

VIRGINIA:

At a regular meeting of the Board of Supervisors of the County of Northampton, Virginia, held at the Board Room of the County Administration Building, 16404 Courthouse Road, Eastville, Virginia, on the 31st day of May, 2016, at 7:00 p.m.

Present:

Larry LeMond, Vice Chairman

Robert G. Duer

Oliver H. Bennett

Granville F. Hogg, Jr.

Absent:

H. Spencer Murray, Chairman

The meeting was called to order by the Vice Chairman.

Public Hearing:

Vice Chairman LeMond called to order the following public hearing:

The Board will hear public comments on the estimated revenues, projected expenditures and supporting tax rates of the Fiscal Year 2017 Budget. Tax Rates for Tax Year 2016 are proposed to be set as follows:

	<u>Tax Year 2015 (Current)</u>	<u>Tax Year 2016 (Proposed)</u>
Real Estate:	\$0.6805 per \$100 assessed value	\$0.8453 per \$100 assessed value
Mobile Homes:	\$0.6805 per \$100 assessed value	\$0.8453 per \$100 assessed value
Tangible Pers. Property	\$3.90 per \$100 assessed value	\$3.90 per \$100 assessed value
Aircraft	\$3.90 per \$100 assessed value	\$3.90 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	\$0.00 per \$100 assessed value	\$0.00 per \$100 assessed value

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

Mrs. Katherine H. Nunez, County Administrator, and Mr. John Andrzejewski, Finance

Director, presented the following powerpoint presentation:



NORTHAMPTON COUNTY, VA

Annual Operating Budget

Fiscal Year 2017

July 1, 2016 – June 30, 2017



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.



Board of Supervisor Priorities

The Board focus has been on essential services including:

- Schools
- Emergency Medical Services
- Fire response
- Law Enforcement
- Social Services
- Waste Collection and Recycling
- Building Inspections
- Zoning
- Parks & Rec
- Code Compliance
- Economic Development

What the Proposed FY 17 Budget Provides

- 4 new EMTs
- Enhanced retirement for EMS personnel
- School Resource Officer (contingent upon receipt of grant)
- Parks & Rec FT Assistant
- PT Building Inspector
- 2 – PT Reassessment Field Workers
- 2% pay raise for State, Compensation Board, and County employees
- Sheriff Training Officers' stipend
- \$302,000 increased contribution to the School Budget
- Sheriff vehicle
- Landfill loader tires

Proposed Tax Rates for the FY17 Budget

	Tax Year 2015 Tax Rate Per Hundred	Reassessed Tax Rate Tax Year 2016	Tax Year 2016 (Proposed) Tax Rate Per Hundred
Real Estate	.6805	.8253	.8300
Mobile Homes	.6805	.8253	.8300
Solar Installations	.49		.49
Wind Generation	.49		.49
Personal Property	3.90		3.90
Aircraft	3.90		3.90
Boats	.99		.99
Machinery & Tools	2.00		2.00
Farm Machinery & Equip.	1.43		1.43
Heavy Construction Equip.	2.86		2.86
Motor Vehicle, Limit of One for Qualified Disabled Veterans, pursuant to Code of VA §58.1-3506 A (19) & B	0.00		0.00

Budget Comparison – Advertised

FUND EXPENDITURES	2015 ACTUAL AMOUNT	2016 ADOPTED BUDGET	2017 PROPOSED BUDGET	FY17 - FY16 VARIANCE	% CHANGE
General Fund	\$24,689,240	\$25,497,243	\$25,981,991	\$484,748	1.90%
Less Transfers	(\$13,294,466)	(\$13,587,874)	(\$13,779,256)	(\$191,382)	1.41%
Net General Fund	\$11,394,774	\$11,909,369	\$12,202,735	\$293,366	2.46%
Social Services Fund	\$2,296,326	\$2,509,312	\$2,500,685	(\$8,627)	-0.34%
Less Transfers	\$0	(\$73,558)	(\$73,558)	\$0	0.00%
Net Social Services Fund	\$2,296,326	\$2,435,754	\$2,427,127	(\$8,627)	-0.35%
ES Regional Jail Fund	\$3,606,633	\$3,602,085	\$3,706,375	\$104,290	2.90%
Harbor Improvement Fund	\$0	\$0	\$20,000	\$20,000	0.00%
Wastewater	\$17,801	\$0	\$0	\$0	0.00%
Capital Reserve	\$777,640	\$777,640	\$300,000	(\$477,640)	-61.42%
School Capital Projects	\$796,672	\$0	\$0	\$0	0.00%
General Debt Service	\$2,758,069	\$2,760,624	\$2,757,507	(\$3,117)	-0.11%
School Debt Service	\$121,372	\$345,196	\$342,914	(\$2,282)	-0.66%
Public Utilities Fund	\$165,200	\$199,717	\$187,298	(\$12,419)	-6.22%
IDA Operating Fund	\$0	\$17,325	\$16,673	(\$652)	100.00%
NC Tourism Capital Fund	\$0	\$40,500	\$40,500	\$0	0.00%
School Funds	\$20,400,176	\$20,036,423	\$20,448,628	\$412,205	2.06%
Net Grand Total	\$42,334,663	\$42,084,133	\$42,449,757	\$325,124	0.77%

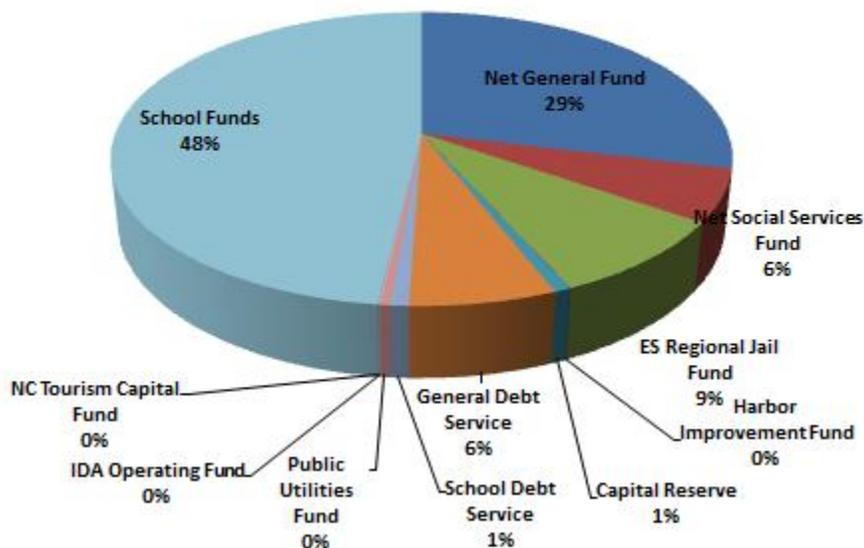
Changes to the Advertised Budget to Attain an \$0.83 Tax Rate

- Add 2 PT Field Workers for Reassessment
- Reduce school contribution
- Reduce number of Sheriff's tires
- Add partial offset for solid waste hauling contract increase

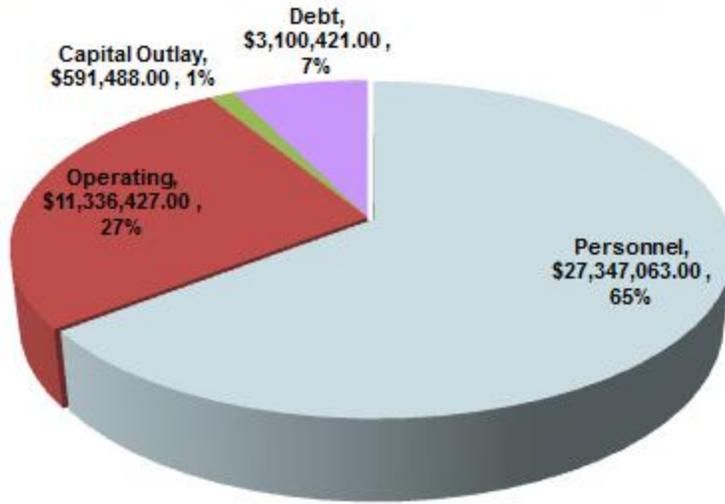
Budget Comparison - Proposed

FUND EXPENDITURES	2015 ACTUAL AMOUNT	2016 ADOPTED BUDGET	2017 PROPOSED BUDGET	FY17 - FY16 VARIANCE	% CHANGE
General Fund	\$24,689,240	\$25,497,243	\$25,763,594	\$266,351	1.04%
Less Transfers	(\$13,294,466)	(\$13,587,874)	(\$13,557,772)	\$30,102	-0.22%
Net General Fund	\$11,394,774	\$11,909,369	\$12,205,822	\$296,453	2.49%
Social Services Fund	\$2,296,326	\$2,509,312	\$2,500,685	(\$8,627)	-0.34%
Less Transfers	\$0	(\$73,558)	(\$69,664)	\$3,894	-5.29%
Net Social Services Fund	\$2,296,326	\$2,435,754	\$2,431,021	(\$4,733)	-0.19%
ES Regional Jail Fund	\$3,606,633	\$3,602,085	\$3,706,375	\$104,290	2.90%
Harbor Improvement Fund	\$0	\$0	\$20,000	\$20,000	0.00%
Wastewater	\$17,801	\$0	\$0	\$0	0.00%
Capital Reserve	\$777,640	\$777,640	\$300,000	(\$477,640)	-61.42%
School Capital Projects	\$796,672	\$0	\$0	\$0	0.00%
General Debt Service	\$2,758,069	\$2,760,624	\$2,757,507	(\$3,117)	-0.11%
School Debt Service	\$121,372	\$345,196	\$342,914	(\$2,282)	-0.66%
Public Utilities Fund	\$165,200	\$199,717	\$183,435	(\$16,282)	-8.15%
IDA Operating Fund	\$0	\$17,325	\$16,673	(\$652)	100.00%
NC Tourism Capital Fund	\$0	\$40,500	\$40,500	\$0	0.00%
School Funds	\$20,400,176	\$20,036,423	\$20,371,152	\$334,729	1.67%
Net Grand Total	\$42,334,663	\$42,084,133	\$42,375,399	\$290,766	0.60%

