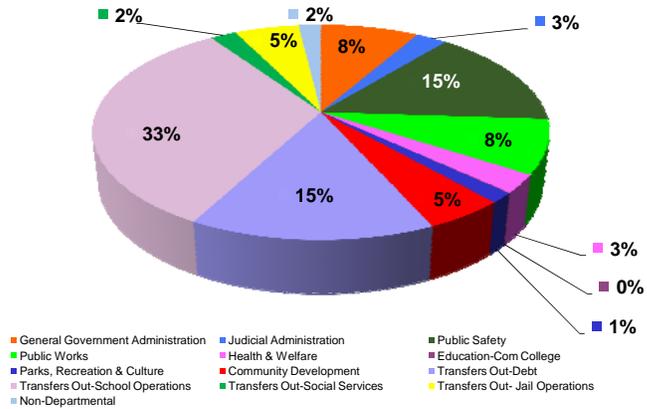
In FY09 & FY10, the State imposed a 5% reduction to all localities which would be imposed either through a reduction of direct state aid to the identified programs or would be paid directly by the County to the State. These reductions are in addition to any specific reductions implemented in the state budget to the departments directly.

The agencies/departments/programs that would have been impacted: All Constitutional Offices, General Registrar, Electoral Board, Eastern Shore Library, and Child & Youth Services.

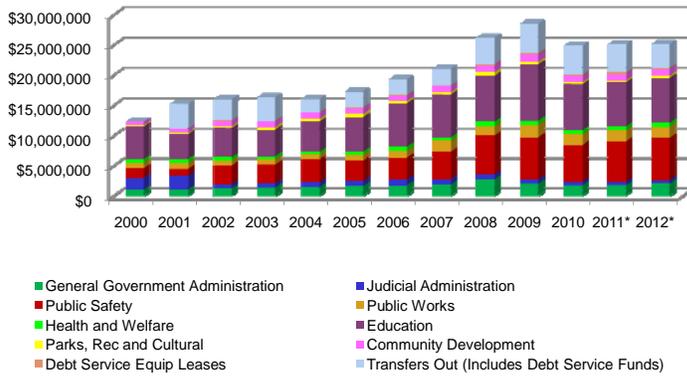
The County opted to not impose this budget reduction directly to those agencies/departments but rather to include this as part of its FY09 & FY10 budget processes.

For FY2011 & FY12, the State re-instituted this reduction program at a higher total pool than the prior 2 years. The County has chosen the same remedy and has budgeted \$230,415 in FY11 and \$224,927 in FY12 to be paid directly to the state rather than impose additional reductions only to those agencies/departments that receive a direct support from the state.

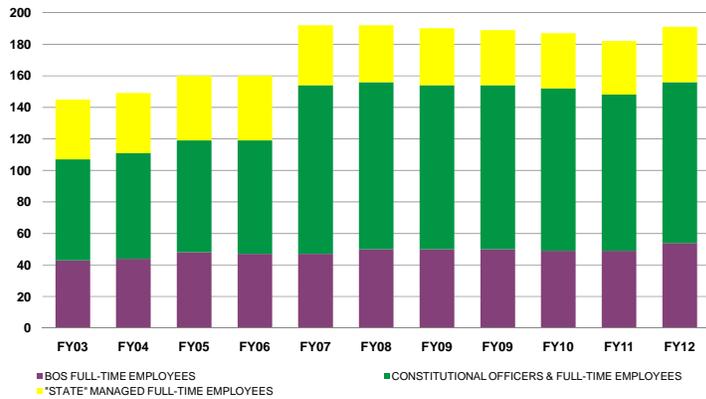
General Fund Where the Money Goes



General Fund Expenditures by Function (inc. Jail)



FULL-TIME COUNTY EMPLOYEES FY03 – FY12



General Fund Personnel Changes

- Commissioner of Revenue: Addition of 2 positions for Reassessment. Bringing process in house instead of contracting for service.
- Sheriff: Addition of 2 Law Enforcement Deputies – cost offset by anticipated traffic enforcement revenue.
- Emergency Medical Services: Addition of 6 EMTs to staff new ambulance – cost partially offset by ambulance billing revenue.
- Solid Waste: Reduce 1 Landfill Operator Position

