

**MEETING WITH CITIZENS
FOR RESPONSIBLE
GOVERNMENT**

Questions from Citizens for Responsible Government
October 20, 2010

- 1. Regarding the Supervisors' conference at the Homestead, would it be practical and more cost effective to select one supervisor to attend and bring back information for the rest of the Board?**

This is a question that's better posed to the elected officials than me, but I'll give you my thoughts. The conference you're referring to is the annual meeting of the Virginia Association of Counties, which is held each year at the Homestead. This year's conference will include keynote addresses from Governor McDonnell and Speaker of the House, William Howell, Senator Mark Warner and Lt. Governor Bill Bolling and RTD political columnist, Jeff Shapiro.

The educational workshops at the conference are conducted concurrently throughout the day on Monday, usually with 4 different topics covered at any one time. So, with 3 concurrent sessions, there are 12 educational workshop opportunities during the conference. With multiple members attending, you gain the benefit of having someone attend each training session – the most that any 1 member could cover by themselves is 3.

In addition to the educational workshops, this is also the time that the VACo steering committees meet to finalize their legislative agendas for presentation to the General Assembly. Several of our Board members actively serve on steering committees, and in the case of Mrs. Felts, sometimes chair them. Their participation gives us local input on development of legislation that benefits counties and their citizens.

The last thing I would say about the conference is that it affords your elected officials an opportunity to network and discuss issues of mutual interest or concern with Board members from counties across the Commonwealth. You'd be surprised at the number of common issues we all face and this social networking can provide the Board an opportunity to discover creative and innovative initiatives put into practice elsewhere.

- 2. Are there plans to update the county proffers requirement for new construction?**

Yes – the Planning Commission will work on updating the proffer model early next year following release of the 2010 Census data.

I couldn't help but notice, however, that the question calls it a proffer "requirement" and specifically refers to new construction. Keep in mind that proffers are much different than impact fees, which aren't allowed in Virginia. By statute, proffers must be: a) voluntary; and b) can only be accepted when a change in zoning is requested. So, for property that's already

appropriately zoned, we're unable to accept cash proffers when new homes are constructed.

Since we first began accepting voluntary cash proffers in 2006, we've had a total of 42 lots rezoned to which voluntary proffers have been attached – to date, only 8 of them have moved forward with development, generating slightly less than \$14,000 in revenue over the last 4 years.

3. When developers put in new housing developments, is this a money making deal for the county, or a cost to the county?

That's a great question, and unfortunately, one for which there is no clear answer. There are many competing studies, prepared by opposing groups, which only add confusion to the issue. I've seen, and in fact used 2002 data from the American Farmland Trust which indicates that residential development will cost a community \$1.15 in services for every \$1 generated in revenue. Anti-growth advocates will usually point to the local cost of education and infrastructure development and quickly conclude that residential development is a net drain on local resources.

Pro-growth advocates, however, say that there are indirect benefits associated with residential development that are hard to quantify and are usually overlooked by anti-growth advocates – like the additional sales tax that's generated from new rooftops that induces new retail and commercial establishments. A recent study by the National Association of Homebuilders, believed to be reliable and objective by most professionals, concludes that the cost of serving residential development is more than offset by the revenue it generates.

All that said, certain facts that are indisputable – first, the key to any community's overall health is new investment and job creation. And if you're going to be creating new jobs, you must have a growing workforce and people need somewhere to live - preferably well-planned neighborhoods with affordable opportunities for everyone. The thing for us to focus on collectively is to direct the growth and development to areas that are planned to accommodate it – places like Drewryville, Capron, Boykins-Branchville-Newsoms, Courtland-Franklin, Sedley and Ivor.

Southampton County has invested substantially in new infrastructure in two of these areas to create opportunities for new private investment and job creation. Unless we're willing to be open to change (i.e., new growth and development), the only group left to service the debt associated with that investment is us – which means higher taxes and fees.