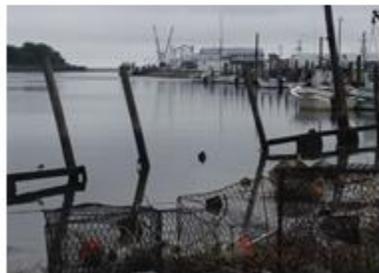
FY2017 BUDGET - BOS REVISED



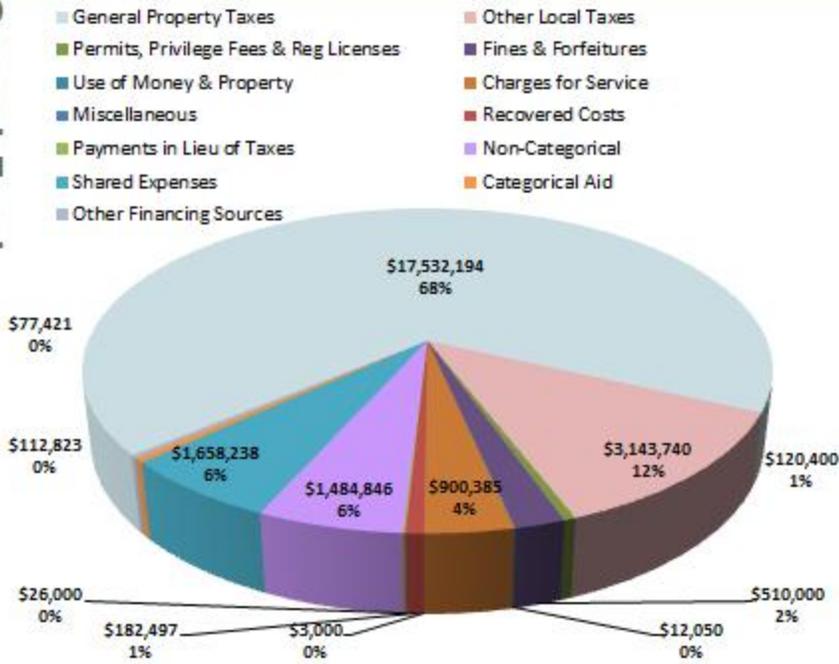
ALL FUNDS - BREAKDOWN BY CATEGORY



GENERAL FUND



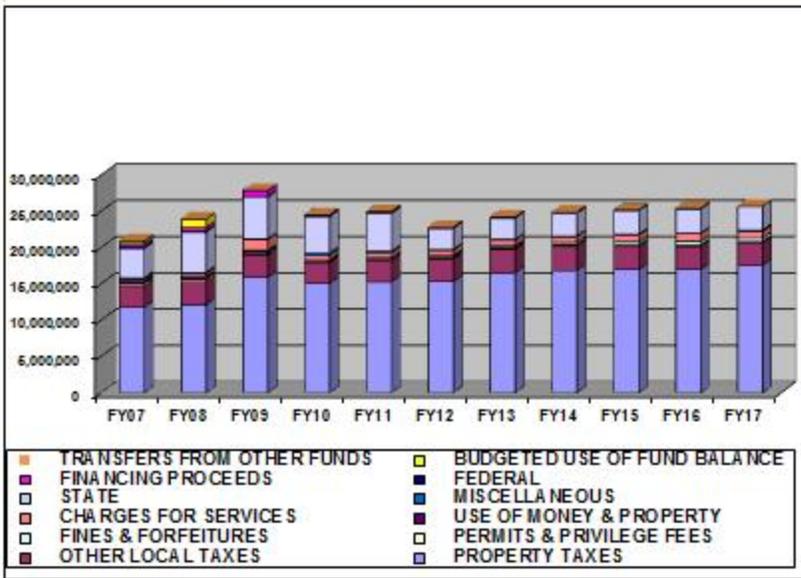
General Fund
Where the Money Comes From



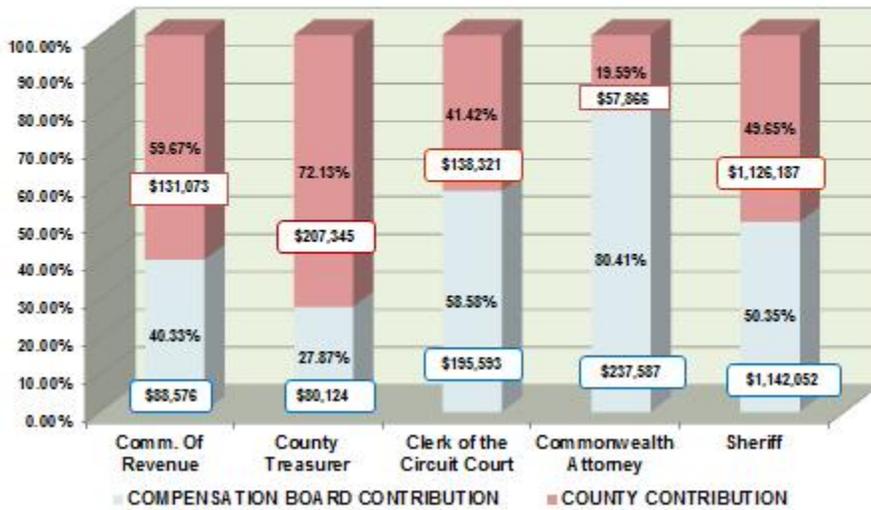
Taxable Assessed Property Values



GENERAL FUND REVENUES BY CLASSIFICATION
(Includes Jail)



CONSTITUTIONAL OFFICES COMP BOARD FUNDING VS COUNTY FUNDING



Revenue Changes in Detail

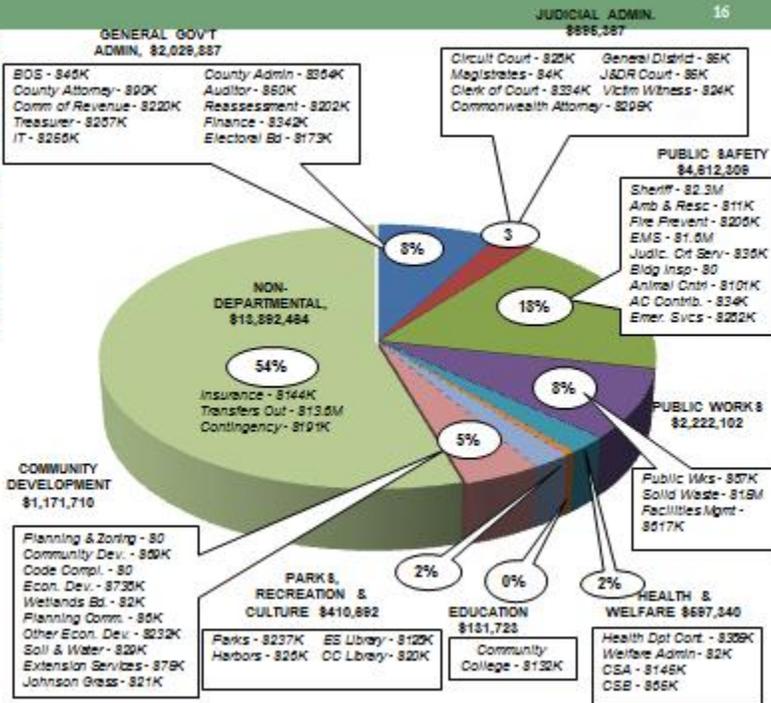
Several State Aid Funds have been highly unsteady.

