

**5. MEETING MINUTES**

Attached for your consideration please find copies of the Board of Supervisor's meeting minutes for the:

- 1) Planning Retreat, March 9, 2016;
- 2) Budget Workshop, April 20, 2016; and
- 3) Regular Session, May 23, 2016.

**ACTION REQUIRED:**

Unless corrections or additions to the minutes are noted, they will be considered approved as presented by unanimous consent.

March 9, 2016

At a retreat of the Southampton County Board of Supervisors held in Room 204/206 at the Workforce Development Center, 100 N. College Drive, Franklin, Virginia on March 9, 2016 at 1:00 PM.

SUPERVISORS PRESENT

Dallas O. Jones, Chairman (Drewryville)  
Ronald M. West, Vice Chairman (Berlin-Ivor)  
Dr. Alan W. Edwards (Jerusalem)  
R. Randolph Cook (Newsoms)  
Carl J. Faison (Boykins-Branchville)  
Barry T. Porter (Franklin)  
S. Bruce Phillips (Capron)

SUPERVISORS ABSENT

OTHERS PRESENT

Michael W. Johnson, County Administrator (Clerk)  
Lynette C. Lowe, Deputy County Administrator/Chief Financial Officer  
June W. Steele, Finance Manager  
Richard E. Railey, Jr., County Attorney  
Amanda N. Smith, Administrative Secretary

OTHERS ABSENT

Mr. Michael Johnson states we have reached the appointed hour. Hopefully, everybody has in front of you a copy of today's agenda. I want to make note that dinner will arrive at 5:30 p.m. along with the School Board and its Administrative Staff. They will be joining us for dinner. Afterwards, we will hear their budget presentation, and we will follow-up with Carl Garner and the Fire and Rescue Association. Hopefully, we will wrap up about 8:30 p.m. We use the term retreat and that is a little bit of a misnomer for what we have going on today. We have some elements of a retreat. We are away from our normal business environment. We are all dressed comfortably and casually. We don't have a full agenda with public hearings and public comments. So, in that sense it is a retreat; but, realistically a retreat would be a time when you all would spend the entire time thinking strategically about the future, and trying to set the course for the future. We are going to spend the first hour focusing on that, but what we have after the first hour today is what I call workshops. They are more educational in nature to better inform you all of the current issues that are on your plate, and they really are not retreat kind of issues. I don't want you to lose focus on the bigger picture. It may be you want to follow up with a daylong strategic planning retreat sometime in the near future, but we will talk about that. The first session is what I call the next four years. Last November, the voters of Southampton County elected the seven of you all to represent their interest for the next four years. That is a tremendous privilege, a tremendous opportunity, and a tremendous responsibility. I want to spend the first few minutes talking a little bit about that. If you had to define the role of government, what do you all think it is?

Supervisor West states the opposite way that the City of Portsmouth City Council is going.

Chairman Jones states the servants of the people.

Supervisor Phillips states the vision for the future.

Mr. Michael Johnson states if I had to come up with a tagline for the role of government I think it would be to make people lives better. That is really why government exists. It is to make people's lives better. Two centuries ago when people had horses and carts, and they wanted to get to town they got stuck in the mud. So, they needed something bigger than the individual property owners to come together and deal with transportation; likewise with education. There used to be one room school houses here and one room school houses there. There was no central education facility. So, the role of government is to try and make people's lives better. How are you all going to do that over the next four years? What is it that you intend to do to make their lives better? I mentioned that you all have been given tremendous power along with tremendous responsibility. You have all

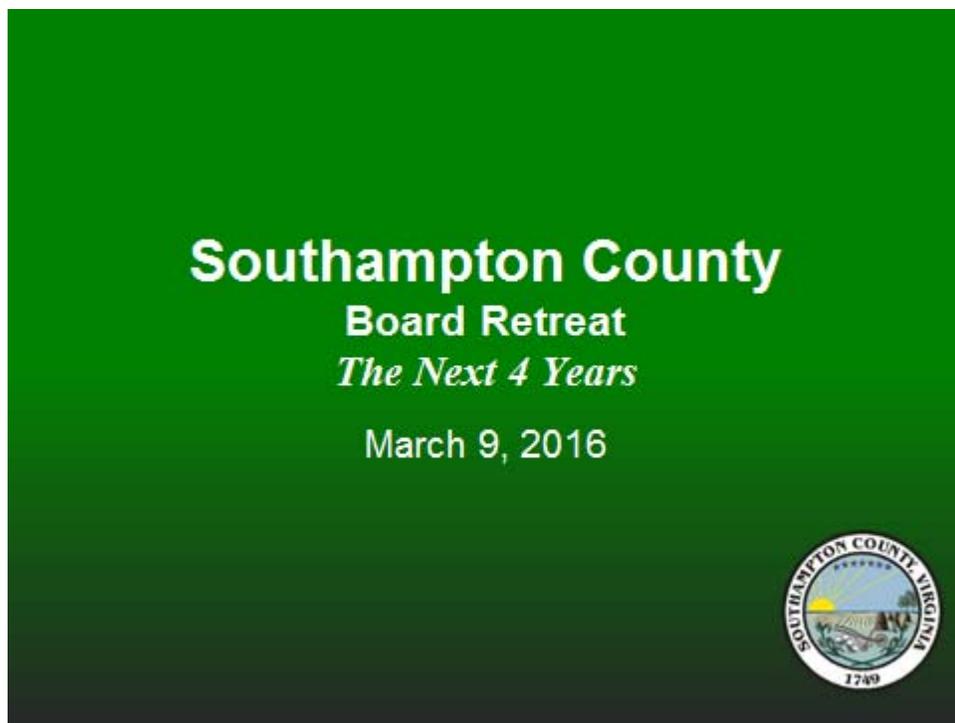
March 9, 2016

the power given to you under the constitution of Virginia. The Code of Virginia lays out an entire series of things you are responsible for and you need to take action on. You have the power of the County's strengths which is the way we accomplish things. Where a man's treasure is there his heart is also. Isn't that what scripture says?

Supervisor West states I always remember what you said at a meeting not too long ago from the book of Proverbs; where there is no vision you will die. You have to have a vision. Without that, there is no leadership. You have to step up, you have to lead, and you have to show that it will work for everyone involved. It is our responsibility to have a vision and to get people on board. Otherwise, society as we know it goes down; Proverbs 28:18.

Mr. Michael Johnson states when there is no vision people perish. So, what is it that you would realistically like to accomplish in the next four years? There are a couple of tracks you could take. One is you could simply deal with the issues that come before you. Basically respond to the world around you. Or, you could try to be much more proactive and try to influence the things around you; and, the things that are not working well you have to change. That is really up to you all how proactive you want to be. If you want things to just remain the same for the next four years, we can do that. That is not a problem. But, if there is something bigger or better; something you want your staff to be focused on that is what we are talking about today; the big picture over the next four years. I put together a brief presentation. I have copies of it so don't feel like you have to make any notes.

Mr. Michael Johnson gave a presentation on ten habits of highly effective boards and the importance of working together.



## Ten Habits of Highly Effective Boards



### 1. Think and act strategically

- Being an effective board member is more than a "thumbs-up" or "thumbs-down" vote on agenda items at public meetings
- Must start with a collective vision
- Define the strategic issues that must be mastered to accomplish the vision
- Develop the long-range goals to address the strategic issues; and
- Budget for successful implementation

## Ten Habits of Highly Effective Boards



### 2. Understand and demonstrate teamwork

- No one can accomplish anything individually
- You're not judged by your constituents individually, you're judged collectively
- Have a clear sense of purpose - but remember that only by building consensus and acting as a team can your purpose be fulfilled
- Nurture a climate of trust, openness and mutual respect
- Commit to principled and disciplined leadership

## Ten Habits of Highly Effective Boards



### 3. Master Small Group Decision Making



## Ten Habits of Highly Effective Boards



### 4. Clearly define roles and relationships

- Each member must contribute
- Your function – defined by statute
  - Prepare the budget and appropriate funds
  - Construct public buildings and maintain county property
  - Plan for land use
  - Adopt ordinances for health, safety and welfare
- Your performance – defined by your relationship with other board members
- "The difference between mediocrity and greatness is the feelings the players have for each other."

- Vince Lombardi

## Ten Habits of Highly Effective Boards



### 5. Partner with your staff

- Staff transforms your visions, policies, goals and plans into results, programs, buildings, services, etc.
- If county government was a sailboat, the Board is the rudder, the staff is the sail
- Board defines the NEED to be met and the OUTCOMES to be achieved
- Staff, within limits established by the Board, should be empowered to define the means to achieve the ends.

## Ten Habits of Highly Effective Boards



### 6. Monitor policy implementation

- Monthly agendas
  - Monthly reports
  - Project updates
  - Correspondence
- Don't be afraid to ask

## Ten Habits of Highly Effective Boards



### 7. Allocate time and energy appropriately

- Goal setting – retreats
- Explore and analyze – work sessions
- Disposition/legislation – regular sessions
- Community relations – interaction w/ constituents

## Ten Habits of Highly Effective Boards



### 8. Set clear rules and procedures for meetings

- Don't drift from the rules in pursuit of informality, collegiality, or "just being nice"
- Rules and procedures are necessary to conduct business in an orderly, disciplined, and productive manner

## Ten Habits of Highly Effective Boards



### 9. Get an assessment of the public's concerns and an evaluation of your performance

- Elections are not valid, objective assessments of the public's feelings about your performance
- Phone calls received or comments made at public hearings are not accurate reflections of the entire community's sentiments
- Seek market research – focus groups, surveys, questionnaires

## Ten Habits of Highly Effective Boards



### 10. Practice continuous learning and development as a leader

- Read
- Attend workshops
- Constantly seek information, understanding and insight

## Our Vision



Southampton County is a progressive community exhibiting leadership in agriculture and economic development while promoting excellence in education, traditional values, and exceptional quality of life.

## Our Mission



To provide the highest level of leadership, education, protection, and services in the most cost effective manner.



Mr. Michael Johnson states that was the purpose of this first hour of what we call a retreat; think about these things. You have 48 months to make people's lives better. How are you going to use it? What are you going to do? Questions or comments?

Supervisor Porter states we have a responsibility in these values and to have a vision. We have so many things we need to do, especially with education, the courthouse, Public Safety. On the Sheriff side, we need more than one detective running around the County at night. We are definitely looking at challenges in the EMS area this year and in the future. Especially, since our volunteers don't have the certification to do the work. So, how do we grow the purse? We can always raise taxes, but the board is going to have to look at alternative ways. One way is to find better utilization of our assets, like the water and sewer treatment plant. We have to find some way to get some value out of it. Second of all, we have to grow our tax base so we don't hit our residents with huge tax increases. I have made it clear often in my vision for the future that if you don't bring businesses in you will see taxes double in the next ten years. That is scary, so we need to concentrate on ways to make the purse bigger without putting additional burden on the taxpayers.

Mr. Michael Johnson states we could spend a whole day on just that and maybe that is what we need to do.

Supervisor Edwards states we need to spend a lot more time educating the public. What percentage of our registered voters in this county vote? It is pretty low isn't it?

Supervisor Phillips states about 30%.

Supervisor Edwards states 30%; so we have at the most 30% of people who really care about anything who vote. So, you see what we are up against.

Mr. Michael Johnson states so what about the other 70%?

Supervisor Edwards states they are the silent majority who don't care or who never shows up. We are dealing with, realistically, about 30% to 35% of the people.

Supervisor Porter states I don't think that gives us an excuse not to grow the county more efficient. I agree that I would like to see more people involved in voting and giving feedback. We are here because 30% elected us but we still have a responsibility to do the best job that we can, and provide the service without placing majority of the burden on the taxpayers.

Mr. Michael Johnson states we have reached the end of this first session. I hope you enjoyed it. I hope we went over some things to get you thinking a little bit. Let us know how you would like to

March 9, 2016

follow up with some of the things you heard today if you would like to move forward and follow-up with action. We can put it on the regular agenda where we can talk about it and act on it. With that, we are going to turn it over to Jerry Kee to talk about secondary roads plan.

Mr. Jerry Kee states I appreciate Mike putting me on the agenda today to go over our work session of the six-year plan. The sheet that I gave you I compiled the projects and priority the way that they are on the six-year plan now. The first thing I want to do is point out priority number six. I wrote the wrong project number on it. It is Route 617 not 646. If you look at the first priority, which is Rose Valley Road, everybody knows that job is complete. Basically, what we are doing now is financially pulling it out. That project will come out of the plan once we pay it off. The second one up there is Guy Place. That is the one we talked about last year to move up; the unpaved road, Route 728. We talked last year about making it a regular project because of the subbase issues we had. I had our material engineer go out and do an analysis of it last month. The road actually held up pretty good through the winter with those cold days we had and it was wet. He recommended that we could go back to a rural rustic. If we do that, the \$1.3 million estimate we have for reconstruction would probably go down to about 400,000. That is something to think about. If you have any questions, you can ask me about it. He went out there and did a couple of bourns in places where we had all of those problems and the places seem to be holding up pretty good. We also did some drainage improvements out there, and the drainage improvements made a huge difference in the problem that we had. This will be the quickest way to get it paved.

Supervisor Cook states do we have to wait until 2021 now?

Mr. Jerry Kee states the 2021 is based off of funding; having enough money to do the project.

Supervisor Cook states now that it has been moved.

Supervisor West states to rural rustic.

Supervisor Cook states when will it be?

Mr. Jerry Kee states it will probably be 2018. We are getting an average of \$175,000 to \$180,000 in unpaved road funds.

Supervisor Cook states so you cut three years.

Mr. Jerry Kee states yes, we cut three years off by doing that. Basically, what we would do is pave what is there. We have already done some of the drainage improvements and will still have to do a few more. The Route 743 job is one that we took out of the plan because of the lumber mill shutting down. That money was transferred to the Rose Valley project to pay off the debts; that money has been transferred, and that project will be taken out of the plan altogether. Number four is Rawlings Road which has been at the top of the unpaved list. We do have enough funding to do that and we plan on starting construction in June. Hopefully, by the end we will be improving that roadway. We are going to do that with our maintenance crew. They will go in and surface treat it, and do all of the work. We are getting it done for about ¼ of the cost of hiring a contractor. Number five is Governor Darden, and actually has about \$816,000 on it right now. So, they are in the process of beginning preliminary engineering on it. You may see some guys out there surveying and doing some other things unless you all want to change priorities.

Supervisor Edwards states how are you going to address the problem at the bridge. The bridge is not wide enough to accept the wider lanes.

Mr. Jerry Kee states it is not and what we are looking at doing is probably replacing it with a box culvert. The first project that you see on here is actually the first section. That would be in the next section. That is not even in the plan right now because there is no money on it. We are doing the first 2.5 miles.

Supervisor Cook states that is from Courtland back, through the swamp.

Mr. Jerry Kee states yes that is through the swamp which is probably the worst section when it comes to environmental because we are going to have to raise the roadway. They have been doing some preliminary work and they will start the preliminary engineering pretty quickly on that,

March 9, 2016

because we have \$800,000 on that right now. Warrique is the next unpaved road on there.

Supervisor West states before you continue, 200 yards of it needs to be extended off of Broadwater Road so when you come off of Broadwater it will cover those last houses. I realize it is expensive, but 200 yards is not \$600,000.

Mr. Jerry Kee states we may be able to do that. We have to go in and do some repairs at the beginning where we paved before. We have that in the plan to do this summer. All of the unpaved roads where they have that last 200 – 300 feet where we paved, we are going to go in and repair all of those this summer. That is in our action plan. The next unpaved road on the list is Delaware. As you can see, both of those have no funding on them. Delaware did have about \$5,000 on it that was put in there just to have it in the plan, but they won't let us do that anymore. So, that money was transferred to Guy Place because that is the first priority. In summary, that is what we have and I can take any questions?

Supervisor Phillips states thank you for your comments and thank you for what you have done on Guy Place Road. I am sure the people that live there appreciate it. You said you had done some drainage work...

Mr. Jerry Kee states it made a huge difference in what the issue was that we had.

Supervisor Phillips states right and I agree. I rode out there and you have all these ditches after the timber was cut that have grown up. Is there anything else that can be done?

Mr. Jerry Kee states yes; we are planning on when we do the project or maybe before the project, going in and cleaning out at least the ditch that's the closest to Route 628. That is the one that carries a lot of the water. If you noticed, it is clean for a ways, but if you walk in the woods about 75ft it needs to be cleaned out. It really needs to be cleaned out about 400 feet.

Supervisor Phillips states okay; excellent.

Supervisor West states Mr. Kee, I submitted to you that cleaning the ditches would do more good than cleaning any top surfaces. You have so much water and it sits there and saturates. It builds up under the road and deteriorates the road on a regular basis because it can't run off. I have no idea, but just for the sake of argument, 50% or more of every culvert under every secondary highway is deteriorating. It was put in so long ago there are so many holes now that are leaking through. This is going to be a worsening problem and not a bettering problem for you guys.

Mr. Jerry Kee states we do have a plan in place right now to start replacing a lot of these culverts. What we are going to do is try to replace some in every district because we have them in every district. We are assessing them now. A lot of them we are going to replace ourselves and some of them we may need contractors to do them.

Supervisor West states you guys have opened that old office building over in Berlin for whatever reason.

Mr. Jerry Kee states our construction people work out there.

Supervisor West states with that being said, I was kind of nosey the other day and I said something about the water standing halfway across the road, but if you go 100 feet up it goes off into a swamp.

Mr. Jerry Kee states but they are out there to cut the ditches, but sometimes we have a problem with the farmers going out there and plowing up the ditches. We go out there and cut the ditch and then the farmer goes out there and plows up the ditch. It is a never-ending battle.

