

At a **Retreat** of the Southampton County Board of Supervisors held in the recently acquired county building (former I.P. building) located at 24283 Old Bridge Road, Courtland, Virginia, on March 5, 2009 at 8:30 AM.

SUPERVISORS PRESENT

Dallas O. Jones, Chairman (Drewryville)
Walter L. Young, Jr., Vice-Chairman (Franklin)
Walter D. Brown, III (Newsoms)
Anita T. Felts (Jerusalem)
Carl J. Faison (Boykins-Branchville)
Ronald M. West (Berlin-Ivor)
Moses Wyche (Capron)

SUPERVISORS ABSENT

None

OTHERS PRESENT

Michael W. Johnson, County Administrator (Clerk)
James A. Randolph, Assistant County Administrator
Julia G. Williams, Finance Director
Sandi P. Plyler, Information Technology Manager
John Smolak, President, Franklin-Southampton Economic Development
Tommy Miller, Bus. Dev. Manager, Franklin-Southampton Economic Development
Robert L. Barnett, Director of Community Development
Julien W. Johnson, Jr., Public Utilities Director
Bob Croak, Utilities Systems Supervisor
Hart Council, Public Works Director
Jackie Vick, Maintenance Director
Susan H. Wright, Administrative Secretary

Chairman Jones called the meeting to order at 9:00 AM. Supervisor Faison gave the invocation. (A continental breakfast was served from 8:30 AM – 9:00 AM.)

Mr. Michael Johnson, County Administrator, welcomed everyone. He briefly discussed the benefits of a retreat and keys to making it a success, and talked about the vision, mission, and values of Southampton County. He then provided an overview of the agenda. Afterwards, he led a consensus building group exercise entitled, "Escape from Gilligan's Island."

Ms. Sandra Tanner of the Virginia Tourism Corporation presented a PowerPoint presentation in which she shared the economic impact of tourism in Virginia and locally in Southampton County. The economic impact of tourism in Southampton County was \$12.1 million and 141 people were employed in tourism related jobs in Southampton County. The Virginia Tourism Corporation worked with localities to try to identify and initiate additional tourism opportunities. They were currently working to put in place a braided system of water trails and multi-use trails that would transverse through the Southern Region enhancing the eco enthusiast experience. They were also working to help localities identify other potential stand-alone biking and/or walking trails. She advised that she and the Virginia Tourism Corporation were available to provide their expertise and services to Southampton County and other Virginia localities.

Mr. Joe Hines of the Timmons Group, presented a PowerPoint presentation in which he provided an update on the Turner Tract Project and Courtland Infrastructure PPEA Project (Wastewater Treatment Plant). He advised that development of the Turner Tract was currently on schedule and he provided the following timeline:

1. On-Site Development – Sites & Utilities
 - Bid – Spring '09
 - Construction Complete – Fall 09
2. Off-Site Utilities
 - Negotiate/Bid – Spring/Summer 09
 - Construction Complete – Spring 10
 - **Could be fast-tracked if prospects need them sooner**
3. Water Tank
 - Bid – Spring/Summer '09
 - Construction Complete – Spring/Summer '10

Sites ready for prospect construction Fall '09

Mr. Hines advised that the Southampton PPEA project was comprised of the following system components:

- 1.25 MGD BRN Water Reclamation Facility
- 1.8 MGD Interceptor Pump Station
- ~ 11,000 lf of 24" and 16" Gravity Sewer
- ~ 9,000 lf of 16" Force Main

Mr. Hines informed that the 1.25 MGD BRN Facility was positioned to be an award winning project, was a featured project at numerous trade conferences, and would be featured in an article in the May '09 edition of US Infrastructure Magazine. They projected the entire PPEA project to be completed by April/May 2010, approximately 5 months ahead of schedule.

The Board and staff took a 45-minute break for lunch.