General Fund

EXPENDITURES – EMPLOYEE COMPENSATION

- Since FY08, the County had frozen its health insurance contributions and required the employees to shoulder all increases to the health plans, which rose over 45% during the prior 3 years. The FY12 budget provides increased funding from the county toward the county contribution. This rate has not been set at this time while we explore merging our health plans with the school department.
 - For Board of Supervisors' employees, there will be a 1% COLA increase (last COLA increase was in FY08) but no merit increases (last Merit increase was in FY09).
 - For constitutional officers and their staffs, Social Services employees, and Voter Registrars, the state did not include these employees under the definition of "state" employees; therefore, they did not receive any raise through the state budget (the state last provided an increase in FY08). Within our budget, it provides for a 1% COLA increase for these employees.
 - Line of Duty Act: funding responsibility shifted from the state to the locality. Cost to cover county employees is \$12,228 (jail employees cost \$10,530 and are paid through the Jail Fund)
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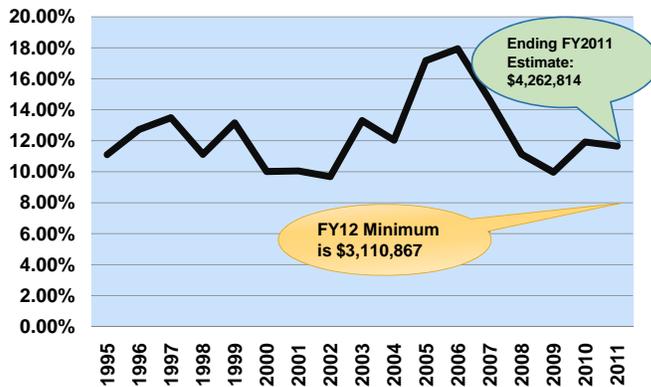
Expenditure Changes

- Line of Duty Act: State Initiated Program since 1970's but funding responsibility has been shifted to the localities. Total Cost for the Fire & EMS Volunteers is \$12,286.
 - Information Technology: Continuation of Replacement Schedule for IT Equipment
 - Fire Prevention: Increase in contribution from \$19,000 to \$23,000 per company annually.
 - Parks & Recreation: Expansion of Summer Camp Program from 8 weeks to 10 weeks.
 - Projected increase of utilities (electric, heat & phones) with the addition of the new Court Services building and the completion of County Administration renovations.
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Recommended for Lease-Purchase

DEPARTMENT	ITEM	PAYMENT	TOTAL
Reassessment	Pickup (1)	\$4,617.55	\$17,000
Information Technology	Server for Sheriff's Dept.	\$4,061.22	\$15,000
Sheriff	Vehicles (3)	\$24,200.42	\$89,458
Animal Control	Vehicle (1)	\$7,510.47	\$27,673
Emergency Medical Services	Quick Response Vehicle (1)	\$13,073.79	\$48,328
Eastern Shore Regional Jail	DVR (1)	\$2,169.69	\$8,000
<i>Financing over three years (Assumes three quarterly payments during FY12)</i>			
School	Buses (3)	\$53,704	\$268,520 <i>(includes interest)</i>
<i>Financing over five years; funds included in Operating Contribution to the Schools This is Fourth Year of Scheduled Bus Replacement for the next round of buses.</i>			

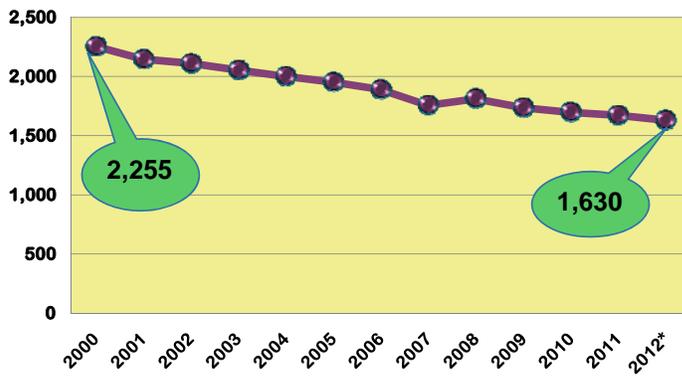
General Fund Balance as a % of Expenditures