Chairman Jones states what about Ivy Tract Road? Have you seen where that road is covered every time it rains?

Mr. Jerry Kee states yes and part of the problem with that Mr. Jones is we have beaver problems back there. We have a lady that does beaver trapping and she already has it on her list to do; now, how quickly she will get in there I don't know. It is a level of dams back there; about four or five

March 9, 2016

levels back there.

Supervisor West states did you say you had about \$175,000; what did you say?

Mr. Jerry Kee states roughly \$175,000 for unpaved roads. It is only going to be in the \$50,000 - \$60,000 range to put on paved roads. They are basically telling us we are only getting the funds that we get from telecommunications; the money from the telephone companies. There are no state funds...

Supervisor West states why all of this cutting back? All of these excess taxes, and the government bragging on the big pot he has. The federal government taxes everything. What is going on?

Supervisor Cook states the bottom line is the politicians have a lot more power than we do. The roads had no money in the original budget this year. The Transportation Board made them go back, and like Jerry said they are only getting money off of the telecommunication rent fees.

Mr. Jerry Kee states the unpaved road money was additional money out there and Mike and I talked about it; if you had an unpaved road that had 400 vehicle trips per day on it we could have gotten extra money. But guess what, Southampton County doesn't have one. The closet one you have is Warrique Road and that is 340. We didn't have one that reached that 400 limit so we didn't get the extra money.

Supervisor Cook states just for my knowledge is 50 still the minimum to pave a road?

Mr. Jerry Kee states yes 50 is still the minimum to pave a road. We do traffic counts on them every year. Actually, I went in and checked the traffic counts this morning and some of traffic counts on these roads have gone up. Also, I have had request from a couple of property owners and people that live on Buckhorn Quarter Road to add that to the list. It is on the list, but it is way down the list. It was at the top of the list 20 years ago. The traffic count on that road is 95.

Supervisor Phillips states and it needs to be what?

Mr. Jerry Kee states it needs to be 50.

Supervisor West states Jerry, on Route 635 Railroad Bridge, just before you get to Route 460; you did some checking, walking on, and marking a little bit and then it all died.

Mr. Jerry Kee states actually they are still working on it.

Supervisor West states if you go across that bridge it sounds like it is going to fall down.

Mr. Jerry Kee states we are getting ready to do some maintenance to it. Go in and tighten the boards up, etc. The problem is when you are dealing with a wooden bridge like that once you go across it they began to loosen up real quick. The bridge is actually our bridge now it is not the railroads anymore.

Supervisor West states where is it in the plan?

Mr. Jerry Kee states it is still in the plan but it is a funding issue. We had some bridges to be replaced where the funding came in above what the estimates were. Route 671 is just like it. The one we had the public hearing on. Originally, Route 671 was scheduled to be done in 2018 and now we are looking at 2020 or 2021 because of the funding. We will know more when we get the funding scenarios for the bridges and the primary roads in the next couple of months, because I haven't got the final numbers yet.

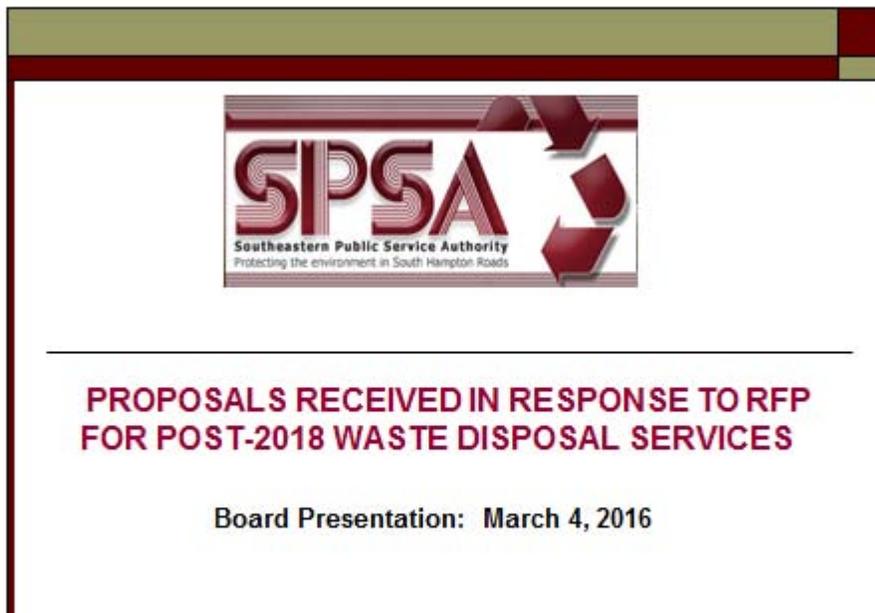
Supervisor West states well it is a sound nuisance for the neighbors that live right by it. It sounds like you have been hit by a truck.

Mr. Jerry Kee states yes it does, but I did talk to the bridge engineer and they are getting ready to go in and tighten the boards. Like I said, the only one I have had any calls about is Buckhorn Quarter Road as far as adding.

Mr. Michael Johnson states thank you Jerry. What I am going to share with you now is not my

presentation. It was the presentation that was made to the SPSA Board of Directors at a special meeting last Friday. That is why you see the March 4<sup>th</sup> date. This was the presentation made by the SPSA staff to the SPSA Board of Directors in response to the request for proposals for the post-2018 disposal services contract. I am sure you all saw in the paper what the action of the SPSA board was, but I am going to share with you a ton of details because everybody wants to know what the real deal is moving forward with SPSA. You all know I made a presentation at your meeting last month to bring you up to date on where we are on the proposed Use and Support Agreement. Now that we know which option SPSA will be aggressively pursuing, we have a good idea of what the cost will be with SPSA moving forward. They are going to be asking for your consideration of that Use and Support agreement quickly. I mentioned last month it could be as early as this month. They would like to have your response by the end of March. They absolutely have to have your response by the end of April.

At this time, Mr. Michael Johnson gave a presentation on SPSA.



## RFP Process ~ Summary

- RFP Issued October 23, 2014, responses due December 16, 2014
- Addendum #1 issued November 4, 2014, extending the response date to January 15, 2015.
- Addendum #2 issued December 3, 2014, revising the evaluation criteria and responding to various questions.
- Three Proposals received January 15, 2015
  - RePower South
  - Republic Services
  - Wheelabrator Technologies
- Oral Presentations by each offeror to SPSA Board February 12, 2015
- All 3 offerors were deemed qualified to provide the services requested in the RFP.
- Proposals reviewed by an independent engineer, SCS Engineers

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## RFP Process ~ Summary (cont.)

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- Competitive negotiations ensued for several months with all three offerors.
- RFP requested an initial 5-year term with 5-year renewal options based on the proposed Use & Support Agreement terms.
- As the NEW Use & Support Agreement evolved, a 10-year or 15-year term was recommended.
- As such, each offeror was requested to submit a revised proposal based on a 10 year and 15 year term pricing structure.
- A system-wide cost was developed based on each offeror's proposal and then compared to the projected system-wide cost of disposing SPSA's waste at the Regional Landfill.
- The quantitative analysis is based on 375,000 tons of waste and a 15-year term.

3

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## Recap of Three Proposals

Listed Alphabetically

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- RePower South
- Republic Services
- Wheelabrator Technologies

4

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## RePower South ~ Proposal Overview

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- SPSA would haul all municipal solid waste to a newly-developed, privately-financed recycling, recovery and renewable energy facility located in Chesapeake (CUP issued January 2016).
- SPSA waste-stream "processed" by RePower will support two revenue-generating product lines:
  - Commodity recycling
  - Advanced Biofuel (ABFuel™) --
    - pellets generated from patented, proprietary processing technology, sold to utility customers (e.g., Dominion) as alternative to coal as fuel supply
    - satisfies mandated "green initiatives", but not intended to replace the use of coal
    - estimated to provide at least one-third of operating revenues
- Residual waste disposed in the Regional Landfill.

5

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## About RePower

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- South Carolina-based organization, with individual and institutional ownership
- Executive Leadership
  - Jim Bohlig -- Chief Development Officer, with 30 years of experience in waste industry (Spartansburg, SC)
    - invented ABFuel™ technology
  - Brian Gilhuly -- Chief Operating Officer, investment and development executive
  - Justin Converse -- Chief Executive Officer, coal brokerage and logistics executive
    - previously owned waste transfer and recycling business
  - all executives have significant ownership stake in RePower
- Commercial Partners
  - Barnhill Contracting (general contractor: Raleigh, NC) -- responsible to build facility and commission equipment systems
  - Bulk Handling Systems (equipment systems supplier: Eugene, Oregon) -- responsible for equipment system delivery and performance as subcontractor to Barnhill

6

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## About RePower (cont.)

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- Hampton Roads Integrated Bioenergy Complex (property owner)-- owns Chesapeake property to site the RePower facility
- Accordant (owns ABFuel technology; patented) -- licenses ABFuel technology to RePower on an "exclusive" basis in Virginia
- Converse and Company (fuel broker) -- responsible for sale of ABFuel
- Wells Fargo (investment banker) -- will sell bonds needed to finance RePower facility
- RePower Experience
  - no existing operations comparable to SPSA proposal
  - however, various "components" of the integrated system are operational in the U.S. and abroad

7

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## RePower Proposal ~ 15 Year Term

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- SPSA hauls MSW to RePower Facility
- Guaranteed minimum tonnage of 350,000 tons
- Residual waste hauled by 3<sup>rd</sup> party to Regional Landfill
- Disposal Fees (2015 dollars):
  - Gross Disposal Fee: \$24.05/ton
  - Guaranteed Revenue Share: **(\$1.23/ton)**
  - Residual Waste Fee (up to 105,000 tons): **(\$6.00/ton)**
  - Net Disposal Fee: **\$16.82/ton**

\*Net disposal fee MAY be further reduced by additional offsetting credits such as revenue share if Repower achieves revenue in excess of established threshold and/or diverted waste disposed in Regional Landfill.

8

## Projected System-Wide Cost RePower South (2015 Dollars)

Expenses	RePower South
Transfer Stations	\$4,998,969
Transportation	\$4,733,798
Landfill	\$1,876,972
Administration	\$1,989,391
Net Disposal Cost other than Regional Landfill	\$5,774,041
Construct & Equip Portsmouth Transfer Station	\$195,464
Landfill Expansion: Includes constructing Cell 7 in 2 phases, Closure for Cells 5&6, and a Proposed Host Fee)	\$1,625,000
<b>Total Expenses</b>	<b>\$21,193,635</b>
Total Tons to Landfill	136,825
Cell 5 & 6 Reach Capacity In	2044
Municipal Waste Tons	375,000
<b>System-Wide Cost</b>	<b>\$56.52</b>

*Note:* Assumes SPSA uses \$5 million of \$16 million, originally set aside for landfill closure, to build a transfer station for Portsmouth and then SPSA would reimburse the landfill closure fund each year over 25 years.

9

## Qualitative Comparison - RePower

- **Pros:**
  - knowledgeable, experienced and motivated leadership team
  - technology/process more "forward-looking"
  - generates alternative energy source (pellets) and recovers recyclables
  - may be best-positioned as possible "long-term" waste solution
  - economic contributions to the community (taxes, workforce, etc.)
  - preserves Regional Landfill
- **Cons:**
  - major capital investment requirements/financing risks
  - no operating history
  - capacity limitations
  - unpredictable and unproven revenue stream for products
  - residual waste issues
  - no parent guarantee

10

## Republic Services ~ Proposal Overview

- SPSA would haul municipal solid waste to Brunswick Waste Management Facility (landfill) near Lawrenceville
  - alternative/back-up sites (landfills) include Old Dominion Landfill in Richmond and King & Queen in Little Plymouth
- Brunswick Waste Management Facility (landfill)
  - opened April 1997
  - over 20 million CY of permitted air space remaining
  - 100+ years of permitted facility life remaining (est.)
  - approximately 83 miles west of Regional Landfill and approximately 112 miles from the Oceana Transfer Station

11

## About Republic

- Background
  - large provider of solid waste collection, transfer and disposal services
  - operates in over 40 states; nearly 200 operating landfills
  - nearly \$20 billion total assets
  - over \$8 billion total revenue
- Local Leadership
  - Drew Isenhour -- Area President
  - Josephine Aiken -- Municipal Services Manager
  - Eric Spencer -- Brunswick Landfill Manager (22-year landfill veteran)
- Reference
  - party to a 26-year contract with Albemarle Regional Solid Waste Management Authority
  - similar to SPSA -- consists of seven counties in Eastern North Carolina

12

## Republic Proposal ~ 15 Year Term

- SPSA hauls MSW to Brunswick Waste Management Facility
- Guaranteed minimum tonnage of 375,000 tons
- Disposal Fees (2015 dollars)
  - \$23.56/ton

13

## Projected System-Wide Cost Republic (2015 Dollars)

	Republic
<b>Expenses</b>	
Transfer Stations	\$4,998,969
Transportation	\$9,649,922
Landfill	\$1,776,972
Administration	\$1,989,391
Net Disposal Cost other than Regional Landfill	\$8,835,000
Construct & Equip Portsmouth Transfer Station	\$21,429
Landfill Expansion: Includes constructing Cell 7 in 2 phases, Closure for Cells 5&6; and a Proposed Host Fee)	\$0
<b>Total Expenses</b>	<b>\$27,271,683</b>
Total Tons to Landfill	15,000
Cell 5 & 6 Reach Capacity In	2251
Municipal Waste Tons	375,000
<b>System-Wide Cost</b>	<b>\$72.72</b>

**Note:** Assumes SPSA uses \$5 million of \$16 million, originally set aside for landfill closure, to build a transfer station for Portsmouth and then SPSA would reimburse the landfill closure fund each year over 233 years.

14

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## Qualitative Comparison - Republic

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- Pros:
  - long operating history and significant financial resources
  - experienced management
  - no limitations on capacity
  - preserves Regional Landfill
- Cons:
  - "stigma" associated with landfilling
  - risks inherent in long-haul requirements -- accidents, pollution, etc.
  - transportation costs prohibitive
  - minimal economic contributions to the community

15

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## Wheelabrator ~ Proposal Overview

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- SPSA will haul municipal solid waste to RDF plant tipping floor for processing by Wheelabrator
- Waste converted to fuel and conveyed to Waste-to-Energy facility for combustion, generating steam for U.S. Navy (Norfolk Navy Shipyard) and electricity for sale to the grid
- Ash residue to be disposed in non-SPSA landfill
- As security for failure to perform under new agreement, propose guarantee from Granite Holdings (Wheelabrator parent; subsidiary of Energy Capital Partners)

16

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## About Wheelabrator

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- SPSA's "Incumbent" Waste-Disposal Vendor
  - acquired RDF plant and WTE facility from SPSA in 2010
  - owned by Waste Management at time of acquisition; sold to Energy Capital Partners in 2014
  - provides waste-disposal services under a Service Agreement that will expire in January 2018
- Leadership
  - Steve Herman -- Managing Director, Energy Capital Partners
  - Mark Schwartz -- Senior Manager, Business Development
  - Rob Johnson -- Plant Manager

17

## Wheelabrator Proposal ~ 15 Year Term

- SPSA hauls MSW to Wheelabrator Facility
- Guaranteed minimum tonnage of 375,000 tons
- Disposal Fees (2015 dollars):
  - Gross Disposal Fee: \$45.88/ton
  - Amortized Savings -- Current Contract: (\$1.58/ton)\*
  - Net Disposal Fee: \$44.30/ton

\*Amortized Savings:

- Ends the "put or pay" agreement upon execution of a new 15 year contract. Assume July 1, 2016.
- Increase the credit for ash disposal from \$5 per ton to \$13 per ton effective July 1, 2016.
- Decrease the rate per ton for disposal
  - July 1, 2016 – June 30, 2017: \$50 to \$49.20
  - July 1, 2017 – January 24, 2018: \$52 to \$50.43
- Savings generated from "current" contract are amortized over 15 year contract.