Upon returning to open session, Mr. Darryl Gosnell, President & CEO of Hampton Roads Economic Development Alliance (HREDA), introduced himself to the Board and staff. He advised that he joined HREDA in October 2008. Prior to joining HREDA, he held similar regional economic development positions in Iowa, Ohio, Florida, South Carolina, Florida, and West Virginia. He stated that HREDA represented 15 jurisdictions in Southeastern Virginia to market the region nationally and internationally in conjunction with the resources and investment of the business community. The 15 jurisdictions represented included the Cities of Chesapeake, Franklin, Hampton, Newport News, Norfolk, Poquoson, Portsmouth, Suffolk, Virginia Beach, and Williamsburg, and the Counties of Gloucester, James City, Isle of Wight, Southampton and York. The mission of HREDA was business attraction – marketing Virginia's Hampton Roads region as the preferred location for business investment and expansion. All HREDA initiatives were designed to secure visits with qualified business prospects. He noted that once a business prospect was identified for one of the 15 jurisdictions, HREDA would then work with that jurisdiction's local economic development staff, in Southampton's case, Mr. Smolak, and Mr. Smolak would complete the deal. He thanked the Board and staff for allowing him time to share a little about HREDA.

Mr. John Smolak, President & CEO of Franklin-Southampton Economic Development, presented a brief PowerPoint presentation. He advised that their mission was "Diversifying the economy, creating high quality jobs, and providing a future for the families and youth of Franklin and Southampton." He stated that in 2008, the top 5 industry sectors in Franklin and Southampton were retail trade, health care and social assistance, public administration, manufacturing, and accommodation and food services. He shared 2007 and 2008 accomplishments and highlights including the following major business and commercial announcements:

Business Announcements

- **Gulf American – Southampton Terminals** is developing 18.5 acres at the Southampton Business Park. Phase One will create 40 new jobs, a 50,000 SF building, with a \$2,500,000 investment. A phased development plan is projected to create over 300 jobs.
- **Feridies** is investing \$3.2 million to expand their peanut processing operations at the Southampton Business Park and will create 25 new jobs.
- **Money Mailer** has expanded their facility by 85,000 SF at the Pretlow Industrial Park with an estimated \$12 million investment and hire 25 additional employees.
- **Narricot** undergoes a \$20 million expansion, adds over 130 jobs, and is a recipient of \$25,000 in additional workforce retraining funds.

Commercial Announcements

- **Lowe's Home Improvement** announced a \$10 million store, creating 100 plus jobs and anchor a new retail complex on Armory Drive.
- **Farm Fresh** announced it will anchor a new 20 acre retail complex on Armory Drive with several other retail outlets, create 150 plus jobs.
- **Holiday Inn Express and Suites (construction pending)** announced by local owner to build a new \$7 million, 70 room hotel and out parcel for retail or restaurant on Armory Drive.

Mr. Smolak provided an update to potential development property on Route 58. The Pretlow Industrial Park and Southampton Business Park were Virginia VDEP "Ready Now" Sites, and the Turner Industrial park would be a Virginia VDEP "Ready Now" Site in April/May 2010. The Cypress Cove site had the potential to serve as a mega logistics site. There were additional Franklin and Southampton sites including the Boykins-Branchville Site and Cedar Hill Site. He stated that logistics and distribution remained the #1 target industry sector. Route 58 remained the primary southeast/northeast "Gateway Highway Corridor" to I-95 and I-85. Also 25-30% of port freight traffic travelled along Route 58. They were in a position to reap the benefits of port expansion.

Mr. Jay Randolph presented a PowerPoint presentation in which he discussed planning and the Comprehensive Plan. He advised that Southampton County was changing, with the population expected to increase from 19,262 today, to 21,494 by 2020, and 23,500 by 2030. More residents would require more services. The new wastewater treatment plant that was underway, along with the extension of sewer lines on Route 58 to the new Riverdale Elementary School, was a big project that could change the face of Southampton County. He was not certain whether or not the County was ready for all the activity and changes that lied ahead. However, there was opportunity to plan for the future. Southampton County would continue to preserve agricultural and forestry lands, provide a quality education, provide economic development incentives, continue citizen participation, and pursue updates to the Zoning and Subdivision Ordinances. In addition, Southampton County would establish a long range Capital Improvement Plan (CIP) which would allow us to plan ahead for major improvements/expenditures. The CIP was directly related to our Cash Proffer Policy.

