

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 27th day of May, 2014, at 5:00 p.m.

Present:

Larry LeMond, Chairman

Richard L. Hubbard, Vice Chairman

Laurence J. Trala

Granville F. Hogg, Jr.

Oliver H. Bennett

The meeting was called to order by the Chairman.

Consent Agenda:

(1) Consider approving the Abstracts of Votes Cast in the May 6, 2014 General Elections held in the Towns of Cape Charles, Cheriton, Eastville, Exmore and Nassawadox and spreading same upon the minutes of this meeting.

(2) Consider approving an A-95 Review entitled, "Pesticide Services for FY 15, FY 16, FY 17"; applicant: Virginia Department of Agriculture & Consumer Services

Motion was made by Mr. Trala, seconded by Mr. Hogg, that the Consent Agenda be approved as presented. All members were present and voted "yes." The motion was unanimously passed.

Board & Agency Presentations:

(3) Director of Finance: 3<sup>rd</sup> Quarter, FY 2014 Reports

Mrs. Leslie Lewis, Director of Finance, presented the Third Quarter, FY 2014 financial reports which contained the following cover memorandum:

**TO: Board of Supervisors, Northampton County**

**FROM: Leslie M. Lewis, CPA, Finance Director**

**DATE: May 9, 2014**

**SUBJECT: March 31, 2014 Financial Statement Package**

Enclosed, please find the monthly financial package as of March 31, 2014. In the General Fund, 85% of budgeted revenues and 70% of expenditures have been recorded for the year compared to 88% and 74% last year at the same time. Fiscal year-to-date revenues exceeded expenditures by \$4,072,936 compared to \$3,649,476 at the same time last year. As of March 31st, 92% of the December 05, 2013 tax levy has been collected and recorded. Last year at the same time, we had also collected 92% of December 05, 2012 tax levy.

For the current fiscal year, the School Operating Funds reflect revenue collections at 67% of the budget and expenditures at 62% compared to 69% and 63% respectively last year. The Social Services operating fund reflects revenue collections of 61% and expenditures of 56% of the adopted budget compared to 59% and 59% last year. The county receives state and federal reimbursements for Social Services one month after the expenditures. The Eastern Shore Regional Jail Fund shows that 70% of revenues have been collected while 70% of expenditures have been recorded compared to 63% and 66% last year. Information on all capital projects' budget performance for the year and life-to-date is included behind the Capital Projects Performance Report divider.

A chart depicting the County's cash flow pattern is included in the report after the Treasurer's statement of account. At March 31, 2014, operating cash balances were \$15,285,332 compared to \$13,503,715 last year at the same time. We continue our aggressive efforts to collect delinquent taxes. At the end of the third quarter ending March 31, 2014, we have 92% of the tax levies collected for Tax Year 2013 and 97% or greater of all other delinquent tax levies for earlier years collected to date. For more information on delinquent tax collections, please see the Collection section of this report.

In summary, at the end of the third quarter ending for FY14, it appears County revenues and expenditures are consistent with budgeted estimates. Again, minimal growth in local revenue is expected to continue for FY14 and FY15. The level of state and federal funding for FY15 remains in question as the state has yet to adopt its biennial budget.

If you have any questions about the financial reports or need more information, please give me a call at 678-0440.

\* \* \* \*

Mr. Hogg asked several questions concerning Transient Occupancy Tax, the Wastewater Project and County fines. Mr. Hubbard questioned the sales tax figures. Chairman LeMond asked about the Circuit Court town fines line item.

The County Administrator noted that a conference call is planned for later this week with the Virginia Association of Counties, in regards to the still-as-yet-unadopted state budget. She requested and received the Board's concurrence to send a letter to the County's legislative delegation, urging them to resolve the budget dead-lock or to at least provide funding for core services, which may have to be totally funded by the County as of July 1<sup>st</sup> if the state has not adopted its budget by then. She cautioned that additional Board meetings may be needed in June as this situation unfolds.

(4) County Administrator's Report

The County Administrator presented the following bi-monthly report:

**TO:** Board of Supervisors  
**FROM:** Katie H. Nunez, County Administrator  
**DATE:** May 23, 2014  
**RE:** Bi-Monthly Report

**I. Projects:**

A. Middle School Renovation:

On Friday, May 23, 2014, the County finally obtained approval from USDA regarding the architectural and engineering service contract with DJG, Inc. for the renovation of the middle school. USDA was requiring the production of a Preliminary Architectural Feasibility Review which details the physical conditions of the building, the master plan/re-use of the building based upon the field investigation of the condition of the building and completion of environmental testing on the property.

The issue was that these elements were all contained in the proposed contract

between the County and DJG, Inc. and would be work products coming from that contract. After a joint conference call with USDA, DJG and the County, we received a compromise in which we will split DJG, Inc.'s contract into 2 phases: the Phase One will encompass the Field Investigation, Programming/Conceptual Design/Master Plan Development, and Environmental Testing for a sum of \$64,780 which will result in the development of the Preliminary Architectural Feasibility report (PAR).

The PAR will be submitted to USDA and, once accepted by USDA, then Phase Two will commence which represents the balance of our contract with DJG for the development of bid specifications and renovation/construction on the property to commence.