18

## Projected System-Wide Cost Wheelabrator (2015 Dollars)

	Wheelabrator
<b>Expenses</b>	
Transfer Stations	\$4,539,803
Transportation	\$4,600,292
Landfill	\$1,776,972
Administration	\$1,989,391
Net Disposal Cost other than Regional Landfill	\$16,612,500
Construct & Equip Portsmouth Transfer Station	\$0
Landfill Expansion: Includes constructing Cell 7 in 2 phases; Closure for Cells 5&6; and a Proposed Host Fee)	\$0
<b>Total Expenses</b>	<b>\$29,518,958</b>
Total Tons to Landfill	15,000
Cell 5 & 6 Reach Capacity In	2251
Municipal Waste Tons	375,000
<b>System-Wide Cost</b>	<b>\$78.72</b>

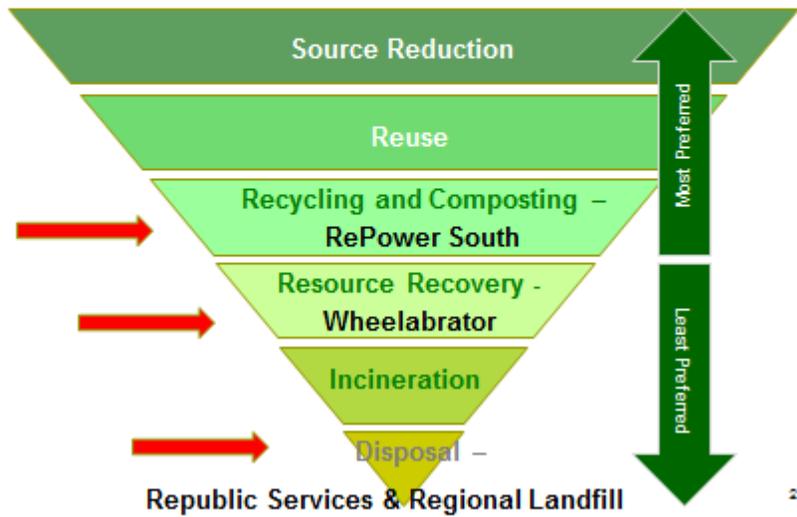
19

## Qualitative Comparison - Wheelabrator

- Pros:
  - incumbent -- known vendor with established infrastructure, systems and processes
  - relationship with U.S. Navy
  - economic contributions to the community (taxes, workforce, etc.)
  - generates renewable energy (steam/electric) and recovers recyclables (metal)
  - no near-term operational risks – no uncertainty about readiness on "day one"
  - preserves Regional Landfill
- Cons:
  - reliance on commercial waste for economic viability -- beyond SPSA control
  - ash disposal requirements/issues

20

## Regional Solid Waste Management Plan for Southeastern Virginia Waste Management Hierarchy



21

## Quantitative Comparison of All Alternatives

(Based on 15 Year Term in 2015 Dollars)

	Regional Landfill	RePower South	Republic	Wheelabrator
<b>Expenses</b>				
Transfer Stations	\$4,998,969	\$4,998,969	\$4,998,969	\$4,539,803
Transportation	\$5,453,798	\$4,733,798	\$9,649,922	\$4,600,292
Landfill	\$3,620,518	\$1,876,972	\$1,776,972	\$1,776,972
Administration	\$1,989,391	\$1,989,391	\$1,989,391	\$1,989,391
Net Disposal Cost other than Regional Landfill	\$0	\$5,774,041	\$8,835,000	\$16,612,500
Construct & Equip Portsmouth Transfer Station	\$555,556	\$195,464	\$21,429	\$0
Landfill Expansion: Includes constructing Cell 7 in 2 phases, Closure for Cells 5&6, and a Proposed Host Fee)	\$4,893,750	\$1,625,000	\$0	\$0
<b>Total Expenses</b>	<b>\$21,511,982</b>	<b>\$21,193,635</b>	<b>\$27,271,683</b>	<b>\$29,518,958</b>
<b>Total Tons to Landfill</b>	<b>375,000</b>	<b>136,825</b>	<b>15,000</b>	<b>15,000</b>
Cell 5 & 6 Reach Capacity In	2027	2044	2251	2251
Municipal Waste Tons	375,000	375,000	375,000	375,000
<b>System-Wide Cost</b>	<b>\$57.37</b>	<b>\$56.52</b>	<b>\$72.72</b>	<b>\$78.72</b>

Note: Assumes SPSA uses \$5 million of \$15 million, originally set aside for landfill closure, to build a transfer station for Portsmouth and then SPSA would reimburse the landfill closure fund each year over 8 years under the landfill only scenario, or 25 years under the RePower scenario, or over 200 years under the Republic scenario.

22

## Summary

1. The system-wide cost for RePower is comparable with the cost of landfilling waste.
2. SPSA has no startup costs for initial investment required under either the RePower scenario or the landfill scenario.
3. The risks associated with a "start-up" business are mitigated by termination rights in certain events, such as
  - > Failure to obtain permits
  - > Failure to obtain financing by date certain
  - > Failure to begin construction by date certain
  - > Failure to begin operation by date certain
  - > Failure to perform, make payments, maintain insurance, etc.
  - > Failure to maintain solvency
4. Based on qualitative and quantitative analysis, SPSA staff has concluded the proposal submitted by RePower South is the best proposal and provides the best value to SPSA for waste disposal Post 2018 and recommends the SPSA Board issue an Intent to Award to RePower South, subject to execution of a written contract.
5. RePower has delivered to SPSA (i) an Irrevocable/Binding Offer for waste-disposal services and (ii) an executed Waste Supply and Services Agreement, described in the following slides.

23

## Executive Summary of Waste Supply and Services Agreement (“WSA”)

- **Primary SPSA Obligations**
  - Deliver Municipal Solid Waste to RePower Facilities
  - Pay Disposal Fees to RePower (subject to “offsetting credits”)
  - Make Regional Landfill Available for Residual Waste, Diverted Waste and Non-Processible Waste
- **Primary RePower Obligations**
  - Raise Funds to Construct and Operate Project Facilities
  - Obtain Permits for Facilities
  - Complete Construction and Testing of Facilities
  - Accept, Process and Dispose of SPSA Municipal Waste
- **Term/Renewal**
- **Miscellaneous Provisions**
- **SPSA Rights/Remedies**

24

## Primary SPSA Obligations

- **Delivery of MSW:** SPSA delivers MSW collected from Member Communities to the RePower Facilities.
- **Payment of Annual Disposal Fee:** SPSA pays annual fee to RePower, in equal monthly installments, regardless of MSW delivered (“put-or-pay”)
  - Annual Disposal fee equals 350,000 tons of MSW times Gross Disposal Rate
  - Gross Disposal Rate starts at \$25/ton in 2018, and increases annually by CPI
  - initial Annual Disposal Fee would be \$8.75 million (2018 dollars)
- **Payment of Surplus Disposal Fee:**
  - applies only if SPSA delivers MSW in excess of 350,000 tons in a year
  - if payable, Surplus Fee equals excess tons over 350,000 times Gross Disposal Rate
- **“Offsetting Credits” on Disposal Fees:**
  - “Guaranteed Revenue Share” = tons of MSW delivered by SPSA times \$1.23/ton
  - “Excess Revenue Share” = 10% of annual Gross Revenues above Revenue Thresholds
  - Revenue Share payments (“offsetting credits”) to SPSA are subordinate to payments on RePower senior debt; BUT
    - unpaid Revenue Share accumulates and is paid when revenues are sufficient
    - SPSA can reduce any Surplus Disposal Fee payments by unpaid Revenue Share

25

## Primary SPSA Obligations (cont.)

- **Make Landfill Available for Certain Waste Disposal Activities:**
  - **Residual Waste:**
    - RePower hauls/disposes “Residual Waste” (byproduct from MSW-processing)
    - SPSA makes Regional Landfill available for Residual Waste, subject to limitations
      - annual Residual Waste disposal at the Regional Landfill is “capped” at 38.5% of MSW delivered to RePower in previous year -- starting annual Cap of **134,750 tons**
    - RePower pays SPSA a flat “Annual Residual Waste Fee” for right to dispose of Residual Waste at the Landfill, up to a “Baseline” amount
      - fee starts at **\$2.14 million** in 2018, and increases annually by CPI
      - Baseline Residual Waste is 30% of MSW delivered to RePower in previous year -- starting annual Baseline of **105,000 tons**
    - RePower pays SPSA an “Excess Residual Waste Fee” for Residual Waste disposed at Regional Landfill in excess of the “Baseline” (up to the “Cap”)
      - Excess Fee equals tons of “excess” Residual Waste times SPSA Disposal Rate

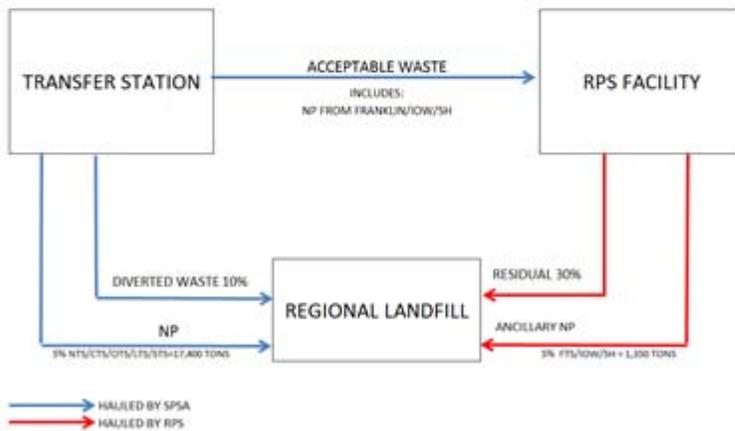
26

## Primary SPSA Obligations (cont.)

- **Diverted Waste:**
  - "Diverted Waste" is MSW that RePower does not accept or process for any reason – e.g., RePower fault, Uncontrollable Circumstances (force majeure), etc.
  - SPSA makes Regional Landfill available for Diverted Waste, subject to limitations
    - Diverted Waste disposal at the Regional Landfill is "capped" at 10% of MSW delivered to RePower in the prior year – starting annual Cap of 35,000 tons
    - **NOTE:** no limit/cap on MSW diverted due to Uncontrollable Circumstances
  - RePower pays a "Diverted Waste Fee" for each ton of MSW diverted to the Regional Landfill
    - fee equals tons of Diverted Waste times SPSA Disposal Rate, plus SPSA's incremental transportation/labor/disposal costs
- **Non-Processible Waste ("NPW"):**
  - SPSA separates NPW at its transfer stations and disposes in Regional Landfill
  - only "Ancillary Non-Processible Waste" is accepted by RePower at its Facilities
    - Ancillary NPW is incidental NPW included in waste-stream delivered by SPSA or Members
    - RePower separates the Ancillary NPW and delivers to Regional Landfill
  - SPSA receives a payment/credit of \$20/ton (adjusted annually by CPI) for Ancillary NPW that RePower delivers to the Regional Landfill

27

## SPSA/RePower Waste Flow



28

## Primary RePower Obligations

- **Raise Funds to Construct and Operate Project Facilities:**
  - RePower must raise about \$100 million to fund the design, construction and operation of Facilities
    - ~20% equity – from RePower and its investors
    - ~80% debt – from capital markets
  - must achieve "Financial Close" by November 30, 2016
    - **NOTE:** November 2016 "drop-dead date" is extended by EACH DAY beyond March 31, 2016 that SPSA has not signed the WSA
- **Obtain Permits for Facilities:** RePower must obtain all Permits necessary for construction of the Facilities by "Financial Close" (described above)
- **Complete Construction and Testing of Facilities:**
  - RePower must complete construction of the Facilities and ensure they can accept/process MSW
  - RePower must begin construction within two months after Financial Close
  - Facilities must be operational and able to accept and process MSW ("Commencement") by January 25, 2018, as may be extended – the "Scheduled Start Date"
  - absolute "drop-dead date" (regardless of extensions) for Commencement is October 25, 2018
- **Accept, Process and Dispose of SPSA Municipal Waste:** following Commencement, RePower must accept, process and otherwise dispose of all MSW delivered by or on behalf of SPSA and its Member Communities

29

## Initial Term/Extended Term

- **Initial Term:** fifteen (15) years from Commencement Date (i.e., beginning 2018)
- **Extended Term:**
  - SPSA has *unilateral* right to extend WSA for one additional **ten (10) year term**
    - must provide at least one year's prior notice of decision to extend
  - Disposal Fee for Extended Term:
    - if actual RePower revenues **equal or exceed** "threshold" revenue amount, then Disposal Fee **reduced to 50% of Disposal Fee** at end of Initial Term, increasing annually by CPI (eliminate ALL revenue-sharing); OR
    - if actual RePower revenues are **less than** "threshold" amount but **greater than** revenue "floor", then Disposal Fee reduced to **\$25/ton** – i.e., "re-set" to 2018 rates, increasing annually by CPI (eliminate GUARANTEED revenue-sharing); OR
    - if actual RePower revenues are **less than** revenue "floor", then Disposal Fee **continues at rate in effect** at end of Initial Term, increasing annually by CPI (KEEP all revenue-sharing)
  - all other WSA terms and conditions stay the same for Extended Term

30

## Miscellaneous Provisions

- **No Third Party Waste:** RePower cannot accept waste from third parties without SPSA's prior written approval
- **Excess Wait-Time Penalties:** if SPSA trucks are "in line" longer than 45 minutes (or if trucks are diverted because lines are too long), RePower pays \$250/truck, plus incremental hauling/disposal costs
- **Qualified Transferee:** RePower can sell only to a "Qualified Transferee" – party with sufficient operating experience in similar facilities AND adequate financial wherewithal
- **Limitation on Liability:** each side's total liability is limited to \$5 million
- **Financial Reports/Audit Rights:** RePower provides quarterly and annual financials and SPSA has right to review almost all RePower financial records - to ensure financial viability, accurate revenue-share payments, etc.

31

## SPSA Rights/Remedies

- **Debt:** All debt is RePower debt, not SPSA debt
- **SPSA Approval/Input:**
  - SPSA has specified approval rights re: RePower financing documents and material amendments – ensure SPSA interests/rights are not impaired
  - RePower provides regular updates on permitting, construction progress, etc., including regular Board presentations; plus SPSA inspection-rights re: Facilities
  - SPSA input regarding "Acceptance Testing" standards and procedures – eliminate *subjectivity*
  - RePower must obtain satisfactory Bio-Fuel "Off-Take Agreement" – committed revenue for fuel (pellets)
  - RePower financial reporting requirements (quarterly and annual) and SPSA audit rights
- **Delay Contingencies:**
  - SPSA does not begin paying Disposal Fees until Commencement
  - use Regional Land fill for waste-disposal if Commencement is delayed beyond January 25, 2018
  - RePower must have comprehensive business-interruption insurance, among other policies
  - Delay Liquidated Damages if Commencement has not occurred by Scheduled Start Date
    - \$10,000/day for first 90 days
    - \$33,000/day thereafter (plus accelerated termination rights for failure to pay Liquidated Damages)

32

## SPSA Rights/Remedies (cont.)

- **Escrow:**
  - RePower deposits \$300,000 in escrow following issuance of Intent to Award by SPSA
  - RePower deposits additional \$1.2 million in escrow following Financial Close (total of \$1.5 million at this point)
- **Termination Rights, Etc.:**
  - SPSA can terminate WSA and recover \$300,000 if RePower does not:
    - achieve Financial Close and/or obtain all Permits by **November 30, 2016** (as may be extended)
    - obtain Off-Take Agreement by Financial Close
    - begin construction within two months after Financial Close
  - SPSA can terminate WSA and recover \$1.5 million if Commencement does not occur by **October 25, 2018**
  - SPSA termination rights for (among other things):
    - uncured payment defaults
    - accumulation of Unpaid Revenue Share in excess of \$200,000
    - uncured operational defaults, including "Acceptable Waste Processing Minimum"
    - Uncontrollable Circumstances lasting beyond 180 days
  - SPSA can sue for damages up to cap

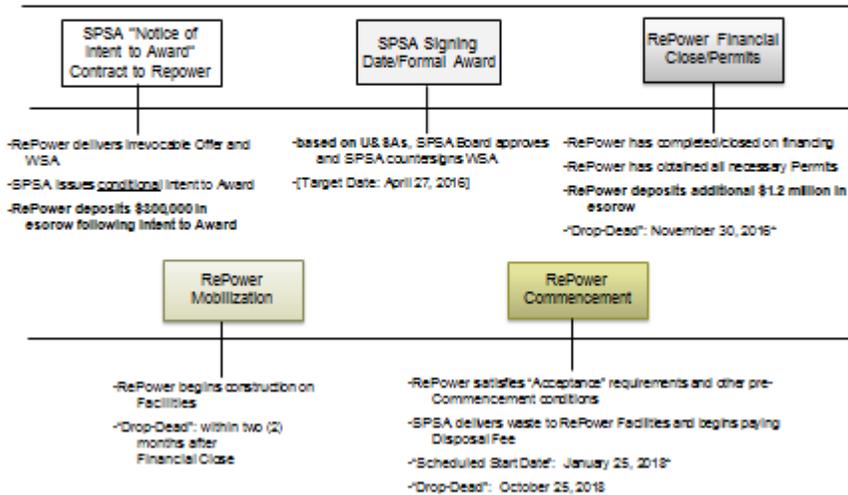
33

## "DOMINO EFFECT"

- RePower has delivered Irrevocable/Binding Offer with executed WSA; **THEN**
    - Board issues "Notice of Intent to Award" to RePower; **THEN**
      - Board approves "form" Use & Support Agreement; **THEN**
        - Use & Support Agreements sent to Member Communities for final consideration; **THEN**
          - Suffolk and SPSA negotiate/agree on final Good Neighbor/Host Agreement; **THEN**
            - SPSA Member Communities approve and execute their Use & Support Agreements; **THEN**
              - SPSA and Suffolk execute Good Neighbor/Host Agreement; **THEN**
                - SPSA executes all Use & Support Agreements; **THEN**
                  - SPSA makes final award to RePower and executes Waste Supply Agreement; **THEN**
                    - SPSA and Suffolk pursue and obtain new CUP for Cell VII
- "INFRASTRUCTURE IN PLACE FOR SPSA 2.0/POST-2018"**

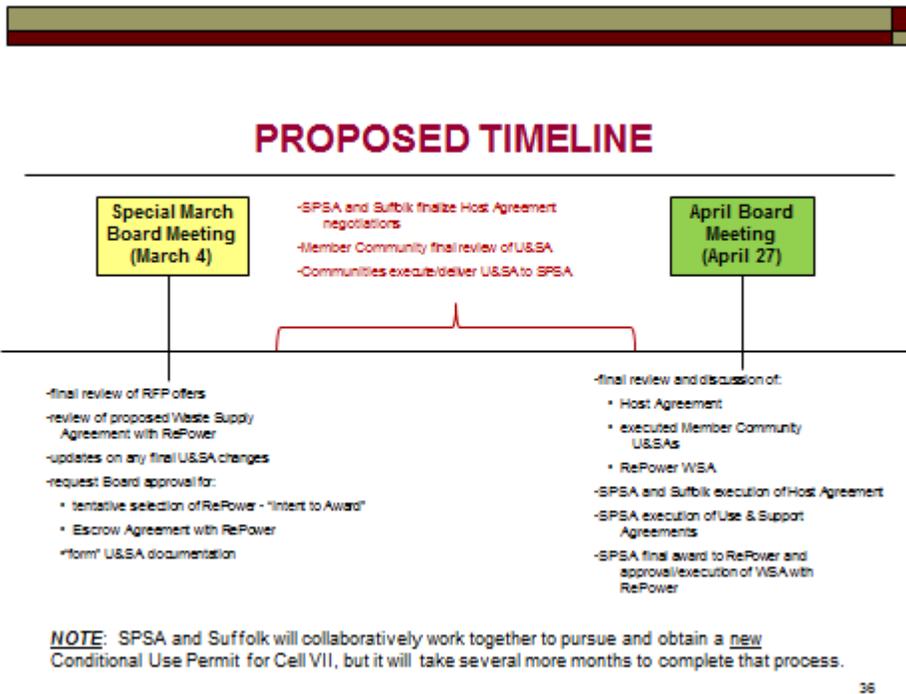
34

## Proposed Timeline and Associated Events



*Note: Dates noted above are EXTENDED by number of days between March 31, 2016 and actual SPSA Signing Date.*

35



Mr. Michael Johnson states I know that was a long presentation. I see Randy Martin made it in the room; Randy welcome. Randy is also a member of the SPSA board and was at the presentation. Randy did I miss anything? Any questions or comments?