4. **Can the monthly agenda for the Board of Supervisor's meetings be made public at least a week prior to the meeting and published in the local newspaper, as well as on county website?**

Development of monthly agendas is an ongoing fluid process. Section 2-40 of the Southampton County Code provides that the agenda does not close out until Thursday preceding the meeting of the board of supervisors on Monday. Agenda items are continually added, as they develop or as requested by board members until then.

I typically begin putting the first draft of the board agenda together each month on the 3rd Monday, one week prior to the Board meeting, and spend Monday, Tuesday, and Wednesday writing summaries, developing recommendations and compiling backup material. The final draft is then copied and distributed to the Board of Supervisors on Thursday afternoon, prior to Monday's meeting. A full copy of the agenda and all supporting materials are posted online the same afternoon and a hard copy is made available to the Tidewater News at that time as well.

While it's not a week in advance, the public has access to the agenda at the same time it is made available to the Board. In order to make it available a week in advance, the agenda would have to be closed out a week earlier, creating delays in the conduct of business.

5. **Does the DEQ require the county to have six (6) wastewater treatment operators? If so, have these positions been filled? If not, is there a penalty or fine if positions are not filled?**

The new Courtland Plant is required by permit to be attended for 2 shifts, seven days per week. The DEQ requires that one of the shifts be covered by a minimum Class II operator and the other be covered by a minimum Class IV operator, provided that a Class II is available at all times via cell phone or pager in the event of an emergency. The day shift is the time that routine testing and maintenance is performed at the plant – there are 2 operators on duty during the day but only 1 operator at night which is primarily to monitor operations. Courtland is also the location of the lab, which does all the testing for both the Courtland and Boykins plants. Accordingly, it takes a minimum of 5 operators to staff the Courtland plant and lab, 16/7.

We already had 2 operators based at the Courtland Plant, so the new plant required a net increase of 2 operators and an operator-trainee. In addition to their duties there, the Courtland operators were cross-trained to perform regular sampling and testing of our various water systems across the county (Boykins, Branchville, Newsoms, Drewryville and Edgehill) and were able to periodically leave the plant to check the wells, the chlorine residuals, and collect the bacteriological samples required by the Health Department. The water systems have to be monitored and checked 7 days a week. In addition, these employees must check the all the sewer pump stations daily as well as the sewer system at Capron Elementary School. They also read the water meters for utility billing purposes. With the new plant, DEQ no longer allows the the operators to leave the premises while on shift. Accordingly, it became necessary to hire an additional trainee to perform the daily functions associated with operation of our water systems, creating a net increase of 4 positions when the new plant came online July 12.

The 4 positions were filled the first week of July – salaries range from \$25,780 to \$31,336 each.

The plant operates under a Virginia Pollutant Discharge Elimination System (VPDES) Permit which subjects us to Section 402 of the National Clean Water Act. Violations of the Clean Water Act are subject to both civil and criminal penalties. For criminal negligence, such as failing to adequately staff the plant, we're subject to maximum penalties of \$25,000 per day and both the Chief Operator and I are subject to up to 1 year in jail.

6. Since the duties of Jay Randolph and Robert Barnett have been absorbed by other staff, with additional compensation received, have these positions been abolished from the county budget?

The county's budget, adopted annually each May, is simply a planning tool. Even if funds are budgeted, until they are appropriated by resolution of the Board of Supervisors, they can't be spent.

The short answer to your question is that the positions remain in the FY 2011 budget, but there are no plans to appropriate the associated funding. By not filling the positions, I anticipate a net budgetary savings of approximately \$95,000 in FY 2011, which simply accrues to the unappropriated general fund reserve. A decision to remove them from the budget entirely will be considered next Spring as part of the FY 2012 budget process.