I will be working with DJG, Inc. to update the calendar now that we have an executed contract to move this project forward.

*Mr. Hogg inquired if there had been any changes to DJG's conceptual plan. Mrs. Nunez indicated the plan was the County's conceptual plan.*

*Mr. Hogg asked what would happen if the field testing should prove unsatisfactory. Mrs. Nunez responded that the County will have to address whatever issues are found at that time. She confirmed that the Board will have an opportunity to provide input during the Master Planning Stage.*

*Mr. Hogg questioned if the Board had given any thought to the possibility of asbestos in the building. Mrs. Nunez confirmed that the results of the field testing will answer this question. Mr. Bennett noted that a total building abatement project was conducted in 1992.*

*Mr. Hogg stated that he would like to have further Board discussion should a survey be required.*

**B. Update on Implementation of Commissioner of Revenue's Software (VISION):**

Progress is being made with the implementation of the new software, VISION, for property valuations in the Commissioner of Revenue's office. The staff has been working with the company to verify the conversion of the data from the old system into the new system to ensure that it has accurately been transferred. Please keep in mind that this has been a time-consuming process as there are several thousand data fields that have to be verified across the more than 16,000 property records.

Staff is now working with VISION staff in setting up the charts and tables that drive the valuation process. This may take up to 2 months to complete this process. I should have a better calendar on this in about 2 weeks since VISION personnel just completed 2 days of on-site work and have taken a host of issues

back to their programming personnel to develop solutions for us.

At this time, staff is concerned that maintaining our 2 year cycle for Reassessment is not going to be feasible and may need to delay the Reassessment to allow sufficient time to vet the software after we have accepted the full conversion and set-up and go live in the software – this is a point that we are not at and have not selected a date when we will go live, until we get most of the valuation set-up completed in the software. Again, I should have a better idea of a projected “Go Live” date within 2 weeks as well as a recommendation to the Board regarding the Reassessment calendar.

*Mr. Hogg said that certain sketches previously provided through the Commissioner’s system are now being provided in a different format. He said that the Board could expect “push back” from the public when the new system is released.*

*Mr. Hogg indicated the information could be inserted manually by staff. With the reassessment being pushed back, personnel may be available to perform the task. (At this time, Mr. Hogg could not find the examples but they were provided to the Board members at the May 28, 2014 meeting.)*

C. Update on Army Corps of Engineers’ Eastern Shore of Virginia’s Inland Passage Comprehensive Hydrographic Survey:

Last year, the two counties met with representatives from the Army Corps of Engineers (ACOE) and the Coast Guard to discuss the state of the Inland Passage and how best to proceed with the limited funds available thru the ACOE. It was decided that a comprehensive hydrographic survey would be completed for the entire Inland Passage to help develop and support a dredging master plan. I have attached the status e-mail I received from Doug Stamper of the ACOE as to the status of the survey.

D. Update on Morley’s Wharf:

An obstruction below the water line was reported at the “double” boat ramp at Morley’s Wharf earlier this spring and we have temporarily closed this ramp (we have left the single ramp open) while staff has been investigating the nature of this obstruction and how to solve this problem. We should have a full report on this by the June meeting as to whether it can be resolved quickly or may require a more long-term repair.

\* \* \* \* \*

Action Items:

- (5) Consider approval of the FY 2015 County Budget and Adoption of Tax Rates as

advertised.

The County Administrator provided the following memorandum:

**MEMORANDUM**

**TO:** Board of Supervisors  
**FROM:** Katie H. Nunez, County Administrator  
**DATE:** May 19, 2014  
**RE:** Proposed FY2015 Budget

Pursuant to the public hearing held on May 13, 2014 on the proposed FY2015 Budget and based upon your discussion, I enclose the following for your consideration:

- 1.) Budget Worksheet Report, specific to Community Development Department and Other Economic Development Department and Contingency Department, to show the funding of the request from the Eastern Shore Coalition against Domestic Violence in the amount of \$8,394 and the increase of funding to the Small Business Development Center by \$1,000 and a reduction of \$9,394 in Contingency to absorb these 2 changes to the FY15 proposed budget. There is no change to the bottom line.
- 2.) A copy of Code of Virginia §15.2-953 which provides for the ability for a locality to make donations to charitable institutions and associations and a copy of the Board of Supervisors' Charitable Donations Policy. The Board will need to amend this policy by deleting Item #1 (highlighted in yellow).

CHARITABLE DONATIONS POLICY

Adopted: December 12, 2005

The Northampton County Board of Supervisors:

- (1) Refrains from making donations to any religious or charitable organization;
- (2) Refrains from donating to trade organizations, labor unions, and political organizations;
- (3) Reserves the right to make donations to the volunteer fire and rescue services organizations located in Northampton County;
- (4) Reserves the right to donate money (equivalent to any county fees incurred) to organizations that incur county fees in the performance of a service or services that the County Administrator deems necessary or desirable. Without exception, the County Administrator's written approval must be secured by an organization prior to the commencement of any service for which it expects to be reimbursed.