Mr. Randy Martin states Taylor Williams who is the Chairman of the committee working on the host agreement and met all day yesterday. There is a lot happening and they are trying to narrow down any outstanding issues. They have made progress in this process but I haven't seen any specifics. The host agreement good neighbor committee will meet again before the end of the month.

Mr. Michael Johnson states we have a regional subcommittee that's been meeting periodically between Franklin, Southampton, and Isle of Wight. Mr. West and Mr. Porter are on that committee for Southampton. The Vice-Mayor and a council member, Isle of Wight Chairman and they will appoint another board member, is scheduled to meet on the 16<sup>th</sup> of this month to go over this with the regional subcommittee. I think Franklin is intending to put it on their agenda at the end of the month for action.

Mr. Randy Martin states we actually are meeting Monday to go over what you just went over and to have public comment. We will meet on the 28<sup>th</sup> for action. Isle of Wight is going to consider it on the 17<sup>th</sup> and I heard today Mr. Taylor in Chesapeake will consider action on the 22<sup>nd</sup>. There are four communities scheduled this month that I have heard about.

Supervisor West states I will state it in a more simple term than all of that legal terminology. We pay \$125 a ton. Repower is proposing \$56; it goes to \$72 with Republic, and \$78 with Wheelabrator. We have nothing to lose except from \$125 down to a minimum of \$78, \$72, or \$56. If Repower doesn't get started, we have no investment in it. We have facilities that can take on our trash now up through the year 2027. We have nothing to lose. That is carrying everything there and we are in place for it. The only thing would be negotiation for Cell 7 to be up and running by 2027.

Mr. Michael Johnson states the plan is to get that negotiated and done sooner rather than later.

Supervisor West states and we have the same voting power, one of eight, as Virginia Beach, Chesapeake, Norfolk, Portsmouth, etc. We can't lose on this deal. The \$125 is going to drop. In my mind, let's get on with Repower. They have the risk and every guarantee in place and we don't have to put any money out. We can save a lot of money between \$56 and \$125. I want to point out as well that Mr. Johnson has been in this thing from day one. He has been behind the scenes along with Mr. Taylor Williams, is that correct?

Mr. Randy Martin states we have been very fortunate to have the Chairman of both Committees

March 9, 2016

from Franklin and Southampton.

Supervisor West states right, Franklin and Southampton both have representatives in this thing. I think it is great. What do you think?

Supervisor Porter states I think we have looked at a lot of things and the results came out much better than we expected. I had said to Mike back then you have to get me \$60 a ton. That was the number I threw out there as a goal. When the numbers came back...even when we take the proposal that SPSA got for disposal we could get that but we wouldn't have any drivers. We still couldn't achieve the same net cost on this deal. When we take the additional transportation cost and the additional trucks we would have to buy to get the trash to a landfill, we can't come close to \$56 a ton.

Chairman Jones states to me it is a win-win situation.

Supervisor West states yes and one of the questions that will be ask is regarding the \$200 solid waste fee that is assessed to every home. If you calculate the difference between \$125 and \$56, it is around \$630,000 and that is new revenue to us that we are not spending whether we use it towards that \$200 annual fee or not will be a choice. But, it will certainly free up the budget by .04 cents.

Supervisor Porter states I think that the proposals throughout the process have been as good as it can get. I think the negative that some people have is the word called SPSA. What we have to get over is SPSA today is not the same organization that got us in trouble the last time. Before, we had no input in what happened, but we have had significant input in this process. We have had more input in all of the contracts and deals. All parties have done extensive reviews on the contracts to make sure there are no surprises and no opportunities to go astray like the old SPSA went astray. That is what we have to remember. We have to get over the fact the name of the organization is SPSA but none of the people that got us in trouble are there. None of the agreements that got us in trouble are in affect. It is a new process.

Supervisor West states and if you want to go with Republic we would have to buy the Route 671 site.

Supervisor Porter states if we could get Republic to give us the deal that they gave SPSA which they will not because we don't have the bodies and the staff, and we still have to get it to their landfill. In order to do that, we have to buy the transfer station that SPSA owns now and we would have to buy the trucks.

Supervisor Phillips states we own a share.

Supervisor Porter states no we don't.

Mr. Michael Johnson states SPSA owns it.

Supervisor Porter states we own a share of SPSA, but if we leave SPSA we leave our investment in SPSA.

Supervisor West states we are the small players; Isle of Wight, Franklin, and Southampton County together is 8% of the disposal waste that goes to SPSA and we all have one vote just like Virginia Beach.

Mr. Michael Johnson states you carry 8% of the trash and you have 37.5% of the vote.

Supervisor Cook states if we took 100% of our trash to Republic which is a landfill, we look a lot less responsible as a county because we are not recycling. It is all going to a landfill which everybody frowns on.

Mr. Michael Johnson states in that hierarchy that was at the very bottom of the inverted triangle.

Supervisor Cook states that was a very good hierarchy. SPSA has a very good analysis. Everybody is looking at that. When I say everybody I am talking about federal agencies and state agencies.

So, responsibly this makes sense.

Supervisor West states like Dallas said, it is a win-win for us.

Mr. Michael Johnson states the plan moving forward is to put that Use & Support Agreement on your agenda for action in March. It will be there and if you act that is great, but you will absolutely have to act by April.

Chairman Jones states I don't see any loss for anybody in this agreement. We don't stand to lose anything. If we were to go with Wheelabrator we would lose the transfer station.

Supervisor Porter states we have tied agreements that protect us. SPSA is restricted with what they can do. SPSA can't go out and borrow money anymore. SPSA can't go out and build an inefficient waste energy facility anymore. That is what got us in trouble the last time.

Mr. Michael Johnson states for SPSA to issue debt by statute today they have to have a super majority of 2/3 votes, a 16 member board, eight whom are appointed by the Governor and eight whom are appointed by the respected local governing bodies. So, you have to have 2/3 out of 16. The plan is for SPSA not to issue any debt in the future. The plan is to set aside the funds up front as part of the tipping fee so the revenues are accrued and ready when they need to be distributed.

Mr. John Burchett states how about the big boys. Are they in? Virginia Beach and Chesapeake. If we need this 350,000.

Mr. Michael Johnson states without them it won't work.

Mr. John Burchett states okay, but do we have an eye on that.

Mr. Michael Johnson states then we would never be in it. SPSA won't sign the agreement until they have the Use & Support Agreements from the communities.

Mr. Randy Martin states SPSA is also looking at a contingency plan just in case someone doesn't sign the Use & Support Agreement. They are looking at private ways to be able to fill the gap.

Supervisor Porter states say Virginia Beach doesn't sign on then Repower goes away. That also extends the new landfill we have by 20 years. We would just put it in the landfill at the other \$56 cost instead of paying somebody else \$78 or \$72. It may benefit us if a big boy doesn't sign because all of a sudden we have a great big landfill we can use for the rest of our lives. They can't say we want to be out of Repower, but be in SPSA. If you turn this down, you are out of SPSA.

Supervisor Phillips states where is the contracted waste going right now?

Mr. Michael Johnson states Wheelabrator takes it. Actually, Wheelabrator is dependent on it right now.

Supervisor Phillips states so what you are saying is if any member of the eight localities fail to make the number we may fall below that 350,000.

Mr. Michael Johnson states depend on which locality. If Franklin, Southampton, and Isle of Wight didn't sign they still could produce the 350,000. If Virginia Beach doesn't sign up, they are 35% of that 350,000 and that is a problem.

Supervisor Phillips states we are looking at a 15 year contract with a consumer price index increase built in for the life of that 15 year contract. What could that potentially be; 2-3% a year.

Mr. Michael Johnson states some years the rate has been flat; like the last few years.

Chairman Jones states but if we don't get them we still will reduce the rate by half. We cannot lose.

Mr. Michael Johnson states moving along, does anyone else have any questions about SPSA? Alright, let's move on to the Courthouse.

March 9, 2016

At this time, Mr. Michael Johnson gave a presentation on the Courthouse.

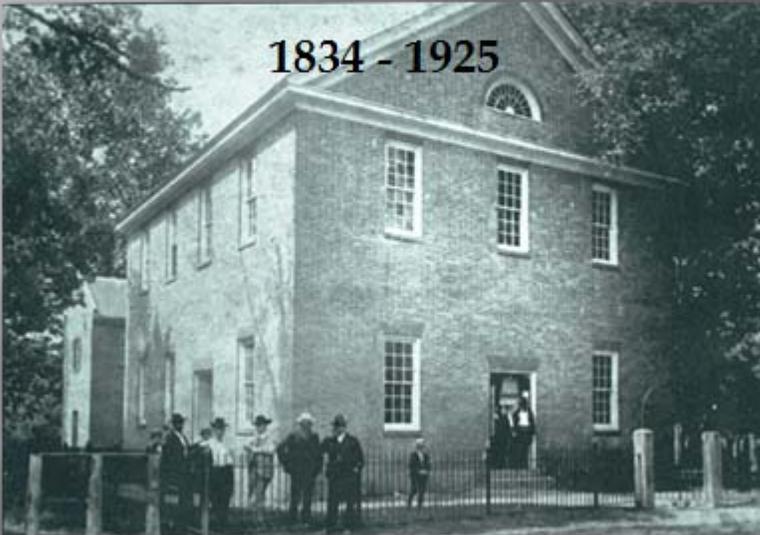
## SOUTHAMPTON COURTHOUSE

The Road Ahead



## Courthouse Evolution

1834 - 1925



## Courthouse Evolution



## Courthouse Evolution

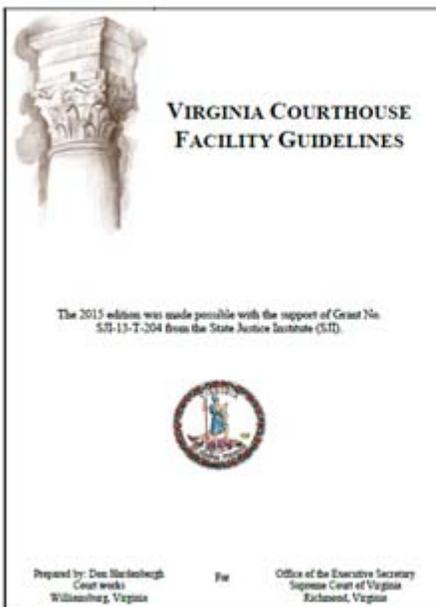


## Courthouse Evolution





By statute in Virginia, counties are required to provide courthouses that are in repair, secure and safe, and have suitable space and facilities.



“. . . designed to assist judges and court officials by providing them with the necessary information they need to assess their facilities and address remedies with their local governing bodies.”

## Secure and Safe

- ❑ Grossly undersized security screening area
  - Space should allow for a queue of up to 20 people inside the facility
  - Space should allow for an x-ray machine and metal detector
  - Space should provide for a separation of ingress and egress
- ❑ No CCTV with cameras to monitor pedestrian movements inside and outside the building
- ❑ No intrusion detection system to monitor exterior doors or 1<sup>st</sup> floor windows

## Secure and Safe

- ❑ No interior or exterior access control system
- ❑ No public address system
- ❑ No emergency generator to provide for orderly shut-down in the event of power loss
- ❑ No onsite central security control office to monitor CCTV system, duress alarms, fire alarms, elevator controls, intrusion sensors, secure prisoner areas, environmental controls and public address system



Isle of Wight Courthouse, Security Control Room

## Secure and Safe

- ❑ No secure interior circulation system for Judges or staff
- ❑ No secure parking for Judges or staff

“A key element in courthouse security is the separation of the public, judiciary and staff, and in-custody defendants.”

*Virginia Courthouse Facility Guidelines*  
p. 8-2

“For security reasons, private circulation must include judicial access from secure judicial parking facilities to private elevators and offices.”

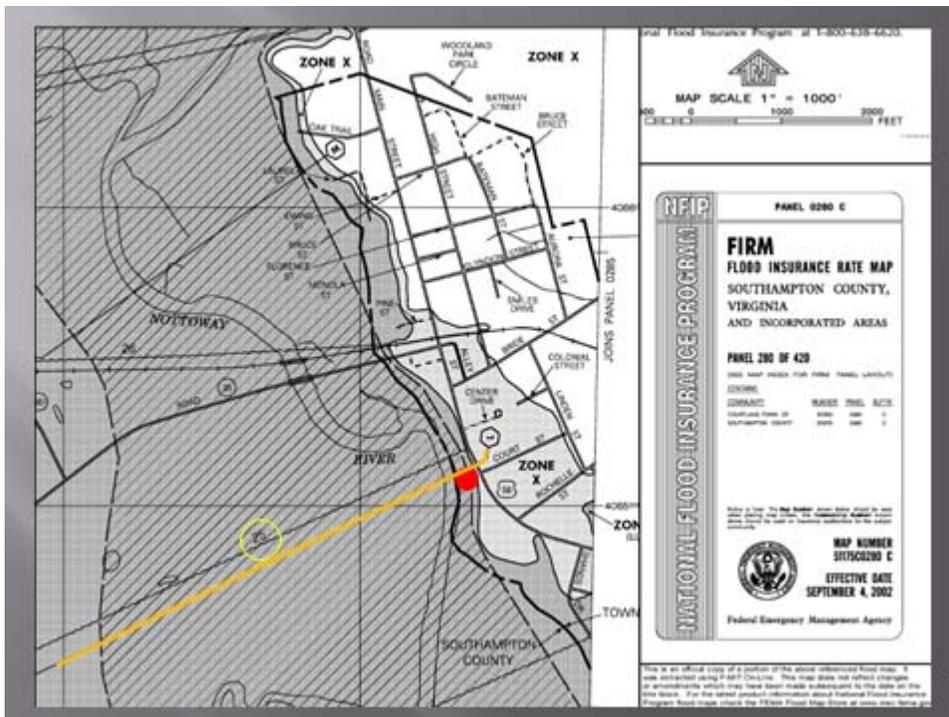
*Virginia Courthouse Facility Guidelines*  
p. 4-5

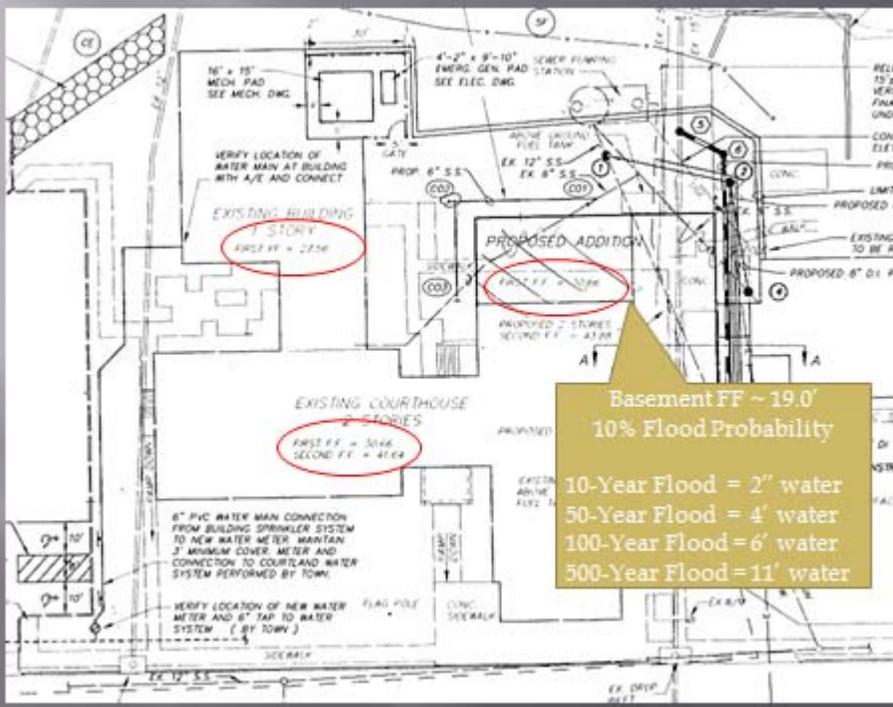
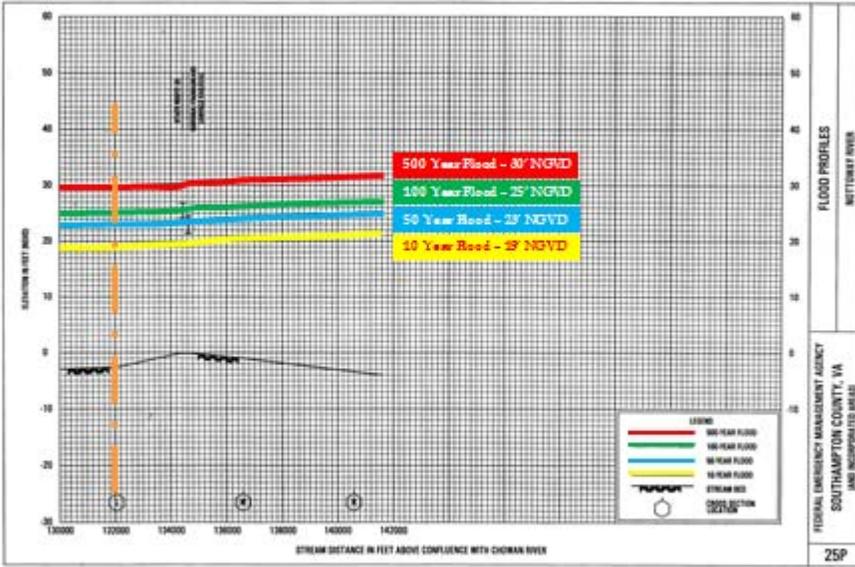
## In Repair