7. **For what reason was the IP building on Old Bridge Road purchased by the county? Does it have telephone service, internet? Is it available for citizens to rent?**

The Board was contacted by International Paper in August 2008 advising us that they intended to dispose of the property and seeing if the county had any interest. The property includes roughly 4 acres, a 5,000 square foot finished office building, a 6,000 square foot enclosed metal equipment building, with additional finished office space inside. Approximately 2 acres is fenced as a secure storage area, and it further includes several smaller accessory buildings. It's located less than 0.3 miles from the new Courtland wastewater treatment plant and the secure area was used as a materials staging area during construction of the new plant. The buildings are sufficiently large enough to provide a centrally-located base of operations for numerous county departments in the future when the need arises to find them additional space. This may, or may not include Public Utilities, Buildings & Grounds, Public Works or Community Development, just to name a few. The lot is also sufficiently large enough to accommodate construction of a new animal pound when that need arises. The property appraised at \$775,000 and the County acquired it for \$750,000 with no immediate plans to relocate any county departments, but to provide us with an economical means of meeting future space needs.

In the interim, the office building is used for our regular monthly staff meetings, annual Board of Supervisors retreats, and a recent joint meeting between the Board of Supervisors, Planning Commission and the Economic Development Board. It has also been used for meetings by the Virginia Department of Forestry, the U. S. Census Bureau, the local Tourism Group, and for Building Code Seminars. Telephone and internet service are not currently activated, and the building is not rented for private purposes.

8. **What is the explanation for building a wastewater treatment facility whose capacity is far beyond what the county will need in the foreseeable future?**

With all due respect, I wouldn't agree with the statement that the capacity of the new plant is far beyond what the county will need in the foreseeable future – but will readily agree that it's far beyond what we're using today. In calendar year 2006, we were experiencing average daily flows in excess of 240,000 gallons per day or roughly 80% of the design flow of the former Courtland plant. The plant was 28 years old at the time and had never experienced a major upgrade. The equipment was near the end of its estimated useful life and was showing serious signs of deterioration and corrosion.

In 2006, there were a number of projects that had already received permit approval that were preparing to connect to the system – the Palms Motel, Feridies Peanuts new processing facility, Southampton Terminals, Riverdale Elementary and Griggs Townhomes here in Courtland, just to name a few. In addition, there were 4 proposed commercial/industrial projects that were in different stages of planning – our own Industrial Park at the Turner Tract, Jack Randall's project that has just broken ground across from Food Lion, the Marketplace immediately west of Food Lion, and a proposed new Hardees at the stoplight. In addition to those, there were several residential subdivisions which already had some level of zoning approval including the Villages of Southampton, Nottoway Station, Woodland Park and Benson Woods that were planning to either develop and/or expand. All said, it became apparent that we'd most likely exceed our current capacity sometime in 2009.

So the question wasn't whether to build a new facility or not – the question was how big? So, first, the current development flows of 240,000 gpd were added to flows that would come from existing subdivisions sometime in the future – namely from Scottswood, Cypress Manor, and Edgehill. Then we looked at the new projects I mentioned a moment ago – adding another 334,000 gallons per day when they fully develop. Then we looked at future growth and development in the Courtland Planning Area over the next 20 years. Based on the current and anticipated flow projections over the next 20 years, we concluded that 1.25 MGD was reasonable, provided that it could be readily expanded if growth and development began to outpace our projections.

As an example, we're currently having conversations with an industrial prospect whose project alone would generate over 400,000 gallons per day in sewer flow – if you want to be competitive for new jobs, infrastructure capacity is a critical element. I'll be glad to share a copy of the 2007 Courtland Wastewater Master Plan, which outlines everything I've just shared, with anyone that is interested.

9. How much was the Timmons Group paid for their work on the Wastewater Treatment Plant, the Turner Tract, and the Cheroenhake Site?

Let's take this one in reverse order. Southampton County has not paid the Timmons Group for any work associated with the Cheroenhaka Indian Tribal Foundation property. While Timmons has done some limited work for the Foundation, I am not privy to their contractual arrangements, but can assure you that no public funds have been used for any work associated with their property.