*Several Board members again expressed support in providing a donation to the Eastern Shore Coalition Against Domestic Violence and suggested possible wording amendments to the policy or a "cap" on the contribution amount. The County Administrator reiterated that funding to this organization was being provided at the direction of the Board in the FY 2015 budget and that staff will continue its work to find a way to amend the Board's policy. Mr. Bennett stated that he believed that there will be many organizations left out and that funding a select group with taxpayers money is not fair.....all of the groups are important.*

- 3.) The County currently imposes a boat tax in 3 categories but at the same rate in each category of \$.99 per \$100 of valuation: A) Commercial Vessels – there are 220 of these in the county, generating about \$3,200 in taxes; B) Boats over 5 tons – there are 49 of these, generating about \$12,190 in taxes; and C) Pleasure Crafts – there are 2,234 of these, generating about \$80,500 in taxes. The Commissioner of Revenue employs a depreciation schedule, beginning in year 1 of 70% of the original cost of the vessel or the book value of the vessel; the depreciation schedule declines by 10% each year, until it resides at only 10% of the book value.

As part of the FY15 budget, we are assuming that we will collect about 92% of these taxes or about \$86,000 of revenue.

I have enclosed a spreadsheet listing the boat tax rates for our surrounding water communities as well as the three counties that comprise Smith Mountain Lake. As you will note, 2 of the cities have a nominal boat tax rate. The most recent study that I could locate on the impact of boat taxes is from a 2005 report prepared by Old Dominion University, which I have enclosed.

COMPARISON OF BOAT TAX RATES - 2013

| LOCALITY                             | RATES FOR BOATS OVER 5 TONS | RATES FOR PRIVATE PLEASURE BOATS & WATERCRAFT | OTHER   | EXAMPLE:<br>\$30,000 Pleasure Boat - Year 1 |
|--------------------------------------|-----------------------------|---|---|---|
| Northampton County                   | \$ 0.99                     | \$ 0.99                                       | ABOS Value or 1 Yr: 70% of Original Cost which drops by 10% each year until the minimum of 10%; minimum assessment of \$200 | \$ 267.99                                   |
| <b>SURROUNDING COUNTIES</b>          |                             |   |   |   |
| Accomack County                      | \$3.63 - \$3.72             | \$3.63 - \$3.72                               | Depreciation Schedule: 1 Year: 30%; drops by 2% each year until it reaches a minimum of 2% (15 years)                       | \$ 326.70                                   |
| Gloucester County                    | \$ 1.00                     | \$ 1.00                                       | 35% of Original Cost for Boats over 5 tons; ABOS Value for Private Pleasure Boats   | \$ 300.00                                   |
| Isle of Wight County                 | \$ 0.32                     | \$ 1.00                                       | ABOS Value  | \$ 300.00                                   |
| James City County                    | \$ 1.00                     | \$ 3.50                                       | 50% of Book Value   | \$ 525.00                                   |
| York County                          | \$ 1.00                     | \$ 4.00                                       | For Boats over 5 Tons - 1st Year at 80%, drops by 10% each year For Private Pleasure Boats - 60% Book Value                 | \$ 720.00                                   |
| <b>SURROUNDING CITIES</b>            |                             |   |   |   |
| Chesapeake                           | \$ 0.09                     | \$ 0.09                                       | ABOS Value  | \$ 27.00                                    |
| Hampton                              | \$ 0.00                     | \$ 0.00                                       | This rate is for non-commercial craft   | \$ 0.00                                     |
| Newport News                         | \$ 0.90                     | \$ 1.00                                       | ABOS or % of Original Cost - minimum value of \$200   | \$ 189.00                                   |
| Norfolk                              | \$ 1.50                     | \$ 0.50                                       | ABOS Value; \$ .50 rate applies to all non-commercial, pleasure boats of all sizes  | \$ 105.00                                   |
| Portsmouth                           | \$ 0.50                     | \$ 0.50                                       | ABOS Value  | \$ 105.00                                   |
| Virginia Beach                       | \$ 1.50                     | \$ 0.00                                       | NADA Value  | \$ 4.21                                     |
| Suffolk                              | \$ 1.50                     | \$ 1.50                                       | ABOS Value  | \$ 315.00                                   |
| Cape Charles \$ 0.01 \$ 0.01 \$ 2.10 |                             |   |   |   |
| <b>SMITH MOUNTAIN LAKE AREA</b>      |                             |   |   |   |
| Franklin County                      | \$ 2.34                     | \$ 2.34                                       | 100% low Book Value   | \$ 491.40                                   |
| Pittsylvania County                  | \$ 8.75                     | \$ 8.75                                       | 30% used Wholesale Value  | \$ 787.50                                   |
| Bedford County                       | \$ 2.35                     | \$ 2.35                                       | ABOS Value  | \$ 493.50                                   |

If the Board wishes to consider setting a boat tax rate lower than \$.99 per \$100 of valuation, then further adjustments will need to be made to the expenditure side of the budget to bring it back into balance.

*No action was taken by the Board to adjust the rate.*

- 4.) Supervisor Hogg requested to see a similar comparison for airplanes as he requested for boats so I am providing the following information: The County currently shows 7 personal aircraft “garaged” here, generating \$7,000 in taxes. I have enclosed a spreadsheet listing the aircraft tax rates for communities with a regional or local airport. If the Board wishes to consider setting a separate, lower tax rate for aircraft apart from the general category of personal property (rate of \$3.85 per \$100 of valuation), then further adjustments will need to be made to the expenditure side of the budget to bring it back into balance.

