

**5. MEETING MINUTES**

Attached for your consideration please find a copy of the Board of Supervisor's meeting minutes for the budget workshops of April 9, 16, and 23. At this writing the minutes for your regular session on April 28 are incomplete.

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

At a budget workshop meeting of the Southampton County Board of Supervisors held in the Board Room of the Southampton County Office Center, 26022 Administration Center Drive, Courtland, Virginia on April 9, 2014 at 6:30 PM.

SUPERVISORS PRESENT

Dallas O. Jones, Chairman (Drewryville)  
Ronald M. West, Vice Chairman (Berlin-Ivor)  
Dr. Alan W. Edwards (Jerusalem)  
Glenn H. Updike (Newsoms)  
Barry T. Porter (Franklin)  
S. Bruce Phillips (Capron)

SUPERVISORS ABSENT

Carl J. Faison (Boykins-Branchville)

OTHERS PRESENT

Michael W. Johnson, County Administrator (Clerk)  
Lynette C. Lowe, Deputy Administrator CFO  
Beth Lewis, Director of Community Development  
Amanda N. Smith, Administrative Assistant

OTHERS ABSENT

Julien W. Johnson, Jr. Public Utilities Director  
Richard E. Railey, Jr., County Attorney

Chairman Jones called the meeting to order.

After the Pledge of Allegiance, Supervisor West gave the invocation.

Chairman Jones informed everyone that we had a new employee in the office Amanda Smith and welcomed her to Southampton County. He turned the meeting over to Mr. Michael Johnson.

Mr. Michael Johnson said before we get started he took a minute to thank Lynette for all her hard work and hours put in to assist with putting the initial draft budget together. Let me start by reminding everybody what the approval process is. This was laid out in the calendar back in the January meeting. Here we are tonight and tonight is the first night we are rolling out the first county draft budget. Tonight is the first night and we have a long way to go. I recognize you all have had little input at this point. Obviously there are a lot of things you guys may have more input on and want to tweak and revise. So where we go from here is we will have a budget workshop next Wednesday night where you will receive presentations from county departments and agencies that receive funding from the county. We have budget work sessions scheduled on the 23<sup>rd</sup> of April and again on the 30<sup>th</sup>. And hopefully on April 30<sup>th</sup> you all will be in position to finalize the draft of publication so you can receive public comment on May 19<sup>th</sup> held at Southampton High School. Following the public hearing on the 19<sup>th</sup> we have scheduled Wednesday the 21<sup>st</sup> a work session in order to discuss the comments we received from the public hearing. I have found out we may have a community conflict on the 21<sup>st</sup>. Mr. Johnson asked Supervisor Porter if he wanted to speak about that.

Supervisor Porter stated he would like to change that date because that is also the same date of the annual Hunterdale Ruritan Beef BBQ which is a major fundraiser for the Hunterdale Ruritan Club and all the money from that goes back into the community. Not only does it go back into the community it helps a lot of citizens and I would like to propose changing that date.

Mr. Michael Johnson stated we have looked at the calendar and that Tuesday night immediately following the public hearing May 20<sup>th</sup> is available if you all are available to making that change.

Chairman Jones asked the board what do you think. Chairman Jones called each Supervisor by name.

Supervisor Phillips stated I think that will be fine.

Supervisor Edwards, Co-chairman West, Supervisor Porter, Supervisor Updike said ok.

Mr. Michael Johnson said we will make that change and the work session will now be Tuesday May 20th and then we have the budget slated for a different consideration and adoption for May 27<sup>th</sup> along with the associated taxes and fees. I point out if it is not on the website it will be available the entire draft budget on the website by tomorrow. I have a copy here and you all have copies at your place. It is over 100 pages. It will be available online at our website [www.southamptoncounty.org](http://www.southamptoncounty.org). In that document, is included: executive summary, organizational charts, detailed line items for revenues and expenditures, we've got personnel schedule and salaries, got summaries of all the county outstanding debts, debt amortization schedule, and a lot more interesting things in there. It's a good reference document for anyone that has an interest in the county financial health. Let's begin to talk about the initial draft of the fiscal year 2015 budget. Last year's budget was a total of \$52,469,561 and the initial draft this year is \$56,226,521. That is an increase of \$3,756,960 or 7.16%. I always like to start out at the high level and work down to this. There are three primary sources of revenue for the budget. State revenue for fiscal year 2015 is projected at \$24,729,889. That accounts for roughly 44% of your overall county budget. Federal revenue is \$2,197,549 and that is roughly 4% of your overall budget, and then the balance comes from local sources \$29,299,083 so roughly 52% of your total budget is funded with local dollars. So let's carve out the federal piece because you really have no discretion to how that money is used. All of that is used either for education or the school food program. It comes specifically earmarked. You have no discretion with that, it comes directly from the federal government and they say you will use it for this, this, and this. So that is in your budget but it's nothing discretionary for you to consider. The state funds which again accounts for about 44% of your total budget much of that is the same way, and I have broken down the allocation for you so you can see it. In fiscal year 2015 we expect Southampton County Schools to receive overall \$18,265,309 in state funds. Behind that the Sheriff's Office will receive \$2,686,712. Department of Social Services \$1,983,609, and you can see the remaining county offices that receive funding. Of that total amount of state funding that is really discretionary, is that category you see called Non-Categorical for \$207,500. That is the motor vehicle title and tags, things like that. It comes directly from the state in which you do have discretion on how that is spent, and that money goes directly into the general fund. But otherwise all that state revenue you see there you really don't have any discretion in how it's spent. Again it comes earmarked for specific agencies and programs and line items, and again while it's in your budget but there is no real discretion; which leaves us with the local funds \$29,299,083. Just to give you a quick sense of where that money is in your proposed budget, the biggest chunk of it goes into your general fund, which support all of your county departments \$11,167,388, and then we proposed transfer to the schools for operating purposes \$9,217,066. Your debt services for all of your county debt including debt services on the schools total \$5,695,223. Then we got water and sewer operations a little over 1.6 million, we got 863,000 of capital projects in building fund. It's \$411,690 in school food programs. Keep in mind that is not tax revenue that's the money that is actually paid by the students for their school lunches but in your budget it is considered local revenue. And then the amount we would actually appropriate for Southampton Department of Social Services is \$338,048. So we talked about overall the budget increased by \$3,756,960 and the logical question is where did that money come from. So I highlighted the areas where the biggest changes have taken place and obviously the biggest one is right on top, general property taxes. We expect an increase of \$1,737,407. Now the vast majority of that is coming from the fruits of Economic Development projects. Three projects, primarily the conversion of the Dominion Virginia Power plant from coal to biomass, the opening of the Enviva plant, and the opening of the AMAC plant. Those three projects alone account for a net worth of revenue more than \$1.1 million. In addition to that, we expect to see some growth in the court imposed fines. As you know the sheriff has gotten more aggressive in making sure that people adhere to the posted speed limit on county roads, and we are expecting growth of a little bit more than \$115,000 in revenues there next year. Under the charges for services as you all know from the retreat, there has been some changes in our volunteer rescue squads in the way they do protocol and the paperwork to capture the reimbursements from Medicare and the private insurance on the ambulance transport fee, so we expect some significant growth in that area based on the trends we have seen in the last couple of months. Under the miscellaneous revenue line, we have seen some very favorable trends in the shared revenue corridor we share with the City of Franklin, commonly referred to as the Golden Mile. We should see that generate an additional round number of \$100,000 more next year. Finally, probably the best news that we got, is even

though the state has not passed a budget, based on the best information that we have available we expect to receive about 8.64% more in state revenue in fiscal year 2015. Again, that amount alone is just less than \$2 million dollars. So that is a substantial portion of the overall increase in the budget. Now, on the expenditure side that is being proposed is a general fund of \$15,648,359. \$2,321,657 for Social Services, Southampton County Schools \$31,208,940. The School Food program is \$1,176,431. The total of the building fund including debt service and capital projects is \$2,027,589. The water and sewer fund included in that service is \$3,843,545. So you can see the schools account for roughly 55.5% of your overall budget. General fund 27.8%, water and sewer 6.8, social services at 4.1, and building fund at 3.6, and school food program 2.1%. Let's talk first about the biggest piece of the pie, Southampton County Public Schools. What's included in the initial draft budget is fully funding the school board request. You should have funding sufficient in there to provide for the kindergarten teacher at Riverdale, the new 5<sup>th</sup> grade teacher, new Elementary P.E. teacher, new Elementary music teacher, new Math and Science teacher at the Middle School, the new I.T. Technician. It should fund the 2% Cost of Living Adjustment for school personnel in addition to the 1% VRS phase-in, and it will provide funding to finance five more new school buses. General fund is the second biggest piece of the pie, 27.8%. What's included in the general fund is the attempt to address the pay compression for county employees by adjusting the current pay scale and moving employees to the appropriate step based upon their tenure. Remember we talked about that at your retreat, and at your places tonight is a copy of that revised pay scale. In addition to that we have included \$225,000 for enhanced EMS contractual services and we are proposing to establish fire & EMS zones. And impose an additional .02 real estate tax levy on all real estate properties. Now at your places is a copy of the statutory authority that talks about creations of fire/EMS zones. What this does is it creates dedicated revenue stream that can only be used for fire and rescue. Money has to be accounted for separately, and again it can only be used for fire and rescue. So we are proposing to increase the real estate tax rate by .02 and designate that specifically for fire and rescue. The draft budget does include certain promotions that were requested by the sheriff, but it does not include any of the position re-grades that were requested by the sheriff or any other Constitutional Officers. But, what it does include is \$55,000 to update the 2006 Pay and Classification plan which may serve as a basis for re-grading those positions sometime later next year. And I would note the draft budget requires no use of the unappropriated General Fund Reserve to balance. Taking a look at the building fund, which represent 3.6% of the total county budget. In that building fund, we take that to service major projects. The first is the public safety radio system, we are winding that down. I think that will be paid for next year in full, but the debt service payment in fiscal year 2015 is \$321,543. We got the debt service payment on acquisition development of the Turner Tract which is \$842,565. This is also where we set money aside for Fire & Rescue capital projects, and we propose to continue that program just like we have in the past, and the total amount available there is \$574,500. We've got a continuation of payment on the lease on the Sheriff's vehicles that he acquired this past year, plus \$25,000 additional funding to do some other things \$98,681. We have included funding that is earmarked to finance three major projects. One is the purchase of a refuse collection truck. The amount that we have included in here would be \$46,500. We have included money to finance building a new Jail Farm cafeteria and kitchen if necessary and we include \$37,000 there, and we include money to finance the courthouse security improvement project we included \$73,000 there. We've also included \$7,800 which is required by the Army Corps of Engineers to monitor the compensatory mitigation area out at the Turner Tract, and then we've also included \$26,000 for new locks, new containers, those kinds of things at the solid waste convenience sites. So the total again for the building fund is \$2,027,589. Under water & sewer at 6.8% of the county budget what we've got there are debt payments on the Boykins, Branchville, and Newsoms water and sewer improvements that go back to 1994. The sum of those debt service payments are \$394,283. We've got the debt service payment on the new Courtland Waste Water Treatment Plant. That debt service is \$1,843,075, and then we've got the operational expenses associated with the county utility department water & sewer operations a little over 1.6 million. What is included in that budget is funding the finance purchase of four new pick-up trucks for the department of utilities and funding the finance of the painting of water tanks in Branchville, Newsoms, and the Agri-Business Park. Now we talked about the .02 levy for fire & EMS districts, that's really the only change in any fees and levies that we see so the current levy fiscal 2014 is at .75 with the additional .02 earmarked specifically for fire and rescue. It would go to .77 on all general real estate and real estate of public service corporations and mobile homes while there considered personal property they are taxed at the real estate rate. All the other taxes you see there will remain un-changed. So what impact does that have? That equates to approximately \$34.36 per year on the average homeowner with the average home being \$171,819. It would equate to

approximately \$37.50 per year on a 300 acre farm that's enrolled in the Land Use program, and it would equate to roughly \$44.00 per year on a 300 acre tract of timber that's enrolled in the Land Use program. And that concludes my remarks Mr. Chairman and I would be pleased to answer any questions that you all may have.

## Fiscal Year 2015 Initial Draft Budget

Wednesday, April 9, 2014  
6:30 p.m.



## Budget Approval Process

February 4, 2014	Liaisons meet with School Bd. Budget Committee
February 7, 2014	Budget request forms issued
February 24, 2014	Advance public comment received
February 25, 2014	Liaisons meet with School Bd. Budget Committee
February 28, 2014	Budget request forms returned
March 24, 2014	Citizen comment received
April 9, 2014	County Administrator's draft budget presented
April 16, 2014	Budget work session – department presentations
April 23, 2014	Budget work session
April 30, 2014	Budget work session (draft budget finalized)
May 19, 2014	Public hearing on proposed budget (SHS)
May 21, 2014	Budget work session
May 27, 2014	Board adopts FY 2015 budget
May 27, 2014	Board adopts CY 2014 tax rates and fees

# Transparency

- Entire initial draft budget (over 100 pages) available online on the county website [www.southamptoncounty.org](http://www.southamptoncounty.org)
- Includes an executive summary, organizational charts, detailed line items for both revenues and expenditures, personnel schedules and salaries, summary of outstanding debt, debt amortization schedule and much more!