Second, the wastewater treatment plant was a “design-build” project and Southampton County did not pay Timmons Group directly for their work. Our contract was with Southampton County Infrastructure, Inc., a single purpose entity created by Mid-Eastern Builders exclusively for this project. Mid-Eastern Builders paid Timmons for their work. That said, the original proposal we received from Southampton County Infrastructure indicated that design, surveying, permitting and construction administration was estimated at slightly less than \$2.8 million, which is equivalent to roughly 10.5% of a \$26.6 million project.

Design, surveying, permitting and construction administration for development of the Turner Tract is expected to run slightly less than \$1.5 million, equivalent to roughly 11% of a \$13.5 million project. The services of the Timmons Group were competitively procured for this project following issuance of a Request for Proposals for engineering services in March 2008.

10. How generous is the county prepared to be in order to attract new businesses in the county? (interest free loans, tax benefits, etc.)

Economic incentive offers are always developed and based on three primary variables: the level of new capital investment by the company, the number of new jobs created by the company, and for publicly-owned properties, the amount of money we have invested in the site.

For each proposed project, we prepare a confidential spreadsheet for the Board of Supervisors detailing the projected tax revenues from real estate and machinery & tools taxes that will accrue to Southampton County if the project moves forward. Based on the level of their new investment, and what we have publicly invested in the site, the Board then determines how aggressive it wants to be in inducing the prospect to locate in Southampton County. By aggressive, I mean they look at the net impact the project will have on county revenues, and then decide whether they’re willing to wait 1 year, 3 years, 5 years, or longer before seeing a positive return on their incentive package. We also receive guidance from the state on incentives being offered elsewhere to make sure we’re competitive, but not offering too much.

Examples of potential incentives might include the discounted sale of publicly-owned property (and in some cases, free land), economic incentive grants to the company to assist them with site preparation or equipment start-up and employee training, economic incentive grants that are based on rebates on a portion of the taxes paid by the company over a specified period of time, waived or reduced permit fees, or the use of temporary office space while the company’s facilities are under construction. Financing the sale of publicly-

owned property is also an option, provided the county retains a deed of trust in the event of default.

Economic incentive grants are always tied to a written agreement which hold the company accountable for meeting their investment and job creation projections. If they fail to meet them, the agreements provide that the company must repay a prorated portion of their grant back to the county. The agreements that we use are modeled after the agreements used by the Commonwealth in awarding the Governor's Opportunity Funds.

11. Is it cost effective to continue to keep Julia Williams as a consultant? Would it be more cost effective to bring Julia in during the time of the audit?

There are no plans to retain Mrs. Williams as a consultant beyond completion of the 2010 audit. Her work since August has focused on preparation of all year-end financial statements and compilation of all back-up documentation upon which our auditors must rely. The term of our agreement with Mrs. Williams expires upon completion of the FY 2010 audit or November 30, 2010, whichever occurs first. The terms of the agreement are no secret – I'll be glad to share a copy with anyone that would like to see it.

12. Are there any restrictions on the amount of water the City of Norfolk can take from the Nottoway and Blackwater Rivers? Does the county receive any compensation for this water and, if not, why aren't we?

First, a little history. The raw water pipelines were installed in 1942 under a WPA project to provide water to the United States Navy. The property and easements were acquired through condemnation by the Federal Court from October 14, 1940 through April 1, 1944 pursuant to Federal Acts.

Upon conclusion of World War II, in February 1947, the City of Norfolk purchased the water facilities of the Federal Government including easements from the Blackwater and Nottoway River(s) to the Lake Prince reservoir for \$600,000.00.

Because the water intakes and pump stations predate state regulations governing surface water withdrawals, Norfolk's withdrawals are "grandfathered" by the Commonwealth and not subject to current state and federal permit requirements. According to state sources, in order to maintain their "grandfathered" status, the City of Norfolk must avoid increasing their pumping capacities - both pump stations have pumping capacities of 23 million gallons per day.