- ▣ Existing facility does not meet modern life safety code requirements
  - No fire protection system (smoke/heat detection) or fire sprinkler system except for the Records Room and General District Clerk's File Room
  - Egress stairs and corridors in the 1960's addition do not meet codes for emergency evacuation

## In Repair

- ▣ Existing facility's critical infrastructure is aging
  - HVAC equipment is 20+ years old, near the end of its useful life and susceptible to breakdowns
  - HVAC controls are obsolete, expensive to maintain and struggle to constantly maintain a comfortable interior climate
  - HVAC piping (2-pipe system) requires a manual conversion from heating to cooling that takes ~24 hours
  - Electrical system and boiler located in the basement and prone to periodic flooding





## Suitable Space & Facilities

| Component                           | Component Gross SF |
|-------------------------------------|--------------------|
| CIRCUIT COURTROOM                   | 3,483              |
| GENERAL DISTRICT COURTROOM          | 3,520              |
| J&DR DISTRICT COURTROOM             | 3,410              |
| JURY ASSEMBLY                       | 1,316              |
| CIRCUIT COURT JUDGE                 | 913                |
| GENERAL DISTRICT COURT JUDGE        | 418                |
| J&DR COURT JUDGE                    | 418                |
| CIRCUIT CLERK                       | 5,300              |
| DISTRICT/J&DR COURT CLERK           | 2,407              |
| PRISONER HANDLING                   | 682                |
| COURT SECURITY                      | 604                |
| COMMONWEALTH ATTORNEY               | 3,146              |
| PUBLIC SUPPORT                      | 660                |
| BUILDING SUPPORT                    | 1,738              |
| <b>Total Net Area</b>               |                    |
| <b>Total Component Gross Area</b>   | <b>28,014</b>      |
| <b>Building Gross @ 10%</b>         | <b>2,801</b>       |
| <b>Total Building Gross Sq. Ft.</b> | <b>30,815</b>      |

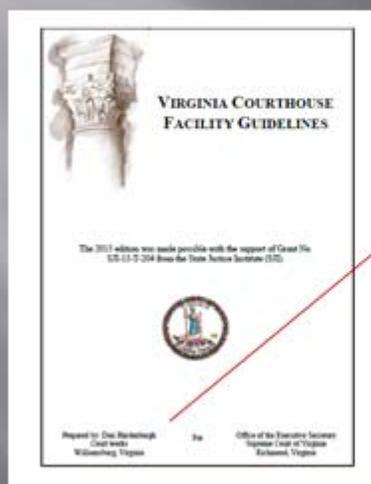
Plans for a future separation of General & J&DR Courts

Table 1 – Space Needs Summary for Southampton County Courthouse (January 2016)

## Suitable Space & Facilities

- Existing facility does not meet future space needs of the Court
  - Current facility = ~23,000 s.f., not including the basement
  - Future space needs = ~31,000 s.f.

## Who Came Up With Our Space Needs?



PMA Architecture utilized Courtworks, Inc. Author of the *Virginia Courthouse Facility Guidelines*

## Suitable Space & Facilities

- I.T. infrastructure is piecemeal with limited capability for expansion
  - No positively-pressured, secure, temperature and humidity controlled equipment/AV room
  - No built-in video monitors for jurors, Judges, witnesses, court staff, and attorneys
  - Telecommunication system is not always reliable
  - No permanently installed assistive listening system
- Accessibility Issues Remain
  - Judges benches do not comply with ADA

## Three Paths



## Ignore the Issue

- Independently Documented Facts
  - In its current state, the Courthouse does not meet published **security and safety** guidelines
  - In its current state, the Courthouse is not in **good repair**
  - In its current state, the Courthouse will not meet the future **space needs** of the Court
- Ignoring the issue is unwise and will be more expensive in the long run . . .

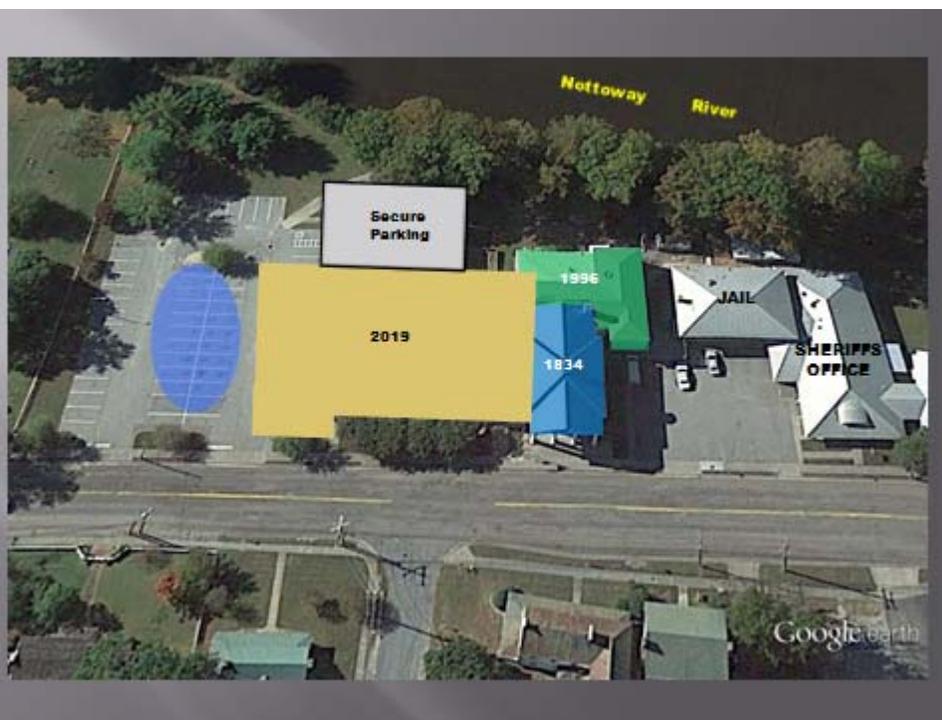
The Code of Virginia sets out a process that can be used to compel improvements to a court facility by local Circuit Courts (§ 15.2-1643). Dating at least to the early 1900s, this process has been used by Circuit Court judges to force jurisdictions to update and upgrade their court facilities. Over the past 15 years this process has been used in a number of communities, including Williamsburg/James City County, Rockbridge County, Dickenson County, and the City of Portsmouth.

**§ 15.2-1643. Circuit courts to order court facilities to be repaired.**

A. When it appears to the circuit court for any county or city, **from the report of persons appointed to examine the court facilities**, or otherwise, that the court facilities of such county or city are **insecure, out of repair, or otherwise pose a danger to the health, welfare and safety of court employees or the public**, the court shall enter an order, in the name and on behalf of the Commonwealth against the supervisors of the county or the members of the council of the city, as the case may be, **to show cause why a mandamus should not issue, commanding them to cause the court facilities of such county or city to be made secure, or put in good repair, or rendered otherwise safe as the case may be, and to proceed as in other cases of mandamus, to cause the necessary work to be done.** The court shall cause a copy of such order to be served upon each supervisor or member of the council, as the case may be.

## Renovate & Expand

- ▣ Based upon physical condition, code issues, construction type and/or configuration:
  - Mechanical/Electrical systems must be upgraded
  - Clerk office and Records room must be demolished to allow room for personnel parking
  - 1960's Administrative wing should be demolished due to height issues and configuration
  - Existing public elevator will need to be relocated for better plan layout
  - Existing Courtrooms need to be renovated and remodeled to achieve proper circulation
  - Parking lot will need to be reduced in size to allow building expansion
  - The colonnade would need to be removed



## 1<sup>st</sup> Floor - Expanded Courthouse



## 2nd Floor - Expanded Courthouse



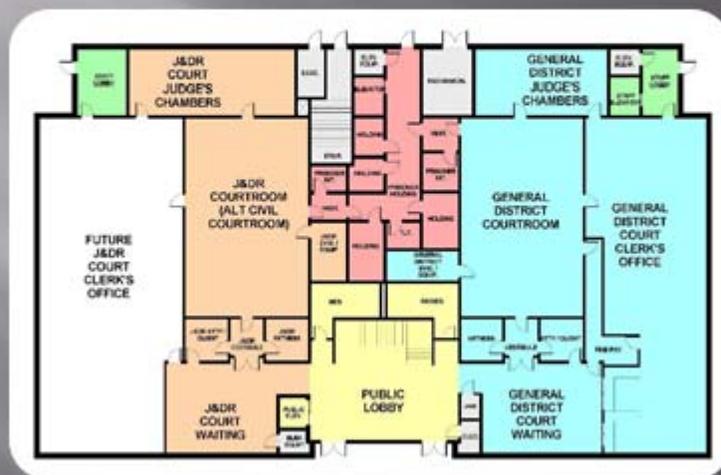
## Renovate & Expand

- ❑ Requires temporary office accommodations for Commonwealth's Attorney and Clerk's Office(s)
- ❑ Cost and logistics burdens in transporting witnesses, jurors and in-custody defendants
- ❑ Requires development of substantial satellite parking
- ❑ Must remove or work around asbestos-containing building materials (ACBM's)
- ❑ Greater unknowns with renovations require greater contingencies

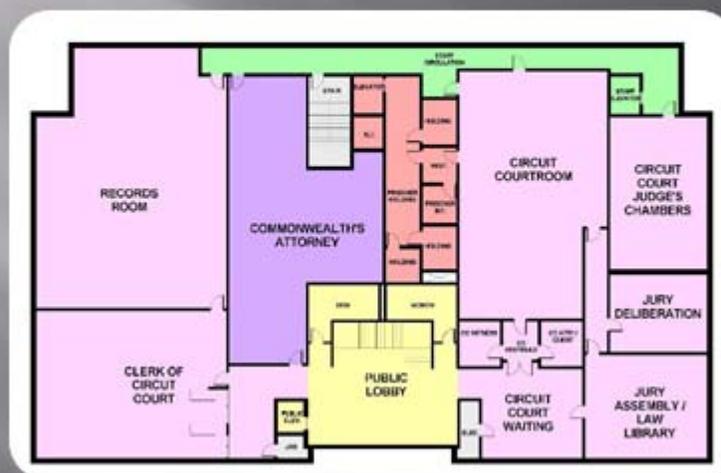
## New Facility

- Will require acquisition of ~20 acres
- Naturally more efficient
  - Not constrained by the existing site and building configuration
  - Adequate parking can be planned and accommodated on-site
  - Prisoner holding area can be incorporated between the Courtrooms
- Transportation costs for in-custody defendants will increase

## 1<sup>st</sup> Floor - New Facility



## 2<sup>ND</sup> Floor - New Facility



## New Facility

If a county plans to construct a courthouse at a new location which is not adjacent to the existing courthouse, Va. Code §§ 15.2-1644 and 15.2-1646 requires citizen approval through a referendum.

In cases where a courthouse is shared with a city, votes of city voters are treated equally.

## New Facility

§ 15.2-1652. Form of ballots for county election on removal and appropriation; certificate of electoral board.

**The ballots used in the election required by § 15.2-1644 shall be as follows:**

**"Shall the courthouse be removed to . . . . . , and shall the Board of Supervisors be permitted to spend \$. . . . therefor?"**

**Yes**

**No"**

## Cost Comparison

| <i>Component</i>                                 | <i>Projected Budget</i>    |
|--|----------------------------|
| Option 1 – Renovation/Expansion                  | 16.5 million dollars       |
| Option 2 – New Courthouse at New Site            | 14.0 million dollars       |
| Cost to Repurpose Existing Courthouse if vacated | 2.0 to 3.5 million dollars |

## Project Financing

- Project will be financed with long-term (25 year) debt
- By strategically planning and structuring the debt, drastic impacts on the real estate tax rate may be avoided:
  - Will require use of approximately \$400K of unspent bond proceeds from Turner Tract project
  - Will require use of one-time payment of \$925,000 from Enviva (last principal payment on property sale)
  - Will require the use of roughly \$500,000 of annual savings from SPSA beginning in 2018

## Anticipated Phases and Tasks



Mr. Michael Johnson states are there any questions or comments?

Chairman Jones states the first thing we need to do is educate the public. We need to let them know what is going on.

Mr. Michael Johnson states how do you want to do that?

Supervisor West states the Tidewater News; but, we will need a new facility whether it is renovation or whether it is a brand new facility. The public will decide whether it is a new site or if it is the old one fixed.

Supervisor Edwards states the board needs to push which ever one we think we need. You have to be out of your mind to renovate that thing.

Supervisor West states and to repurpose is an important thing to remember. You said \$2-\$3.5 million. I have already had a call on what to do with it. What asset is it to the county? We are going to have to clean it up, tear it down, or renovate it. Even if you put \$16.5 million one way or the other way, someone has an asset to use for historical value.

Supervisor Edwards states you know that asset has a price tag. You have to find somebody who

March 9, 2016

has the money to keep it up. What does it cost to keep that building up a year; \$500,000 Mike?

Mr. Michael Johnson states I don't know right off but it is substantial.

Supervisor West states well do you think the Historical Society could get the money?

Supervisor Edwards states I don't think you can give it to the Historical Society. They don't have the money to do that. I don't think they could get that kind of money. It would be great if somebody would take it and do it.

Supervisor West states well it would make no sense to be forced into the decision by the judges, and it also makes no sense to renovate the present facility. So, the only option is to go with a new facility. A new facility will then carry us 30 – 40 years down the road.

Supervisor Porter states the first thing I would like to say is we have already been forced into the decision. It is not that we don't want to be but we are forced to move forward. If we decide to defy the judges this time, that could make it worse as we move forward.

Mr. Michael Johnson states I am keeping Judge Eason well informed. He knows you are talking about it today. He knows you are going to be talking about it the end of this month because I told him. I don't want him getting anxious thinking we are dragging our feet.

Supervisor Cook states Richard, Judge Eason has 60 days after construction to review it. How long does it take to get on the ballot?

Mr. Richard Railey states no, that is down the road once the building is completed. After the building is completed there is still a 60 day period. You can't move right in.

Mr. Michael Johnson states that is to make sure all of the systems have been commissioned and they are working like they supposed to be.

Supervisor Cook states so what is your time frame to get it on the ballot.

Mr. Michael Johnson states the reality of that is I don't know the answer but the judge can order a special election. For any reason we didn't get the petition in until October, he can order a special election.

Mr. Richard Railey states there is something else that you have to remember too; the Supreme Court hasn't ordered us to do anything yet, but the Supreme Court has the power to do it. The important thing to remember is without an adequate security system; God forbid if somebody gets hurt. They would have a suit against Southampton County. All they would have to do is go in the court before the jury and talk about the standards that we haven't met. That is negligence first hand. Do we have enough... they gave the lady yesterday \$55 million; I don't think we have that much coverage.

Supervisor Edwards states well if we ignore that then we are setting ourselves up for anything.

Supervisor West states like the paper said, we are already under the gun. Barry is correct; we have a definite problem. We have something showing us that we have a need that has to be taken care of. A prudent and wise individual is going to move forward.

Supervisor Edwards states the public would vote to have it renovated. That scares me to death.

Supervisor Faison states well that is the roll of the Board of Supervisors; to educate people.

Mr. John Burchett states so, where would you find 20 acres?

Mr. Michael Johnson states there are several sites. The criteria for the site would be a site that is served by public water and public sewer. It doesn't have to be in the Town of Courtland. It could go anywhere our utility system runs. That is from Camp Parkway to Ivor Road and back to Southampton High School. There are probably five or six sites along those corridors that have water and sewer that would work.

March 9, 2016

Supervisor Faison states does the Judge indicate whether he has a preference.

Mr. Michael Johnson states no and he is not going to. He is not going to tell you I want a new building or I want a renovated building. He is going to tell you I want a building that meets the standards.

Supervisor Phillips states when they say 20 acres is that potentially to move the jail.

Supervisor Edwards states you have to have stormwater, parking, ...

Mr. Michael Johnson states you may need to consider 30 acres Bruce if you decide to accommodate for a future jail.

Supervisor Phillips states we are talking a two-story building at 32,000 square feet.

Mr. Michael Johnson states you have setbacks and other things you have to adhere to. You have to accommodate for stormwater, parking, etc.

Supervisor Phillips states there is a big difference in parking with what you said and what Jeff said. He said 2.5 acres for parking.

Mr. Michael Johnson states the facility guidelines say anywhere from 2-4 parking spaces per 1,000 square feet.

Supervisor Edwards states well we have to proactively get this going and do it without breaking the county.

Mr. Michael Johnson states in the interest of time we need to move on.