## Total Budget – All Funds

Millions



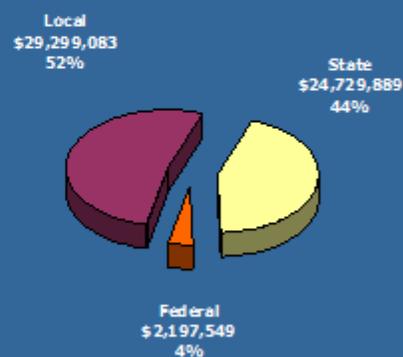
FY 2015	\$56,226,521
FY 2014	\$52,469,561
Increase	\$ 3,756,960

**Budgetary Increase  
7.16%**

## Initial Draft FY 2015 Budget

### Revenue Sources

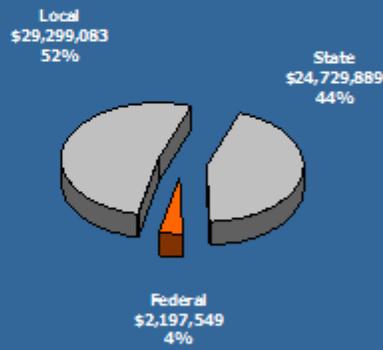
State	\$24,729,889
Federal	2,197,549
Local	<u>29,299,083</u>
TOTAL	\$56,226,521



## Initial Draft FY 2015 Budget

### Federal Funds

- All used for education or school food program

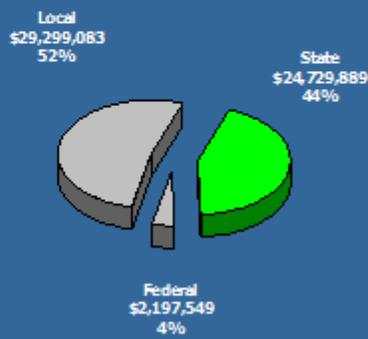


## Initial Draft FY 2015 Budget

### State Funds

#### Allocation

Southampton County Schools	\$18,285,309
Sheriff's Office	2,088,712
Department of Social Services	1,963,809
Commonwealth's Attorney	384,480
Clerk of Court	328,857
Jail Costs	275,000
At-Risk Juveniles	282,800
Non-Categorical	207,500
Other	127,049
Commissioner of the Revenue	95,795
Treasurer	80,742
Voter Registrar	<u>34,035</u>
<b>TOTAL</b>	<b>\$24,729,889</b>

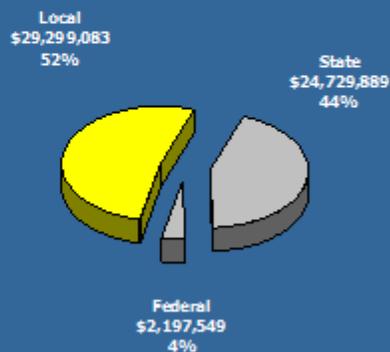


## Initial Draft FY 2015 Budget

### Local Funds

#### Allocation

General Fund	11,167,388
School (Operating)	9,217,066
Debt Service	5,695,223
Water & Sewer (Operating)	1,606,186
Capital Projects	863,482
School Food	411,690
Social Services	<u>338,048</u>
<b>TOTAL</b>	<b>\$29,299,083</b>



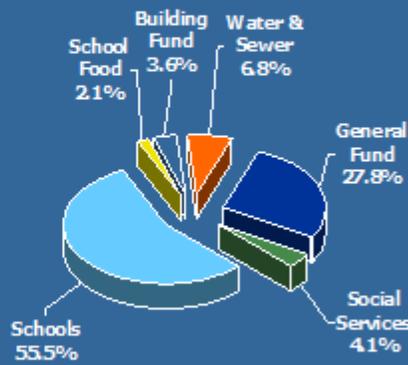
# Initial Draft FY 2015 Budget

REVENUE SOURCE	FY 2014	PROJECTED 2015	INCREASE (DECREASE)	PERCENT CHANGE
General property taxes	\$ 18,887,536	\$ 20,624,943	\$ 1,737,407	9.20
Other local taxes	1,877,216	1,830,066	(47,150)	(2.51)
Permits, fees, licenses	120,261	21,840	(98,421)	(81.84)
Fines & forfeitures	597,250	714,823	117,573	19.69
Interest	4,000	4,000	-	0.00
Charges for services	1,690,352	1,859,237	168,885	9.99
Miscellaneous revenue	903,262	1,002,691	99,429	11.01
Transfer - General Fund Reserve	460,564	-	(460,564)	(100.00)
Other County Sources	536,904	579,690	42,786	7.97
Enterprise Fund	1,146,815	1,191,334	44,519	3.88
Building Fund	1,216,930	1,470,459	253,529	20.83
Revenue from the Commonwealth	22,762,571	24,729,889	1,967,318	8.64
Revenue from Federal Sources	2,265,900	2,197,549	(68,351)	(3.02)
<b>TOTAL REVENUES</b>	<b>\$ 52,469,561</b>	<b>\$ 56,226,521</b>	<b>\$ 3,756,960</b>	<b>7.16</b>

# Initial Draft FY 2015 Budget

## Expenditures

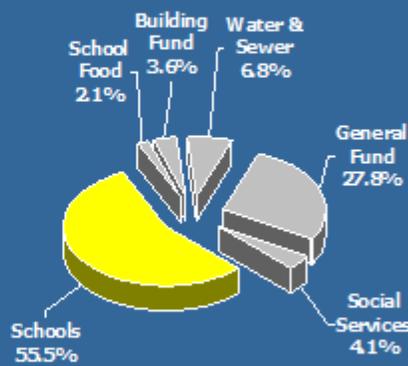
General Fund	\$15,648,359
Social Services	2,321,657
Schools	31,208,940
School Food	1,176,431
Building Fund	2,027,589
Water & Sewer	3,843,545
<b>Total</b>	<b>\$56,226,521</b>



# Initial Draft FY 2015 Budget

## Expenditures

General Fund	\$15,648,359
Social Services	2,321,657
<b>Schools</b>	<b>31,208,940</b>
School Food	1,176,431
Building Fund	2,027,589
Water & Sewer	3,843,545
<b>Total</b>	<b>\$56,226,521</b>



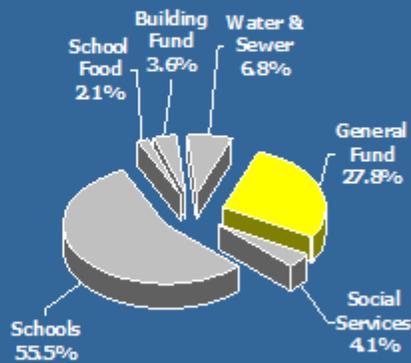
## Initial Draft FY 2015 Budget

- Fully funds School Board request
  - Kindergarten Teacher @ Riverdale
  - New 5<sup>th</sup> Grade Teacher
  - New Elementary P.E. Teacher
  - New Elementary Music Teacher
  - New Math and Science Teachers @ SMS
  - New I.T. Technician
  - 2% COLA + 1% VRS Phase-in
  - Finances 5 more new buses

## Initial Draft FY 2015 Budget

### Expenditures

<b>General Fund</b>	<b>\$15,648,359</b>
Social Services	2,321,657
Schools	31,208,940
School Food	1,176,431
Building Fund	2,027,589
Water & Sewer	<u>3,843,545</u>
	\$56,226,521



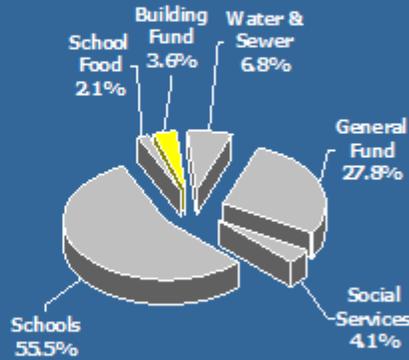
## Initial Draft FY 2015 Budget

- Addresses pay compression for county employees by adjusting the current pay scale and then moving employees to the appropriate step based upon their tenure
- Includes \$225,000 for enhanced EMS contractual services and proposes to establish fire/EMS zones and levy an additional \$0.02 real estate tax levy
- Includes promotions requested by the Sheriff but does not include any position regrades requested by the Sheriff or other Constitutional Officers
- Includes \$55,000 to update the Pay and Classification Plan
- Requires no use of the Unappropriated General Fund Reserve to Balance

## Initial Draft FY 2015 Budget

### Expenditures

General Fund	\$15,648,359
Social Services	2,321,657
Schools	31,208,940
School Food	1,176,431
<b>Building Fund</b>	<b>2,027,589</b>
Water & Sewer	<u>3,843,545</u>
	\$56,226,521



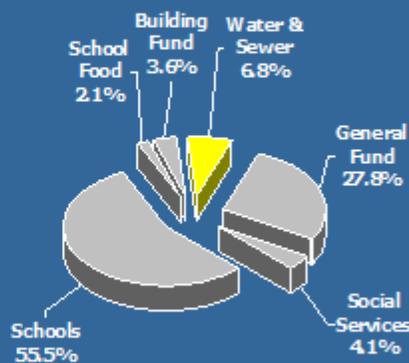
## Building Fund Uses of Funds

• Debt Payments	
– Radio System	\$ 321,543
– Turner Tract	842,565
• Fire & Rescue Capital Projects	574,500
• Sheriff's Office Vehicles	98,681
• Earmarked to finance Refuse Truck	46,500
• Earmarked to finance Jail Farm cafeteria	37,000
• Earmarked to finance Courthouse Security	73,000
• Wetland Bank Monitoring	7,800
• Solid Waste Sites/Containers	<u>26,000</u>
	<b>\$2,027,589</b>

## Initial Draft FY 2015 Budget

### Expenditures

General Fund	\$15,648,359
Social Services	2,321,657
Schools	31,208,940
School Food	1,176,431
Building Fund	2,027,589
<b>Water &amp; Sewer</b>	<b><u>3,843,545</u></b>
	\$56,226,521



## Enterprise Fund Uses of Funds

- Debt Payments
  - Boykins, Branchville, Newsoms \$ 394,283
  - Courtland WWTP 1,843,075
- Water & Sewer Operations 1,606,187
- \$ 3,843,545
- Includes funding to finance the purchase of 4 pick-up trucks
- Includes funding to finance the painting of water tanks in Branchville, Newsoms, and the Agri-Business Park

## Proposed Tax Levies

	FY 2014	PROPOSED FY 2015
<b>REAL ESTATE</b>		
General	\$0.75/\$100	\$0.77/\$100
Public Service Corporations	\$0.75/\$100	\$0.77/\$100
<b>PERSONAL PROPERTY</b>		
General	\$5.00/\$100	\$5.00/\$100
Machinery & Tools	\$2.40/\$100	\$2.40/\$100
Mobile Homes	\$0.75/\$100	\$0.77/\$100
Public Service Corporations	\$5.00/\$100	\$5.00/\$100
Merchants Capital	\$0.50/\$100	\$0.50/\$100
Farm Machinery	\$1.95/\$100	\$1.95/\$100
Farm Machinery/Single Product	\$1.25/\$100	\$1.25/\$100
Construction Machinery	\$2.40/\$100	\$2.40/\$100
Motor Carriers	\$2.40/\$100	\$2.40/\$100

## Impacts

- Tax increase equates to approximately \$34.36 per year on the average homeowner (\$171,819)
- Tax increase equates to approximately \$37.50 per year on a 300 acre farm enrolled in Land Use
- Tax Increase equates to approximately \$44.00 per year on a 300 acre tract of timber enrolled in Land Use

Chairman Jones asked if there were any questions for Mr. Michael Johnson. He called on Supervisor West.

Supervisor West said no sir. I would just say in defense thank you for a good presentation and thank you for the work you put in it. Mr. Carl Garner, we listen to you cause we realize how important volunteers are in the community and this is doing something about placing fire and rescue personnel what from 6 a. m. Saturday through Monday morning in Ivor, and Boykins, and Sebrell. This is a needed thing and it gives security, it provides services we have long needed to keep the service level at the level that the fire and rescue people want now. Good Job Mr. Carl Garner; and thank you Mr. Johnson, I'm ready.

Chairman Jones called on Supervisor Edwards.

Supervisor Edwards said I feel the same I think the two cents increase is necessary. We didn't have any choice there.

Chairman Jones called on Supervisor Phillips.

Supervisor Phillips said I think it's going take some further review for me. I thank you for the work both Lynette and you Mike. There's a whole lot there to take in.

Mr. Michael Johnson said there is an awful lot to take in and again we are at the very beginning, I mean we all, I'm looking forward to hearing from the people, their comments and I'll be studying it in the meantime. Thank you for the presentation.

Chairman Jones called on Supervisor Porter.

Supervisor Porter said I would like to thank you and for all the work you and Lynette have done. I have to say I feel a little better tonight than I did last year about where we are. I think we see some of the fruits from some of the things we have done and some of the sacrifices that we have made. It is a starting process. Hopefully, the state will get their act together and fix their budget because it is almost impossible to do without that. I think it's critical that we provide fire and rescue services that have been proposed. We have been putting off for some years. Hopefully, this fiscal year we can do that. I think the .02 tax increase is not painless but it's not a goal breaker at this point. Overall, I feel pretty positive where we are going. I hope we can take all of this in over the next six weeks and provide a good budget that we feel comfortable with.

Chairman Jones called on Supervisor Updike

Supervisor Updike said like the rest of us I have to digest a lot of this stuff, but from the word get go it looks like, and I even call it the devil, Like Mr. Francis he presents the budget with zero increase in all these things. Taking a lot of slack and a lot of people receive increase in salaries and things previously now you want to promote everybody equally and we forget about the people with zero amount of increase the past few years. Treating the total group of employees equally right now at the first glance, is part of the shortfall. Number two, I know I will be getting shot by everybody in here but I think paying EMT's or the medical people is a big mistake – a big, big mistake. I talked to a lot of volunteers, firemen, rescue squad members, everything else and you are opening up a can of worms because their attitude is, if you are going to pay them I'm not going to volunteer anymore, and we are going to kill all the volunteering in the county by doing this. And if you are going to open up yourself to a total payment to fire and rescue squad then I don't know how in the world the county is going to be able to do it. I am reminded of a former President back in my days, ask not what your government can do for you, but what you can do for the government. We need to encourage volunteers from the start of county government, go to churches, clubs, and get people involved with a sense of responsibility and community pride to improve the volunteerism. This is a can of worms that's going to come back to bite you cause everybody's going to quit. I can promise you that. I don't know how many I've talked with, I bet you it is a dozen and this is their attitude.

Chairman Jones said alright. Okay, Supervisor West do you have something else.

Supervisor West said I have one additional comment. I would like for everyone in this room to recognize the fact that \$460,000 that was being drawn out of the current reserve will not be

touched for next year. We have bottomed out on drawing out the reserve, and we will work to reestablish that which puts us in a better financial picture overall. This budget addresses that issue. Second thing, concerning what Mr. Updike just said, instead of spending money in volunteers, I think we all will see volunteers, but we all have to recognize people take weekends off, Mr. Carl Garner, to go to the beach. And, we can't fully have people out there running the services, or the vehicles, or providing the services that you need. He recognizes this and this is what he is requesting weekend assistance. You will continue to do the weekly assistance. That is working right now. So, nothing will change in that way; but we find that people are active, busy, leaving out of the community, going to the beach. It continues to be a situation. Yes, volunteerism. Yes, we need to encourage. And, yes the schools can promote volunteers and the growth of that and community relationships. I think that's possible. I am real pleased, and I think I'm going to knock on a little wood from the prior boards that took the heat for an industrial park that now has a tenant, that is producing over \$1 million of new revenue per year. That took a stand. Yes, it cost. You can always question could you've done it cheaper, or could you've done it this way, or could you've bought this customer in or that one. Let's think, we have a tenant that's valuable, that's paying over \$1.3 million in taxes, really not a little over \$1 million dollars. That being said, that's tremendous, okay. That's important and the prior board took this heat. Be on board with this, and be encouraged. This the first time in a few years we've been able to hold our head up and you are going to hear other situations in other counties; and I'm not saying look at them and look at us... no, no, no, this is a tough time. Did you see the federal government cut funds over 3%? That's your federal government that has got billions and trillions of dollars wasted overseas, okay. And they can send it over there, but they can cut your 3% off this budget here. But with Uncle Sam look out. I'm sorry.

Chairman Jones said no problem.

Supervisor Edwards said at one time the rate was \$0.77, and we did cut that back. So, we are just going back to where we were several years ago.

Chairman Jones said that's right we are just going back to where we were three years ago.

Supervisor West said we would have to vote on the ordinance change, would we not, with setting up the fire and rescue districts.

Mr. Michael Johnson stated yes. It's a specific legal process that we would have to go through to create those groups to impose that.

Supervisor West asked if that was something that would require a public hearing.

Mr. Michael Johnson said yes.

Supervisor West said so we can go ahead and initiate that action tonight in favor of a public hearing.

Mr. Johnson said I suggest you wait until we work your way the draft budget process.

Supervisor West said okay.

Mr. Michael Johnson said once have finalized the draft budget if you decide that's something you want to pursue, then we can advertise it for public hearing.

Supervisor West said thank you.

Chairman Jones said I'd just like to thank the whole staff for all the work you do, and I appreciate all the effort that they have put into all of this. And I can say this is the second time that I can remember in 30 years that they gave the school board what they need. I mean fully supported them. And, that is something to be said about the county. They asked for it and we are going to give it to them. I'm hoping that we continue to do this, and keep our schools like this. I am hoping we will have four people that are going to say yes. I am hoping because...

Supervisor Edwards said the school board is not wasting money. They are using it wisely; and we are going to support them. One of our primary things besides public safety is public education.