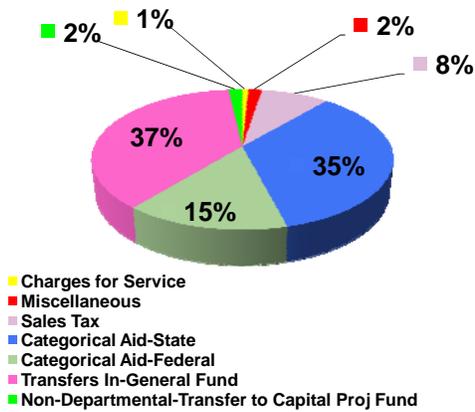
SCHOOL FUND



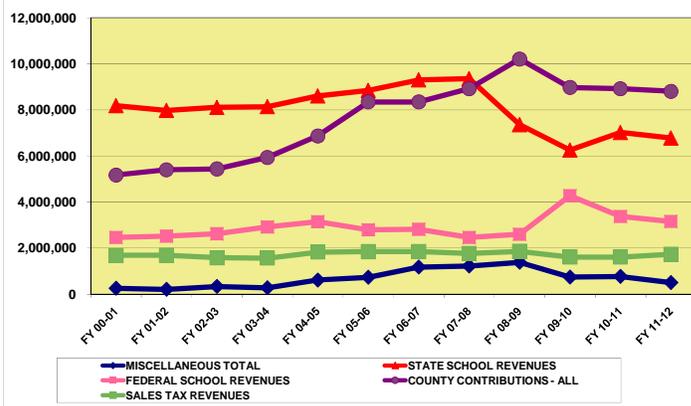
School March 31 ADM



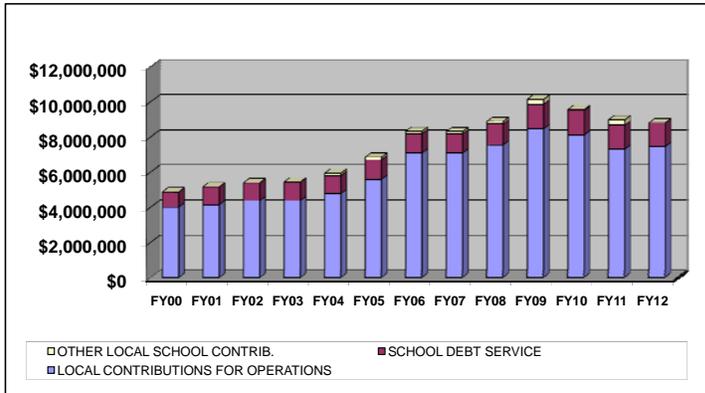
School Operating Funds Where the Money Comes From



School Operating Funds Revenues by Type

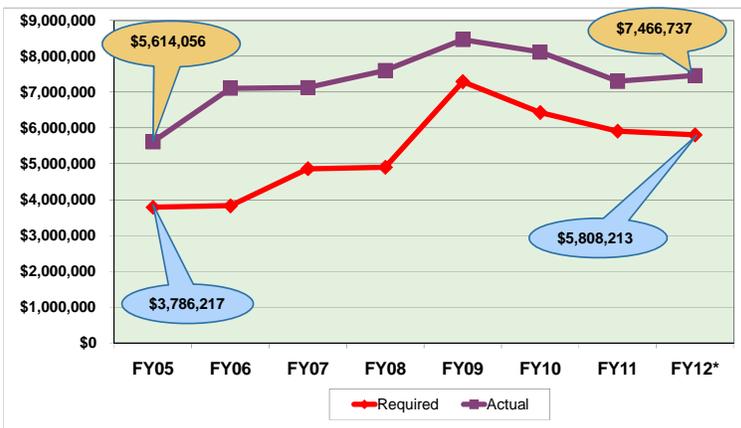


Local School Contributions



School Operations

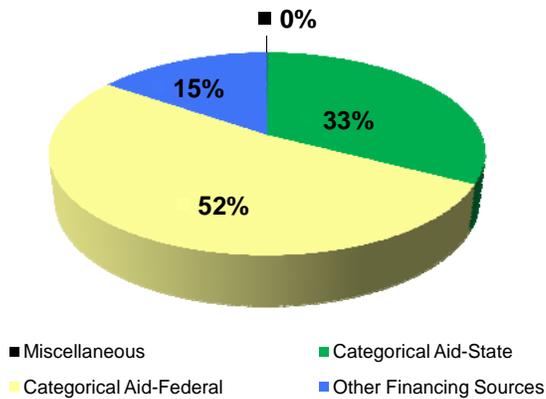
Required Local Effort vs. Actual Local Effort