At this time, Mr. Michael Johnson gave a presentation on the preliminary look at FY 2017 budget.

## Southampton County Board of Supervisors

*FY 2017 Budget – Preliminary Look*  
Wednesday, March 9, 2016  
4:30 p.m.



# Budget Approval Process

|                      |  |
|----------------------|--|
| February 5, 2016     | Budget request forms issued                    |
| February 9, 2016     | Liaisons meet with School Bd. Budget Committee |
| February 26, 2016    | Budget request forms returned                  |
| March 1, 2016        | Liaisons meet with School Bd. Budget Committee |
| <b>March 9, 2016</b> | <b>Budget Workshop/Retreat</b>                 |
| March 28, 2016       | Citizen comment received                       |
| April 6, 2016        | County Administrator's draft budget presented  |
| April 13, 2016       | Budget work session – department presentations |
| April 20, 2016       | Budget work session                            |
| April 27, 2016       | Budget work session (draft budget finalized)   |
| May 16, 2016         | Public hearing on proposed budget (SHS)        |
| May 18, 2016         | Budget work session                            |
| May 23, 2016         | Board adopts FY 2017 budget                    |
| May 23, 2016         | Board adopts CY 2017 tax rates and fees        |

## FY 2016 Budget

### Revenue Sources

|              |                     |
|--------------|---------------------|
| State        | \$23,812,326        |
| Federal      | 2,428,055           |
| Local        | 29,559,153          |
| <b>TOTAL</b> | <b>\$55,799,534</b> |



## FY 2016 Budget

### Federal Funds

- All used for education or school food program



## FY 2016 Budget

### State Funds

#### Allocation

|                               |                     |
|-------------------------------|---------------------|
| Southampton County Schools    | 517,295,754         |
| Sheriff's Office              | 2,888,712           |
| Department of Social Services | 2,012,481           |
| Commonwealth's Attorney       | 375,195             |
| Clerk of Court                | 320,987             |
| Jail Costs                    | 256,647             |
| At-Risk Juveniles             | 299,911             |
| Non-Categorical               | 216,000             |
| Other                         | 135,462             |
| Commissioner of the Revenue   | 95,795              |
| Treasurer                     | 80,742              |
| Voter Registrar               | 36,640              |
| <b>TOTAL</b>                  | <b>\$23,812,326</b> |



## FY 2016 Budget

### Local Funds

#### Allocation

|                           |                     |
|---------------------------|---------------------|
| General Fund              | 11,386,499          |
| School (Operating)        | 9,282,317           |
| Debt Service              | 5,684,937           |
| Water & Sewer (Operating) | 1,651,692           |
| Capital Projects          | 800,577             |
| School Food               | 419,991             |
| Social Services           | 333,140             |
| <b>TOTAL</b>              | <b>\$29,559,153</b> |



## FY 2017 State Revenue Projections





## Other State Aid

| Category                                  | FY 2016<br>Actual | FY 2016<br>Budget | FY 2017<br>Projected | PROJECTED<br>GROWTH | %<br>Change  |
|---|-------------------|-------------------|----------------------|---------------------|--------------|
| Non-Categorical Aid                       | 249,786           | 216,000           | 229,000              | 13,000              | 6.02%        |
| Categorical Aid - Commonwealth Attorney   | 387,400           | 375,195           | 396,352              | 21,157              | 5.64%        |
| Categorical Aid - Sheriff                 | 2,686,466         | 2,686,712         | 2,727,906            | 41,194              | 1.53%        |
| Categorical Aid - Commissioner of Revenue | 94,786            | 95,795            | 95,941               | 146                 | 0.15%        |
| Categorical Aid - Treasurer               | 80,383            | 80,742            | 80,912               | 170                 | 0.21%        |
| Categorical Aid - Medical Examiner        | 35,320            | 36,640            | 35,320               | (1,320)             | -3.60%       |
| Categorical Aid - Circuit Court Clerk     | 308,356           | 320,987           | 311,896              | (9,091)             | -2.83%       |
| Other Categorical Aid - Victim/Witness    | 52,500            | 54,843            | 54,843               | -                   | 0.00%        |
| Other Categorical Aid - Jail Costs        | 311,800           | 296,647           | 287,368              | 30,721              | 11.97%       |
| Other Categorical Aid - Courthouse Maint. | 38,307            | 31,000            | 31,862               | 862                 | 2.78%        |
| Other Categorical Aid - CSA               | 277,020           | 308,373           | 336,612              | 28,239              | 9.16%        |
| Other Categorical Aid - Wireless 911      | 46,669            | 41,157            | 47,802               | 6,645               | 16.15%       |
| <b>SUBTOTAL - STATE AID</b>               | <b>4,568,793</b>  | <b>4,504,091</b>  | <b>4,635,214</b>     | <b>131,723</b>      | <b>2.92%</b> |

## FY 2017 Local Revenue Projections



## Real Estate Projections

| Category                      | Actual            | Budget            | Projected         | GROWTH        | % Change     |
|-------------------------------|-------------------|-------------------|-------------------|---------------|--------------|
| CURRENT YEAR                  | 9,969,547         | 10,291,320        | 10,322,672        | 31,352        | 0.30%        |
| 1 ST YEAR DELINQUENT          | 273,987           | 250,000           | 250,000           | -             | 0.00%        |
| ROLLBACK TAXES                | 4,935             | 1,050             | 1,050             | -             | 0.00%        |
| LAND REDEMPTION \$            | 166,666           | 173,100           | 166,000           | (7,100)       | -4.10%       |
| <b>SUBTOTAL - REAL ESTATE</b> | <b>10,415,135</b> | <b>10,715,470</b> | <b>10,739,722</b> | <b>24,252</b> | <b>0.23%</b> |

## Public Service Corp. Projections

| Category                             | FY 2015<br>Actual | FY 2016<br>Budget | FY 2017<br>Projected | PROJECTED<br>GROWTH | % Change     |
|--------------------------------------|-------------------|-------------------|----------------------|---------------------|--------------|
| REAL ESTATE                          | 1,380,607         | 1,379,560         | 1,443,234            | 63,674              | 4.62%        |
| PERSONAL PROPERTY                    | 6,210             | 6,210             | 2,895                | (3,315)             | -53.38%      |
| <b>SUBTOTAL - PUB. SERVICE CORPC</b> | <b>1,386,817</b>  | <b>1,385,770</b>  | <b>1,446,129</b>     | <b>60,359</b>       | <b>4.36%</b> |

## Personal Property Projections

| Category                            | FY 2015<br>Actual | FY 2016<br>Budget | FY 2017<br>Projected | PROJECTED<br>GROWTH | % Change     |
|-------------------------------------|-------------------|-------------------|----------------------|---------------------|--------------|
| CURRENT YEAR                        | 3,841,891         | 6,351,857         | 6,490,048            | 138,391             | 2.18%        |
| DELINQUENT TAXES                    | 323,400           | 220,000           | 220,000              | -                   | 0.00%        |
| MOBILE HOME TAXES                   | 59,809            | 64,145            | 68,454               | 4,309               | 6.72%        |
| FARM IMPLEMENT TAXES                | 511,935           | 518,126           | 524,871              | 6,745               | 1.30%        |
| FARM MACHINERY SEASONAL             | 51,243            | 55,181            | 50,555               | (4,626)             | -8.38%       |
| CONTRACTOR'S EQUIPMENT              | 197,694           | 196,280           | 216,762              | 20,482              | 10.44%       |
| PERSONAL PROPERTY TAX RELIEF        | 2,346,261         | 0                 | -                    | -                   | 0.00%        |
| <b>SUBTOTAL - PERSONAL PROPERTY</b> | <b>7,332,233</b>  | <b>7,405,389</b>  | <b>7,570,690</b>     | <b>165,301</b>      | <b>2.23%</b> |

## Machinery & Tools Projection

| Category                   | FY 2015<br>Actual | FY 2016<br>Budget | FY 2017<br>Projected | PROJECTED<br>GROWTH | % Change |
|----------------------------|-------------------|-------------------|----------------------|---------------------|----------|
| MACH & TOOLS CURRENT TAXES | 1,792,135         | 1,145,398         | 1,194,547            | 49,149              | 4.29%    |

## Merchant's Capital Projection

| Category                | FY 2015 Actual | FY 2016 Budget | FY 2017 Projected | PROJECTED GROWTH | % Change |
|-------------------------|----------------|----------------|-------------------|------------------|----------|
| MERCHANTS CAPITAL TAXES | 57,457         | 58,945         | 78,048            | 19,103           | 32.41%   |

## Penalties/Interest Projections

| Category                                 | FY 2015 Actual | FY 2016 Budget | FY 2017 Projected | PROJECTED GROWTH | % Change      |
|--|----------------|----------------|-------------------|------------------|---------------|
| PENALTIES                                | 244,926        | 197,000        | 230,000           | 33,000           | 16.75%        |
| INTEREST                                 | 153,865        | 135,000        | 150,000           | 15,000           | 11.11%        |
| ADMINISTRATIVE COSTS                     | 46,023         | 34,000         | 34,000            | -                | 0.00%         |
| ADVERTISING COSTS                        | 0              | 0              | -                 | -                | 0.00%         |
| TOWING FEES                              | 0              | 0              | -                 | -                | 0.00%         |
| DMV/STP                                  | 15,129         | 0              | -                 | -                | 0.00%         |
| CARD FEE COLLECTED                       | 9,526          | 0              | -                 | -                | 0.00%         |
| TAXING AUTHORITY SERV/DELINQ             | 0              | 0              | -                 | -                | 0.00%         |
| <b>SUBTOTAL-PENALTIES &amp; INTEREST</b> | <b>469,469</b> | <b>366,000</b> | <b>414,000</b>    | <b>48,000</b>    | <b>13.11%</b> |

## Projected Local Revenues

| REVENUE SOURCE         | FY 2016       | PROJECTED 2017 | INCREASE (DECREASE) | PERCENT CHANGE |
|------------------------|---------------|----------------|---------------------|----------------|
| General property taxes | \$ 21,076,972 | \$ 21,443,136  | \$ 366,164          | 1.74           |

## Sales Tax Projections

| Category                    | FY 2015<br>Actual | FY 2016<br>Budgeted | FY 2017<br>Projected | PROJECTED<br>GROWTH | %Change       |
|-----------------------------|-------------------|---------------------|----------------------|---------------------|---------------|
| LOCAL SALES TAX             | 535,869           | 597,463             | 535,000              | (62,463)            | -10.45%       |
| COMMUNICATIONS SALES TAX    | 558,658           | 559,578             | 538,748              | (20,830)            | -3.72%        |
| <b>SUBTOTAL - SALES TAX</b> | <b>1,094,527</b>  | <b>1,157,041</b>    | <b>1,073,748</b>     | <b>(83,293)</b>     | <b>-7.20%</b> |

## Business License Projections

| Category                             | FY 2015<br>Actual | FY 2016<br>Budgeted | FY 2017<br>Projected | PROJECTED<br>GROWTH | % Change      |
|--------------------------------------|-------------------|---------------------|----------------------|---------------------|---------------|
| OTHER BUSINESS LICENSES              | 198,641           | 138,000             | 180,769              | 42,769              | 30.99%        |
| BUSINESS LICENSE PENALTY             | 771               | 600                 | 1,200                | 600                 | 100.00%       |
| CONSUMPTION TAX                      | 71,589            | 60,000              | 66,000               | 6,000               | 10.00%        |
| <b>SUBTOTAL - BUS. LICENSE TAXES</b> | <b>271,001</b>    | <b>198,600</b>      | <b>247,969</b>       | <b>49,369</b>       | <b>24.86%</b> |

## Vehicle License Projection

| Category               | FY 2015<br>Actual | FY 2016<br>Budgeted | FY 2017<br>Projected | PROJECTED<br>GROWTH | %Change |
|------------------------|-------------------|---------------------|----------------------|---------------------|---------|
| MOTOR VEHICLE LICENSES | 422,031           | 400,000             | 422,031              | 22,031              | 5.51%   |

## Bank Stock Tax Projection

| Category         | FY 2016 Actual | FY 2018 Budgeted | FY 2017 Projected | PROJECTED GROWTH | %Change |
|------------------|----------------|------------------|-------------------|------------------|---------|
| BANK STOCK TAXES | 14,752         | 2,500            | 14,750            | 12,250           | 100.00% |

## Recordation Tax Projection

| Category          | FY 2016 Actual | FY 2018 Budgeted | FY 2017 Projected | PROJECTED GROWTH | %Change |
|-------------------|----------------|------------------|-------------------|------------------|---------|
| RECORDATION TAXES | 44,044         | 35,000           | 32,000            | (3,000)          | -8.57%  |

## Probate Tax Projection

| Category          | FY 2016 Actual | FY 2018 Budgeted | FY 2017 Projected | PROJECTED GROWTH | %Change |
|-------------------|----------------|------------------|-------------------|------------------|---------|
| LOCAL PROBATE TAX | 3,569          | 5,000            | 3,500             | (1,500)          | -30.00% |

## Transient Occ. Tax Projection

| Category                      | FY 2016<br>Actual | FY 2016<br>Budgeted | FY 2017<br>Projected | PROJECTED<br>GROWTH | %Change |
|-------------------------------|-------------------|---------------------|----------------------|---------------------|---------|
| TRANSIENT OCCUPANCY TAX       | 10,629            | 11,200              | 10,316               | (884)               | -7.89%  |
| TRANS OCCUTAX PENALTY         | 0                 | 0                   | -                    | -                   | 0.00%   |
| SUBTOTAL - TRANSIENT OCCUPANC | 10,629            | 11,200              | 10,316               | (884)               | -7.89%  |

## Projected Local Revenues

| REVENUE SOURCE         | FY 2016      | PROJECTED<br>2017 | INCREASE<br>(DECREASE) | PERCENT<br>CHANGE |
|------------------------|--------------|-------------------|------------------------|-------------------|
| General property taxes | \$21,076,972 | \$21,443,136      | \$366,164              | 1.90              |
| Other local taxes      | 1,809,341    | 1,804,314         | (5,027)                | (0.28)            |

## Permit/License Fee Projections

| Category                  | FY 2016<br>Actual | FY 2016<br>Budgeted | FY 2017<br>Projected | PROJECTED<br>GROWTH | %Change |
|---------------------------|-------------------|---------------------|----------------------|---------------------|---------|
| DOG LICENSES              | 12,542            | 17,000              | 12,500               | (4,500)             | -26.47% |
| LAND USE APPLICATION FEES | 5,300             | 4,000               | 1,300                | (2,700)             | -67.50% |
| TRANSFER FEES             | 570               | 500                 | 500                  | -                   | 0.00%   |
| PLANNING FEES             | 0                 | 0                   | -                    | -                   | #DIV/0! |
|                           | 18,412            | 21,500              | 14,300               | (7,200)             | -33.49% |

## Projected Local Revenues

| REVENUE SOURCE          | FY 2016      | PROJECTED 2017 | INCREASE (DECREASE) | PERCENT CHANGE |
|-------------------------|--------------|----------------|---------------------|----------------|
| General property taxes  | \$21,076,972 | \$21,443,136   | \$366,164           | 1.90           |
| Other local taxes       | 1,809,341    | 1,804,314      | (5,027)             | (0.28)         |
| Permits, fees, licenses | 21,500       | 14,300         | (7,200)             | (33.49)        |

## Fines & Forfeitures Projection

| Category                 | FY 2016 Actual | FY 2016 Budgeted | FY 2017 Projected | PROJECTED GROWTH | %Change |
|--------------------------|----------------|------------------|-------------------|------------------|---------|
| COURT FINES & FEES       | 671,838        | 575,000          | 650,000           | 75,000           | 13.04%  |
| INTEREST - UNPAID FINES  | 6,287          | 4,000            | 5,000             | 1,000            | 25.00%  |
| COURTHOUSE SECURITY FEES | 193,398        | 118,222          | 119,722           | 1,500            | 1.27%   |
|                          | 871,523        | 697,222          | 774,722           | 77,500           | 11.12%  |

## Projected Local Revenues

| REVENUE SOURCE          | FY 2016      | PROJECTED 2017 | INCREASE (DECREASE) | PERCENT CHANGE |
|-------------------------|--------------|----------------|---------------------|----------------|
| General property taxes  | \$21,076,972 | \$21,443,136   | \$366,164           | 1.90           |
| Other local taxes       | 1,809,341    | 1,804,314      | (5,027)             | (0.28)         |
| Permits, fees, licenses | 21,500       | 14,300         | (7,200)             | (33.49)        |
| Fines & forfeitures     | 697,222      | 774,722        | 77,500              | 11.12          |

## Interest Projection

| Category                | FY 2016<br>Actual | FY 2016<br>Budgeted | FY 2017<br>Projected | PROJECTED<br>GROWTH | %Change |
|-------------------------|-------------------|---------------------|----------------------|---------------------|---------|
| INTEREST ON INVESTMENTS | 75                | 50                  | 60                   | 10                  | 20.00%  |

## Projected Local Revenues

| REVENUE SOURCE          | FY 2016      | PROJECTED<br>2017 | INCREASE<br>(DECREASE) | PERCENT<br>CHANGE |
|-------------------------|--------------|-------------------|------------------------|-------------------|
| General property taxes  | \$21,076,972 | \$21,443,136      | \$366,164              | 1.90              |
| Other local taxes       | 1,809,341    | 1,804,314         | (5,027)                | (0.28)            |
| Permits, fees, licenses | 21,500       | 14,300            | (7,200)                | (33.49)           |
| Fines & forfeitures     | 697,222      | 774,722           | 77,500                 | 11.12             |
| Interest                | 50           | 60                | 10                     | 20.00             |