Chairman Jones said and that is what we do; we rob them every time. We take it from the schools.

Supervisor West said I agree with Supervisor Porter to some degree, no one feels good about increasing taxes. To change the rate from \$0.75 to \$0.77 is not something that I feel we have accomplished something. It's not, but there is a need.

Chairman Jones said but it is needed.

Supervisor West said and it's not that major, but it is an increase in taxes. That is the bottom line.

Supervisor Edwards said the people need to know that was mainly a state mandate. Things are sliding down the hill to us that we have no control over.

Chairman Jones said alright gentlemen, is there anything else.

Supervisor Porter said he had several conversations with EMS volunteers over the last six months and the volunteers are not going to stop volunteering. What they are asking for is coverage when they are not available. It is a concern for the whole group. And, I don't think people would quit because we are providing them with some help. They have already seen a downturn in volunteerism. They have additional legal responsibilities. It is not fair to impose extra requirements on these people. So, we need to step up and make sure those departments are staffed. I know the volunteering trend across the country is going down. It is not only going down in EMS; it is also going down in other community related organizations. I belong to a couple of those and we have a devil of time replacing people that die. In all the organizations that I go to, I look across the table and where I used to be a young guy, I still am and that's sad. There aren't a whole lot of people out there who are younger than I am doing things on a volunteer basis. I don't like increasing taxes, but for a worthwhile cause such as this I would.

Mr. Michael Johnson said I just want to make sure that everybody understands that even with the enhanced contractual services, our system is still fully dependent on volunteers.

Supervisor West said absolutely.

Mr. Michael Johnson said what this enhanced contract will provide is for one ALS provider at all three of those rescue squads for those 48 hour periods. But, you still need to match them up with at least one and preferably two volunteers in order to make the transport, hopefully a driver and an EMT to assist in the back. But, keep in mind that we are still fully dependent on the volunteers. This is to provide those people that have the advanced skills and advanced certifications that we need that are difficult to come by. But, we still are going to depend on these volunteers. I want to make sure everybody understands that. One other closing comment, Mr. Chairman, just on the document itself, I would encourage you all to read page two which talks about how to use the document and then pages three through five are a table of contents. If you go to the website and access the online version it is a smart document so you can actually put in a key word to search. If you want to know anything about the library, you can put in "library" and it will pop up everywhere the library is in this document. So, you go to the online version and click where to search for a particular program or department, or anything like that.

Chairman Jones said alright gentlemen are there any other questions. He stated the meeting was adjourned.

There being no further business, the meeting adjourned at 7:09 p.m.

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Dallas O. Jones, Chairman

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Michael W. Johnson, Clerk

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- At a budget workshop meeting of the Southampton County Board of Supervisors held in the Board Room of the Southampton County Office Center, 26022 Administration Center Drive, Courtland, Virginia on April 16, 2014 at 6:30 PM.

SUPERVISORS PRESENT

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

SUPERVISORS ABSENT

OTHERS PRESENT

Michael W. Johnson, County Administrator (Clerk)  
Lynette C. Lowe, Deputy Administrator CFO  
Amanda N. Smith, Administrative Assistant

OTHERS ABSENT

Julien W. Johnson, Jr. Public Utilities Director  
Richard E. Railey, Jr., County Attorney

Chairman Jones called the meeting to order.

After the Pledge of Allegiance, Supervisor Faison gave the invocation.

Chairman Jones states we have a list of speakers, Smart Beginnings will start first.

Ellen Couch, Executive Director for Smart Beginnings, states good evening. Thank you for giving us the opportunity to come and speak on behalf of Smart Beginnings Western Tidewater. My name is Ellen Couch and I am the Executive Director for Smart Beginnings and I want to introduce two of our board members who are here tonight. Ms. Anita Felts and Mr. Philip Page; and Mr. Faison also sits on our board for Smart Beginnings. We want to share a few things with you. First of all, thank you for your past contributions to Smart Beginnings. You are helping children in Southampton County get ready for school. We are seeing improvements in children here in the classroom, more and more every year; ready for school and ready for life. A couple of things I want to highlight are some impacts from Smart Beginnings on our community that we are very happy to share with you. Through some mental health grants we have been able to work with children in the community and provide more services for them at a much earlier age before they enter Dr. Parrish's school division here. Through a rapid housing grant all three social services have worked to provide assistance to those who are homeless, especially children who are homeless in our community. Through the nursing partnerships and collaborations we have with them through the health department, there are now twelve moms in Southampton County, twelve first time at risk mothers, who are able to receive services for their children, from the time they are pregnant until the child reaches the age of two. So we are able to get early diagnosis for children, prenatal vitamins in mom's earlier, health benefits, monitor post-partum depression, and then help them get into schools from services like preschool programs much earlier. I am very excited that Kelly Gillette with Southampton County Schools shared with her school board this week that we're hosting on April 30<sup>th</sup> a Regional Kindergarten Registration Day. Southampton County Schools, Isle of Wight County Schools, and Franklin City Schools will all be participating in a Regional Kindergarten Registration Day in two weeks to help get more children registered for school earlier to help the school divisions and school employees who scramble at the last minute to get children registered a couple of days before school. So, we are hosting a big event in conjunction with the Health Department, your local Libraries, Cover 3 Foundation who provide healthy snacks for children, and we are going to be in your schools here in Franklin on April 30<sup>th</sup>. So we are very excited about that. Our raising a reader program is now in your Blackwater Library here in Courtland, which is a book bag program to provide materials for parents to check-out as

well as at home providers to increase literacy skills in children in our community. We have also trained over forty providers in the Southampton County area on how to be better providers and work better with the children they care for on a daily basis. Everything from literacy skills, reading skills, math skills, to even waiting in line, taking turns; all of those things children have to know in addition to those ABC's when they enter a classroom. I am very excited that we just watched a parent advisory group, and I am very excited that we are going to implement that program in the next two months in the Southampton County area. We are going to be hosting that at local community centers, churches, meeting the needs of parents. Parents are struggling with how to handle work, home, school, and children. Going to help them with counseling services, providing resources to them, and help the parents in our communities, so when our children enter school, and as they continue to be in school, they have the necessary skills to help them with everything they need. School is not what it was ten to fifteen years ago. So, if we can help parents have those tools to be successful in helping their children, then we feel we are helping them to be on the right path. Anything you would like to add? We thank you so much for your contributions and thank you for all of your support. Any questions?

Chairman Jones ask any questions any one? Okay, go ahead.

Supervisor Porter states I just have a general question.

Ms. Ellen Couch responds yes sir.

Supervisor Porter states as Dr. Parrish knows, education is one of my passions. When you work with these new moms, do they have an appreciation or the value of education or is it something you are working with them to understand the future of their children, the economics of their future is based on getting a good solid education.

Ms. Ellen Couch states yes sir; we are very much in tune to that, and working on a way to get these first time mothers in a nursing partnership program but also these parenting clinic workshops we are going to offer the importance of a quality good education. Staying tuned in with your children, what they are doing, providing them with assistance, inexpensive, free things they can do with their children. Reading to their children, communicating, sitting down having dinner with their children in the same room. Just those basic skills Mr. Porter, that a lot of us take for granted, we are sharing with parents, we are sharing with first time moms about how important it is to have that fresh start, that important start with their children, and so they are some of the skills we are working on. Just not how to read a book, but how to socialize with your child and the importance of not only getting an education, but how you can take that education to the next level, and be a part of your future workforce right here at home.

Supervisor Porter states thank you.

Ms. Ellen Couch states you're welcome.

Chairman Jones states anyone else?

Supervisor Updike states this might be out of your realm a little bit but I think it is very important; now day's lots of these young mothers, families, their parents don't know how to cook, don't know how to feed them; their children. I have firsthand witnessed two families; only thing they eat is out of the store. They don't know how to cook and boil water. And without confirmation of stuff like that, they are spinning our wheels and wasting your time about getting a proper nutrition from the state board of Education. I am not saying you provide the food, but somebody has to get back to the simple basics of teaching these young parents.

Ms. Ellen Couch states you are exactly right Mr. Updike. And, some of the parents don't even have those things growing up and so we partner with an organization on the Planning Council and they actually have a nutritionist that is working in the City of Franklin and Southampton County with parents, with providers and doing cooking classes, even in their homes about how you can go to Foodlion or Farm Fresh and buy nutritional meal contents for ten dollars; and sharing with them, how they can go home and cook grilled chicken, or how you can go home and cook ground turkey, and how you can use fresh vegetables into their daily lives. So, they are not eating junk food and other things that are not good not only for their health but also for dental care. So we are partnering with a group that is actually working with them in that area.

Supervisor Updike states I would like to see it made a requirement or something. I mean this is a serious problem.

Ms. Ellen Couch states obesity is on the rise and the health department has data that obesity is on the rise across the state of Virginia and we have to combat that, and you know supersizing meals and convenience; we also have to look at the nutrition in children and how we can work with that too. The Planning Council is working on that and I will be glad to go back and share more of that with them and see if they can bring some of that in supplement form.

Philip Page states do you mind if I speak.

Chairman Jones states go ahead.

Philip Page states thank you very much; to Mr. Updike and Mr. Porter's questions, I just want to make a quick response. I am the Executive Director of Franklin Redevelopment Housing Authority and in that capacity Smart Beginnings works with our new mothers and it has been very much appreciated. They have expressed appreciation to us to be able to have that outside support. It is much more than just preparing a child for school, education but they tell you preparing our mothers to be parents have a great help. So, I just wanted to add that. All of what you said Mr. Updike is absolutely true but the mothers' are appreciating it and we are starting to see the benefit of that in our housing. Thank you very much.

Chairman Jones states anything else. Any other questions? Thank you so much.

Ms. Ellen Couch states thank you very much. Thank you.

Chairman Jones states Mr. Britt and Mrs. Carr, coming up together.

Treasurer, Mr. Britt, states good evening gentleman, we appreciate you all giving us the opportunity to come out and speak to you all again. We appreciate the fact that you allowed us to be a part of your retreat. With that being said, we are not going to take up a whole lot of your time. Basically what we are here to do is to reiterate what we talked to you about at the retreat as far as our office needs go. I wanted to highlight our biggest thing. That is, we need to take care of our employees. Our employees, all of them have been with us five plus years. We have seven employees in both offices. They work in harmony together taking care of the needs of the citizens. I think that is a good point there. Majority of them have been certified, and since 2007 our offices have been asked to take on quite a number of additional responsibilities helping create revenue for the county. And, we would like to see our employees recognized and taken care of. We already know for a fact that other offices and departments are losing employees, and with the investment that we have in these people, I can't see losing a resource like that if it benefits the county. We are not here to ask anything for ourselves but we are looking here to try to get something in to recognize and appreciate our employees.

Commissioner of Revenue, Mrs. Amy Carr states and we don't want to take up a lot of your time going over the same things we said at the retreat, but I have brought a copy of the presentation that I made at the retreat. Just look over it, and refresh your memory and then if you would notice on there; there are quite a list of new duties that have been added to the office since the last salary study which was done in 2005. And, due to that I strongly feel, we both feel that our employees are due for a reclassification and salary increases and we would appreciate the consideration.

Chairman Jones states any questions to either one. Thank you.

Mr. David Britt & Mrs. Amy Carr states thank you.

Chairman Jones states Sheriff Stutts.

Sheriff John "Jack" Stutts states gentlemen; I have one thing for you. With regards to the regrade and raises that are requested. I am asking that they only be considered if we get those raises from the Compensation Board we anticipate from the State. Sorry for being so long winded. Any questions?

Chairman Jones states any questions for the Sherriff? Thank you so much.

Sheriff John "Jack" Stutts states thank you.

Chairman Jones states Southampton Economic Development, Mrs. Jarratt.

Mrs. Amanda Jarratt states good evening Chairman Jones and other members of the Board, Mr. Johnson, and I really appreciate the opportunity to speak with you tonight. As most of you know, I am Amanda Jarratt, President of Franklin Southampton Economic Development. We were created back in 2005 uniting the efforts of both Southampton County and the City of Franklin in Economic Development with support and guidance from the private sector. Our main goal is to increase the tax base of the Franklin, Southampton community and create jobs for the citizen of today and future generations of tomorrow. Most of you are aware of our current initiatives and programs at FSEDI but I would like to use this opportunity to give you a quick reminder of our place. We have created inclusive marketing programs, of state and regional partners including the Virginia Economic Development Partnership and the Hampton Roads Economic Development Alliance as well as the Port of Virginia. First ask developing areas for future business industry and targeting key industry sectors. Since our creation in 2005 we have been directly and indirectly responsible for the creation of almost 800 new jobs and a quarter of a million dollars in investments. 2013 was truly a banner year for economic development in our community and we are finally seeing the results of your long term commitments. We were able to announce the location of Hampton Farms and their purchase of the former International Paper Converting Innovation Center as well as have ground breakings for Loves Travel Center and Curtis Contracting, which within twelve months posted a grand opening which most of you knew last week. We were able to lease an existing building from the Agriculture Southampton Business Park and work very closely with them on a daily basis, which you all are well aware. These projects generate direct tax revenue for Southampton County budget. The stronger we build our business community the more revenue there is to support services to enhance the quality of life for Southampton County residents. We had a very active first of the year. This year with new projects, we are hopeful will roll out at some point in 2014. We also have an existing industry program, as well as a business retention program uniting the efforts of our office, Franklin Southampton Chamber, and the Paul D. Camp Community College Workforce Development. We are actively meeting with our local businesses and providing free training and professional development. We were recently awarded a \$15,000 grant from the SunTrust Foundation and are administering a micro loan program to inject capital into our small and medium size businesses. Small business growth and development is also a key priority of ours. The main way this is accomplished is through the Franklin Business incubator, which currently has 28 businesses, six of which are owned by Southampton County residents. There are a number of county residents employed throughout the facility as well. Our organization pays the required local match on behalf of the city and the county to participate in the small business development center that is in Norfolk. They come here once a month to our office and the Chamber to provide free business counseling for any business located in the City of Franklin or Southampton County. Our funding agencies include Franklin and Southampton charities, the Camp Family Foundation, Southampton County, and the City of Franklin. Private dollars are leveraged to provide economic development programs only due to the public dollars that is supporting the program. This successful public private partnership has allowed us to effectively and efficiently market our community. Our budget request this year is the same as last year. For the 2014/2015 budget year will be the same request as 2013/2014, and we truly appreciate your commitment to economic development. We continue to take steps to reduce cost internally, and all expenditures and programs are carefully analyzed to make sure that they yield a return on investment and generate a positive impact on our local economy. As we look forward to the remainder of 2014 and beyond, we are really excited about the possibilities to grow our economy. This strategic partnership that the county is leveraging with the City of Franklin will only increase our economic competitiveness. The planning efforts and proactive approach that you all are undertaking will greatly increase our position and competitiveness not only in Hampton Roads but across the state of Virginia. I want to emphasize that economic development is a long-term investment; most of you know that. But, it is important to keep that in mind, that it requires much time, energy, and commitment from all of you, our Board, and citizens of Southampton County. We need your investment to diversify our local economy and provide jobs for future generations. I truly appreciate the working relationship I have with each of you, and FSEDI looks forward to a positive relationship with the county. I would be happy to answer any questions you have.

Chairman Jones states any questions to Mrs. Jarratt.

Supervisor Edwards states Amanda, I would just like to say it is a pleasure to work with you. I feel like we have made great strides here in the last couple of years. I am looking forward to the future.