- Sales Tax – increase by \$2,474
- Recordation Tax – decline by \$10,000
- Compensation Board – increase by \$20,710

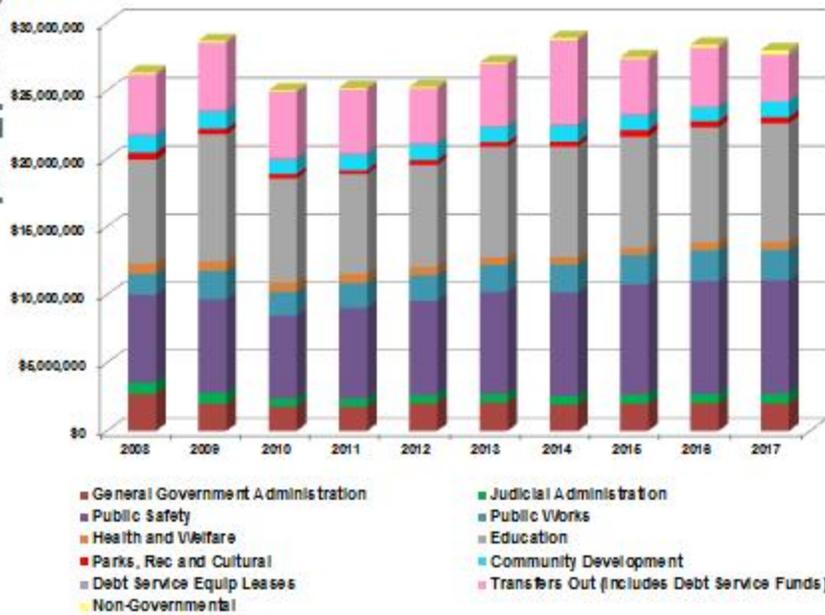
Local Revenues are mostly holding steady or slight decline.

- MV License Tax – decline by \$50,000
- Courthouse Fees – decline by \$10,000
- Solid Waste Fees – decline by \$153,687

**GENERAL FUND:
WHERE THE MONEY GOES**



General Fund Expenditures by Function (inc. Jail)



General Fund Chart

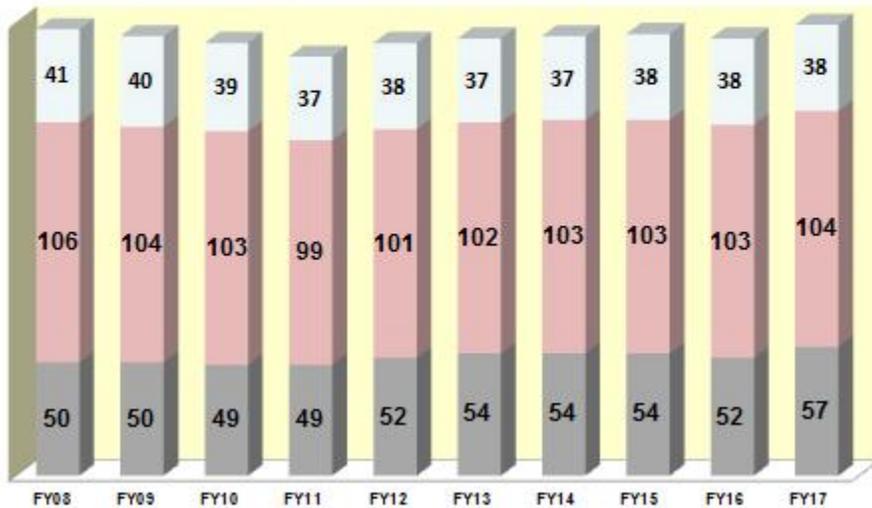
	2016 Adopted Budget	2017 Budget Com Rec.	FY17 minus FY16	% Difference
100-1101 - General Board of Supervisors	\$40,280	\$45,898	\$5,618	14%
100-1201 - General County Administrator	\$369,073	\$363,851	(\$5,222)	-1%
100-1204 - General County Attorney	\$78,852	\$89,914	\$11,062	14%
100-1208 - General Independent Auditor	\$48,875	\$50,000	\$1,125	2%
100-1209 - General Commissioner of the Revenue	\$215,763	\$219,649	\$3,886	2%
100-1210 - General General Reassessment	\$174,056	\$202,392	\$28,336	16%
100-1213 - General County Treasurer	\$283,574	\$287,469	\$3,895	1%
100-1220 - General Finance	\$334,051	\$341,784	\$7,733	2%
100-1240 - General Information Technology	\$263,826	\$255,585	(\$8,241)	-3%
100-1301 - General Electoral Board	\$189,643	\$173,345	(\$16,298)	-9%
100-1302 - General Re-Districting/Census	\$0	\$0	\$0	
100-2101 - General Circuit Court	\$29,961	\$28,206	(\$1,755)	-6%
100-2102 - General General District Court	\$5,960	\$5,080	(\$880)	-15%
100-2103 - General Magistrates	\$3,725	\$3,725	\$0	0%
100-2104 - General Juvenile & Domestic Relations Ct	\$5,260	\$5,270	\$10	0%
100-2106 - General Clerk of the Circuit Court	\$304,922	\$333,914	\$28,992	10%
100-2107 - General Victim Witness	\$20,431	\$23,719	\$3,288	16%
100-2201 - General Commonwealth Attorney	\$306,720	\$295,453	(\$11,267)	-4%
100-3102 - General Sheriff	\$2,323,613	\$2,307,176	(\$16,437)	-1%
100-3203 - General Ambulance & Rescue	\$11,456	\$11,410	(\$46)	0%
100-3204 - General Fire Prevention	\$204,521	\$206,438	\$1,917	1%
100-3205 - General Emergency Medical Services	\$1,357,178	\$1,634,257	\$277,079	20%
100-3302 - General Care & Confinement	\$0	\$0	\$0	
100-3303 - General Judicial Court Services	\$35,580	\$35,580	\$0	0%
100-3401 - General Building Inspections	\$138,873	\$0	(\$138,873)	-100%
100-3502 - General Animal Control	\$100,611	\$100,958	\$347	0%
100-3503 - General Animal Control Contribution	\$33,138	\$34,469	\$1,331	4%
100-3505 - General Emergency Services	\$339,375	\$282,021	(\$57,354)	-17%

General Fund Chart (cont')

	2016 Adopted Budget	2017 Budget Com Rec.	FY17 minus FY16	% Difference
100-4101 - General Public Works Administration	\$86,241	\$87,264	\$1,023	1%
100-4204 - General Solid Waste Services	\$1,484,142	\$1,517,991	\$33,849	2%
100-4302 - General Facilities Management	\$672,915	\$616,847	(\$56,068)	-8%
100-5101 - General Local Health Department	\$385,049	\$385,049	\$0	0%
100-5205 - General Chapter X Board (CSB)	\$65,941	\$65,491	(\$450)	-1%
100-5301 - General Welfare Administration	\$1,800	\$1,800	\$0	0%
100-5309 - General Comprehensive Services Act	\$145,000	\$145,000	\$0	0%
100-6501 - General Community College	\$131,723	\$131,723	\$0	0%
100-7101 - General Parks & Recreation	\$185,549	\$236,953	\$51,404	28%
100-7107 - General Harbors & Boat Ramps	\$104,492	\$26,180	(\$78,312)	-75%
100-7302 - General Eastern Shore Regional Library	\$124,892	\$127,559	\$2,667	2%
100-7303 - General Cape Charles Public Library	\$20,000	\$20,000	\$0	0%
100-8101 - General Planning & Zoning	\$332,197	\$0	(\$332,197)	-100%
100-8102 - General Community Development	\$68,946	\$68,946	\$0	0%
100-8104 - General Code Compliance	\$72,575	\$0	(\$72,575)	-100%
100-8105 - General Economic Development	\$151,030	\$738,141	\$587,111	389%
100-8106 - General Wetlands Board	\$2,102	\$2,102	\$0	0%
100-8107 - General Planning Commission	\$6,180	\$6,180	\$0	0%
100-8108 - General Other Economic Development	\$210,806	\$231,606	\$20,800	10%
100-8203 - General Soil & Water Conservation	\$28,783	\$28,783	\$0	0%
100-8301 - General Extension Service Administration	\$67,983	\$75,302	\$7,319	11%
100-8305 - General Extension Service-Johnson Grass	\$5,473	\$20,650	\$15,177	277%
100-9503 - General General Insurance	\$125,500	\$144,008	\$18,508	15%
100-9600 - General Transfers Out	\$13,587,874	\$13,557,772	(\$30,102)	0%
100-9900 - General Debt Service	\$102,357	\$0	(\$102,357)	-100%
100-9900 - General Contingency	\$108,376	\$190,684	\$82,308	76%
Expenditure Grand Totals:	\$25,497,243	\$25,763,594	\$266,351	1%