**COMPARISON OF AIRPLANE TAX RATES - 2013**

|  | LOCALITY            | Rate                           | Other  |
|--|---------------------|--------------------------------|--|
|  | Northampton County  | \$ 3.85                        | Aircraft Blue Book   |
| COUNTIES THAT HAVE A REGIONAL OR LOCAL AIRPORT | Accomack County     | \$3.63-\$3.72                  | Aircraft Blue Book   |
|  | Bedford County      | \$ 2.35                        |  |
|  | Campbell County     | \$ 4.45                        | 1 Yr: 13.9%; 2 Yr: 12.4%; 3 Yr: 10.8%; 4 Yr: 9.3%; 5 Yr: 7.7% and 6.2% minimum |
|  | Dinwiddie County    | \$ 0.50                        | Aircraft Blue Book; minimum value of \$100                                     |
|  | Franklin County     | \$ 2.34                        | 100% of low Book Value   |
|  | Hanover County      | \$ 0.50                        | Aircraft Blue Book; minimum value of \$300                                     |
|  | Lee County          | \$ 2.00                        | 100% Fair Market Value   |
|  | New Kent County     | \$ 0.75                        | 100% of Replacement Value  |
|  | Orange County       | \$ 0.70                        | Aircraft Blue Book   |
|  | Patrick County      | \$ 1.71                        | 1 Yr: 95%; drops by 10% each year until it hits 25% minimum                    |
|  | Pittsylvania County | \$ 8.75                        | 1 Yr: 30%; drops by 2.5% each year until it hits 5% minimum                    |
|  | Tazewell County     | \$ 0.50                        | 1 Year: 80%; drops by 10% annually until it hits 20% minimum                   |
| Warren County                                  | \$ 0.50             | 100%; minimum value of \$1,000 |  |
| CITIES THAT HAVE A REGIONAL AIRPORT            | Danville            | \$ 3.00                        | Book Value   |
|  | Newport News        | \$ 2.10                        | Aircraft Digest; 100% of Book Value; Minimum Value of \$1,000                  |
|  | Norfolk             | \$ 2.40                        | 20% of Base Average from Blue Book; minimum of \$250                           |

*Mr. Hogg stated that he did not know who prepared Mrs. Nunez's report, and he had only checked Accomack County v. Northampton County. Mr. Hogg passed around information on what the actual tax would be on aircraft housed in Accomack County v. Northampton County. Accomack tax was \$312.48, Northampton \$1051.05 for the same item. As a part of adopted Northampton County Strategic Plan Goals, Objective 3, D, for Economic Development, the Board is to "annually review the County's tax structure and analyze its effectiveness and competitiveness with other similarly sized Virginia localities."*

*Ms. Nunez stated that she used information from the Weldon Cooper Center, University of Virginia, Charlottesville. Mrs. Nunez's charts show information on localities that have airports that provide services therefore they have more expense. Northampton County does not have a similar situation. The purpose is discussion is to create economic opportunity and encourage the use of Campbell Field for services and hangar space. Accomack County does not have adequate hangar space, Campbell Field (formerly Kellam Field) at Weirwood has space and would add space. Due to the death of the Airplane Inspector in Accomack there is no service available for airplanes.*

*Mr. Bennett noted there were 7 personal aircraft being taxes for \$7000. Mr. Bennett inquired as to how there was any economic value to the County. Mr. Hogg responded that it would be similar to the yacht basin in Cape Charles. We are in hopes that by providing services to boats, boat owners will desire to house their boats in Northampton County. With regard to taxing of aircraft, Northampton County provides no service and they collect tax revenue.*

*No action was taken by the Board to adjust the tax rate for airplanes.*

*Chairman LeMond said that he would like the Board and staff, before the next budget, to have discussions on agricultural-forestal districts – to develop a fair way to handle them, noting that the tax rate is increased by five cents in order to subsidize the existence of the AFDs.*

- 5.) The Virginia Retirement System, pursuant to the 2014-2016 Appropriations Act, Item 467 (1), requires each locality to certify their contribution rate into the system, and to provide a concurring resolution for the school district relative to their contribution rate. The County and School's budget includes the fully funded VRS Board certified retirement rate, and not the alternate, reduced/deferred rate. These have been placed under Agenda Item #5 for your action.
- 6.) Attached is a draft budget resolution that incorporates the budget as advertised with the exception of the changes listed in Item 1 of this memorandum. The only item that we did not confirm with the Board is whether you wish to continue reserving any unspent school operation funds at the close of the fiscal year for school capital needs and to be transferred to the School Capital Fund (Fund 395) – this is Item #6 of the attached Budget Resolution.