Supervisor West states I would like to say that, I thank you for a fine job period. I think you have done a great job from day one, and your energy level is extremely high, and you are sure building a way on how you do. It stands out, and a lot of good comments are made in general. Thank you, thank you.

Supervisor Porter states I would like to echo those comments. I think one of the reasons we are able to do some of the things this year we have not been able to do is directly contributed to your efforts and thank you so much for that.

Chairman Jones states I would like to thank you too. I have more shovels now in the past few years than I have ever had. It is so nice to break ground for new businesses in Southampton County. I can't thank you enough.

Mrs. Amanda Jarratt states thank you for your support.

Chairman Jones states alright, thank you; Western Tidewater Free Clinic.

Mrs. Patsy Joyner states few weeks ago we thanked you for your dedicated services to our county. I am Patsy Joyner, a member of the Western Tidewater Free Clinic Board, and on behalf of the Board, staff, and volunteer members please know how much we deeply appreciate your continuous support of this vital program that serves Southampton, Franklin, Isle of Wight, and Suffolk. Since opening in 2007, the clinic has served over 3,300 patients, through 64,500 visits that are dental, medical, mental health, and pharmacy consultations; and over 14.3 million dollars in retail value of medications. In 2013, the clinic served 1,485 individuals, with 15,815 onsite visits, and provided over \$3.4 million in free medications. Of those 1,485 served in 2013, 187 or 13% were Southampton County patients and serviced 2009 visits. That is 13% also. Medications valued at nearly \$443,000. During this budget cycle, as before, the clinic ask for 20% of its operating expenses, which are projected to be \$1,501,095; and 20% of that totals \$300,219. Each municipality is asked to provide a percentage of that amount \$300,219 according to its percentage of patients served. Thus our request of Southampton County is in the amount of \$39,000. That represents 13% of the total funds we requested from the municipality for fiscal year 2014/2015. This amount will provide 445 medical and dental care visits for Southampton County residents. Thank you for your consideration, and at the clinic's request we really invite you; we want you to come and visit the clinic, see firsthand how your funds are making such a difference. Do you have any questions?

Chairman Jones states do you have any question?

Supervisor Updike states I have one and this is my curiosity. What effect will the mental health care system have on this clinic? Is it going to lessen your load? What is the effect?

Mrs. Patsy Joyner states good question Mr. Updike. I want to pass these down to you too. It is a copy of a recent editorial that was in the Tidewater News. I referenced that very thing. One of the most common misconceptions is that the Affordable Care Act says there will no longer be a need for free clinics to provide care to fill the gap of the uninsured, economically disadvantaged in our community. In fact, many people will tend to fall through the cracks based on their household income or other circumstances. If Medicaid goes through, about 82 or 85% of our patients will be affected. That doesn't mean that will be true numbers; just depends on their circumstances. We think with all the data we have referenced and checked shows there will be thousands still in the gap needing free health care regardless of the Affordable Health Care Act and Medicaid changes. We will have to wait and see how it plays out. Our goal is to find access to health care for uninsured low income residents in Franklin, Southampton, Isle of Wight, and Suffolk, and we expect that to continue from what I have seen.

Chairman Jones states alright, any other questions? Thank you, ma'am.

Mrs. Patsy Joyner states thank you.

Chairman Jones states Blackwater Regional Library.

Mrs. Yvonne Bradley states good evening. I am Yvonne Hilliard-Bradley, the director of Blackwater Regional Library system. As you are aware, Southampton County contracts with the Blackwater System to provide library service to county residents who report to libraries and bookmobile stops. By funding a share of the Regional Library budget, based on library usage and population in the county. Southampton County's share of the Blackwater Regional Library budget decreased slightly this year from 17% to 16.7% of the total library budget. Which means, the dollar amount decreased by \$2,141 to \$229,772. We have continued to hold the line on our operating budget which is pretty much everything except personnel and materials. In fact, that line has decreased by \$22,700 since fiscal year 2009. We continue to rank second from the bottom among the fourteen Tidewater Public Libraries in local income per capita and less than \$16.00 per person. I think taxpayers would agree they are getting more than their monies worth when they come into our libraries. In putting together a budget for a locality during a difficult economy, the choices obviously are very difficult. Your course to consider is what services are core and what services are not. It is easy to see that police protection, fire services, emergency medical care, water, and roads these are all core services. And the question is not whether to provide them, but how much to each of those services to provide. But even more challenging, can be the questions regarding those services that are also labeled discretionary. But they are important, and even critical to the quality of life and the community. Today many households and senior lives have changed in ways they never could have foreseen, and they need assistance in ways they never could have anticipated. They can't afford to consider public library as discretionary. Our computers are regularly packed with people applying for jobs, applying for college, applying for financial aid, for health insurance, social security, and social services. Very little in life is done offline anymore. And not everyone has a personal computer or access to the internet. If they have a home computer, they may need guidance in navigating some of these less known user friendly sites. People come to the Courtland library in order to learn life skills. Medicare representatives recently used the media room to answer questions for residents about the program and about benefits. The Fresh Start Academic Program from Southampton County Public School system came to the library with their students to apply the skills they have learned in the classroom, to learn how to find the information that they need in the public library ; the information that they need to improve their lives. A healthy lifestyle class included a personal trainer and coaches from the YMCA, to offer advice on individual fitness and living a healthy lifestyle. Last year the Courtland library was visited by community members over 36,000 times. They checked out over 53,000 books and media; used the computers more than 6,000 times, and more than 1600 residents came to the Courtland library for classes. The public library is an overarching full service organization, providing early literacy classes, outreach to schools, summer and winter reading programs for kids, teen book clubs and classes, job skill programs, computer literacy training, and of course access to the regional material collections; including books, data basis, and media on a wide variety of topics. Much of what we are able to accomplish is because of our partnerships such as the Medicare and YMCA classes I mentioned earlier. Connections with other community organizations allow us to greatly increase our return on investment. The library partners with other local organizations to promote life-long learning. Library staff goes into schools to provide book clubs and reading initiatives for kids. The Franklin School's Robotics team is in the Courtland Library right now talking to teens about building robots. The staff works with the senior navigator program to improve access to information for older adults. The Courtland manager regularly goes to Courtland Health Care and Western Tidewater Mental Health in order to read to patients and to engage these people in discussions about the books and how the books relate to their lives; what is going on in their lives. Daycares get raising a reader bags through our partnerships with Smart Beginnings, and the Virginia Aquarium has brought its touch tank to the Courtland library for kids to see and touch marine creatures and ask questions. The state library of Virginia partnered with national organizations for funding to put data base in local libraries. That data base will provide information on a mass array of topics from very scholarly to general interest; ones that would be far too costly for most individual libraries to be able to afford on their own. There is no standing still in today's world. In order to function, you must continue to learn and to grow, and the public library is the place where that happens for the broadest segment of our community. We are the single organization that provides the environmental materials free of charge to all learners regardless of age, educational background, income, political or religious affiliation, or any other demographic you can think of. By funding the library, you support all of your community. Thank you. Any questions?

Chairman Jones states any questions? Thank you very much. Dr. Parrish.

Dr. Alvera Parrish states Chairman Jones and members of the board, good evening. I am Alvera

Parrish, Superintendent of Southampton County Public Schools, and it gives me great pleasure to represent my school board tonight. And it also gives me great pleasure, and we are thankful for the opportunity to present our budget to you tonight. Even in addition to that, we want to express appreciation for being invited to your retreat. I believe that was an opportunity for us to share in a way that helps this whole process go even smoother. It really does open up more doors of communication and the process for us to be able to interact with each other in a less formal setting; have the opportunity for questions, answers, and understanding what we are asking for and the rationale for the request. So we do appreciate that opportunity. I am going to be a little bit longer than Sheriff Stutts, but not much. Since we have had the opportunity already to share our budget presentation with the board, I am going to be presenting a high-level presentation of our board with the focus on the priorities we requested in the budget. Of course you know the people in this picture who I stand for tonight that represents all of our students in Southampton County Public Schools who believe that we are committed to opening the doors to excellence to all students to be successful. Here is our vision statement and we shared this with you already. That our vision is for Southampton County Public Schools; our goal is that all of our students will be successful, productive, life-long learners in an ever changing world. Our mission is manifested in that and our ultimate goal is that we will have successful learners that will be productive citizens in our changing society. Our number one highest priority of the Southampton County School Board is student achievement and this budget will reflect that as you look at our priorities, and you have seen our priorities, and we have had discussions about how we can get those services down to the classroom where the needs of the children are. As we look at opening those doors for students, those students that we serve are enclosed in four Elementary Schools, Southampton Middle School, and Southampton High School with a total enrollment of 2,817 students. As we looked at our priorities with the budget, of course our foundation was to focus on what were the requirements in the past, and compare them to the requirements of the present. As we look at what is being required of us from the state level as well as nationally, we can see the changes from the past where the diploma type was a standard diploma and students only had to have twenty credits. There was no graduation rate that existed, and no accreditation rate that existed, and all of the SOL testing was done with paper and pencil. However now, we are looking at a twenty-six credit diploma and students have the option of a standard or advanced studies diploma. All schools are working towards being fully accredited. There is a required graduation rate of 85% for the Cohort and SOL testing format now is online. So, that leads us to looking towards the future and recognizing that we have to focus on early literacy. We have to look at the course requirements for early grades and being able to have our students become successful K-12. We have to also consider the mandates that is addressing this budget along with courses and other state reports and state requirements that the school system must meet. Here is just a slide we have shared with you before, so I won't read everything on this slide but I did want to highlight some of the graduation achievement data for 2013, this previous graduation year. As you can see, we have 67 honor graduates, 94 advanced diplomas, 2 associates degrees, and all of the different seals associated with those diplomas that help us to be able to go on to be successful everywhere going forth in college. Also, with the world of work, as we look at the career and technical education classes that our students are taking; 96 % of our students have taken those career and technical classes. We have 122 programs completers. You can see the state licensures which enable those students to go right into the workplace, and then the workplace readiness stands at 49. This is just a projection of the data for 2014, the end of this year coming up, you can see we are right on the mark with our federal graduation rate projected at 86.76%, and our on time complete rate at 87.21%, and the Virginia required completion at 88.69%. As we look at Southampton County Public Schools, the state of the schools before and after, we do have to consider where we have been. With the Virginia Department of Education, well the State I would say, has been the biggest issue with us in terms of budget because of the reduction of funding from the state level that has caused us to suffer budget wise and financially with what we were able to provide. Of course we had the loss of the 45 positions in fiscal year 2012/2013. At the time the state reduced their funding, at that very same time that's when the rigor increased and we lost staff. So where are we now? We have three fully accredited schools, and then we have three schools that are credited with warning. However, we are very optimistic going forward that we will move those schools out of warning and into a fully accredited state. This is just a chart reflecting those areas from the rigor impact and from the state reduced funding for the school system in English and Math as well as in Science were the main areas that were mainly impacted by the increase in rigor and reduction in state funding. That leads us to, what are the urgent needs in our budget that we are presenting for the fiscal year 2014/2015 budget. Our urgent needs and priorities are listed here. You can see the 3% salary increase including the VRS rate increase of 2.9%. Than you have the 10.1% increase in health insurance benefits which equates to \$194,285. We are requesting here, which is a reflection of

what we are trying to do for the students in the classrooms, we have to have those teachers to address the class size, class needs, and the curriculum requirements for these positions; at approximately \$58,000 for each of the teaching positions. One kindergarten teacher at Riverdale, one fifth grade teacher, one elementary physical education teacher, elementary music teacher, one math teacher at Southampton Middle School, one science teacher at Southampton High School, and there of course at \$37,706 the IT technician position. The other needs and priorities that are included in this budget is an increase in our instructional line budget. You can see the figures for the elementary and the secondary is broken down there; \$194,441 for the elementary and \$102,257 for the secondary for the instructional budget increase. The technology we are requesting \$25,000, for operations increase it is \$35,981, and administration and health it is \$5,500. Therefore, that means that our requested local funding break down in this form that our total projected local funding increase is at \$338,047 and the current local funding now is \$11,040,669, and the total requested local funding is \$11,378,716, and this equates to a 3.06 % increase in funding. In addition to outside the operating budget, we are requesting the financing for five additional buses. We are very very appreciative of the buses that the board provided us with last year. It has been amazing the impact that has made on our total operation and terms of transporting our students. In district as well as out of district events, it has made a significant impact on the effectiveness of the entire process. We estimated at 75,000 based on the funding that we received last year for the other five buses, and that is requested outside of the operating budget. This is just a chart bring it back to you in terms of looking at the age of the buses and where we are at this point as of January 2014. You can see the number of buses that are 15 years old or older is still at 47. Thirteen are 11 – 14 years old, nineteen at 6 – 10 years old, and fourteen at 1 – 5 years old. So the additional buses would help tremendously with that. In conclusion, working together we will accomplish much to ensure our students' success. We believe that is what it is all about, and that an investment in Southampton County Public Schools is an investment in the future of Southampton County. I have to say to you gentlemen, you have demonstrated that you have a clear understanding that this is a good investment, a solid investment and one that is going to help us to maintain a positive future for this county going forward. So as we work together, I wanted to include some other people that you may want to see here and just look at the ways that we have collaborated during the year. This is a picture of all five new buses we received this year, which Mr. Blunt and all of us are ecstatic about and you can see members of our school board and members of the Board of Supervisors there together on that wonderful day to take that photo. It was a historical moment. Also, we are very thankful for your interaction in our schools; working with the various programs, supporting the various programs in the schools as well. Another way that we collaborated is through working with the students and reading at the schools to students or mentoring or just coming by to give support in any way you can is appreciated; of course, working with our various board members on various venues. I don't know who this young man is here but we are very appreciative of the partnership and the relationship that the boards have forged together; and even on the reading day we have an expert reader that came in and read to students. We try to catch a picture with everybody in at least one, but we do want you to know that we recognize that teamwork makes the dream work. Thank you gentlemen.

Chairman Jones states any questions? Any members have any questions?

Supervisor West states curiosity one; you have 93 buses listed up there on the board, how many do you put on the road each day assuming you don't use the backups.

Dr. Alvera Parrish states if we don't use the backups it is around how many?

Mr. Ricky Blunt states with the special need buses right there at 77.

Dr. Alvera Parrish states 77, and the backups is what 40.

Mr. Ricky Blunt states right.

Dr. Alvera Parrish states ok.

Supervisor West states so 16 would be in reserve. That is primarily the older backups.

Mr. Ricky Blunt states yes sir.

Supervisor West states okay, the second thing I want to pull out and I don't have the sheet in front

of me, but I know it's true; you have had your funds cut tremendously since fiscal year 2009. The county has continued to try to find a way I believe and the county has continued to increase its funding. We have had to pick up slack we didn't have the money for as well, and we did all we could.

Dr. Alvera Parrish states the board has funded the school system even last year with the lower funding, you have continued to maintain that funding and we are appreciative of that.

Chairman Jones states any other questions. Anyone else?

Supervisor Edwards states I think the school board has been very frugal with their spending. I commend you on that and you have been very open I believe in what you are using. I am the only one up here young enough to have children in the system and I appreciate it.

Dr. Alvera Parrish states thank you.

Supervisor Edwards states I have one in third grade and one in fourth grade.