OF COUNTY EMPLOYEES - FY2008 thru FY2017

- "STATE" MANAGED FULL-TIME EMPLOYEES
- CONSTITUTIONAL OFFICERS & FULL-TIME EMPLOYEES
- BOS FULL-TIME EMPLOYEES



FY2017 COUNTY STAFF

BOARD OF SUPERVISORS' EMPLOYEES			CONSTITUTIONAL OFFICERS & THEIR EMPLOYEES		
DEPARTMENT	# FULL-TIME	# PART-TIME	DEPARTMENT	# FULL-TIME	# PART-TIME
BOARD OF SUPERVISORS	5	0	COMMISSIONER OF THE REVENUE	5	
COUNTY ADMINISTRATION	2	0	COUNTY TREASURER	4	
COUNTY ATTORNEY	0	1	COMMONWEALTH ATTORNEY	3	1
FINANCE	4	0	CLERK OF THE CIRCUIT COURT	4	
INFORMATION TECHNOLOGY	2	0	SHERIFF	33	2
VICTIM WITNESS	0	1			
EMERGENCY MEDICAL SERVICES	23	16	CARE & CONFINEMENT OF PRISONERS	53	
BUILDING INSPECTIONS	2	1	ANIMAL CONTROL	2	
PUBLIC WORKS ADMINISTRATION	1	0	TOTAL EMPLOYEES	104	3
SOLID WASTE SERVICES	4	19			
FACILITIES MANAGEMENT	5	2	NOTE: STATE FUNDING IS PROVIDED TO OFFSET THE COST OF SOME OR ALL OF THE WAGES FOR CONSTITUTIONAL OFFICERS/EMPLOYEES & STATE MANAGED EMPLOYEES		
PUBLIC UTILITIES	2	0			
PARKS & RECREATION	2	19	"STATE" MANAGED EMPLOYEES		
HARBORS & BOATS	0	2	DEPARTMENT	# FULL-TIME	# PART-TIME
PLANNING & ZONING	4	0	EXTENSION SERVICES	3	2
CODE COMPLIANCE	0	1	ELECTORAL BOARD	2	1
ECONOMIC DEVELOPMENT	1	0	SOCIAL SERVICES	33	2
TOTAL EMPLOYEES	57	62	TOTAL EMPLOYEES	38	5

TOTAL EMPLOYEE COUNT	
FULL TIME	PART TIME
199	70

General Fund EXPENDITURES – EMPLOYEE COMPENSATION

- 2% Cost of Living Allowance (COLA), effective December 1, 2016, is in this proposed budget for all County staff, State Employees and Constitutional Offices.
- Any increases in the Health and Dental Insurance premiums will be the responsibility of the employee.
- The Virginia Retirement System (VRS) Employer Contribution rate for FY17 is 8.16%, a decrease from 9.64%, extending an enhanced retirement benefit to EMS employees while realizing a small savings. However, the Group Life Insurance Employer (GLIP) contribution rate for FY17 is 1.31%, up from 1.19%

General Fund Position Increases

- New positions added:
- EMS – 4 EMTs
- Parks & Recreation – Assistant
- Sheriff – School Resource Officer, contingent upon grant funds
- Economic Development - Building Inspector (PT)
- Commissioner of the Revenue – Field Workers (2 – PT)



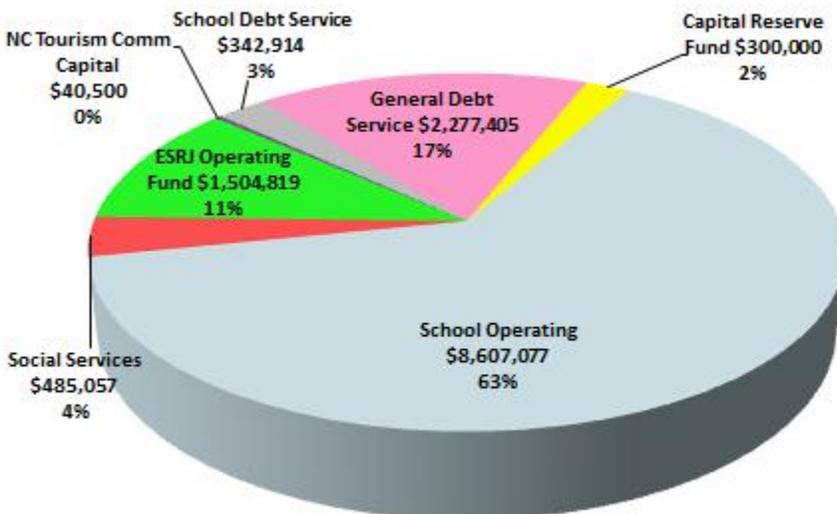
General Fund - EXPENDITURES

- Board of Supervisors - \$7,500 for salary study
- Commissioner of the Revenue / Reassessment - \$10,000 for Vision web hosting and training
- Clerk of Circuit Court – Approx. \$28,000 for record restoration (covered by state grant)
- Other Economic Development - \$20,800 for an additional bus route
- General Insurance - \$18,508 for increases in all insurance categories (property, motor vehicle, official liability, general liability)

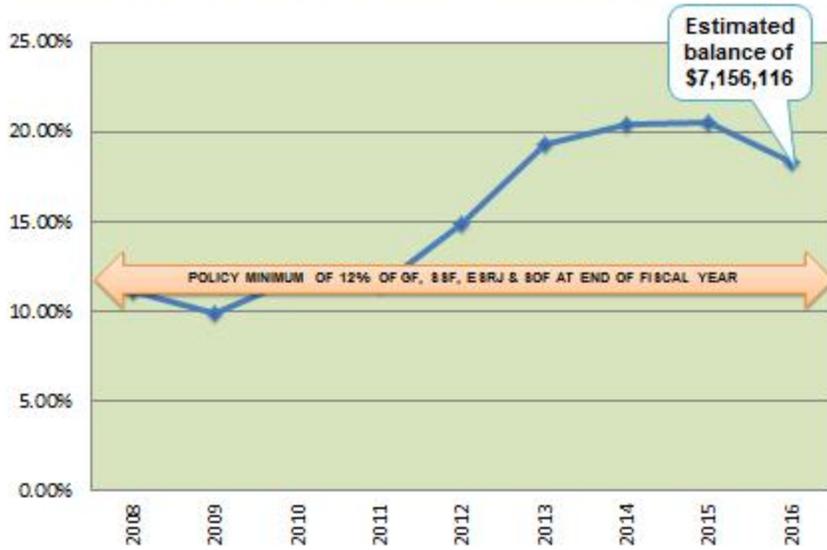
ADDITIONAL CAPITAL OUTLAYS

- **Sheriff** – \$38,938 for 1 vehicle (plus 3 vehicles purchased in advance to meet Sheriff and USDA requirements)
- **Electoral Board** - \$18,000 for voting machine leases (year 2 of 5)
- **Solid Waste** - \$25,000 to replace landfill loader tires
- **Solid Waste** - \$9,247 to replace 8 green boxes (year 3 of 9)
- **ES Community College** – Contribution of \$111,000 for A&E and site work for the replacement of the main campus building (year 3 of 3)
- **Harbors & Boats Fund** – \$20,000 to prepare Willis Wharf Spoils site.
- **Public Utilities Fund** - \$6,000 to paint water storage tank at Bayview