*The Board concurred in its wish to continue reserving any unspent school operation funds at the close of the fiscal year for school capital needs and be transferred to the School Capital Fund (Fund 395).*

*Said appropriations resolution is set out below:*

### **APPROPRIATION RESOLUTION**

#### **A RESOLUTION TO APPROPRIATE DESIGNATED FUNDS AND ACCOUNTS FROM DESIGNATED ESTIMATED REVENUES FOR FY15 FOR THE ANNUAL OPERATING BUDGET FOR THE COUNTY OF NORTHAMPTON**

BE IT HEREBY RESOLVED by the Board of Supervisors of the County of Northampton that:

1. For the fiscal period beginning the first day of July 2014, and ending the thirtieth day of June, 2015, the following amounts are hereby appropriated for the office and activities shown below in accordance with the duly adopted budget for the fiscal year ending June 30, 2015:

#### **GENERAL FUND**

##### **Revenues**

|  |                        |
|--|------------------------|
| General Property Taxes                 | \$16,975,836.00        |
| Other Local Taxes                      | \$3,222,280.00         |
| Permits, Privilege Fees & Reg Licenses | \$126,070.00           |
| Fines & Forfeitures                    | \$470,891.00           |
| Use of Money & Property                | \$13,100.00            |
| Charges for Service                    | \$923,200.00           |
| Miscellaneous                          | \$3,000.00             |
| Recovered Costs                        | \$122,402.00           |
| Payments in Lieu of Taxes              | \$26,000.00            |
| Non-Categorical                        | \$1,493,430.00         |
| Shared Expenses                        | \$1,559,944.00         |
| Categorical Aid                        | \$153,541.00           |
| Other Financing Sources                | \$151,714.00           |
| <b>Revenue Totals</b>                  | <b>\$25,241,408.00</b> |

##### **Expenditures**

|                                   |                |
|-----------------------------------|----------------|
| General Government Administration | \$1,989,295.00 |
|-----------------------------------|----------------|

|                             |                        |
|-----------------------------|------------------------|
| Judicial Administration     | \$649,861.00           |
| Public Safety               | \$4,501,803.00         |
| Public Works                | \$2,151,727.00         |
| Health & Welfare            | \$526,513.00           |
| Education                   | \$131,723.00           |
| Parks, Recreation & Culture | \$504,082.00           |
| Community Development       | \$1,023,425.00         |
| Non-Departmental            | \$13,762,979.00        |
| <b>Expenditure Totals</b>   | <b>\$25,241,408.00</b> |

### SOCIAL SERVICES FUND

|                         |                       |
|-------------------------|-----------------------|
| <b>Revenue</b>          |                       |
| Categorical Aid         | \$1,994,360.00        |
| Other Financing Sources | \$488,000.00          |
| <b>Revenue Totals</b>   | <b>\$2,482,360.00</b> |

|                           |                       |
|---------------------------|-----------------------|
| <b>Expenditures</b>       |                       |
| Health & Welfare          | \$2,412,696.00        |
| Non-Departmental          | \$69,664.00           |
| <b>Expenditure Totals</b> | <b>\$2,482,360.00</b> |

### EASTERN SHORE REGIONAL JAIL FUND

|                         |                       |
|-------------------------|-----------------------|
| <b>Revenue</b>          |                       |
| Charges for Service     | \$15,500.00           |
| Miscellaneous           | \$0.00                |
| Recovered Costs         | \$1,750.00            |
| Shared Expenses         | \$1,847,908.00        |
| Categorical Aid         | \$220,282.00          |
| Other Financing Sources | \$1,540,320.00        |
| <b>Revenue Totals</b>   | <b>\$3,625,760.00</b> |

|                     |                |
|---------------------|----------------|
| <b>Expenditures</b> |                |
| Public Safety       | \$3,625,760.00 |

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|                           |                       |
|---------------------------|-----------------------|
| <b>Expenditure Totals</b> | <b>\$3,625,760.00</b> |
|---------------------------|-----------------------|

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**CAPITAL RESERVE FUND**

**Revenue**

|                         |              |
|-------------------------|--------------|
| Other Financing Sources | \$777,640.00 |
|-------------------------|--------------|

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|----------------|---------------------|
| <b>Revenue</b> | <b>\$777,640.00</b> |
|----------------|---------------------|

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**Expenditures**

|         |              |
|---------|--------------|
| Reserve | \$777,640.00 |
|---------|--------------|

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|---------------------------|---------------------|
| <b>Expenditure Totals</b> | <b>\$777,640.00</b> |
|---------------------------|---------------------|

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**GENERAL DEBT SERVICE FUND**

**Revenue**

|                 |              |
|-----------------|--------------|
| Recovered Costs | \$161,000.00 |
|-----------------|--------------|

|                         |                |
|-------------------------|----------------|
| Other Financing Sources | \$2,598,063.00 |
|-------------------------|----------------|

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|                       |                       |
|-----------------------|-----------------------|
| <b>Revenue Totals</b> | <b>\$2,759,063.00</b> |
|-----------------------|-----------------------|

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**Expenditures**

|                  |                |
|------------------|----------------|
| Non-Departmental | \$2,759,063.00 |
|------------------|----------------|

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|                           |                       |
|---------------------------|-----------------------|
| <b>Expenditure Totals</b> | <b>\$2,759,063.00</b> |
|---------------------------|-----------------------|

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**SCHOOL DEBT SERVICE FUND**