# VISION STATEMENT

**The Vision of Southampton County Public Schools is that all students will be successful, productive, lifelong learners in an ever-changing world.**

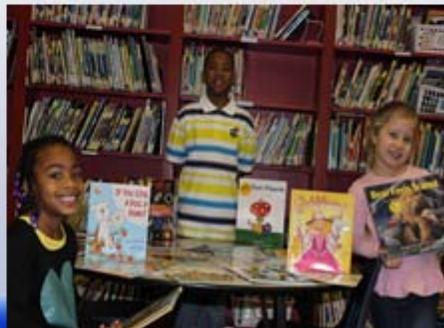
## MISSION STATEMENT

**The mission of Southampton County Public Schools through the combined efforts of 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

**THE HIGHEST PRIORITY OF THE SOUTHAMPTON COUNTY SCHOOL BOARD IS STUDENT ACHIEVEMENT!**



## SOUTHAMPTON COUNTY PUBLIC SCHOOLS

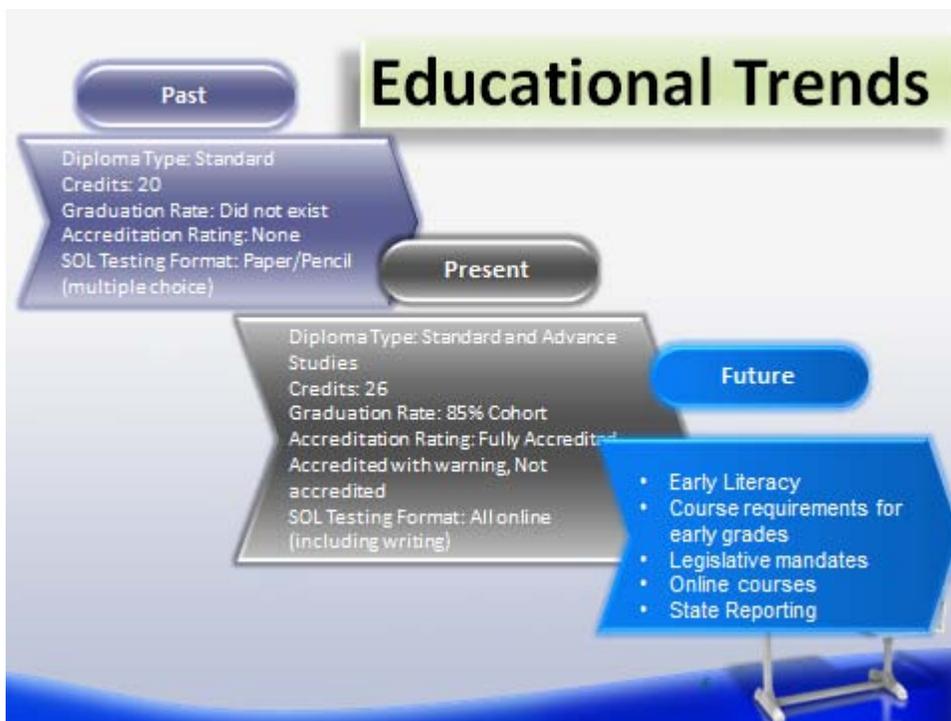
**"OPENING DOORS TO EXCELLENCE FOR ALL STUDENTS"**

### ENROLLMENT

- FOUR ELEMENTARY SCHOOLS
- SOUTHAMPTON MIDDLE SCHOOL
- SOUTHAMPTON HIGH SCHOOL

**TOTAL ENROLLMENT - 2,817**





### 2013 Graduate Achievement Data



183 Graduates  
 85.66% (3 years average)  
 VA Graduation & Completion Rate

- 67 Honor Graduates
- 94 Advanced Diplomas (53%)
- 2 Associates Degrees
- 30 Governor's Seals
- 14 Board of Education Seals
- 11 Advanced Math & Technology Seals
- 31 Excellence in Civic Education Seals



### Career Tech 2013 Graduation Data



Career Tech Classes Taken	96 %
CTE Program Completers	122
State Licensures	6
Workplace Readiness	49



## 2014 Graduate Projection Data



192 Graduates  
79 Honor Graduates  
2 Associates Degrees  
104 Advanced Diplomas

Federal Grad Rate 86.76%  
On-Time Completion 87.21  
VA Grad & Completion 88.69%



## SOUTHAMPTON COUNTY PUBLIC SCHOOLS SOUTHAMPTON COUNTY PUBLIC SCHOOLS

### State of the Schools ----- Before & After

SCPS continues to struggle with the impact of the **45 positions** that were cut from the 2012/2013 Budget!

- ❑ **19 Classroom Teachers, 7 Instructional Support Positions , Including two Math Specialist**
- ❑ **At the same time the rigor increased, We lost staff !!!**



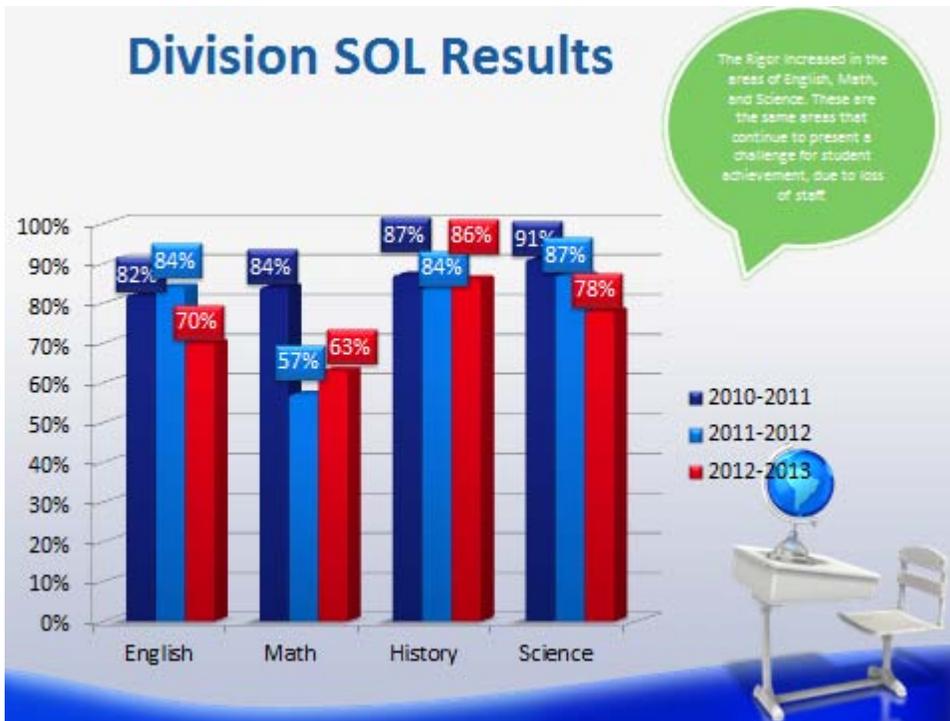
## ACCREDITATION RATINGS

Where are we now?

### FULLY ACCREDITED SCHOOLS ACCREDITED WITH WARNING

- |   |  |
|---|--|
| <ul style="list-style-type: none"><li>• SOUTHAMPTON HIGH SCHOOL</li><li>• MEHERRIN ELEMENTARY SCHOOL</li><li>• NOTTOWAY ELEMENTARY SCHOOL</li></ul> | <ul style="list-style-type: none"><li>• RIVERDALE ELEMENTARY SCHOOL (<b>Math &amp; Reading</b>)</li><li>• CAPRON ELEMENTARY SCHOOL (<b>Math</b>)</li><li>• SOUTHAMPTON MIDDLE SCHOOL (<b>Math</b>)</li></ul> |
|---|--|





### SCPS Urgent Needs and Priorities for FY2014-2015

- 3% Salary Increase including the **VRS Rate Increase 2.9%**  
(2% + 1% Required by VRS)-----\$ 667,177
- **10.1% Increase** In Health Insurance Benefits-----\$ 194,285
- 1 Kindergarten Teacher (Riverdale)-----\$ 58,006
- 1 Fifth Grade Teacher-----\$ 58,006
- 1 Elementary Physical Education Teacher-----\$ 58,006
- 1 Elementary Music Teacher-----\$ 58,006
- 1 Math Teacher (SMS)-----\$ 58,006
- 1 Science Teacher (SHS)-----\$ 58,006
- IT Technician-----\$ 37,706

**\* We continue to struggle with the considerable loss of teachers from the 2012-2013 Budget Cuts!**

### SCPS Urgent Needs and Priorities for 2014-2015

**Instructional Budget**

Elementary	\$194,441
Secondary	\$102,257
Technology	\$ 25,000
Operations Increase	\$ 35,981
Administration/Health	\$ 5,500

## Requested Local Funding

Total Projected Local Funding Increase .....\$338,047

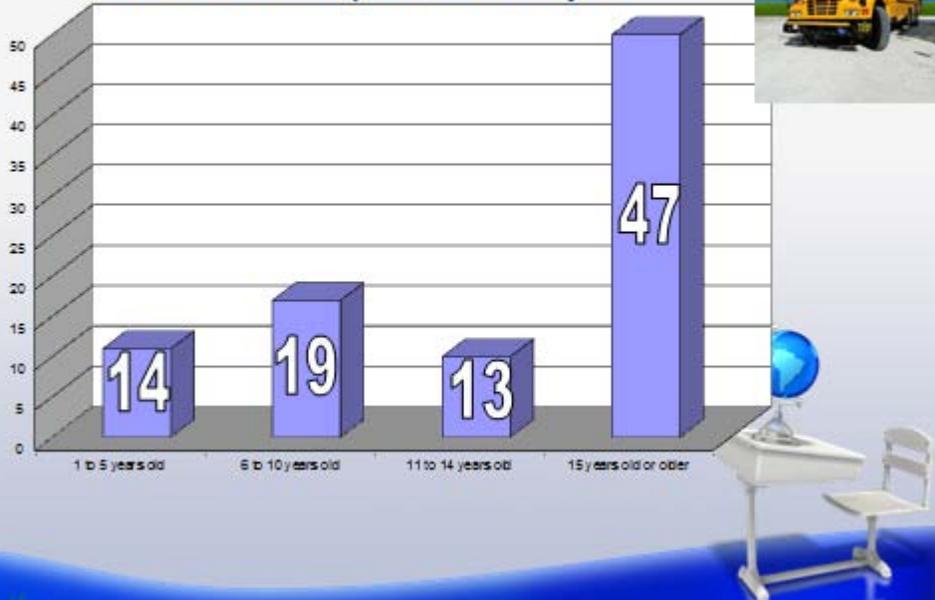
Current Local Funding -----\$11,040,669

**Total Requested Local Funding-----\$11,378,716**  
**(3.06 % Increase)**

*Financing for 5 Additional Buses  
\$75,000 (estimate), is requested outside the  
operating budget.*



Number of Buses by Age (as of January 2014)  
\*DOE recommends replacement after 15 years



**WORKING TOGETHER, WE WILL  
ACCOMPLISH MUCH TO ENSURE OUR  
STUDENTS' SUCCESS!!**

**AN INVESTMENT IN SOUTHAMPTON COUNTY PUBLIC SCHOOLS  
IS AN INVESTMENT IN THE FUTURE OF SOUTHAMPTON COUNTY!!**









Chairman Jones states thank you Dr. Parrish.

Dr. Alvera Parrish states thank you Mr. Jones.

Chairman Jones states Fire and Rescue.

Mr. Carl Garner, Fire Chief states Good Evening my name is Carl Garner Fire Chief of Ivor Volunteer Fire Department, President of Southampton County Fire and Rescue Association. I stand before you tonight representing the ten fire departments and five EMS squads that provide a valuable service to the citizens of Southampton County. I know all of you have seen our budget request for fiscal year 2015, but I would like to share with everyone in the audience tonight some of the needs and concerns that we have. I also would like to thank you for including us as part of your budget retreat. I think it was very informative on both ends. We are requesting a 5% increase in the general fund contribution for both fire and rescue. Five percent may seem like a lot but when you divide it between the ten fire departments and rescue squads, that is only an increase of \$1,129.53 per department. That will give each department approximately on average \$27,000 to go towards general operating cost. I can only speak to fire but it takes between \$68,000 and \$70,000 to cover our general operating expenses a year. That leaves about \$43,000 that has to come from fundraisers, grants, and the generous donations from the community. 62% of our operating revenue has to come from other sources of funding; 62%. We are very gracious of the support that the county has shown to us over the years, but our volunteers have to spend a lot of their time securing additional funds just to be able to provide Fire and EMS services. We are also seeking funding to provide additional advanced life support personnel to three remaining squads. That is Capron, Boykins, and Ivor from 6 a.m. Saturday morning to 6 a.m. Monday morning for a cost of approximately \$225,000. That means we will be putting one provider to each squad. The goal is not to replace the volunteers but to supplement them. This will still require an additional volunteer person to make a full crew, and if for some reason, no volunteers are available, that ALS provider can respond to provide the needed care until a transporting unit arrives. Our goal is to ensure everyone gets the same level of care they deserve in a timely manner. At present, these three squads have paid personnel from 6 a.m. to 6 p.m. Monday through Friday. The nights and weekends are covered by the volunteers with the assistance of the ALS zone call. Courtland Rescue and the City of Franklin have paid personnel providing 24 hours a day, 7 days a week, 365 days a year service to their areas. The time has come where the volunteers feel they can no longer provide the expected services that the citizens in their area deserve. We feel all citizens of the county deserve the same level of EMS care. We have been seeking this help for the past three to four years and feel certain that if this help is not provided we will lose even more of the few volunteers that we have left trying to fill the gaps, and most importantly the citizens will lack timely EMS care. Last week the comment was made, and I quote "Paying EMS in this county is a big mistake. If we pay the EMS, then the volunteers are going to quit. I have had people and volunteers from my district come to me and say, if you pay them, you need to pay me." As much as I was angry about these comments it inspired me to revisit the need and expected outcome I am