TRANSFERS OUT

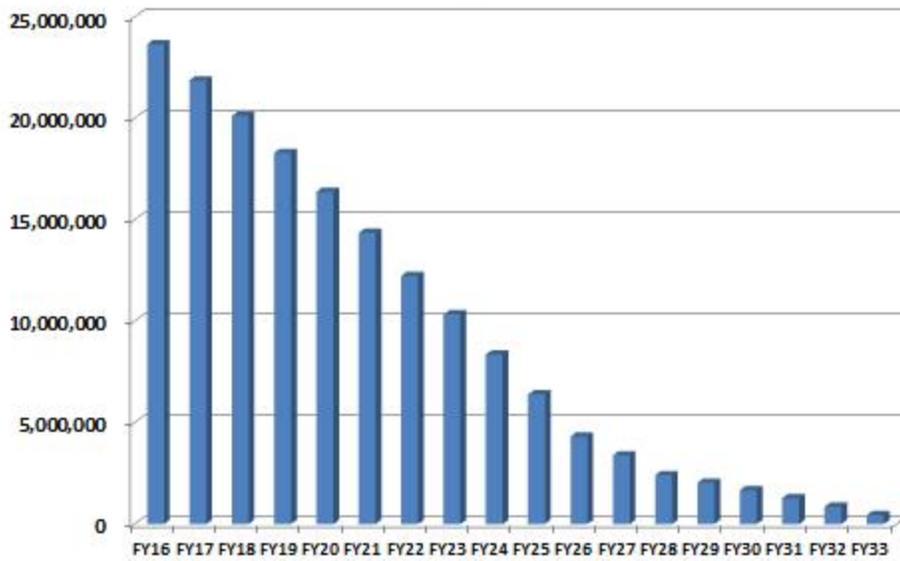


Unreserved/Undesignated General Fund Balance as a % of Expenditures, per policy

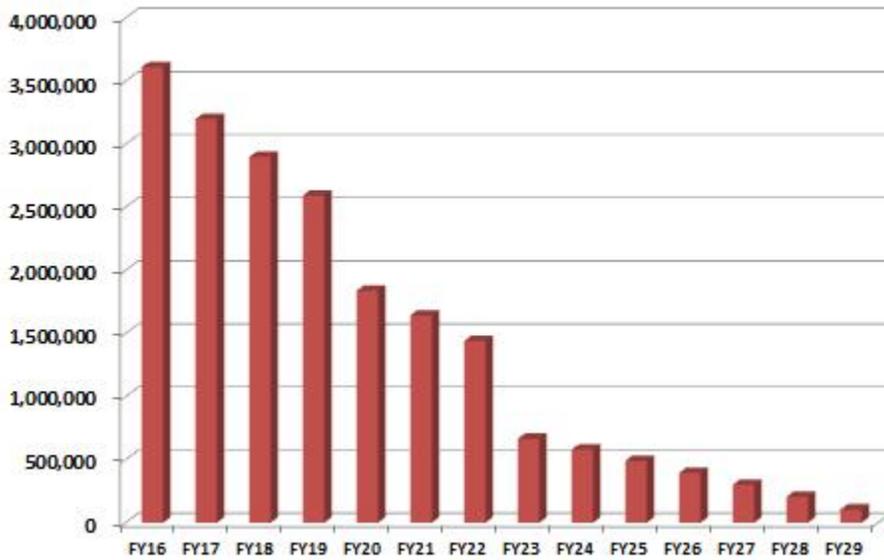


DEBT SERVICE FUNDS (COUNTY & SCHOOL)

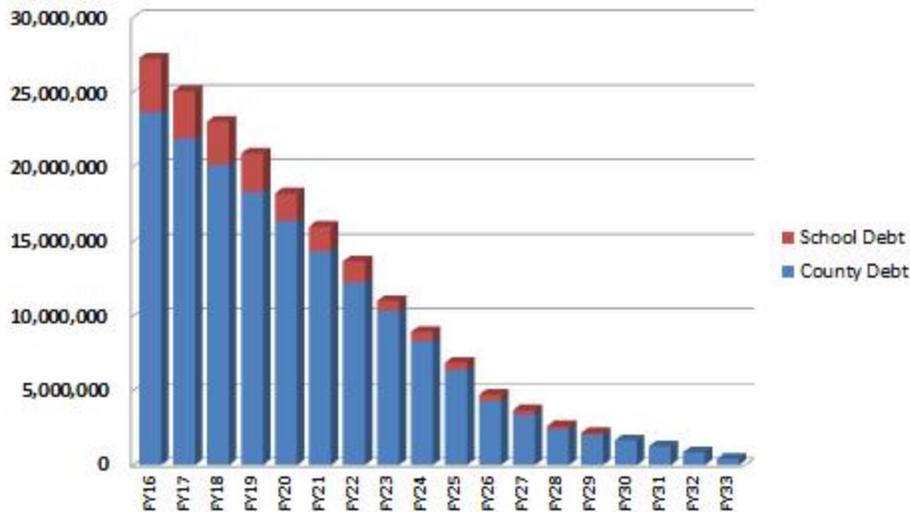
County Debt



School Debt



Combined County and School Debt



CAPITAL RESERVE FUND

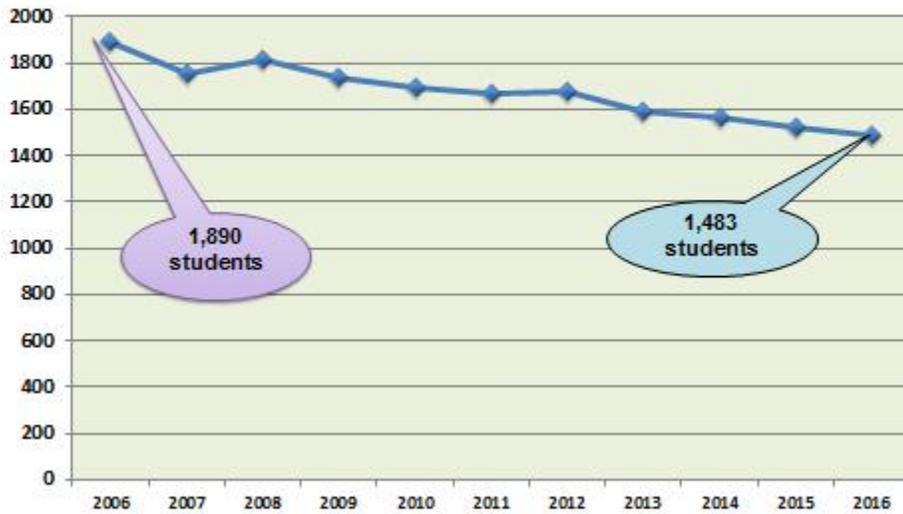
Starting with the Fiscal Year 2013 Budget, the Board of Supervisors implemented an informal policy to create a Capital Reserve Fund which would be funded from the difference in payments of the principal and interest as School & County Debt is retired. In the proposed FY17 budget, the Board is proposing to contribute \$300,000 as a new annual basis.

DESCRIPTION OF ACTIVITY	TOTAL	RUNNING ACCOUNT TOTAL
Contribution made in FY2013	\$ 252,299.00	\$ 252,299.00
Contribution made in FY2014	\$ 777,640.00	\$ 1,029,939.00
BOS 6/10/2014 Meeting - voted to transfer funds for capital projects of the school system	\$ (98,878.29)	\$ 931,060.71
BOS 6/22/2014 Meeting - voted to loan funds to school for teacher raises; said loan to be repaid from school's Certified Undesignated Fund Balance at the close of FY2014.	\$ (177,522.00)	\$ 753,538.71
Loan repaid on 6/30/2014	\$ 177,522.00	\$ 931,060.71
Contribution made in FY2015	\$ 777,640.00	\$ 1,708,700.71
BOS 5/26/2015 Meeting - voted to transfer funds for High School Wall Repairs	\$ (660,608.00)	\$ 1,048,094.71
Contribution in FY2016	\$ 777,640.00	\$ 1,825,734.71
Contribution Budgeted for FY2017	\$ 300,000.00	\$ 2,125,734.71

SCHOOL FUND



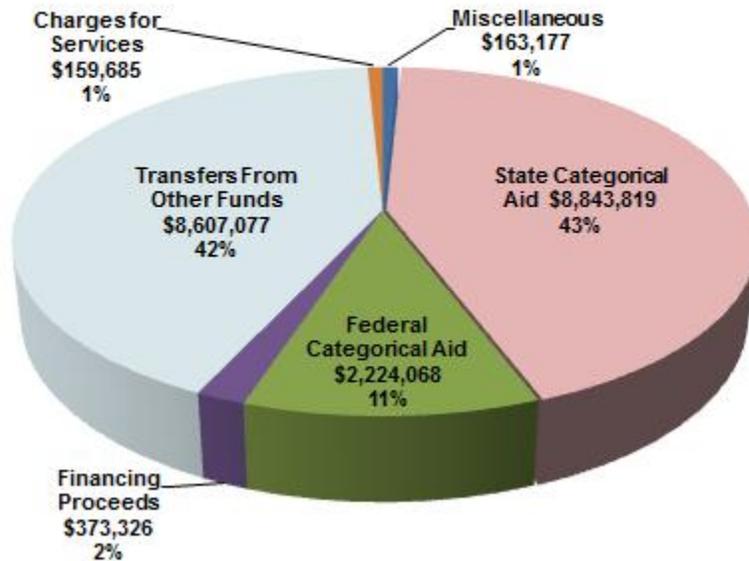
School March 31 ADM



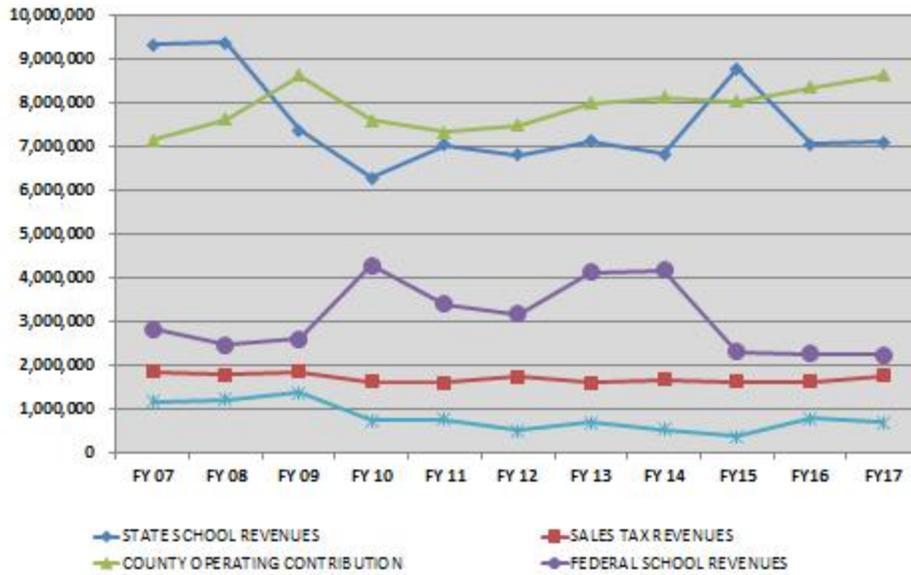
**School Funds
Detail-Budget Comparison**