Southampton County receives no compensation for the water and is not entitled to receive any. Section 62.1-11 of the Code of Virginia declares that rivers are state waters – the regulation, control, development and use of the rivers are governed by the Commonwealth – not the localities.

- 13. What is the current status of the Navy’s intent to put an OLF in Southampton County? With the current economic situation, has the Board’s position changed? Did the signing of the “Declaration of Interdependence” with Metropolitan Hampton Roads have any effect on the county’s objection to an OLF?**

In August 2009 the Navy delayed completion of the Environmental Impact Statements for each of the 5 sites under consideration, including 2 in Southampton County. The delay was precipitated by a cloud of uncertainty related to several issues including the future home basing of the carriers, production of the next generation of fighter jets (F-35) and federal budget constraints. I have not had any contact from the Navy or its consultant in the last 12 months. The longer the delay, the more things change, making it more difficult for the Navy to remain on the decision path it outlined in 2007.

The current economic recession has not changed the Board’s position regarding the OLF. The basic tenants remain unchanged: an OLF is noisy and disruptive, generates virtually no economic benefit, encumbers up to 30,000 acres (an area equivalent to the size of the City of Portsmouth), reduces the tax base, depresses the value of the surrounding real estate, and introduces an element of risk that does not presently exist.

The Declaration of Interdependence has no effect on our position on the OLF. It simply calls for unity among our legislators, collaboration in our school divisions, commitment to regional transportation solutions, commitment to mutual aid for public safety, and commitment to open dialogue and communication.

To the contrary, the Declaration recognizes that disagreement on certain issues is a normal and necessary part of any decision-making process and further recognizes the value of informed public debate.

- 14. Does the Board of Supervisors have a position on the proposed coal powered power plant in Surry County? If so, what is it?**

The Board has not publicly or privately discussed the proposed power plant in Surry County. While individual members may have their own thoughts and opinions, the Board has taken no collective position.

- 15. Did the county outsource the preparation of this year's tax statements? If a citizen doesn't receive a tax statement, what procedure should they follow? Why were the real estate and personal property tax statements not combined for mailing?**

Preparation and mailing of the tax bills is not a process that the Board of Supervisors manages, supervises or controls. This is a function of the Treasurer, who is directly elected by the people. Any questions or concerns regarding the tax bills should be directed to Mr. Britt.

- 16. What is the unemployment rate in Southampton County?**

The unemployment rate for Southampton County, as of August, was 11.2%, down from 11.4% in July and 11.5% in June. The U.S. rate for August was 9.5%. To provide a bit of a benchmark, Southampton County's rate was 8.1% in September 2009, prior to International Paper's announcement.

- 17. What are the prospects of a new business coming to Southampton County in the next six months?**

Notwithstanding the national recession, since early this summer, prospect activity in Southampton County is better than it's been for more than a decade. While I can't be more specific, I can say that we are actively engaged in discussions with at least 3 different companies that range in size from 30 to 300 employees. These projects may or may not come to fruition – but we're getting serious looks from all 3. There are some factors we control in these negotiations, and many we do not – things like trade tariffs, environmental regulations, the cost of healthcare, and the overall national economy.

But, what we have to offer is a strategic location that's centered on the mid-Atlantic coast, located within 45 miles of the world's greatest natural harbor, served by an excellent rail and highway network, with more-than-adequate water and sewer infrastructure, an industrial site that is pad-ready, an eager and trained workforce, and an international marketing team that is constantly on the prowl for new opportunities. We've put ourselves in a position for good things to happen.

18. Has the county implemented a hiring freeze and frozen salaries of county employees? If not, why not?

We have not implemented a "hiring freeze," in the strictest sense, but we are evaluating the need for all new hires on a case-by-case basis. For instance, given the critical function of a Finance Director, we couldn't allow that position to remain vacant when Mrs. Williams retired. Conversely, when Mr. Barnett retired and Mr. Randolph recently resigned to pursue other opportunities, we opted to cover their functions with our existing personnel complement. In addition, as I mentioned previously, we hired four new Public Utilities employees in July to satisfy regulatory requirements.