asking for the additional pay of the ALS provider. In doing so, I would like to share a few facts that I ran across. 51% of the address quotes, that is homes and businesses, in the county are presently served by EMS agency that is supplemented by paid providers 24 hours a day, 7 days a week, 365 days a year. The remainder 49% of the address quotes of the county are served by EMS agencies that don't have paid providers from 6 a.m. to 6 p.m. Monday through Friday, and are struggling with providing coverage at night and weekends. The real fact is still there, possibly 6% of the people in the Newsoms district already are receiving EMS services that are provided by paid EMS providers from Courtland and the City of Franklin 24 hours a day, 7 days a week, 365 days a year. Looks to me if the volunteers were going to quit they would have done so back in 2005 when the county added an additional paid personnel to supplement a struggling agency. It also inspired me to make some phone calls. I called one of the dedicated volunteers in the Newsoms district and asked them, if the county approves to add additional ALS, EMS providers to supplement the volunteer squads would you quit volunteering? His answer was no way, no way at all. I do not volunteer to get paid, I volunteer because I love giving back to the community. I will continue to volunteer as long as I am able. This dedicated volunteer has over 35+ years working with his volunteer Fire Department. I asked the Chief of that same district, if he had heard of any of his members saying that they would quit volunteering if the county adds additional paid providers to supplement the volunteer squad. I have asked volunteers from all over the county and the answer was the same. No way would we quit volunteering. We love what we do because we love giving back to our fellow man. All in conclusion to the comments said, whomever is out there saying they will quit volunteering if we get more paid EMS providers to supplement the volunteer squads, is one, volunteering for the wrong reason, two is not dedicated to the act of volunteering, or three is looking for a good excuse to quit because he or she no longer wants to volunteer. The Fire and Rescue Association request on behalf of the EMS agencies was approved and supported by all Fire EMS departments of the county. After reviewing the number of facts, figures, news articles, various EMS studies, I came to the same conclusion; adding additional ALS providers to supplement the already strained volunteered EMS force is not only needed, but is necessary. Every article I read stated the same facts. Declining volunteerism is mainly due to people that don't have any extra time to devote to the volunteering agency. In most families, both parents are working full-time jobs as well as second jobs to make ends meet. They don't have the time it takes to maintain certifications required by the state to perform EMS services. This is especially true when it comes to ALS providers, if you have the time to devote over 1000+ hours it takes to become a paramedic. EMS has grown from providing basic first aid and a quick trip to the hospital to an increasingly complex health care system. Many squads have provided some sort of incentive for recruitment and retention but the need to supplement volunteers with paid ALS providers is still there and needed more than ever. If we do not address the need now, it is not a matter of if someone will die because of the gaps in the EMS coverage but when. Bottom line, even though volunteerism is falling all across Virginia and all across the country we still are dependent upon our volunteers to carry out the mission of providing the best possible Fire and EMS service possible. I can go on and on explaining demands on today's volunteers, and why they have caused the decline in volunteerism. We are asking for help because we feel obligated and honored to provide the citizens with the best possible Fire and EMS service possible. We love what we do and we do it because we care. We have over 350 dedicated volunteers in this county. They give unselfishly back to their communities in ways many of you have never seen. We answer the calls of help over 2,650 times last year with approximately 1,800 of those calls needing EMS services. I would not bore you with a lot of statistics but I would like to share a few with you. The average response time from the time the call was received to the time an ambulance was on scene is a little less than 10 minutes for squads that are supplemented with paid providers. That is a pretty good number considering we cover 600 square miles of this county. On the other side, the average response time from the all-volunteer crews was a little over 15 minutes, with some averaging as high as 24 minutes. The average response time for the ALS on-call, which we have in place to supplement the volunteers on nights and weekends, to one of the other three squads was a little over 17 minutes with some averaging over 24 minutes. 67 calls went unanswered by the first new agency in this county last year, which caused an increase in response time waiting on one, the secondary department or two mutual aid from an outside jurisdiction which in return increase the amount of time a person has to wait to receive the help that they need. I know this is only 4% of the total calls, but the way I look at it, no one wants to be in that 4% statistic waiting on help when it is needed. Our goal is to reduce that average response time to the 49% of the county that does not have 24/7 coverage by paid providers. This is not a luxury, this is a necessity. Five minutes can mean the difference between life and death. From this day on out, as I said I could go on for the rest of the night; the last thing I would like to comment on tonight is concerning the suggestion of creating Fire and EMS tax districts to further support Fire and EMS services. After meeting with

my budget committee for the association there was a lot of concerns and questions I could not answer that I felt needed to be addressed. The committee feels that we need more time to address all concerns that are before us. With that said, I respectfully ask that you postpone the decision to consider creating a Fire and EMS tax district until fiscal year 2016 to allow time for the association to educate our informants on this process; and allow us time to study the pros and cons of such an undertaking. Thank you.

Chairman Jones asks any questions. Go ahead Mr. West.

Supervisor West states well thought out, well prepared. And I trust what you have stated before us tonight. I agree with you entirely. Two cents needs to be the two cents whether it is devoted to any type of life saving jurisdiction or whatever. The two cents is needed. I would like to say also, to remind people in this room that live in areas that receive sewage treatment in their district. You have had it for years but Ivor pays. Those that have rescue and fire full-time staff, you have had it for a long time according to Mr. Garner. Mr. Garner in addition to that, Ivor pays, whether it be Drewryville, whether it be Boykins, everywhere you know what I am saying. I don't want to see this turn into any kind of jurisdictional fighting of any kind. We serve our dues to all citizens of Southampton County not just for Capron and Ivor. You have done a great job, and I will fight for you, and do everything we can for this budget.

Chairman Jones asks anyone else.

Supervisor Jones states I just want to hear what your concerns are with the tax districts.

Mr. Carl Garner states Number one, fire and rescue departments in this county are kind of a unique group. One, trying to get fifteen departments on the same page is like pulling hair, and I don't have a lot of hair left. But anyway, with that being said, some of the concerns we are talking about, one if you create a tax district and that money is going specifically to Fire and Rescue, what effects would that have on our donations coming from the community? And believe me, we depend a lot on our donations now. If we didn't get them, we could not operate. So that is probably one of the biggest things that scares us. The other is we are not educated really on what this is all about. To make something happen between now and the beginning of the budget, we don't feel, and our Vice President don't feel I have the time to educate my people and to explain to them and to address any pros and cons we may have. It was some concern about what affect it might have on like I said donations. What affect it might have on departments that may not have as much in their area to cover, but it still takes a certain amount of money to operate; to keep the doors open. Some concerns about how the funding will be distributed. It's just a lot of unanswered questions and we don't feel we have the time to get the answers that we need, so we can support it; that's all.

Chairman Jones asks anyone else.

Mr. Carl Garner states I will be glad to sit down with you and talk to you more about it but I know it sounds like we trying to do something to help you and now you don't want to do it, but we just are not prepared. We are just not ready to be jumping into this right now without knowing all of the ifs, ands, and buts.

Chairman Jones states go ahead Mr. Phillips.

Supervisor Phillips states Carl I would just like to say thank you again for all that you do. I just want to applaud the volunteers in this county. I would like to say that I believe you have hit the nail on the head as far as volunteerism and what it means in this county. It is a valuable asset to what goes on in this county, and we couldn't do it without the volunteers. And, we want to see everyone receive the service whether it's Ivor. I know Capron and Ivor I think, failed to respond on 30 calls each, approximately 30 calls this past, because that provider wasn't available and we will see what we can do about getting that.

Chairman Jones asks anyone else. Mr. Garner we would like to thank you for all you do. Without the volunteer Fire Department I don't know what we would do.

Mr. Carl Garner states like I said we will be here for the citizens of this county. You don't have to worry about us going anywhere; unless somebody runs us away.

Chairman Jones states we still thank you anyway. Come on up Mr. Francis.

Mr. Rick Francis, Clerk of Circuit Court states hello board, I am Rick Francis. I am your Circuit Court Clerk. Just to let you know, the end of this month I say goodbye to Ms. Heather Simmons a 19 year veteran of my office, and just found out a lateral transfer to a new employer will pay her more than what she is making after 19 years. Even considering VRS, I hope she is making the right decision. There are quite a number of other clerks for the job, but I really hate to say goodbye to her. I think the county is losing a great asset. In advertising this position, I am coming to the board to see if we can find more funding for this position. However, I have been in contact with the Compensation Board and as you know I try to shift everything I can over to the Compensation Board into the state and off your shoulders the best I can. So instead of coming and asking for a \$3500 injection, I think, and I shared these figures with Ms. Lowe, that I really need \$362.00 and Ms. Lowe said I can't take it out of my salary, otherwise it would be just zero. But, I think I can make that shift over so it doesn't impact. If you all would let me supplement some of my staff's budget, if you let me shift that around a little bit and utilize the Compensation Board turnover funds than I think I can make this happen with \$362.00. I really didn't want to trouble you with that trivial amount tonight except I would ask you, if you would, please turn to page 43 of your county budget that is proposed. On page 43 down at the bottom in that little yellow area, you have a couple of columns that are great interest to me and I think would be to my staff. Down there to the far right of the yellow you have two columns; fiscal year 2015 requested and fiscal year 2015 initial draft. I know that everyone is now kind of feathering back into the initial draft, but I would ask you to please reconsider the requested column and support funding in that regard. I say that for two reasons; number one as Dorothy Jarratt through her early retirement program, even though she is past due time and age, everything has had to be reallocated duty wise in my office. Secondly, because I may be able to shift over a lot of what I am planning to do with the Compensation Board, it makes the out of pocket cost to the county about 1/3 less than what it is in that column. Basically, that requested column contemplates about \$23,000 in county supplements to reach those levels. Quite frankly with the shift I am proposing with the Compensation Board, we can reach that level with about \$14,000 in contributions which basically would save almost \$8,800.00. I can get you to the proposed column cheaper; \$8,800.00 cheaper than I could before this shift. It is strange to admit it but it is kind of a cabalistic process when one person leaves in the Compensation Board arena. I am not crazy about it, but it is an opportunity to shift some other people around because of a vacancy. I would prefer to keep all of my people in place and move them up together, rather than feeding off the salary of someone who is leaving. But, again, if she is going to leave, that is an opportunity that presents itself and will permit me to shift those funds away from the county into the responsibility of the Compensation Board. I ask that you let me do that and I also ask that if you get anymore Compensation Board raises would you please permit them to pass through to the staff. That would be most appreciated. That is part of the reasons for Ms. Heather leaving because of the absorption of the last.

Chairman Jones asks does anyone have any questions.

Supervisor West states you are extremely creative.

Supervisor Phillips states excuse me for a moment. Nineteen years of service and when would she be eligible for retirement.

Mr. Rick Francis states she had right many years to go, nineteen years in, she would have had to go to what 25 or maybe 30 with her age.

Mr. Michael Johnson states full retirement is with 30 years and 50 years old.

Supervisor Phillips states oh okay. You mentioned whether it was a good decision or not.

Mr. Rick Francis states well it would be tough for me to walk away from that, but her VRS I understand stays in tack. She can add to it if she later goes to another VRS; some state job. The problem is she is going to Hampton Farms and going straight in with a pay increase and I can't compete with that because I don't have control of my salaries.

Chairman Jones asks any other questions.

Supervisor Updike states I would like to promote you to the County Economic Budgeting Process.

Thank you, thank you, thank you, for taking more initiative on how we can save.

Mr. Rick Francis states I thank you and I will always try to shift the burden back where it really belongs because the state has been pushing it on the county for so many years.

Chairman Jones asks any other comments. Okay.

Mr. Rick Francis states thank you.

Chairman Jones states thank you; Children's Center.

Ms. Rosalind Cutchins, Executive Director of the Children's Center, states I am Rosalind Cutchins the Director of the Children's Center, and thank you very much for your partnership with us. I just want to bring you a couple of updates about where we are and what we are doing. Courtland Elementary School which Southampton County Public Schools has so generously shared with us, we are expanding our programs there. We just want to let you know as of next year we are looking at having 87 children being educated in that building for the year. So that is really exciting in terms of having a building that is repurposed, reused. Those are all of Southampton County's children that we get to nurture, we get to educate. We have great jobs and we get to send them into the public schools ready to go. We have rich partnerships with Southampton Public Schools and we are very much appreciative of that support. We walk hand in hand with them in serving families and preparing children for great educations and great citizens that will come back and support all of us. We also have rich partnerships with Smart Beginnings, Southampton DSS, and many of you have been attending one of our events in one way or the other and we very much thank you for that. In terms of the federal dollar, just specifically in children that will be coming into Courtland Elementary School which is our Courtland Head Start facility, by those children attending there we are pulling down, just with those children about \$1,029,000 from the federal dollar into Southampton County to serve children and help them be well prepared. So in terms of that, we are excited to serve Southampton County, we thank you very much, and since I was educated with Jack Stutts at Capron Elementary School I think my time is done. Thank you very much; any questions?

Chairman Jones asks any questions?

Supervisor West states I would like to note something. I have been in the building and you said very minimum students would actually use the building. I don't think you extend any money Dr. Parrish for the use of the building right. But you have a large building and you have to heat a whole lot of it.

Ms. Rosalind Cutchins states you are right about that.

Supervisor West states I mean it bothers me a whole lot to heat a whole lot of building for three classrooms okay.

Ms. Rosalind Cutchins states well we actually have, we are bringing in two more classrooms next year; that is one thing we are doing with sequestration, returning dollars as we are targeting two more classrooms there. Because you are exactly right. We have also applied for assistance from the federal government to look at special projects for emergency funding for that and we are also looking at different mechanisms of heating to try to bring that heating bill down as much as we can.

Supervisor West states so is that all funded by federal funds; the heating bill and everything. Who pays that?

Ms. Rosalind Cutchins states we pay that.

Supervisor West states I know but who is we.

Ms. Rosalind Cutchins states we the Children's Center pay that as part of our budget. That is just part of our budget. It is part of that 1 million dollars that we pull down and goes back out in terms of that. It is part of our operating expenses.

Supervisor West states well you know the expense of heating is; as cold as it has been this year it has had to be substantial.

Ms. Rosalind Cutchins states it has been a rough winter there. We have also gone back and applied for emergency funds specifically for that outside of this budget to look at the roof, because if we could replace the roof which we continue to have problems with, the other thing that we have done within that application in considering the roof, we are trying to put in insulation.

Supervisor West states right, I saw the bucket sitting in the hallway too okay.

Ms. Rosalind Cutchins states yes sir, you did. We have buckets frequently. We use those for learning purposes as well. We have gone back when opportunities have opened up to say it has been a bad snow year as well; because when snow sat on that roof too then it managed to leak back in.

Supervisor West states I suggest you get in touch with Mr. Blunt when he gets home one day early, when he is off. I mean, he can do something like that.

Ms. Rosalind Cutchins states Mr. Blunt is our friend and we very much appreciate our partnership with him.

Supervisor West states you want to keep him your friend.

Ms. Rosalind Cutchins states yes sir. We do, very much so. Thank you, any questions.

Chairman Jones states anyone else.

Supervisor Updike states I am curious now, we have an Elementary School over at Hunterdale, we have the Courtland School and neither one of them is utilized efficiently for what I can understand. It is a very small number of people in either facility. The maintenance, the upkeep, the operation cost is a substantial amount. This looks like to me, one of these places could be closed down and joined and combined.

Ms. Rosalind Cutchins states when we originally applied for the grant, we went back to Southampton Public Schools just to talk with them and at that point, I really would refer to them, there was another operation in it at Hunterdale; The Alternative School is that correct?

Dr. Alvera Parrish states The Fresh Start Program. I don't want to be out of order.

Chairman Jones states go right ahead Dr. Parrish.

Dr. Alvera Parrish states The Fresh Start Program houses students who are of teenage age. You want to tell them the age of your children at the Children Center.

Ms. Rosalind Cutchins states we are 6 weeks to kindergarten age.

Dr. Alvera Parrish states so that won't be two proper ages together.

Ms. Rosalind Cutchins states so we considered that, at that point.

Supervisor Updike states can keep them in the same building, but you still can keep them separate. That will reduce the maintenance and the upkeep. That is a big expense.

Ms. Rosalind Cutchins states at the time we went into this and invested money into that facility, it was determined that was the best option for us to share. So at that particular point that is why that decision was made.

Supervisor West states we have a \$6000 request which we intend to fund for the coming year. I know most of the funds at Hunterdale come from federal sources as well according to Mr. Turner; so that was cost effective because it is federal funds and none of your expended funds. I don't know that other than teachers perhaps, I don't know.

Dr. Alvera Parrish states it's a federally funded program.

Supervisor West states right, okay. So yes it would make sense in a sense because it is a large building. It looks to be fairly well maintained. Both of them been in but with that being said I was concerned about the drip drip and heating the long halls and three classrooms, and I understand.

Ms. Rosalind Cutchins states thank you and we are making strides. I feel like we are putting that building to good use on that view point and I think it is a good investment in terms of investment in early education and preparing students and preparing parents, etc.

Chairman Jones states it's not just sitting there coming down.

Ms. Rosalind Cutchins states that's right.

Supervisor West states it goes back to what Mrs. Couch requested. We are in a time and society where children are left behind because of parents that are trying to raise children and the parents are children themselves. That movement alone will perpetuate itself. We in the school system we have an unenviable but really a job that is probably unattainable to finish okay; because of the lack of parenthood and it has been perpetuated over the years and continues. It's sad. But we have society; what is that expression down here; you know it's not a luxury, education is not a luxury.