	2016 Adopted Budget	2017 Budget Committee	FY17 minus FY16	% Difference
Fund: 910 School Operating				
Expenditures				
910-6000 - School Operating, School Instruction	\$11,085,808.00	\$11,468,152.00	\$382,344.00	3.45%
910-6100 - School Operating, School Admin, Attendance&Health	\$1,806,953.00	\$1,915,291.00	\$108,338.00	6.00%
910-6200 - School Operating, School Pupil Transportation Serv	\$1,928,468.00	\$1,828,033.00	(\$100,435.00)	-5.21%
910-6300 - School Operating, School Operation & Maint Services	\$2,115,357.00	\$2,198,148.00	\$82,791.00	3.91%
910-6450 - School Operating, School Technology	\$676,266.00	\$564,588.00	(\$111,678.00)	-16.51%
Fund Total: School Operating	\$17,612,852.00	\$17,974,212.00	\$361,360.00	2.05%
Fund: 920 School Federal Grants Fund				
Expenditures				
920-6500 - School Federal Grants Fund, School Specific Program Expenses	\$1,513,655.00	\$1,490,191.00	(\$23,464.00)	-1.55%
Fund Total: School Federal Grants Fund	\$1,513,655.00	\$1,490,191.00	(\$23,464.00)	-1.55%
Fund: 921 School Food Service				
Expenditures				
921-6400 - School Food Service, School Food Services	\$909,916.00	\$906,749.00	(\$3,167.00)	-0.35%
Fund Total: School Food Service	\$909,916.00	\$906,749.00	(\$3,167.00)	-0.35%
Expenditure Grand Totals:	\$20,036,423.00	\$20,371,152.00	\$334,729.00	1.67%

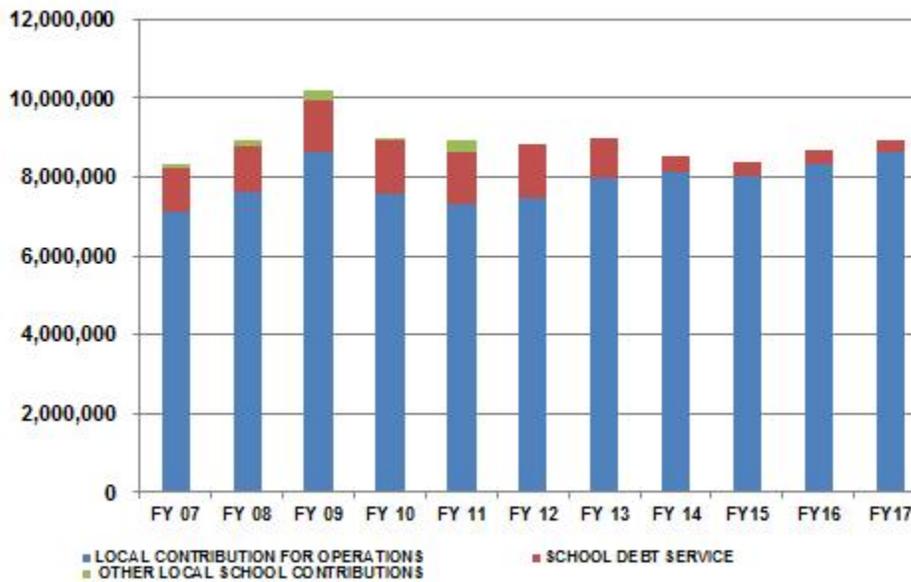
Where the Money Comes From School Operating Funds



School Operating Funds Revenues by Type

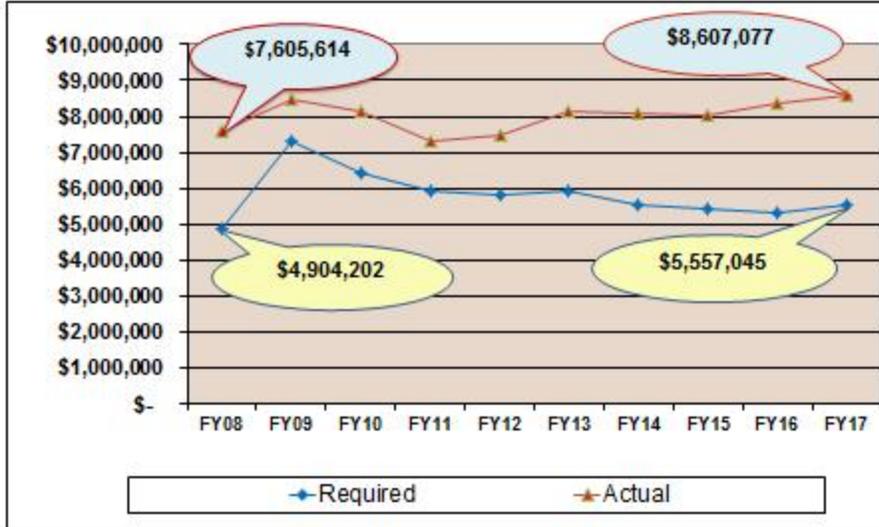


County Contributions to Schools



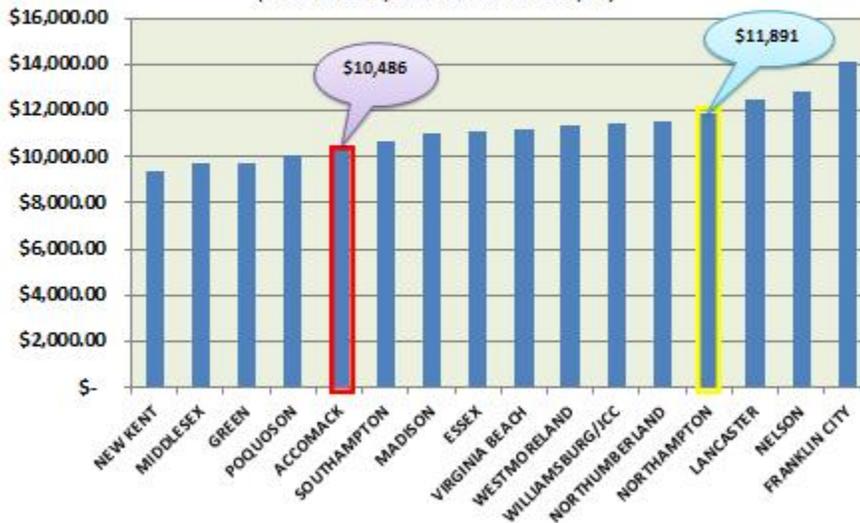
SCHOOL OPERATIONS

Required Local Effort vs. Actual Local Effort

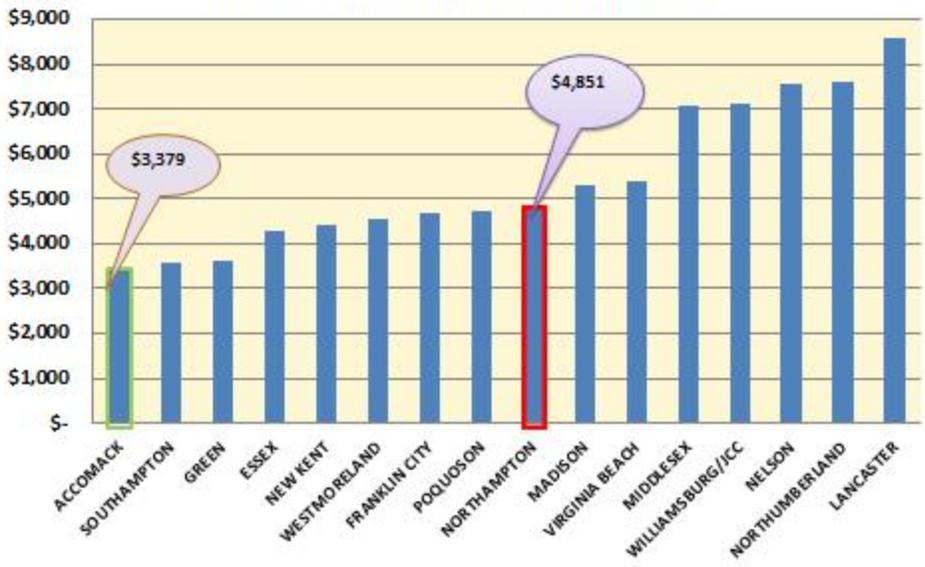


TOTAL PER PUPIL EXPENDITURES FOR FY2015

(based on the Superintendent's Annual Report)