**Revenue**

|                         |        |
|-------------------------|--------|
| Use of Money & Property | \$0.00 |
|-------------------------|--------|

|                         |              |
|-------------------------|--------------|
| Other Financing Sources | \$368,359.00 |
|-------------------------|--------------|

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|                       |                     |
|-----------------------|---------------------|
| <b>Revenue Totals</b> | <b>\$368,359.00</b> |
|-----------------------|---------------------|

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**Expenditures**

|                  |              |
|------------------|--------------|
| Non-Departmental | \$368,359.00 |
|------------------|--------------|

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|                           |                     |
|---------------------------|---------------------|
| <b>Expenditure Totals</b> | <b>\$368,359.00</b> |
|---------------------------|---------------------|

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**PUBLIC UTILITIES FUND**

**Revenue**

|                         |                     |
|-------------------------|---------------------|
| Charges for Service     | \$166,787.00        |
| Miscellaneous           | \$0.00              |
| Categorical Aid         | \$0.00              |
| Other Financing Sources | \$0.00              |
| <b>Revenue Totals</b>   | <b>\$166,787.00</b> |

**Expenditures**

|                           |                     |
|---------------------------|---------------------|
| Public Works              | \$166,787.00        |
| <b>Expenditure Totals</b> | <b>\$166,787.00</b> |

**SCHOOL OPERATING FUND****Revenue**

|                         |                        |
|-------------------------|------------------------|
| Miscellaneous           | \$432,652.00           |
| Categorical Aid         | \$8,759,543.00         |
| Financing Proceeds      | \$378,966.00           |
| Other Financing Sources | \$8,016,766.00         |
| <b>Revenue Totals</b>   | <b>\$17,587,927.00</b> |

**Expenditures**

|  |                        |
|--|------------------------|
| School Instruction                         | \$11,007,596.00        |
| School Administration, Attendance & Health | \$1,955,901.00         |
| School Pupil Transportation Services       | \$1,872,503.00         |
| School Operation & Maintenance Services    | \$2,141,978.00         |
| School Technology                          | \$609,949.00           |
| <b>Expenditure Totals</b>                  | <b>\$17,587,927.00</b> |

**SCHOOL FEDERAL GRANTS FUND****Revenue**

|                         |                       |
|-------------------------|-----------------------|
| Miscellaneous           | \$0.00                |
| Categorical Aid         | \$1,557,216.00        |
| Other Financing Sources | \$0.00                |
| <b>Revenue Totals</b>   | <b>\$1,557,216.00</b> |

**Expenditures**

|                           |                       |
|---------------------------|-----------------------|
| School Instruction        | \$1,557,216.00        |
| <b>Expenditure Totals</b> | <b>\$1,557,216.00</b> |

**SCHOOL FOOD SERVICE FUND**

**Revenue**

|                         |                     |
|-------------------------|---------------------|
| Charges for Service     | \$159,685.00        |
| Miscellaneous           | \$3,343.00          |
| Categorical Aid         | \$744,147.00        |
| Other Financing Sources | \$0.00              |
| <b>Revenue Totals</b>   | <b>\$907,175.00</b> |

**Expenditures**

|                           |                     |
|---------------------------|---------------------|
| School Food Services      | \$907,175.00        |
| <b>Expenditure Totals</b> | <b>\$907,175.00</b> |

2. The County Administrator is authorized to transfer budgeted amounts between line items, classifications, departments and projects, but any revisions between funds or revisions that alter total expenditures must be approved by the Board of Supervisors through legislative action. All supplemental appropriations must be reported in a public meeting of the Board of Supervisors and made a matter of record in the minutes.

3. Appropriations designated for capital projects will not lapse at the end of the fiscal year but shall remain appropriations until the completion of the project or until the Board of Supervisors, by appropriate resolution, amends or eliminates the appropriation. Upon completion of a capital project, staff is authorized to close out the project and transfer to the funding source any remaining balances.

4. Because the Board of Supervisors has determined that it may be necessary or desirable to advance money to pay initial costs of acquiring the equipment approved for lease-purchase as part of the annual budget process, the Board of Supervisors declares official intent under Treasury Regulations Section 1.150-2 that it reasonably expects to reimburse advances made by the County to pay the initial costs of acquiring the equipment approved for lease-purchase as part of this annual appropriation resolution. For FY15, these items include the following:

| <u>DEPARTMENT</u> | <u>ITEM</u> | <u>PAYMENT</u> | <u>TOTAL</u> |
|-------------------|-------------|----------------|--------------|
|-------------------|-------------|----------------|--------------|

|   |                 |          |           |
|---|-----------------|----------|-----------|
| Facilities Management   | Vehicle         | \$7,266  | \$21,797  |
| Voter Registrar   | Voting Machines | \$10,898 | \$32,695  |
| <i>Financing over three years (Assuming a 3% interest rate)</i>                       |                 |          |           |
| School  | Buses (3)       | \$64,132 | \$317,119 |
| <i>Total Financing over five years (Assumes interest rate of 5%)</i>                  |                 |          |           |
| <i>This is seventh year of Scheduled Bus Replacement for the next round of buses.</i> |                 |          |           |

5. Per the Code of Virginia, any supplemental appropriation which increases the total budget by more than 1% of the total budget will be advertised for a public hearing at least seven days prior to the meeting date. The Board of Supervisors may adopt such amendment at the advertised meeting, after first providing a public hearing on the proposed budget amendments.