SOCIAL SERVICES FUND



Social Services Fund Where the Money Comes From



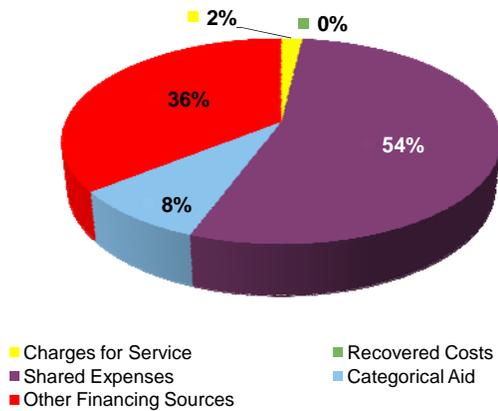
Social Services Fund

- Provides services to children & families (foster care, at-risk of foster care, residential special ed., at-risk of residential special ed.) which prevent dependency and encourage self-sufficiency; preserve and restore family stability.
 - Significant legislative changes occurred in the administration of the Comprehensive Services Act (CSA) which will impact the level and financial obligations required of localities in coming year. Addition of position of CSA Administrator.
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EASTERN SHORE REGIONAL JAIL FUND



Eastern Shore Regional Jail Fund Where the Money Comes From



Changes in Detail

- Reduction of \$108,000 in jail contracted housing revenues & state payments for inmate housing.
- Reduction of \$60,000 from Comp Board
- Line of Duty Act: new mandated expense this year – Jail's portion is \$10,530.
- To offset the loss of revenue and the new mandated expense, savings will be achieved through position vacancies and an increase from the County's General Fund.

PURCHASE OF DEVELOPMENT RIGHTS FUND



PDR Fund

- In July 2005, the Board of Supervisors voted to adopt an ordinance for the creation of a Purchase of Development Rights Program.
 - The intent of this program is to protect productive farmland and associated forest lands, groundwater recharge areas and surface water, as a foundation for a strong rural community, a healthy environmental and a thriving economy through the purchase of development rights in the form of conservation easements.
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PDR Fund (cont')

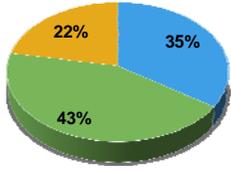
- In June 2007, the Board of Supervisors adopted a revised Transient Occupancy Tax Policy that dedicated 1% of the Transient Occupancy Tax to the Purchase of Development Rights Program on an annual basis.
 - In the FY2011 Budget, the 1% Transient Occupancy Tax Revenue, approximately \$44,000, was not dedicated to the PDR Fund as part of the adopted budget but the Board voted to appropriate those funds from undesignated fund balance in mid-fall 2010. This was done as a result of Governor McDonnell's reduced state funding for open space preservation as well as tight budget conditions for the county. These funds, in conjunction with several federal and state grants, will be utilized to close the County's 2nd PDR Agreement (the Nottingham property).
 - In the FY2012 Budget, only ½ of the 1% Transient Occupancy Tax Revenue, approximately \$25,000, will reside in the PDR Fund and the remaining ½ of the 1% TOT Revenue is allocated for a new initiative called Tall Ships/OpSail 2012.
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PUBLIC UTILITIES FUND



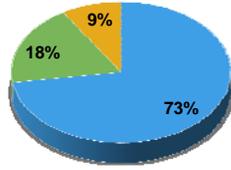
PUBLIC UTILITIES FUND

Wastewater Budget



■ Bayview
■ Regional Jail
■ County Complex & Middle School

Water Budget



■ Bayview
■ Regional Jail
■ County Complex & Middle School

	Bayview	Regional Jail	County Complex & Middle School
Wastewater Budget	\$ 33,157	\$ 41,678	\$ 21,180
Water Budget	\$ 33,157	\$ 8,420	\$ 4,045



Questions?