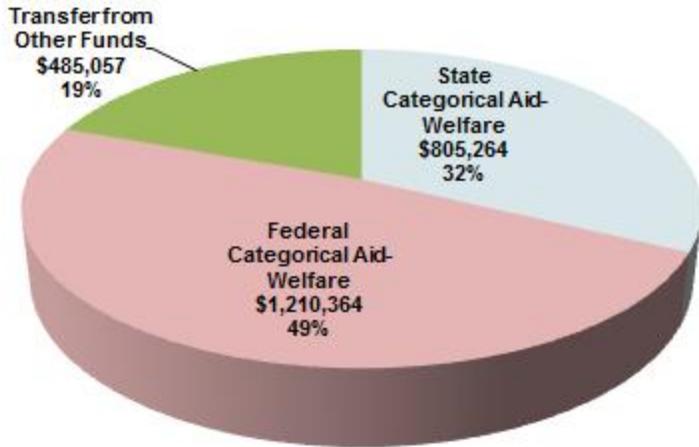
LOCAL FUNDING PER PUPIL EXPENDITURE FOR FY2015



SOCIAL SERVICES FUND



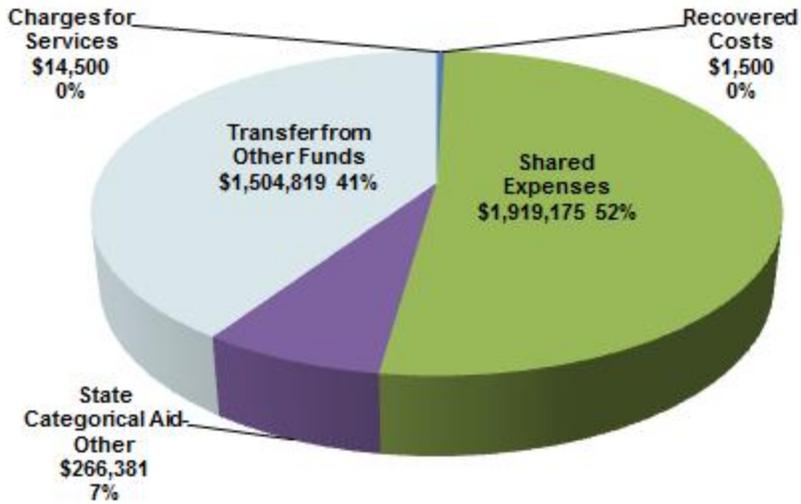
Social Services Fund Where the Money Comes From



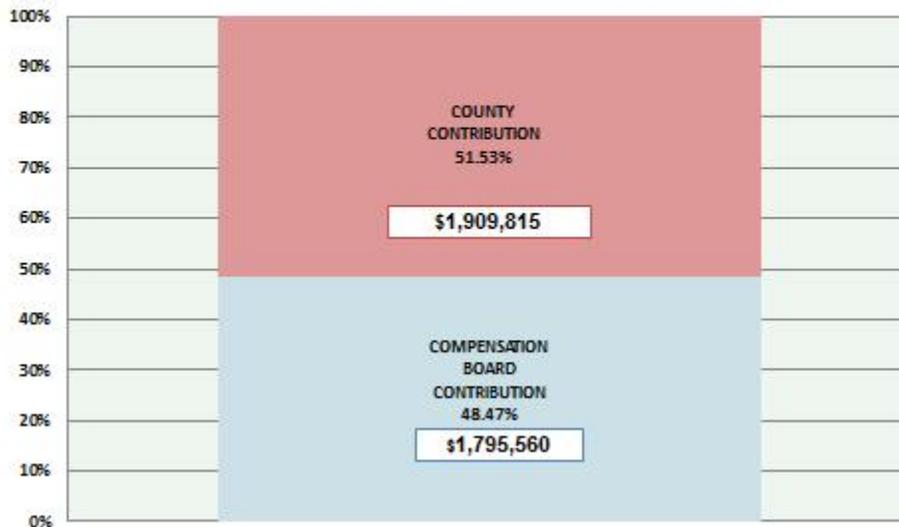
EASTERN SHORE REGIONAL JAIL FUND



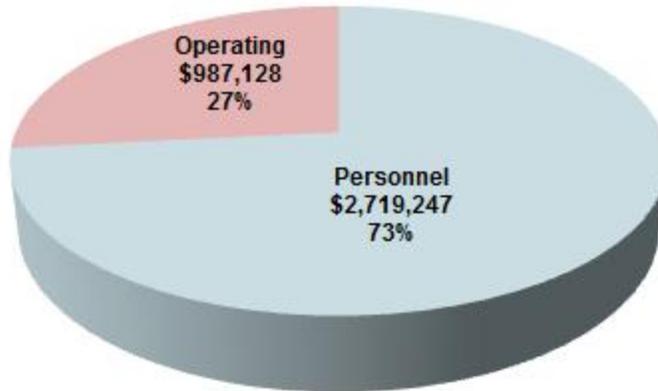
Eastern Shore Regional Jail Fund Where the Money Comes From



CONSTITUTIONAL OFFICES – REGIONAL JAIL COMP BOARD FUNDING VS COUNTY FUNDING



REGIONAL JAIL – BREAKDOWN BY CATEGORY



PUBLIC UTILITIES FUND



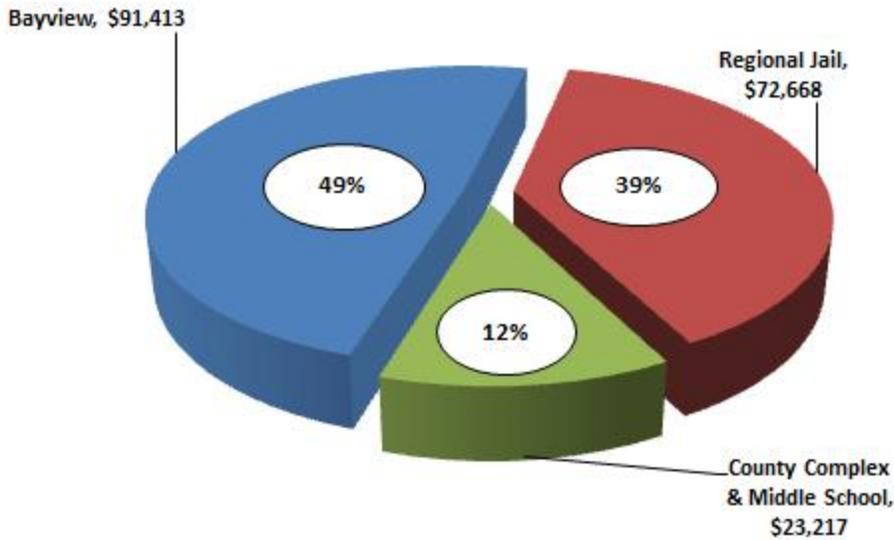
The County operates three systems:

- 1.) The Eastville County Complex water & sewer systems which services the County Admin building, Social Services, Courthouse, Sheriff, Probation and Regional Jail. The costs are split between the Regional Jail and Facilities Management Department (on behalf of all buildings but the regional jail).
- 2.) The former Middle School property well, septic & drain field which services the former middle school building and the school administration. All costs are billed as a user expense to the Facilities Management Department.
- 3.) The Bayview Residential Development – there is a water and sewer system the County operates and provides service to 72 users (either single family homes, duplex or triplex rental units).

Proposed Rate for Bayview System

- Based on a budget of \$91,413 and 72 users, the monthly fee will be \$53.00 for water and wastewater services each.

PUBLIC UTILITIES FUND



HARBOR IMPROVEMENT FUND

- The County collects harbor slip fees for Oyster and Willis Wharf harbors and retains these revenues as a dedicated funding source for harbor improvements. These revenues have historically been maintained as part of Fund 100 and appropriated as harbor projects have been advanced through the Harbors and Boats Department budget.
- Since the projects, such as dredging of Willis Wharf, are more costly and tend to stretch over several years, creating a distinct fund for the tracking of the revenue as well as the project costs was deemed necessary from a financial management and reporting perspective.
- Therefore, Fund 221 has been created and is part of this annual budget adoption. Harbor slip fees will be directly credited to this fund and the existing balance of this revenue stream will be transferred from the County's General Fund (Fund 100) to the Harbor Improvement Fund at the end of fiscal year 2016 – approximately \$160,000.
- For FY2017, the dredging of Willis Wharf will be the primary project for this fund, including the preparation of a spoils site. The budget request for this year is \$20,000, all funded through either harbor slip fees or grant funds from the Virginia Port Authority.