6. Any unspent appropriations in the School Operating Fund for FY 14 will be recorded as reserved fund balance within that fund and shall be transferred to the School Capital Fund (Fund 395) and shall be utilized for funding projects in the adopted School's Capital Improvement Plan.

7. If deficits appear to be forthcoming within a fiscal year, recommended spending reductions would be proposed by the County Administrator during the fiscal year in order to sufficiently offset the deficit.

8. In accordance with the requirements set forth in Section 58.1-3524(C) (2) and Section 58.1-3912(E) of the Code of Virginia, as amended by Chapter 1 of the Acts of Assembly (2004 Special Session 1) and as set forth in item 503.E (Personal Property Tax Relief Program) of Chapter 951 of the 2005 Acts of Assembly any qualifying vehicle situated within the County commencing January 1, 2014 shall receive personal property tax relief in the following manner:

- a. Personal use vehicles valued at \$1,000 or less will be eligible for 100% tax relief;
- b. Personal use vehicles valued at \$1,001 to \$20,000 will be eligible for 60% tax relief;
- c. Personal use vehicles valued at \$20,001 or more shall only receive 60% tax relief on the first \$20,000 of value; and
- d. All other vehicles which do not meet the definition of "qualifying" (business use vehicles, farm use vehicles, motor homes, etc.) will not be eligible for any form of tax relief under this program.

- e. In accordance with Item 503.D.1., the entitlement to personal property tax relief for qualifying vehicles for tax year 2005 and all prior years expired on September 1, 2006. Supplemental assessments for tax years 2005 and prior that are made on or after September 1, 2006 shall be deemed “non-qualifying” for purposes of state tax relief and the local share due from the taxpayer shall represent 100% of the tax assessable.

9. Tax Rates for FY 15 (Tax Year 2014) are proposed to be set as follows:

|   | <u>Tax Year 2013 (Current)</u>    | <u>Tax Year 2014 (Proposed)</u>   |
|---|-----------------------------------|-----------------------------------|
| Real Estate:  | \$0.6728 per \$100 assessed value | \$0.6728 per \$100 assessed value |
| Mobile Homes:   | \$0.6728 per \$100 assessed value | \$0.6728 per \$100 assessed value |
| Tangible Pers. Property   | \$3.85 per \$100 assessed value   | \$3.85 per \$100 assessed value   |
| Aircraft  | \$3.85 per \$100 assessed value   | \$3.85 per \$100 assessed value   |
| Boats   | \$0.99 per \$100 assessed value   | \$0.99 per \$100 assessed value   |
| Machinery & Tools   | \$2.00 per \$100 assessed value   | \$2.00 per \$100 assessed value   |
| Farm Mach. & Equip.   | \$1.43 per \$100 assessed value   | \$1.43 per \$100 assessed value   |
| Heavy Construction  | \$2.86 per \$100 assessed value   | \$2.86 per \$100 assessed value   |
| Solar Installations   | \$0.49 per \$100 assessed value   | \$0.49 per \$100 assessed value   |
| Wind Generation   | \$0.49 per \$100 assessed value   | \$0.49 per \$100 assessed value   |
| Motor Vehicle, Limit of One for Qualified Disabled Veterans, pursuant to Code of Virginia §58.1-3506 A (19) & B | N/A                               | \$0.00 per \$100 assessed value   |

\* \* \* \* \*

Mr. Hogg stated that he does not feel that the County should use traffic fine revenues to balance the budget. While these funds are County funds, he believes that it sends the wrong message to the public. Traffic fines should be part of a contingency fund and used for law enforcement/equipment purposes.

Mr. Bennett said that he would be abstaining on any motion to adopt the foregoing resolution based on his concern relative to the contribution to the Eastern Shore Coalition

Against Domestic Violence.

Motion was made by Mr. Trala, seconded by Mr. Hubbard, that the resolution be adopted as set out above. All members were present and voted “yes,” with the exception of Mr. Bennett who abstained. The motion was passed.

(6) Consider approval of VRS rate

Motion was made by Mr. Trala, seconded by Mr. Hubbard, that the following resolutions be adopted. All members were present and voted “yes.” The motion was unanimously passed.

Said resolutions as adopted is set forth below:

**Employer Contribution Rates for Counties, Cities,  
Towns, School Divisions and Other Political Subdivisions  
(In accordance with the 2014 Appropriations Act Item 467(I))**

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**Resolution**

BE IT RESOLVED, that the County of Northampton [55165] does hereby acknowledge that its contribution rates effective July 1, 2014 shall be based on the higher of a) the contribution rate in effect for FY 2012, or b) eighty percent of the results of the June 30, 2013 actuarial valuation of assets and liabilities as approved by the Virginia Retirement System Board of Trustees for the 2014-16 biennium (the “Alternate Rate”) provided that, at its option, the contribution rate may be based on the employer contribution rates certified by the Virginia Retirement System Board of Trustees pursuant to Virginia Code §51.1-145(I) resulting from the June 30, 2013 actuarial value of assets and liabilities (the “Certified Rate”); and