Ms. Rosalind Cutchins states and it is tremendously helpful as well. It is a blessing to be able to reach out and serve families and children so we thank you; and thank you for partnering with us in that. We appreciate that.

Supervisor West states and I ask everybody in this room to go and read. Go to any of the schools. I know Dr. Parrish would like to have you. Go to the programs and you bond with these children. I was a little disturbed last year and the year before when the librarian at Nottaway shared time at Meherrin. I thought you favored Meherrin too much but none of the less.

Chairman Jones states thank you very much. Hey gentleman, are we going to do anything else tonight.

Supervisor Faison states I just want to say how grateful I am to hear everybody that came before us today. I think it demonstrates the quality of people and the quality of work that is being done. We have a lot of needs in the county and it's obvious we have people who are going to address those needs. As a member of this board, I support all that you do; we all support all that you do. Promise that we will do the best we can for Southampton County; and honestly you are putting forth strong efforts that will make this work. Thanks.

Supervisor West states and I would like to digest the material, Mr. Garner, the things that you presented to me tonight for next week. I don't want to take action tonight personally.

Chairman Jones states correct, we are not going to take any action. Anybody else have anything.

Supervisor Updike states I would like to mention one thing. It is beyond past time when we do it, and that is our general fund. I wish every single one of you would look at what is required to keep us afloat. Our general fund has been robbed for the last five or six years. We are down to rock bottom in our reserve. We need to put a minimum of a half a million dollars in it for the next six years to get our general fund back where it should be. Look at any government regulation or efficiency they say 10% of your budget should be in reserve. We are down under 5%, right at 5%. That is unacceptable on any level of financial accepted responsibility for the citizens. This is the reason we have to borrow 3 to 4 million dollars every year to meet payroll. So, I think one of the top priorities should be to put a half a million dollars over the next six years to get our general fund in a better financial condition.

Chairman Jones states any other comments.

Supervisor West states I would like to address that particular statement. Four hundred plus thousand dollars that was to be drawn out budget year 2013/2014 is less than that from the general year for the year. We will probably draw out less than that. I think that is frugality of the board; administration decisions, perhaps over budgeting and spending less; all of the things that make

good common sense. But next year, if you want to use new money, \$1.4 million, already 400,000 of that 1.4 is not going to be used. That is off the board for expenditures in the county; because we are not drawing anything out of the reserve. We have continued frugality of this board and paying attention to the things that need to be done such as using the 452 Committee to review these things. I think you will see this. Yes, it would be nice to put a half a million dollars in there a year but I don't think it is practical and I don't think at this time we can even think about doing it, but yes it is a nice thought. I noted that is already a direction to go back and we will now go back into the right direction. The budget is prepared just that way, and Mr. Johnson and Mrs. Lowe, they took a great deal of time along with the other staff to make sure of that. Thank you for addressing that, but it is well taken care of.

Chairman Jones states and then if I can get some more shovels in my garage then we can do something like that. Unless we are breaking grounds for new businesses, we can't do that. We are doing the best we can do with what we have right now. Like I told everybody years ago, we are not broke. I am just letting you know we are not broke. We are not begging. We don't have the funds that we would like to have. But, like I said we are not going around not paying our bills. Mrs. Lowe pays the bills on time every month. So is there anything else before us. One other thing, Dr. Parrish I heard something today, I was in the grocery store, I heard a grandmother say her grandson was graduating with a 3 point something grade point average, and she said to him son you might be graduating but you have to remember that you use to be competing against your classmates but now you're competing against the world. That was so, so right. I just applaud the school board and all their teachers and everything for what you all do. Without you all, none of us would be sitting up here, and I just thank you for everything you do.

Dr. Parrish states thank you.

Chairman Jones states if nothing else, meeting adjourned.

There being no further business, the meeting adjourned at 7:55 p.m.

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Dallas O. Jones, Chairman

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Michael W. Johnson, Clerk

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At a budget workshop meeting of the Southampton County Board of Supervisors held in the Board Room of the Southampton County Office Center, 26022 Administration Center Drive, Courtland, Virginia on April 23, 2014 at 6:30 PM.

SUPERVISORS PRESENT

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

SUPERVISORS ABSENT

OTHERS PRESENT

Michael W. Johnson, County Administrator (Clerk)  
Lynette C. Lowe, Deputy Administrator CFO  
Amanda N. Smith, Administrative Assistant

OTHERS ABSENT

Julien W. Johnson, Jr. Public Utilities Director  
Richard E. Railey, Jr., County Attorney

Chairman Jones called the meeting to order.

After the Pledge of Allegiance, Supervisor Faison gave the invocation.

Chairman Jones states alright gentleman. You have had a chance to look over the budget. Is there anything we could change, or anything you want to discuss or talk about tonight?

Supervisor West states I would like to make a comment if I may.

Chairman Jones states you may do that.

Supervisor West states I have had an opportunity to look at it as everyone has on the board I am sure. There are probably a number of occasions you could change \$500 or small amounts of money. But that is a long ways from \$150,000 needed to change the budget one cent. I am not going to place the burden of the two cents on the Fire and Rescue, and specifically Rescue. I would say to you we have request that exceeds obviously our income. And those request, we try to be as fair with that as we can. Right now, even funding this budget as requested and presented, you are not going to give the raises to the sheriff department and the other areas that have been requested in those budgets. They are not getting them. Now, the step changes have been absorbed is that correct Mr. Johnson.

Mr. Michael Johnson states that is correct.

Supervisor West states but the raise request from one amount to another is not being funded at all. So don't get the idea that if someone is requesting from a department \$4,000 or \$6,000 or \$8,000 that they are getting that amount of money. They are not. But if you are in step 27 and you move to a step 31 and you should have been because of age and requirements, you are getting that. That is being funded. I cannot see where we can make this change to get rid of a penny or two pennies. As we stand now, I see a need for rescue to be budgeted for the weekends. I think Mr. Garner presented a situation that I saw as necessary. As it stands tonight, I feel comfortable. I don't like paying taxes and I don't want to pay any more taxes, but two cents is what I am going to at this point feel comfortable with.

Chairman Jones states alright, Mr. Faison.

Supervisor Faison states I feel comfortable with the budget as it is presented. I listened to all of the departments last week and I was very encouraged because people are cooperating. They are doing what they can to hold the budget down. We have needs and services for this county that we have to meet. I think this budget does it by being thrifty and not being extravagant. I can't recommend a change that I think would be beneficial.

Chairman Jones states alright, Dr. Edwards.

Supervisor Edwards states I agree the two cents was necessary with state mandate and public safety and we cannot neglect public safety. I feel the two cents is going to a good cause.

Chairman Jones states alright, Mr. Phillips.

Supervisor Phillips states I concur with all of that. With Carl being here, I would like to hear if he has any further comments because he asked us not to implement the tax until they had time to better understand the implications of what it could do to, my guess is how they make their collections; in other words the county fund less than half of what it takes to run these Fire and Rescue Departments and then they raise the rest of the money through public donations and I am sure what his concern is, and I hope I am not putting words in your mouth, people may take the attitude that they paid that money through their taxes. Anyway, one further thing we have committed ourselves to have a discussion on the tools and machinery tax, so I would like to see us touch on those a little bit.

Chairman Jones states okay, but let's finish getting comments.

Supervisor Porter states who me.

Chairman Jones states either one of you, Barry.

Supervisor Porter states I think this is a good budget. I think it funds the basic services and requirements that we have in the county. I am not ready to vote a tax increase tonight, because I think we have time to make it a better budget if we can. I am not saying it will be a better budget, but I think we owe that to the citizens to examine it until we have to vote on it in our May meeting. I think it is not a final plea that we have to have a .77 cents tax rate to me at this point. If we have to have it, I will vote for it, but I am not willing to do that until May 19. I think this is a budget that we could publish for public comments at the public hearing. I don't think there will be any substantial changes within the next week to it, which was the time we needed to vote on that aspect of it. I am willing to support taking this to publication for public comment, but I am not going to say tonight this is my final answer. I am going to look at it; I have looked at it for the last month, and I am going to look at it for the next month, and if I can find ways to make it better then I am going to ask Mr. Johnson and see if others also can look at it and see if we can make it better. I think that is the position I am taking tonight.

Chairman Jones states alright, Mr. Updike.

Supervisor Updike states I am going out in left field and you better put this down in the record as encouraging more expenses. I would like to see in the budget a fund of at least \$5,000 for recognition of our volunteers throughout the county, which is Fire, Rescue, and any other organizations. We appreciate them for the millions of dollars they are saving the county by volunteering. They need to be recognized as a group or as a single group throughout the county. I want this money earmarked for that and that alone. So mark it down, I encourage additional spending one time. Bruce made a comment, and you made the comment that EMT's want the program to be put off for a year and you got a two increase for this year when they are not requesting those funds this year. I think we need to think about that seriously. I see you shaking your finger that is alright.

Supervisor Porter states I think you misunderstood what he is asking. He is still asking for the funds, but not to designate the tax districts.

Supervisor Updike states yes I agree but that is in next year's budget or someone else's, not this year's budget.

Supervisor Porter states no he is asking for it in this year's budget.

Supervisor West states no we are looking to fund two cent based on the code of Virginia giving this governmental body the authority to set up a taxing authority. Am I correct Mr. Johnson?

Mr. Michael Johnson states it is a special district for Fire and EMS.

Supervisor West states right, and that two cents and Mr. Garner specifically said hold on that idea if there is any way possible until I get with everybody. I would like to talk to them; at no time did he say I don't think we need the funds; but I would like to talk to all the people that are involved because he did not understand the implications of what that would mean. Am I correct sir?

Mr. Carl Garner states right. We had no idea of what it was all about. We have learned a lot over the last few days.

Supervisor West states but since that time, he has had an opportunity to understand through talking with Mr. Johnson and with Bruce and different ones; and he understands much more so. You feel much more different about that than your original comment. Is that correct?

Mr. Carl Garner states correct.

Supervisor West states and as of right now as far as Mr. Garner's concern let's go. Am I right?

Mr. Carl Garner states yes.

Chairman Jones states alright.

Supervisor Updike states let me finish. The other thing I think we need to really consider is a one-time bonus of \$1200 for every county employee and not give them raises. This will save a substantial amount of money for the county. It would give them time; I have looked through this and the departments and the people that are hollering the loudest, they are the ones that get the most input on the budget. You need to look at the reclassification real close, individuals and departments, and I don't think we have the time to do that in this year's budget. I want to see the 2% or \$1200 will cover the cost of living. It is not expenses but the cost of living. It cost the person that is making \$40,000 the same amount as these people that are making over \$100,000. I think that is a reasonable request to give everybody a bonus for this year while we are in the process of really getting down and looking at the reclassification of the various departments.

Chairman Jones states alright, any other discussion on what Mr. Updike is saying. Anybody wants to talk about that.

Supervisor West states don't want to go there on that one. I do agree with Mr. Porter right now. I am not saying we are voting on the budget because we are not.

Chairman Jones states no we are not.

Supervisor West states I think it is ready to be advertised with input from the public on May 19<sup>th</sup>. After that meeting, we will meet again as I understand it on May 20<sup>th</sup> and make the final decision at that time based upon the input from the citizens from the county. That is what you said a few minutes ago Mr. Porter.

Supervisor Porter states I don't think we should stop looking at the budget. We may be able to find ways to make it better until last minute.

Supervisor West states what you have said has been considered Mr. Updike. It is just something, no; I am not going to jump on tonight.

Supervisor Updike states if I remember I am just following your leadership a couple of years ago that this was the proposal that came from you.

Supervisor West states thank you, but times have changed.

Chairman Jones states alright now I have talked to one or two of you about meeting again. This is

one of the reasons I am saying; do we need to come back and have another meeting next Wednesday on the budget? We are going to look at it. I am not saying we are not going to look at it, and we are not voting on it.

Supervisor West states depend on what we do tonight.

Chairman Jones states yes we are going to talk about the tool tax. I understand that, but I am asking you now do we need to come back next week and talk about this budget. We are going to advertise it and look at it and see if there is anything that we can do or anything that needs changing. If so, we can talk to Mr. Johnson.

Supervisor West states I favor letting the public instruct us next. I think you have the formulation of good ideas all down the board, but I think the public now has an opportunity to speak and that will be on May 19<sup>th</sup> but we need to move in the paper and advertise the budget as we see it right now. We consent two cents but we can't go two more cents.

Chairman Jones states no, no we can't go any higher.

Supervisor West states end of story. But we can go down.

Chairman Jones states you can go down.

Supervisor West states after the input comes from citizens then a decision could be made downward. So at this point, I am ready to move forward just based on that and the next meeting which will be Monday and that would be an opportunity for people to speak at that time as well, and then the next meeting on May 19<sup>th</sup>. I feel that would be a comfortable time for me.

Supervisor Edwards states cut out the Wednesday night.

Chairman Jones states yes, now if you think we need to come back and talk about this budget again fine, I have no objection to meeting more and more; are you going to try and change anything in the budget.

Supervisor Porter states the issue as I said, I don't think we are going to raise the tax rate to .79 cents or .80 cents and I don't think we are going to lower it before we go to publication below .77 cents. If we do authorize going to publication that tells everyone what the maximum impact could be next year.

Supervisor Edwards states exactly.

Supervisor Porter states then next month we can look at it to see if we can make it better.

Chairman Jones states yes that is right. Okay, that is all; I just wanted to understand.

Supervisor West states no meeting next Wednesday night.

Chairman Jones states no meeting next Wednesday night; unless something comes up. If you want to meet then we will do it. Alright Mr. Phillips we can go with the tools.

Supervisor Phillips states I said something to Michael. We had a discussion; we had one of our citizens come forth at our regular board meetings asking for some consideration or reconsideration on the tools and machinery tax. I thought we are at the point where, if we are going to include any change, now is the time we discuss it. Michael do you have anything that you could give us.

Mr. Michael Johnson states the current initial draft budget you have in front of you contemplates no change in the tax. Now, I asked Lynette to get in touch with Amy and pose the question of what would the financial impact be if we lowered the tax on timber harvesting equipment from the current rate of \$2.40 per 100 to the same rate as farm machinery which is \$1.95 per 100. Amy's response was the lost in revenue would approximately be \$8,000 to \$10,000, but she said from a practical standpoint you would really need to look at lowering the rate on the contracting equipment as well, and that total impact of timber harvesting equipment and contracting equipment would be a reduction in revenue of \$15,000. So, if that is something that you are

interested in pursuing we can certainly pursue that, but we need to either go in and adjust one of the other revenue lines up or go in and reduce an expenditure line somewhere in the budget down obviously so that the budget remains in balance.

Supervisor West states what repercussion for a larger entity like Enviva or Curtis Contracting. What does it speak down the road to those businesses? Are they; to me that is machinery, the equipment that they use.

Mr. Michael Johnson states there are specific classes of machinery and tools and personal property that the Code of Virginia allows you to create a separate class and tax at a different rate if you choose to do that. So you can lower the rate on machinery tools for timber harvesting equipment and the rate on machinery and tools that Enviva and AMAC pay would remain unchanged. Now Amy is the one that would have to answer the question on whether lowering the rate on the contracting equipment would affect AMAC or not. But, if it does still the total impact is about \$7,000. The difference in about \$8,000 in what she said would be a total of \$15,000.

Supervisor West states have you done any comparison with Isle of Wight or neighboring counties or cities?