NC TOURISM GRANT FUND

- Code of Virginia Section 58.1-3819: Named Northampton County as one of the localities that may levy a transient occupancy tax at 5% and it further states that any excess occupancy tax over 2% shall be designated and spent solely for tourism and travel, marketing of tourism or initiatives that attract travel to locality.
- For FY2017, we are estimating the Transient Occupancy Tax to be \$270,000.
- Northampton County Code Section 33.077 states that:
 - 40% of the Transient Occupancy Tax shall be allocated to the County's General Fund. For FY2017, the amount is \$108,000.
 - 45% of the Transient Occupancy Tax shall be allocated as an annual contribution to the ES Tourism Commission. For FY2017, the amount is \$121,500.
 - 15% of the Transient Occupancy Tax shall be allocated to the NC Tourism Grant Program Fund. For FY2017, the amount is \$40,500.

NC TOURISM GRANT FUND

- In FY2016, 4 grants were awarded totaling \$28,410
 - Citizens for Central Park - \$7,500 for development of the Playground at Cape Charles Central Park
 - Eastern Shore Eventacular - \$12,150 for the Tall Ships at Cape Charles
 - Town of Cape Charles - \$5,190 for Cape Charles Public Swimming Area
 - Eastern Shore Eventacular - \$3,000 for 23rd Annual Eastern Shore Birding and Wildlife Festival

For FY2017, there will be \$52,860 available for award. The grant application period was open on May 5, 2016 and applications are due by June 1, 2016.

JOINT INDUSTRIAL DEVELOPMENT AUTHORITY (JIDA)

- On February 8, 2000, the County and the Towns of Cape Charles, Cheriton, and Exmore formed the Joint Industrial Development Authority (JIDA) pursuant to the Code of Virginia Title 15.2, Chapter 49, as amended.
- The JIDA has the right to acquire, own, lease and dispose of properties and make loans to promote industry and develop trade by inducing manufacturing, industrial, governmental, nonprofit and commercial enterprises to locate/remain in the Commonwealth.
- The JIDA is currently funded through fees earned on loans issued through the JIDA. The County and Towns can appropriate additional funds directly to support the purpose of the JIDA.



INDUSTRIAL DEVELOPMENT AUTHORITY (IDA)

Fund: 710 IDA Operating	
Revenue	
710-0015 - IDA Operating, Use of Money & Property	\$0
710-0016 - IDA Operating, Charges for Services	\$16,673
710-0018 - IDA Operating, Miscellaneous	\$0
710-0044 - IDA Operating, Transfer from Other Funds	\$0
Revenue Totals	\$16,673
Expenditures	
710-8113 - IDA Operating, IDA Administration	\$6,200
710-9900 - IDA Operating, Contingency	\$10,473
Expenditure Totals	\$16,673

Revised Tax Rates for the FY17 Budget

	Tax Year 2015 Tax Rate Per Hundred	Reassessed Tax Rate Tax Year 2016	Tax Year 2016 (Proposed) Tax Rate Per Hundred
Real Estate	.6805	.8253	.8300
Mobile Homes	.6805	.8253	.8300
Solar Installations	.49		.49
Wind Generation	.49		.49
Personal Property	3.90		3.90
Aircraft	3.90		3.90
Boats	.99		.99
Machinery & Tools	2.00		2.00
Farm Machinery & Equip.	1.43		1.43
Heavy Construction Equip.	2.86		2.86
Motor Vehicle, Limit of One for Qualified Disabled Veterans, pursuant to Code of VA §58.1-3508 A (19) & B	0.00		0.00



* * * * *

Mr. Justin Wheeler, President of the Northampton County Education Association and a math teacher at Occohannock Elementary School, urged the Board to continue its support of the school system and the 1500 ± students.

Mr. William “Skip” Oakley, Chairman of the Northampton County School Board, thanked the Board for its continued efforts to support quality education and asked that the Board not make further cuts to the proposed School Board budget. He also asked that the Board consider a meeting in the future to discuss the need for a new high school.

Mr. Bob Meyers read the following statement:

To: Board of Supervisors, Northampton County, May 31, 2016
From: R Meyers, Exmore.

RE: Public Hearing on the Budget and Taxation

On March 31st last year, I addressed this body for the second year in a row regarding the taxation of equipment for businesses, farming and aquaculture. Those comments were made a part of the meeting record.

Since I have been a resident in Northampton County, I cannot remember a year when at some point, several citizens and Supervisors have lamented about the lack of business growth and with it, jobs in the County. Past Chairman Randall made this a key issue of his guidance of the Board to take actions that were documented by two studies to NOT be the cause of what he considered economic malaise. Even with his training as a financial franchise operator, he never opened a public discussion on the adverse effect taxes have on business. Instead he focused on a nonproductive and wasteful path.

Four of you have had active businesses experience and should be well aware of what I am about to say. I am asking you to please consider how government generally uses taxes beyond the obvious need to raise money to feed itself and redistribute wealth. Activities that are NOT CONSIDERED DESIRABLE are very highly taxed such as tobacco and alcohol use. Those high taxes have been quite effective in reducing the economic growth of those businesses. I suggest that the government of this County may be unintentionally stifling business growth with year after year of business taxation that has not been carefully thought out beyond an attitude of “who can we tax the most without raising a fuss.” That attitude is immediately sensed by those businesses whose owners and employees live and work in this County and are an integral part of the community. I’m sure that from your own experience you can appreciate that a perception of inequitable tax treatment can reduce enthusiasm to grow, encourage legitimate tax avoidance, or worse, simple tax evasion.

As last year, your continued tax rate of \$1.43/100 for the farming equipment, of \$2.00/100 for business equipment and \$2.86/100 for construction equipment do not indicate any justification . Because this inequity has been done for years is not justification. And for years, the business community has not demonstrated overall that they are growing and prospering. The aquaculture industry has shown signs of growth based on the amount of area in our waterways that is being productive. The reduction in the taxes on their essential tool is a move in a positive direction. Have you ever thought that the tax structure may be a factor?

But what I find absurd is the rate you apply to potential wind and solar equipment of only 49 cents/ 100, businesses that may come here and set up their equipment to take advantage of ridiculously low taxes, and tax credits given by both the Federal and State governments. These are businesses that make little to no contribution to the County and whose track record shows leaving behind only a mess when the useful life of the equipment runs out or Federal tax subsidies are threatened or stop. Their rates should be established to be equitable with those who work here, live here and contribute to our community, not ¼ of the amount that they are charged! I recognize that VA code allows the wind and solar industry to petition for a more favorable rate and has now guaranteed that for some. What I am attempting to address is the advertised tax rates that you as a Board set, not proffers or downstream negotiation.

You have an Ad Hoc Tax advisory committee. I had direct contact with one member and indirect contact with another last year asking about this inequity. The answer is basically that the situation was not really considered because no one was apparently considering this use. That is no longer the case. In addition, the development of the wind farm 545 foot high turbines between Quinby and Painter, less than 4 miles from this County is still in progress.

It is getting to be an annual criticism of providing rates with no written discussion or justification for their derivation. There should be some straightforward explanation of the thought, consideration, and methodical consistency for the rates. The Ad Hoc tax committee product seems to be severely lacking substance, and thoroughly documented discussion that leads to a reasonable and justifiable end.

In discussing the Tax Committee results at a previous Board meeting, there was never demonstrated any questioning of those results for justification. There were no justifications for industrial wind and solar generation even prepared for you to discuss. I urge you to reconsider, question thoroughly the Tax Committee report, and close the huge gap in these rates.

There are a lot of physical changes that have taken place in the county over the years and the methods and reasons for how we are taxed should have an explanation that is open to the public. Copying past performance is not satisfactory. I would also suggest that a comparison to Accomack since it is adjacent and to a county on the west side of the Bay that would be comparable to Northampton in population and budget. I am not suggesting copying either but investigating if they have given thought for justifying their rate structure other than to justify expenditures.

R. Meyers

* * * * *

Superintendent Eddie Lawrence echoed Mr. Wheeler's and Mr. Oakley's comments and asked the Board to refrain from making any further cuts to the School Board's budget.

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

It was noted that as per the Code of Virginia, the Board must wait at least seven days prior to voting on the budget; therefore, action is proposed for the Board's regular June 14th meeting.

Supervisor Hogg said that he would like to hear from the public relative to what the Tourism Grant funds should be spent on as well as appropriate expenditures of the Joint Industrial Development Authority to attract industrial development to the County.

Matters Presented by the Board

Mr. Hogg: Discussion relative to training for staff, board and planning commission

Mr. Hogg informed the Board that Mr. Mike Chandler from the University of Virginia was willing to visit the County and provide training (Comprehensive Plan, Zoning Ordinance) to members of the Board and Planning Commission and asked if the other Board members were interested in pursuing this training. Mr. Bennett said that he hoped the Board would be open to hearing from others who may not have the same opinion as Mr. Chandler. It was the consensus of the Board to request Supervisor Hogg to work with the Planning Commission members and Mr. Chandler to secure an agreeable training date.

Adjourn

Motion was made by Mr. Duer, seconded by Mr. Bennett, that the meeting be adjourned. All members were present and voted "yes." The motion was unanimously passed.

The meeting was adjourned.

_____ CHAIRMAN

_____ COUNTY ADMINISTRATOR

DRAFT