BE IT ALSO RESOLVED, that the County of Northampton [55165] does hereby certify to the Virginia Retirement System Board of Trustees that it elects to pay the following contribution rate effective July 1, 2014:

**(Check only one box)**

X      the Certified Rate of 9.64%                      The Alternate Rate of \_\_\_\_\_% and

BE IT ALSO RESOLVED, that the County of Northampton [55165] does hereby certify to the Virginia Retirement System Board of Trustees that it has reviewed and understands the information provided by the Virginia Retirement System outlining the potential future fiscal implications of any election made under the provisions of this resolution; and

NOW, THEREFORE, the officers of the County of Northampton [55165] are hereby authorized and directed in the name of the County of Northampton to carry out the provisions of this resolution, and said officers of the County of Northampton are authorized and directed to pay over to the Treasurer of Virginia from time to time such sums as are due to be paid by the County of Northampton for this purpose.

\* \* \* \* \*

Local Governing Body Concurrence with School Division  
Electing to Pay the VRS Board-Certified Rate

(In accordance with the 2014 Appropriation Act Item 467(I))

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Resolution

BE IT RESOLVED, that the County of Northampton [Locality Name] 55165 [employer code] does hereby acknowledge that the Northampton County Public Schools [School Division Name] has made the election for its contribution rate to be based on the employer contribution rates certified by the Virginia Retirement System Board of Trustees pursuant to Virginia Code § 51.1-145(I) resulting from the June 30, 2013 actuarial value of assets and liabilities (the “Certified Rate”); and

BE IT ALSO RESOLVED, that the County of Northampton [Locality Name] 55165 [employer code] does hereby certify to the Virginia Retirement System Board of Trustees that it concurs with the election of the Northampton County Public Schools [School Division Name] to pay the Certified Rate of 10.81%, as required by Item 467(I) of the 2014 Appropriation Act; and

NOW, THEREFORE, the officers of the County of Northampton [Locality Name] 55165 [employer code] are hereby authorized and directed in the name of the County of Northampton [Locality Name] to execute any required contract to carry out the provisions of this resolution. In execution of any such contract which may be required, the seal of the County of Northampton [Locality Name], as appropriate, shall be affixed and attested by the Clerk.

\* \* \* \* \*

Closed Session

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

(A) Paragraph 1: Discussion or consideration of employment, assignment, appointment, promotion, performance, demotion, salaries, disciplining, or resignation of specific public officers, appointees or employees of any public body.

*Appointments to boards, committees*

(B) Paragraph 7: Consultation with legal counsel and briefings by staff members, consultants, or attorneys pertaining to actual or probable litigation, and consultation with legal counsel employed or retained by the Board of Supervisors regarding specific legal matters requiring the provision of legal advice by such counsel.

*Offer to sell - Exmore-Willis Wharf School*

All members were present and voted “yes.” The motion was unanimously passed.

After Closed Session, the Chairman reconvened the meeting and said that the Board had entered the closed session for those purposes as set out in paragraphs 1 and 7 of Section 2.1-3711 of the Code of Virginia of 1950, as amended. Upon being polled individually, each Board member confirmed that these were the only matters of discussion during the closed session.

Mr. Hogg made the following comments:

*I have tried to have the issue of conflict between the Board and the public over the Proposed Zoning Ordinance put aside. Chairman LeMond has commented, " SO, LET ME BE CLEAR ON THIS -- THIS BOARD HAS DECIDED NOTHING CONCERNING THIS ISSUE and NO CALENDAR has been developed at this time as to final adoption of the document and this will be determined as our work progresses." (See May 13, 2014 minutes).*

*Based on the Northampton County Strategic Plan, Goal #2 Economic Development, Objective #1, Para. A Complete the Comprehensive Plan Update, and B. Review the Zoning Ordinance for consistency and compliance with the updated Comprehensive Plan. ( as approved April 8, 2014, Pg 46)*

*The Strategic Plan Clearly states: OBJECTIVE#1: Review and revise the zoning ordinance to promote business development by January 1, 2015.*

*Also Objective #3,. D Annually review the County's Tax structure and analyze its effectiveness and competitiveness with other similarly sized Virginia localities. That is the purpose of the comments about taxes on boats and aircraft.*

Mr. Hogg indicated he believed the Board has implied, if not indicated, both a priority for work and date of January 1, 2015 for completion. Mrs. Nunez stated she believed the work being done now was not affiliated with the same timeline.

Mr. Hogg then noted that one of the Board’s goals was an annual review of the County’s tax structure – this goal speaks to Mr. Hogg’s earlier point about tax rates for boats. Chairman LeMond indicated that is a GOAL that may not be met.

Recess

Motion was made by Mr. Trala, seconded by Mr. Bennett, that the meeting be recessed to 4:00 p.m., Wednesday, May 28, 2014 at Northampton High School, 16041 Courthouse Road, Eastville, Virginia, to meet in joint session with the Northampton School Board and conduct a walk-thru tour of the facility. All members were present and voted “yes.” The motion was unanimously passed.

The meeting was recessed.

\_\_\_\_\_CHAIRMAN

\_\_\_\_\_ COUNTY ADMINISTRATOR