Mr. Michael Johnson, County Administrator, presented a budget/finance PowerPoint presentation. He advised that our population was growing. When backing out the 600 inmates at Deerfield Correctional Facility, Southampton County still experienced 6.75% growth over 7 years, which was healthy. He advised that regarding the current FY 2009 adopted budget of \$54,676,371, revenues consisted of \$26,854,142 in state revenue, \$2,450,499 in federal revenue, and \$25,371,730 in local revenue. He shared a comparative report of local government revenues and expenditures for Fiscal Year ending June 30, 2007, comparing the localities of Greensville County, Southampton County, Isle of Wight County, Sussex County, City of Suffolk, City of Franklin, and Surry County. He advised that overall, state revenue would be down roughly \$1 million in FY 2010. Funding for K-12 Education would be reduced by more than \$979,000, while categorical aid for constitutional officers and state funding for public assistance funding would remain fairly constant. He stated that the potential budget buster for FY 2010 was SPSA – it would likely cost at least \$600,000 more for refuse disposal.

Mr. Johnson shared the following items to consider when preparing the FY 2010 budget:

- Policy on Funding Private Recreational Activities
 - Determine and budget a base amount
 - Establish a committee to review proposals twice annually
 - Solicit proposals twice annually (March and September for instance)
 - Allocate resources based on amount of benefit provided to county residents
- Semi-Annual Tax Collection
 - December and June
 - One-time budgetary windfall of roughly \$4.6 million for real estate
 - One-time budgetary windfall of roughly \$2.5 million for personal property
- Excise Taxes
 - Transient Occupancy (2% maximum without General Assembly approval to go to 5%; any revenue above 2% dedicated to tourism activities). Note: Would currently only apply to 2 facilities – Palm Tree Inn and Courtland Inn
 - Meals – subject to Voter Referendum. Note: On average it accounts for 0.9% of total revenue – for us that could equate to \$200K annually.

The Board and staff recessed for the day at 5:00 PM.

The Board and staff returned to open session at 9:00 AM. (A continental breakfast was served from 8:30 AM – 9:00 AM.)

Mr. Courtney Rogers of Davenport & Company, our financial advisors, presented a PowerPoint presentation in which he discussed the fiscal health of the County. He shared 3 peer group comparatives – Demographic Profile, Financial Profile, and Debt Ratios – in which he compared

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Southampton County to the Counties of Amherst, Botetourt, Fluvanna, Isle of Wight, Louisa, Mecklenburg, Orange, Prince Edward, Powhatan, and Wythe. He also shared Southampton County's historical and projected trends including population growth, per capita income growth, revenues and expenditures, fund balance, debt service, cash flow, debt ratios, and assessed value growth.

Mr. Rogers offered the following observations:

- Following the successful "A" rating from Standard & Poor's during the sale of the 2006 Bonds, the County has continued with strong financial results:
 - Positive Revenues Over Expenditures
 - Increase in Fund Balance
- In 2008, the Utility fund successfully completed the \$25 million borrowing through Virginia Resources Authority.
 - However, Utilities are still not self-sufficient
- Debt to Assessed Value ratio is just above the recommended levels for "A" rated localities but was expected to decrease in the upcoming years.
 - Debt Service as a percentage of Expenditures is at the typical "A" range credit guidelines.
- To remain in the "A" range category, the County will need to work toward self-sufficiency in the Utility Enterprise Fund.

After a short break, Mr. Michael Johnson, County Administrator, facilitated a consensus building group exercise for the purpose of setting goals for FY 2010. Each individual group discussed and set goals for FY 2010. Afterwards, all the groups joined together, shared their goals, and reached consensus on the goals for FY 2010. The goals that were set were as follows:

- Hire a Certified Planner
 - Update the Capital Improvements Plan (CIP)
- Implement Excise Taxes
 - Hold a public hearing to implement the 2% transient occupancy tax immediately
 - Authorize placing a voter referendum for a meals tax on the election ballot as soon as possible
- Involve the Towns in County business and invite them to share their input and needs
 - Perhaps send out a newsletter to the Towns
- Name Landmarks
 - i.e. rename the Turner Tract, I.P. Building
- Acquire Small Water Systems in the County
- Develop a Policy on Funding Private Recreational Activities
 - Budget a base amount, perhaps solicit requests twice annually, etc.

Lunch was served from 12:00 PM – 12:45 PM.

There being no further business, the meeting was adjourned at 12:45 PM.

Dallas O. Jones, Chairman

Michael W. Johnson, Clerk