Mr. Rick Bowmaster, Superintendent of Schools, and on behalf of the Northampton County School Board, thanked the Board and staff for providing funds for protecting the instructional programs, as well as the 1% cost-of-living adjustment and for the Board’s guidance

and support during the past year.

Mrs. Carol Vincent, Executive Director of the Eastern Shore Public Library, thanked the Board for not cutting the library's contribution for the last three years. For Fiscal Year 2012, she requested increased funding from both counties although Accomack County has chosen to level-fund for the upcoming year. She urged the Board to take the lead in discussions with Accomack County on regional agencies' funding and urged the Board to provide the Library's full requested allocation.

Mr. David Kabler expressed his appreciation for the Board's proposed funding of the Tall Ships Initiative and updated the Board on on-going activities for this effort including efforts by some of the other partners (Town of Cape Charles and Eastern Shore of Virginia Tourism Commission).

There being no further speakers, the public hearing was closed.

Mr. Murray said that he was very delighted to see a very solid budget, which was reasonable and responsive to the County's citizens and schools. He was also very happy to have the General Fund balance restored and stated that this fund needs to be preserved. He thanked the County Administrator and staff for presenting a budget for the third year which entails no tax increases.

Mr. Long distributed a letter from the Northampton County Fire and Rescue Commission, requesting increased funding for the County's fire departments (from \$19,000 to \$21,000 each) for this current fiscal year. He requested that the Board consider this request. Several Board members asked to see updated year-end figures prior to considering Mr. Long's request and Mrs. Bradley, Director of Finance, indicated that she would soon be prepared revised documents for the Board's review.

When questioned by Mr. Trala, the County Administrator indicated that a joint meeting with the Northampton County School Board was being planned for discussions of merging the County/School health insurance plans.

When questioned by Mr. Bennett, the County Administrator indicated that there should be savings realized from the hiring of an in-house assessor rather than contracting with an outside firm for this service. Mr. Bennett also asked about the availability of grant funds for emergency medical services vehicles and was told that applications have been filed for same. Lastly, Mr. Bennett asked if the Town of Cape Charles has responded to our request for information on the level of funding they are planning to provide for the Tall Ships Initiative. The County Administrator replied that she will be meeting with Cape Charles next week.

Mr. Tankard thanked the staff for presenting such a well-explained budget. He offered two thoughts for the Board's future consideration:

(1) Operations of the Eastern Shore Regional Jail. He noted that the sum of \$200,000 had been needed from the County's General Fund in order to fund this budget. He urged the members of the Eastern Shore Regional Jail Board to keep that in mind as well as the fact that even though it is called a "regional" jail, that Accomack County provides no funding and in fact, still receives emergency jail funding even though the Eastern Shore Regional Jail is located in Eastville.

(2) Two Additional Law Enforcement Deputies. He noted that the two additional staff would add flexibility to the Sheriff's Office and challenged Sheriff Doughty to use this flexibility rather than he himself having to perform court bailiff duty.

Chairman Randall thanked the staff for doing such a good job on the budget.

Mr. Bennett thanked Mr. Murray and Mr. Tankard for bringing insight and research to the Board on various matters.

In order to conduct the public hearing on the budget amendment for the Interoperability Grant Project, it was noted that the May 23rd work session needed to be held in the auditorium. Motion was made by Mr. Bennett, seconded by Mr. Trala, that the following resolution be adopted. All members were present 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 16th day of May, 2011, that the recessed meeting of the Board, scheduled for Monday, May 23, 2011 at 5:00 p.m., in *conference room #2* of the former Northampton Middle School, 7247 Young Street, Machipongo, Virginia, be changed to Monday, May 23, 2011 at 5:00 p.m. in the *auditorium* of the former Northampton Middle School, 7247 Young Street, Machipongo, 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 conference room #2 of the former Northampton Middle School, 7247 Young Street, Machipongo, Virginia, at 5:00 p.m.

Recess:

Motion was made by Mr. Long, seconded by Mr. Bennett, that the meeting be recessed until 5:00 p.m., Monday, May 23, 2011 in the auditorium of the former Northampton Middle School, 7274 Young Street, Machipongo, Virginia, for the regular work session. All members were present and voted “yes.” The motion was unanimously passed.

The meeting was recessed.

_____CHAIRMAN

_____ COUNTY ADMINISTRATOR