Mr. Michael Johnson states not recently but I can do that in a matter of minutes. It is a publication put together by Weldon Cooper Center for public service that compares tax rates across the board by every locality in Virginia. It wouldn't take long to put that together.

Supervisor West states I recall a few years ago and I have a camper, a fairly new camper that a particular person made a real plea for the reduction of the \$4.40 or \$4.50 I believe is what it was at that time, on campers. I am not taking anything away from Mr. Rose here because \$7,000 or \$8,000 doesn't scare me or \$15,000. But, once you do, then why not come back for the camping community, and then why not come for, and I am just using this, the 4-wheeler community or the John Deere community; you could keep on singling out things.

Supervisor Porter states I can respond to that real quickly.

Supervisor West states okay.

Supervisor Porter states one is recreational and one is industry. In the industry there are spinoffs and benefits. We can encourage more people to bring their construction equipment, or bring more timber harvesting equipment, to leave it here in the county. There are people that have their equipment across the border and implicating like Mr. Rose said; he just brought property in North Carolina and he could very easily do that as well. So, you may end up losing more than \$15,000 by not doing anything. The issue is, is it a fair tax. We don't have it broken up now because it is just listed as machinery and tools on the schedule. What is the construction machinery line?

Mr. Michael Johnson states if you look on page...

Supervisor Porter states I am looking at your proposed tax levies schedule.

Mr. Michael Johnson states I don't think that is in the draft budget. Let me go grab my budget and I will tell you exactly how it is worded.

Supervisor Phillips states there are so many things to be taken into consideration. There are several new logging companies, start-up companies that are starting here in this area because of the Envivas' and all. I know there are several companies that have moved across the line into Gates County just to get out of our \$2.40.

Supervisor Faison states so do you know what their rate is?

Supervisor Phillips states I don't think there is any.

Supervisor Faison states so then it doesn't matter what we drop the dollar to.

Supervisor Phillips states let me tell you something, it is a matter of convenience. This is just one thing that we need to consider real carefully because like you said, you may be opening the door to

something else. But, what he is asking, and I am speaking as a farmer. What you are doing, you are putting it down to the value of what the farm tractor's pay in taxes. That piece of equipment, he uses pretty much every day depending on the weather. I just want to make sure everybody is....

Chairman Jones states I am fine with this if we can do it.

Supervisor West states I am too and your explanation was right on.

Chairman Jones states then I would say that we look at it this time and maybe we can do something about it in our next budget when we have another industry coming on.

Supervisor Phillips states either that or we can track it between now and the next budget.

Chairman Jones states right. That is what I am saying. We are looking at it.

Supervisor Phillips states right now we have all these loggers and that is a huge influence on business and we would like to keep them here in the county.

Chairman Jones states I understand. Yes I would love to keep them. I don't want anyone leaving. Now, what kind of affect will that have on this budget?

Supervisor Phillips states well that is what he just said. It would be somewhere in the neighborhood of \$15,000. The top amount would be \$15,000 correct.

Mr. Michael Johnson states what I just passed out is a copy of the tax ordinance that is part of your fiscal 2014 budget. Of course you would be adopting something similar for fiscal year 2015 in May. But what you will see here if you look down at number eight, you will see a different classification. It says a tax of \$2.40 per \$100.00 assessed evaluation on all heavy construction machinery including but not limited to land movers, bull dozers, front-end loaders, graders, packers, power shovels, cranes, power drivers, forest harvesting equipment, and ditch and other types of diggers. That language comes right out of the Code of Virginia. They are all sort of lumped together and that is why Amy said it is very difficult to just break out the timber harvesting equipment and not deal with the other pieces.

Chairman Jones states alright, well how much are we talking about lowering this thing.

Supervisor Phillips and West states \$2.40 to \$1.95.

Supervisor West states same as number three.

Supervisor Edwards states make a difference of \$15,000; .45 cents.

Supervisor West states but it sounded as if, in a since, that maybe some of them would not move out, would maybe stay if some litigation takes place. However, I am like Mr. Faison with a zero charge in North Carolina you are not going to move it back here for any rate.

Supervisor Phillips states there is also someone replacing the equipment. If you have a piece of equipment that has basically zero value, you pay zero tax on it. Well if you go buy a new piece of equipment for \$200,000 it might make a difference if you pay a \$2.40 tax rate or a \$1.95 tax rate. So, if they keep that here I would rather get the \$1.95 than we get nothing if they decide to move their equipment.

Mr. Michael Johnson states 81% of something is better than 100% of nothing.

Supervisor Phillips states I hate to be skeptical but I don't think some of our other estimates are within \$15,000 accuracy. Is that a fair statement?

Mr. Michael Johnson states yes. In fact, before we close to tonight we have one issue we need to talk about. It was an omission from the budget we need to talk about. It is not a huge item but it is a small item we need to talk about.

Supervisor Porter states I don't know where Mr. Rose's equipment is, but if he moves it out of the

county we might lose as much as \$15,000 just from one person.

Chairman Jones states yes, okay.

Supervisor Phillips states would we have to make a motion tonight to include this for it to be advertised?

Mr. Michael Johnson states yes we want the direction of how you want it advertise because when we advertise it we advertise the budget, but we also advertise all these rates. In other words, this ordinance I just passed out will be the subject of a public hearing as well as the budget itself.

Supervisor Phillip states so therefore, the public can make a comment on it when we have our public hearing.

Mr. Michael Johnson states sure. You are not making a decision tonight. You are making a decision about how you want to advertise.

Chairman Jones states no, this is just a discussion.

Supervisor Phillip states but if we want to have that discussion, we have to make that decision tonight.

Supervisor West states do you want to have this public here to weigh in tonight.

Chairman Jones states if there is anyone that wants to comment on it, I would be glad to hear it. Anyone wants to comment on it.

Mr. John Burchett, from the audience, states I love tax cuts; they are great, but this county, even though this year we are smelling like roses instead of the other stuff. We are still in deep poo poo. We still owe a lot of money and I have seen people march up here over the last three years begging for tax breaks. I say we haven't been able to do it as a county because we can't afford it. I am not against what you are talking about and it is an incentive for businesses. But, I am just sorry we can't spread the cuts to the poor people that have to pay that \$200.00 for garbage fee. If we are going to cut \$15,000 in revenue we need to cut out some of these discretionary spending that we are doing that should not be coming out of the tax payers' money. I haven't had the chance to look at the budget in detail like I did last year, but I assume there are still line items in there that has nothing to do with running the county. We need to look hard at cutting those. They need to be funded other ways. Some of those funds are going to things that, myself included, take part in things that I can afford to pay for my own way. I don't need the county to subsidize me going to hear somebody sing or tell jokes. But anyway, thank you.

Chairman Jones states yes sir, anyone else.

Mr. Joe Vick, from the audience, stated I don't feel comfortable speaking Mr. West, and I ask you all to have a public comment period and it wasn't one advertised. I don't feel like it would be right for me to get up and speak publically when no else is able to be here to do it. And frankly, by the time we get to speak on May 19<sup>th</sup>, it is less than a week really before you approve it. Let us be honest, there won't be any changes made based on public comments.

Chairman Jones states alright. Gentleman what do you want to do? Mr. West.

Supervisor West states well it would require going into and finding an additional \$15,000 plus apparently Mr. Johnson could you give me some idea what that additional issue we have to deal with is?

Mr. Michael Johnson states yes we had one position in the sheriff's office that was omitted from the budget. It is a position the Sheriff talked to you all about last year related to Selective Enforcement which is 100% locally funded. When we put the personnel schedule together we just left that position out. He is moving one of his current employees there and will actually be hiring a new person to backfill at the lower level. Lynette is passing around a sheet which basically tells you the overall net impact of that change. I want you to see here the overall net impact does add with salary and fringe benefits \$47,502.00 to the bottom line. So what we can suggest is to go in

and increase the other local taxes lines. The 47,502 is your sheriff and then the other 15,000 was the general property taxes if you decide to go ahead with what we were talking about with timber harvesting equipment. So if you were to decide to advertise the \$1.95 rate for the timber harvesting equipment this budget as you see modified would be the one advertised. I suggest going in and increasing the other local tax revenue line by 62,502. That basically is the state sales tax; we had gone in and substantially reduced that based on what we were seeing in fiscal year 2014. It is still substantially less than what we saw last year.

Supervisor West states not money in the bank is it?

Mr. Michael Johnson states not money in the bank.

Supervisor West states based on that Mr. Johnson, I don't feel comfortable at this time to go with the \$15,000 that could be given as a reduction for this particular request. I would go as it is me personally.

Supervisor Porter states one other things is if he goes through the steps and remove his equipment, how much will that reduce our machinery and tools tax revenue. Would it be \$10,000 if you take that out? It may not be a negative at all.

Chairman Jones states somebody else. Mr. Faison what do you think?

Supervisor Faison states we were talking about reducing the tax on machinery and tools. I like the idea because I think it is an incentive that would be to our long-term benefit. To make that money up is the only question from what I see here. That \$15,000 now where is that coming from Michael? That is not already in hand, is that what you are saying.

Mr. Michael Johnson states that is right. We have budgeted that \$15,000 to come in from revenue in general property taxes. If you reduce the advertise rate from \$2.40 to \$1.95 the general property taxes will be \$15,000 less than what we originally estimated. So what we have suggested doing is to go in and increase the revenue estimate on the sales tax by \$15,000.

Supervisor West states on paper you pick it up but you don't have it in hand, and based on the current trend he said maybe but it wasn't showing it.

Mr. Michael Johnson states sales tax is down this year and we don't have a good explanation.

Supervisor Updike states people are making money; business is up.

Mr. Michael Johnson states we don't have a good explanation to tell you why that is the case but it is the case.

Supervisor Faison states but if that doesn't materialize than what?

Supervisor West states we take it out of reserve.

Mr. Michael Johnson states no we don't borrow money, we hope that the revenue line comes in \$15,000 more than you budgeted.

Supervisor Faison states but what is the final analysis if it doesn't?

Mr. Michael Johnson states you have to understand here like Mr. Porter said, if you have a 56 million dollar budget to get down within \$15,000 is.... you are not going to get that close. We are giving you the best estimates that we can, but there is a fractional margin of error when you get down to \$15,000.

Supervisor Faison states if we can justify this budget to the point it can be done, I would like to see it done.

Supervisor Edwards states I would too.

Chairman Jones states alright, Mr. Phillips.

Supervisor Porter says I would like to go on record saying...

Supervisor Phillips states yes.

Chairman Jones calls on Supervisor Porter.

Supervisor Porter states yes.

Chairman Jones calls on Supervisor Updike.

Supervisor Updike states I would definitely say not because it is just a threat that they are going to leave. If they are going to leave for .15 cents they sure are going to leave if they don't have to pay nothing. So, that is only a talking point, a threat. It is not reality. Second thing is this equipment that we are talking about is used year around. Using our roads and causing more maintenance. Bringing down to what the farmers pay, and the farmers use the tractors only a couple of months out of the year. That is not a fair comparison. I would definitely say, what is going to happen when Enviva and these other companies buy the equipment and rent it out? They are going to demand lower tax rates on their equipment. I can't see it. Bite your nose off despite your face coming up with this idea.

Supervisor Edwards states what you are looking is an industry that is an expansion. I think these people will go buy more and new equipment and will make up more than the deficit. I hear them now telling me they are buying new stuff.

Supervisor Updike states the taxes are not going to change that idea at all.

Supervisor Porter states I had a discussion last year with a young guy who was getting into the forestry industry and his comment was my taxes are so high it makes it tougher for me to be here than somewhere else. It is a growing industry and I would like to answer his question. I hope long-term we can reduce the machinery and tools tax below \$1.95. That would be great. It would provide a better economic incentive and get other industries involved. I think at a minimum cost it shows we are trying to do the best we can to get businesses here and make it more profitable. Yes, this equipment is used more often than farm equipment. I hope it is used every day. If they are using it every day here, that means we are succeeding in this industry. One thing too, when they use it every day, it wears out a lot sooner, they replace it, and they pay a tax on a higher base. Your farm equipment, your tractor you keep twenty years; every ten years the depreciation is so much that you don't pay that much tax on it anyway. I heard you say that these guys don't have much equipment if they work it every day it's ten years old. It's more like three, to four, to five years old and they are paying a lower rate on a higher appreciated base, which mean on the same piece of equipment they are paying absolutely more dollars.

Supervisor Updike states I don't know which farmer you visited recently, but this day in time farming equipment like tractors and things will be increasing it or changing it every five years or more to upgrade to get larger more efficient equipment. It is not going to stay around there twenty years. At least not the farms I have ever been on. This day in time that is completely a false rumor or conception.

Supervisor Porter states I said ten years.

Supervisor Edwards states he told me a chipper last three to five years. Now if he is buying a new one every three to five years we are going to be ahead of the game.

Supervisor Phillips states that is a quarter of a million dollars.

Supervisor Edwards states right. I think this is an incentive not to lose money on this.

Supervisor West states so what are you saying? Are you saying the 47,000 plus the 15,000 is what you propose? Is that what you two said?

Supervisor Porter states yes.

Supervisor West states so 62,000 is what the change would be. Than based upon what would be absorbed in the budget, guessing it and estimating it, it would be no real change in the tax rate. We continue at the .77 cents is that correct?

Mr. Michael Johnson states right.

Supervisor West states but the difference would be the \$2.40 dropped to \$1.95 for logging equipment.

Supervisor Porter states for construction machinery is the official name.

Mr. Michael Johnson states it is. Category A that you see on what I just gave you.

Supervisor Porter states and you do have it here. It is called construction machinery.

Chairman Jones states if that is the change you want to make we can do that and so far you have five to six people that say yes. We will do that; make that change Mr. Johnson.

Mr. Michael Johnson states so the consensus is we will advertise the budget that is modified.

Chairman Jones states the budget you just handed out. We are talking about the public will only have a week to discuss what they see in the paper. Do you think we need to have a public hearing here?

Supervisor West states I don't. Monday's meeting is the Monday everyone is planning for that.

Chairman Jones states I understand.

Supervisor West states plan for May 19<sup>th</sup> and advertise it in the paper and bring out the big bang.

Chairman Jones states alright. We can lower it that is all we can do; can't raise it. Alright, any other comments?

Supervisor Updike states one comment and I can't say we can't do it. I wish we put all the brains together and get the money lawyers opinion. That is, it burns me up Narricot paying \$1.50 for water and they have cost us millions of dollars. They are costing us continuously every month trying to keep our water in compliance.

Supervisor West states is this something we can deal with in public?

Mr. Michael Johnson states it is listed right here on the contractual agreement so I would suggest you discuss it in closed session unless you want Narricot to read about it in the newspaper.

Supervisor West states that is the issue.

Chairman Jones states yes. We cannot discuss it.

Supervisor Updike states we need to do something. I mean it's....

Chairman Jones states we did this some time ago and we want to keep the industry here.

Supervisor Edwards states we can put it on the next closed session.

Supervisor Phillips states those are jobs.

Chairman Jones states those are jobs for people in the county. I don't want to pay for water and sewer either but I pay it and that is it. We need the industry. We don't need that to be shut down. Anything else?

Supervisor West states more shovels.

Chairman Jones states more shovels; that is what I say I want more shovels; as many as I can get. I will have to use your truck to haul them in.

Supervisor West states that is good.

Chairman Jones states alright, anything else to come before us. Alright, meeting adjourned.

There being no further business, the meeting adjourned at 7:15 p.m.

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Dallas O. Jones, Chairman

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Michael W. Johnson, Clerk

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