## Service Charge Projections

| Category                     | FY 2016<br>Actual | FY 2016<br>Budgeted | FY 2017<br>Projected | PROJECTED<br>GROWTH | %Change |
|------------------------------|-------------------|---------------------|----------------------|---------------------|---------|
| SHERIFF'S FEES               | 2,197             | 4,000               | 4,000                | -                   | 0.00%   |
| SHERIFF/CONCEALED PERMITS    | 7,568             | 5,000               | 6,600                | 1,600               | 100.00% |
| COLLECTION FEE ACCOUNT       | 27,968            | 4,650               | 4,650                | -                   | 0.00%   |
| COMMONWEALTH'S ATTORNEY FE   | 2,798             | 2,000               | 2,000                | -                   | 0.00%   |
| COM ATTY CITY OF FRANKLIN    | 22,000            | 22,000              | 22,000               | -                   | 0.00%   |
| DELINQUENT COMMONWEALTH'S    | 3,544             | 1,000               | 3,500                | 2,500               | 250.00% |
| SCHOOL RESOURCE OFFICER RE   | 43,752            | 43,955              | 48,013               | 4,058               | 9.23%   |
| SERVICE FEES AMBULANCE TRA I | 335,851           | 400,000             | 340,000              | (60,000)            | -15.00% |
| REIMBURSEMENT VFD-VRS        | 5,280             | 0                   | -                    | -                   | 0.00%   |
| SERVICE CHARGES TAX EXEMPT   | 6,517             | 3,500               | 6,500                | 3,000               | 85.71%  |
| HEALTH-TELEPHONE/CUSTODIAL   | 38,500            | 30,000              | 30,000               | -                   | 0.00%   |
| SOC SERV/TELEPHONE,CUSTODIA  | 43,556            | 30,000              | 30,000               | -                   | 0.00%   |
| REIMB-SOIL & WATER SALARIES  | 136,392           | 0                   | 0                    | (0)                 | 0.00%   |
| ELECTRICAL - RMA             | 4,985             | 0                   | 0                    | (0)                 | 0.00%   |
| SALE OF MAPS & PRINTOUTS     | 245               | 0                   | 0                    | (0)                 | 0.00%   |
| PROJECT LIFESAVER            | 475               | 0                   | 0                    | (0)                 | 0.00%   |
| SOLID WASTE MANAGEMENT FEE   | 1,027,528         | 1,023,500           | 1,027,500            | 4,000               | 0.39%   |
|                              | 1,709,156         | 1,569,605           | 1,524,763            | (44,842)            | -2.86%  |

## Projected Local Revenues

| REVENUE SOURCE          | FY 2016      | PROJECTED 2017 | INCREASE (DECREASE) | PERCENT CHANGE |
|-------------------------|--------------|----------------|---------------------|----------------|
| General property taxes  | \$21,076,972 | \$21,443,136   | \$366,164           | 1.90           |
| Other local taxes       | 1,809,341    | 1,804,314      | (5,027)             | (0.28)         |
| Permits, fees, licenses | 21,500       | 14,300         | (7,200)             | (33.49)        |
| Fines & forfeitures     | 697,222      | 774,722        | 77,500              | 11.12          |
| Interest                | 50           | 60             | 10                  | 20.00          |
| Charges for services    | 1,569,605    | 1,524,763      | (44,842)            | (2.86)         |

## Misc. Revenue Projections

| Category                       | FY 2016 Actual | FY 2016 Budgeted | FY 2017 Projected | PROJECTED GROWTH | %Change |
|--------------------------------|----------------|------------------|-------------------|------------------|---------|
| GENERAL OBLIGATION DEBT FRO    | 640            | 0                | 0                 | -                | 0.00%   |
| EXPENDITURE REFUNDS            | 278,893        | 0                | 0                 | -                | 0.00%   |
| INSURANCE CLAIMS & DIVIDENDS   | 58,007         | 0                | 0                 | -                | 0.00%   |
| LOCAL RECOVERIES COMP SERVI    | 32,241         | 0                | 0                 | -                | 0.00%   |
| CITY OF FRANKLIN SHARE D COST  | 225,691        | 237,945          | 233,857           | (4,088)          | -1.72%  |
| GIFTS, DONATIONS, CONTRIBUTIO  | 100,000        | 0                | 0                 | -                | 0.00%   |
| PASSPORT APPLICATION MAIL CO   | 511            | 500              | 500               | -                | 0.00%   |
| COPIER REIMB/CLERKS OFFICE     | 3,632          | 3,500            | 3,500             | -                | 0.00%   |
| SALE OF SALVAGE/SURPLUS PRO    | 0              | 0                | 0                 | -                | 0.00%   |
| MISC SHRF FEES4 BKGRND/ACCII   | 1,030          | 900              | 1,000             | 100              | 11.11%  |
| SHERIFF S KENNEL CHARGE S      | 108            | 0                | 0                 | -                | 0.00%   |
| INDUSTRIAL CORRIDOR TAX REVE   | 652,305        | 706,204          | 652,305           | (53,899)         | -7.63%  |
| CAMP/CAMP BELL FOUNDATION      | 69,000         | 0                | 0                 | -                | 0.00%   |
| CLK OF CRT- LOCAL LIST OF HEIR | 911            | 500              | 500               | -                | 0.00%   |
|                                | 1,422,969      | 949,549          | 891,662           | (57,887)         | -6.10%  |

## Projected Local Revenues

| REVENUE SOURCE          | FY 2016              | PROJECTED 2017       | INCREASE (DECREASE) | PERCENT CHANGE |
|-------------------------|----------------------|----------------------|---------------------|----------------|
| General property taxes  | \$21,076,972         | \$21,443,136         | \$366,164           | 1.90           |
| Other local taxes       | 1,809,341            | 1,804,314            | (5,027)             | (0.28)         |
| Permits, fees, licenses | 21,500               | 14,300               | (7,200)             | (33.49)        |
| Fines & forfeitures     | 697,222              | 774,722              | 77,500              | 11.12          |
| Interest                | 50                   | 60                   | 10                  | 20.00          |
| Charges for services    | 1,569,605            | 1,524,763            | (44,842)            | (2.86)         |
| Miscellaneous revenue   | 349,549              | 891,662              | (57,887)            | (6.10)         |
| <b>TOTAL REVENUES</b>   | <b>\$ 26,124,239</b> | <b>\$ 26,452,957</b> | <b>\$ 328,718</b>   | <b>1.26</b>    |

# FY 2017 What's on the Horizon



## Classification and Compensation Plan Update

- **October 2014 – Contracted with Springsted to update the County's Classification and Compensation Plan**
  - To review, update and/or create current position descriptions for all full-time positions;
  - To ensure all position descriptions are in full compliance with all applicable federal and state statutes and regulations;
  - To develop recommendations for a position classification system for proper internal equity, as dictated by the actual responsibilities of the position;
  - To develop compensation ranges for each position, which will provide for a competitive pay plan with other local government employers comparable to Southampton County; and
  - To provide the County with a new or updated classification manual that documents the classification methodology used in the study.

## Compensation Plan Summary

|                         |     |
|-------------------------|-----|
| County Employees        | 142 |
| # Employees Below Min   | 56  |
| # Employee Within Range | 86  |
| # Employee Above Max    | 0   |

*NOTE: Constitutional Officers and County Administrator are not included in the Classification and Compensation Plan*

## Cost to Implement

- Bring every employee up to the minimum salary for their position; plus
- 0.5% for each year of service

|                       | # of Staff | Current Salary | Proposed Salary | Difference | % Increase |
|-----------------------|------------|----------------|-----------------|------------|------------|
| Totals                | 142        | 5,615,621      | 6,050,231       | 434,610    | 7.74%      |
| Employee Below Min    | 56         | 1,849,138      | 2,037,842       | 188,705    | 10.21%     |
| Employee Within Range | 86         | 3,766,484      | 4,012,388       | 245,905    | 6.53%      |
| Employee Above Max    | 0          | -              | -               | -          | -          |

## 3-Year Phased Implementation

| YEAR 1                |            |                |                 |            |            |
|-----------------------|------------|----------------|-----------------|------------|------------|
|                       | # of Staff | Current Salary | Proposed Salary | Difference | % Increase |
| Totals                | 142        | 5,615,621      | 5,826,764       | 211,143    | 3.76%      |
| Employee Below Min    | 56         | 1,849,138      | 1,977,535       | 128,398    | 6.94%      |
| Employee Within Range | 86         | 3,766,484      | 3,849,228       | 82,745     | 2.20%      |
| Employee Above Max    | 0          | -              | -               | -          | -          |

| YEAR 2                |            |                |                 |            |            |
|-----------------------|------------|----------------|-----------------|------------|------------|
|                       | # of Staff | Current Salary | Proposed Salary | Difference | % Increase |
| Totals                | 142        | 5,826,764      | 5,989,612       | 162,848    | 2.79%      |
| Employee Below Min    | 56         | 1,977,535      | 2,047,843       | 70,307     | 3.56%      |
| Employee Within Range | 86         | 3,849,228      | 3,941,769       | 92,541     | 2.40%      |
| Employee Above Max    | 0          | -              | -               | -          | -          |

| YEAR 3                |            |                |                 |            |            |
|-----------------------|------------|----------------|-----------------|------------|------------|
|                       | # of Staff | Current Salary | Proposed Salary | Difference | % Increase |
| Totals                | 142        | 5,989,612      | 6,157,137       | 167,525    | 2.80%      |
| Employee Below Min    | 56         | 2,047,843      | 2,120,975       | 73,133     | 3.57%      |
| Employee Within Range | 86         | 3,941,769      | 4,036,161       | 94,392     | 2.39%      |

## Pluses and Minuses FY 2017

| NEW REVENUE                              |                |
|--|----------------|
| Additional Local Revenue from Growth     | 135,716        |
| Savings from a reduction in VRS rate     | 141,158        |
| Debt Service Savings from Bond Refunding | 155,000        |
| Additional State Revenue                 | 131,723        |
|  | <u>799,579</u> |

| NEW EXPENDITURES                             |                    |
|--|--------------------|
| Last Year of VRS 5-Year Phase-in             | (11,888)           |
| Cost for Year-1 Phase-in                     | (255,314)          |
| Added cost to maintain contract EMS Services | (191,000)          |
| Cost to begin Reassessment                   | (100,000)          |
| Office Center Roof Replacement               | (80,000)           |
| Fixed Asset Valuation Report for Utilities   | (50,000)           |
| Additional EMS Services                      | (540,550)          |
| Southampton County Schools                   | (921,324)          |
|  | <u>(2,080,486)</u> |

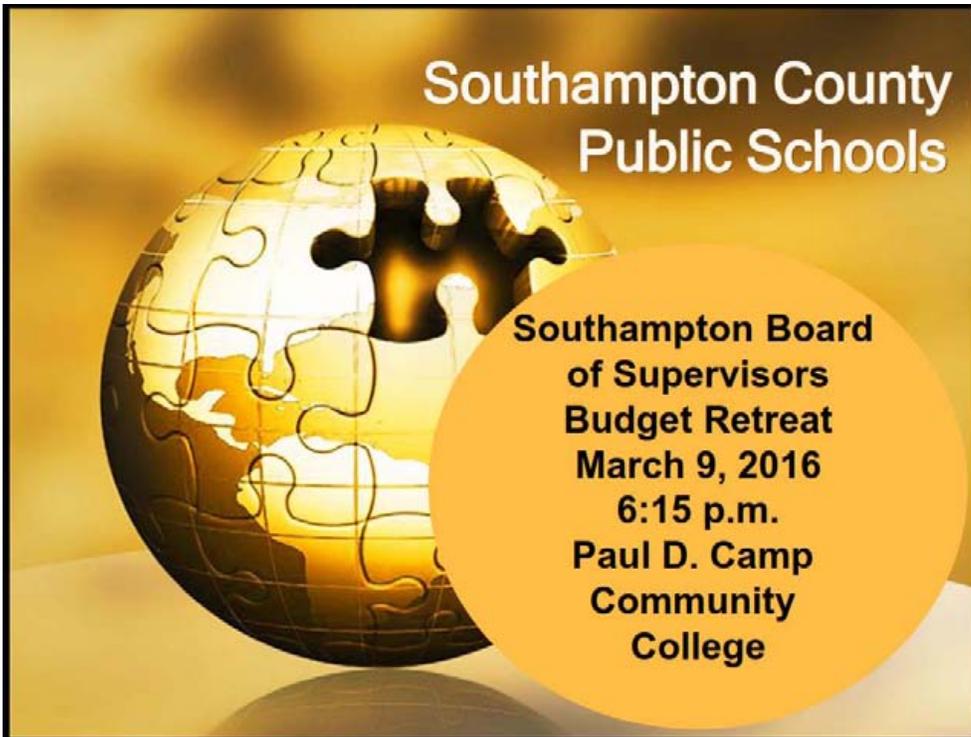
March 9, 2016

Mr. Michael Johnson states that concludes the presentation; any questions or comments?

Supervisor West states it adds up.

Mr. Michael Johnson states next we will have Dr. Alvera Parrish, Superintendent of Southampton County Public Schools.

At this time, Dr. Alvera Parrish gave the presentation for Southampton County Public Schools.



**Southampton School Board  
Budget Committee**



**The mission of Southampton County Public Schools through the combined efforts of the staff, students, families and the community is to ensure a quality education in a safe environment that will prepare students to be successful learners and productive citizens in an ever-changing society.**





**Southampton County Public Schools  
2015-2016**

**Current Enrollment: 2,633 (K-12)  
2,759 (With Pre-K)**

**Current ADM: 2,630**

**Projected ADM:  
FY2017 – 2,615 (Local)  
(State Est. – 2,613.95)**



**We're Opening Doors to Excellence  
For All Our Students!**



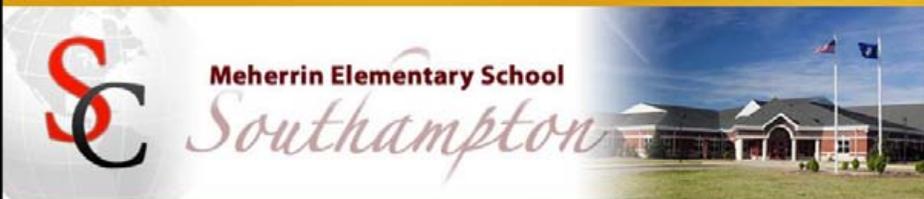
**Student Achievement is Our Priority!**



**Fully Accredited**



**Student Achievement is Our Priority!**



**Fully Accredited**



**Student Achievement is Our Priority!**



**Fully Accredited**



**Student Achievement is Our Priority!**



**Partially Accredited**



**Student Achievement is Our Priority!**



**Fully Accredited**



**Student Achievement is Our Priority!**



**Fully Accredited**



### Southampton High School

|                      | 2012-13               | 2013-14              | 2014-15              |
|----------------------|-----------------------|----------------------|----------------------|
| VA Grad & Completion | 81.85%                | 86.84%               | 91.14%               |
| On-time Grad Rate    | 80.72%                | 85.51%               | 89.05%               |
| Graduates            | 180                   | 183                  | 177                  |
| Drop Out Rate        | 12.56%<br>35 students | 8.41%<br>18 students | 5.65%<br>10 students |

### Southampton High School

|                           | 2014-15 |
|---------------------------|---------|
| Norfolk Governor's School | 3       |
| Associates Degrees        | 4       |
| Honor Graduates           | 77      |



### Southampton High School

- 77 students received Advanced Studies Diplomas - 41.24%



## Southampton High School

|                         | 2012-13                       | 2013-14                       | 2014-15                       |
|-------------------------|-------------------------------|-------------------------------|-------------------------------|
| 4 Year College          | 41.66%<br>75 students         | 39.34%<br>72 students         | 37.29%<br>66 students         |
| 2 year College          | 32.77%<br>59 students         | 34.97%<br>64 students         | 40.11%<br>71 students         |
| Technical Ed/Other      | 3.88%<br>7 students           | 4.37%<br>8 students           | 7.9%<br>14 students           |
| <b>TOTAL College/Ed</b> | <b>78.33%</b><br>141 students | <b>78.68%</b><br>144 students | <b>85.31%</b><br>151 students |
| Military                | 8.88%<br>16 students          | 8.19%<br>15 students          | 5.65%<br>10 students          |
| Work                    | 15.55%<br>28 students         | 13.66%<br>25 students         | 9.04%<br>16 students          |

## Budget Priorities

- Replace personnel to address student achievement
- Address equity in salary of teachers as compared to surrounding areas
- Address equity in the salaries of classified staff compared to surrounding areas
- Replace instructional programs that were previously cut to balance the budget (Math and Reading -IXL, elementary and secondary Library program)
- Provide the needed technology resources to enhance student learning & required State Testing (laptop carts, iPad carts)



Address site improvements and building facility needs

## Budget Requests

### Instructional Programs:

IXL Reading and Math

Library Resources (technology, audio books and ebooks and books)

Professional Development Program (PD360)

STAR Reading Program

Edmentum (Plato, Study Island, and Education City)

Electricity Program (Secondary)

Elementary Science Labs



## Budget Requests

- Athletic Trainer - \$30,000 (SHS)
- Professional Development/Training for Teachers
- Teacher College Class Reimbursement - \$25,000



## Budget Requests

### Revised teacher scale:

Adjust the teacher salary scale to include a step increase starting at step 10 and continuing at steps 15, 20 and 25.

Extend the scale from 21 years to 30 years.

Recommend 1% for Administrators (At no Cost, due to attrition).



**Estimated cost: \$273,144.00**

## Budget Requests

Provide a \$500 salary increase for all Classified Staff. (bus drivers, custodians, cafeteria workers, secretaries, etc....)

**Estimated Cost:  
\$142,276.00**

Provide a salary increase for all Classroom Teacher Assistants.

• Increase the beginning salary to \$12,000.00. (Currently at \$10,700)

**Estimated Cost: \$75,069.00**



## Budget Requests

Average classroom size

Course offerings

### New Personnel Positions:

- 1 Elementary teacher
  - 1 Elementary PE teacher
  - 1 Elementary music teacher
  - 1 Business Education teacher
  - 1 History teacher
  - 2 Special Education teachers
  - 1 Middle School Reading teacher
  - 1 Middle School Science teacher
- (9 Teachers)**

**Total: \$470,844**



## Budget Requests

- 1 Elementary Math Specialist
- 1 Elementary Guidance Counselor
- 1 Elementary Librarian
- 1 Middle School Reading Specialist

**Total: \$209,264**



## Budget Requests

- Elementary Special Education paraprofessional
- 2 Custodians

**Total: \$49,603**

**New Personnel Total:**

**\$729,711**



## Budget Requests

### Technology

Laptop Lease - \$82,500 (Provides 200 laptops for student use)  
 iPad carts  
 Smart Boards  
 Presentation cameras  
 IT Tech - \$40,000



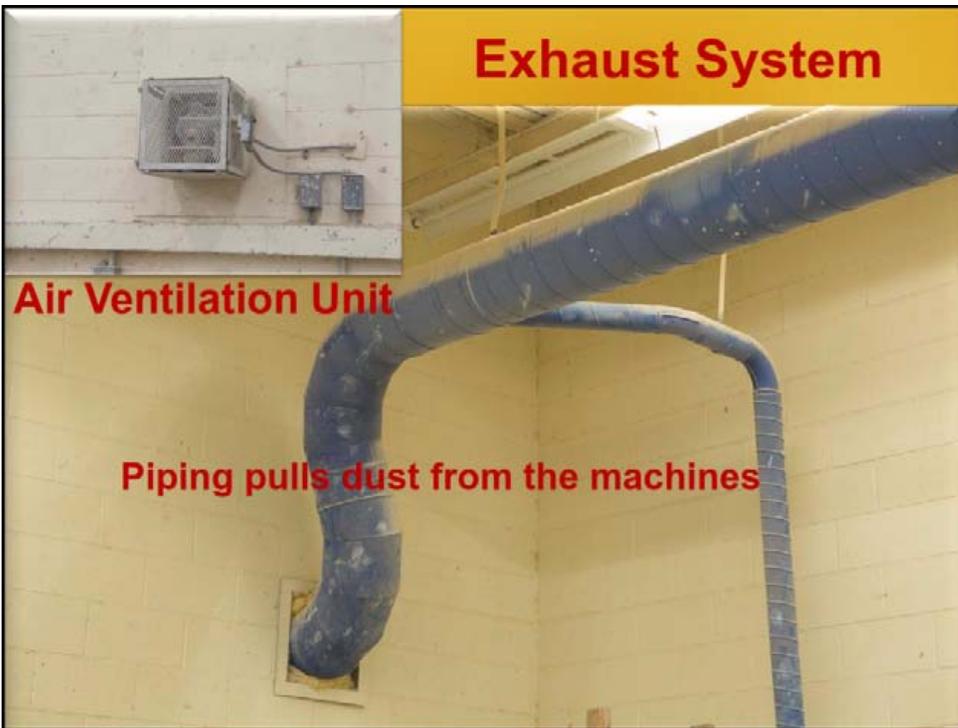
**Implementing a Laptop Lease Program puts roughly 200 laptops back into the pool for student use. Further, it provides new laptops to our teachers instead of the current 3-6 year old units borrowed from the student pool.**

**The lease is for three years at 1.9% APR, with a \$1 buyout.**



### Budget Requests - Operations

|  |                           |
|--|---------------------------|
| Security Cameras (Riverdale)                                 | \$12,500 (Security Grant) |
| Replace fixtures, sinks, urinals, and commodes (SMS and CES) | \$44,000                  |
| Playground Mulch (MES, CES and CTE)                          | \$20,180                  |
| Building Trades Department exhaust System (SHS)              | \$15,000                  |
| Alarm System (SHS)   | \$12,500 (Security Grant) |
| Covered walkway from building to the mobile unit (CES)       | \$21,000                  |
| Replace gym doors (SMS)                                      | \$4,000                   |
| Refinish gym floor (SMS)                                     | \$11,000                  |
| Replace carpet in school buildings as needed                 | \$9,900                   |
| <b>Total</b>   | <b>\$150,080</b>          |





**Budget Requests**  
**5 New School Buses**  
**\$67,000**

**Budget Request FY2017**

| CATEGORY                        | FY2016 BUDGET       | FY2017 RECOMMENDED  | DIFFERENCE         | %            |
|---------------------------------|---------------------|---------------------|--------------------|--------------|
| Instruction                     | \$13,251,460        | \$14,461,344        | \$1,209,884        | 9.13%        |
| General Support                 | 7,506,934           | 7,879,632           | 372,698            | 4.96%        |
| Transportation                  | 2,103,120           | 2,136,793           | 33,673             | 1.60%        |
| Food Service<br>Health Benefits | 73,363              | 73,363              | 0                  |              |
| Operations /<br>Maintenance     | 2,774,626           | 2,198,373           | (576,253)          | -20.77%      |
| Facilities                      | 158,709             | 308,789             | 150,080            | 94.56%       |
| Debt Service                    | 2,302,280           | 2,990,724           | 688,444            | 29.90%       |
| <b>Grand Total</b>              | <b>\$28,170,492</b> | <b>\$30,049,018</b> | <b>\$1,878,526</b> | <b>6.67%</b> |

## Operating Budget Expenditure Request FY2017

|                                     |              |
|-------------------------------------|--------------|
| FY2016 APPROVED BUDGET              | \$28,170,492 |
| FY2017 RECOMMENDED BUDGET           | \$30,049,018 |
| RECOMMENDED INCREASE                | \$1,878,526  |
| PERCENTAGE INCREASE IN EXPENDITURES | 6.67%        |



## Summary of Proposed Operating Budget

| REVENUE                                       |                     |
|---|---------------------|
| STATE FUNDS                                   | \$17,563,428        |
| NON-RESIDENT TUITION                          | 60,000              |
| FEDERAL TO SCHOOL OPERATING (ADULT EDUCATION) | 44,300              |
| PROJECTED LOCAL REQUEST                       | 12,381,290          |
| <b>TOTAL REVENUE</b>                          | <b>\$30,049,018</b> |
|   |                     |
| TOTAL EXPENDITURE REQUEST                     | \$30,049,018        |
|   |                     |
| CURRENT LOCAL FUNDS                           | \$11,459,346        |
| REQUESTED INCREASE IN LOCAL FUNDS             | \$ 921,944          |
| PERCENTAGE INCREASE IN LOCAL FUNDS            | 8.05%               |

## FYI

March 14, 2016 - 7:00 p.m. | School Board Approval of Budget





## Discussion on Capital Improvements

### Roof Replacements

Source: TREMCO  
Preliminary Roof Surveys -  
August 2015

- Career and Technical Education Center
- Southampton Middle School
- Southampton High School

**Technical Career Center School**

|  |   |
|--|---|
| Overall Condition of Roof                    | Very Poor   |
| Approximate Square Footage                   | 55,400 square feet  |
| Approximate Existing R-Value                 | 0-5   |
| Drainage                                     | Poor- Large Areas of Standing Water   |
| Active Leaks                                 | Yes - Multiple Leaks  |
| Long-Term Repairs Feasible                   | No  |
| Action Required                              | Roof Removal and Replacement  |
| Can Replacement be Phased Over Several Years | Yes -- Roof Replacement can be Accomplished as part of a multi-year program or all at once. |
| Budget Range for Replacement                 | \$1,100,000 to \$1,400,000  |

ROOF CONDITION PHOTOS

**Photo 1**  
Recently repaired  
perimeter edge.



**Photo 2**  
Repair material was  
"laid" over the  
existing base  
flashing.



**Photo 3**  
The top of the repair  
material was tucked  
behind the existing  
counterflashing. It is  
unadhered and not  
terminated



**Photo 4**  
Older portion of the  
building. Asphalt has  
oxidized and lashing  
membrane has  
deteriorated



**Photo 5**  
Deteriorated flashing  
membrane mentioned  
above



**Photo 6**  
Repair materials left  
on roof



**Photo 7**  
Overview of roof area  
that has been recovered  
with a torch down  
membrane and coting  
with aluminum coating



**Photo 8**  
Deteriorated pitch pocket



**Photo 9**  
Previous sheet metal  
and membrane repairs  
that have failed



**Photo 10**  
 Poor drainage accelerates membrane failure and promoted bio growth.



**Southampton County Middle School**



|  |  |
|--|--|
| Overall Condition of Roof                    | Very Poor  |
| Approximate Square Footage                   | 135,000 square feet  |
| Approximate Existing R-Value                 | 0-5  |
| Drainage                                     | Poor- Large Areas of Standing Water  |
| Active Leaks                                 | Yes - Multiple Leaks   |
| Long-Term Repairs Feasible                   | No   |
| Action Required                              | Roof Removal and Replacement   |
| Can Replacement be Phased Over Several Years | Yes - Roof Replacement can be Accomplished as part of a multi-year program or all at once. |
| Budget Range for Replacement                 | \$2,250,000 to \$3,150,000.00  |

**Photo 1**  
 There are multiple active leaks throughout the building. These leaks are a slip/fall hazard



**Photo 2**  
 Stained ceiling tiles above the leak area shown above. This is unsightly as well as costly and constantly spend time and money replacing ceiling tile.

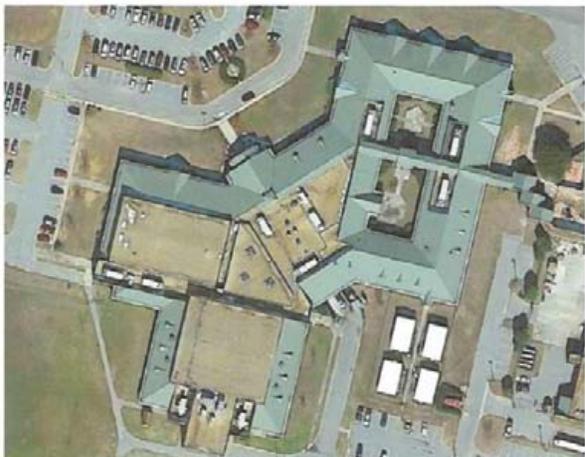


**Photo 3**  
 Hallway light fixture that has been shorted out due to moisture as a result of roof leaks.





**Southampton High School**



|  |  |
|--|--|
| Overall Condition of Roof                    | Very Poor  |
| Approximate Square Footage                   | 52,000 square feet of BUR  |
| Approximate Existing R-Value                 | 0-5  |
| Drainage                                     | Minimal Existing Slope - Large Areas of Standing Water                                     |
| Active Leaks                                 | Yes - Multiple Leaks   |
| Long-Term Repairs Feasible                   | No   |
| Action Required                              | Roof Removal and Replacement   |
| Can Replacement be Phased Over Several Years | Yes - Roof Replacement can be Accomplished as part of a multi-year program or all at once. |
| Budget Range for Replacement                 | \$1,040,000 to \$1,300,000   |

**Photo 1**  
Deteriorated felts and asphalt waterproofing

**Photo 2**  
Close up of photo above. Source of leak as waterproofing has deteriorated.

**Photo 3**  
Asphalt waterproofing has failed at roof drain flashing. If drain backs up, water will enter the building.





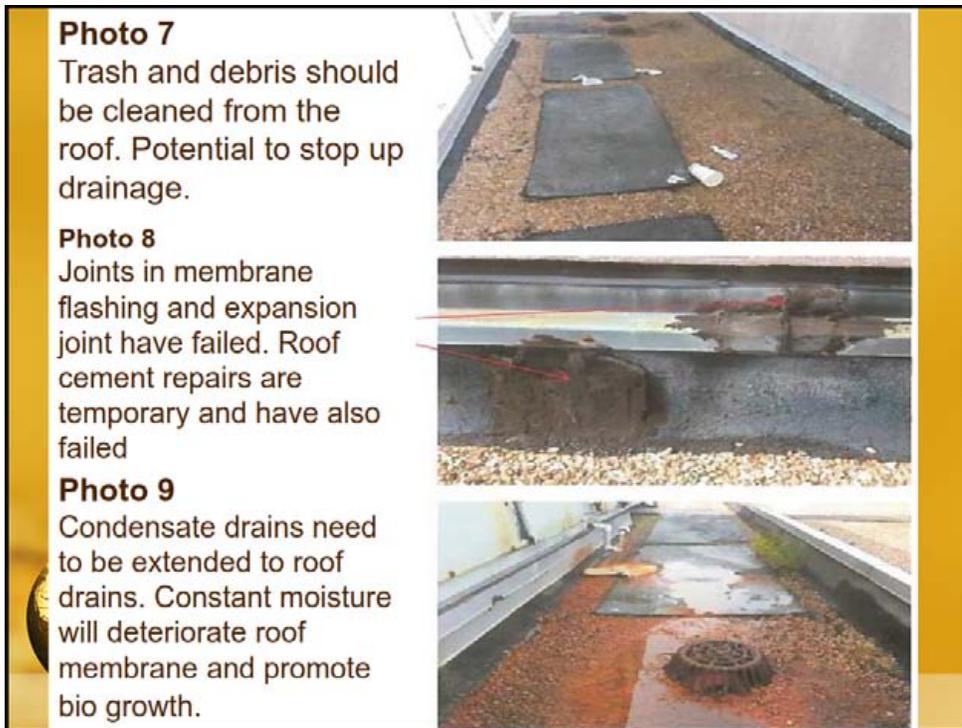
**Photo 4**  
Additional photo of condition listed above. This is fairly typical throughout the existing roof system

**Photo 5**  
Photo of flashing repair. Top of flashing membrane is open and covered with sheet metal. Top of flashing should have been cut out, replaced and readhered.

**Photo 6**  
Close up of photo above. Blowing rain will enter the building.







Supervisor West states do you have any kind of maintenance program. Does anyone check the roof; walk on it? Is there anyone in the county capable of doing this? Is anyone looking at all. When I see this deterioration, that is a neglect, because that did not occur last year. Is there a person in the school system that does building maintenance.

Dr. Alvera Parrish states we have a building maintenance department and we have a Supervisor over building maintenance. It is not neglect because they have repaired this over time as these issues have presented themselves. More work was probably needed and the roof should have been replaced a long time ago, and it hasn't been done. We do not have a roof specialist. We are working with an energy group now, ADM, who has been up there and have tried to do what they can within the contract to take care of the areas that affect the energy contract part of it to prevent some of this from happening. Our people are very persistent with getting up there and trying to patch it. That is why you see all of this tar and other things that they have been trying to do to patch these leaks over time. Some of this was with the initial construction of the building that needed to be addressed as well. I can tell you that Mr. Blunt and his team are consistent. We have work orders and documentation that the work has been done in response to the work order everytime a request comes in. He has been up there. Mr. Brown was up there last week. I have even been on the roof of the Middle School just to see what was happening. That has been a focus

March 9, 2016

because I have been saying what is going on with these leaks. The leaks have gotten worse over time as anything would. That basically concludes the presentation, and I added the piece in there about the roofs because we have had a discussion about capital improvements. A few of us had discussed about bringing more information forward. I will be glad to give you the book from TREMCO.

Supervisor West states do you get state funding for pre-k.

Dr. Alvera Parrish states no, not for pre-k.

Supervisor West states I know when you do your projections you state K-12 so I didn't know whether you receive funding for it. So, what do you do with pre-k numbers; that is 140 kids here.

Dr. Alvera Parrish states I pull pre-k numbers out because it is a different funding. We get federal funding for pre-k.

Ms. Joy Carr states and we also get the 4-year old program funding from the state. It is not part of the local operating budget and it is not included as part of the ADM that we get regular state funding on, but we do get some state funding for the federal programs for the special needs pre-k.

Supervisor West states I didn't know whether pre-k was part of your ADM and you received funding for that.

Ms. Joy Carr states right, but no we don't. We do get pre-k funding from the state but it is a separate funding for special needs in the 4-year program.

Dr. Alvera Parrish states and that ends our presentation. Any questions?

Chairman Jones states thank you Dr. Parrish for your time and all that you have done. We all see it and now we have to decide what to do. Does anybody have any questions or comments?

Supervisor Faison states I see the situation and the need and I hope we will do the best for the schools.

Supervisor Edwards states I think it is self-explanatory. We are behind in salaries and technology. A lot of teachers stay here because they have roots here. They could easily go to Isle of Wight and make more money. They grew up here in the county and that is one of the reasons they stay.

Dr. Alvera Parrish states I would like to thank the board for giving us this opportunity and we look forward to talking some more in the future; thank you.

March 9, 2016

Mr. Carl Garner addressed the board with concerns regarding contractual EMS services with Medical Transport and the need for 24/7 coverage.

Next, Gary Cross addressed the board with concerns of managing and taking care of horses. It was discussed what the zoning ordinance states today in regards to horses and the possibility of the Board of Supervisors referring to the Planning Commission for additional study.

Lastly, Mr. Johnson addressed the board in regards to starting the cv process where we recognize the Board of Supervisors.

Chairman Jones suggested a plaque with the names and years of service.

Mr. Michael Johnson states does anybody have anything else for the good of the group?

Chairman Jones thanked everyone for coming out.

There being no further discussion the retreat adjourned at 8:38 p.m.

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Dallas O. Jones, Chairman

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Michael W. Johnson, Clerk

March 9, 2016

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