With regard to salaries, virtually all employees have been frozen for the past 2 years (since July 2008). There have been no cost-of-living adjustments or merit increases in that time. There have been a handful of promotions (people moving up to fill vacant positions as was the case with Mrs. Lewis and Mr. Copeland) or reclassifications (utility operators who pass the state examination to obtain a higher license) that have had minor impacts on individual salaries.

There are 148 FTE's on our county payroll, which doesn't include Southampton County Schools or Social Services. More than 56% of the total payroll is paid with state funds, 5% is paid from water and sewer revenues and the remaining 39% is funded with local tax funds. The Sheriff has 83 employees which includes Law Enforcement and Jail Operations for Southampton County and Court Security and Civil Process for Southampton County and the City of Franklin. I'm responsible for 40 which include Accounting, Information Technology, Community Development, Buildings & Grounds, Public Works and Public Utilities. The Clerk of the Court and Commonwealth's Attorney have 7 each, the Treasurer and Commissioner of the Revenue have 4 each, the Voter Registrar has 2 and the Circuit Court Judge has 1 – the average salary for all 148 FTE's is slightly less than \$38,000/year. To put that in perspective, according to Sunday's Richmond Times, the average local government worker in Central Virginia's salary was \$42,600 and the average state worker makes \$50,300. 88% of our county workforce makes less than \$50,000. There are only 4 employees that make over \$90,000 – Commonwealth's Attorney, Clerk of the Court, Sheriff and me.

19. Would you explain how the county intends to repay the \$77 million debt without increasing real estate and personal property taxes?

I can certainly explain how we intend to pay down the debt, but let me start by saying that no one has ever suggested that it could be done without raising taxes. To the contrary, we went to great lengths to project the impact that the

borrowings would have on future tax rates before any decision was made to proceed.

Let me start with some good news – as of August 1, our indebtedness has already been reduced to a principal sum of less than \$72 million, so we're already making progress. From a fiscal health standpoint, our debt to assessed value ratio is currently at 4.24% and our debt service as a percentage of total expenditures is at 8.49% - which place us within the "A" rated guidelines utilized by Standard & Poor. We're financially solid.

Of that \$72 million, roughly \$35 million is invested in water and sewer infrastructure in Courtland, Boykins, Branchville and Newsoms, \$25 million is invested in new or renovated schools at Nottoway, Meherrin, Riverdale and Capron, \$10.5 million is for the new industrial park, and \$1.5 million is for the public safety radio system.

Our fiscal year 2011 budget includes almost \$4.5 million to service debt. Unlike most home mortgages, our debt service or payment schedule is not level. Even though the rates are fixed, the payments were structured to allow us to ease into things as opposed to having huge spikes when we first borrowed. Our amortization schedule is structured such that the annual debt service is scheduled to peak at slightly less than \$5.6 million in FY 2013 after which it will slowly begin to decrease. Simply put, from a budgetary standpoint, it will get a little tougher the next 2 years, after which it gets a little better each year thereafter. In anticipation of that spike in 2013, we've been setting money aside in the Building Fund to cushion the blow – at the beginning of FY 2011, we had slightly less than \$1 million set aside to level out the increases in debt service.

In 2008, based on a worst-case scenario of little or no new growth in revenues, we projected the equivalent of a 7 cents increase in the real estate tax rate from FY 2011 through FY 2013. You saw the first 4 cents this year when the rate was raised from \$0.72 to \$0.76.

New growth and development should be encouraged and directed into either the Courtland or Boykins-Branchville-Newsoms planning areas to generate additional revenues to service the debt. With the big investment already made, growth will only soften the need for future tax increases. Additional borrowing is not advisable in the foreseeable future, at least for the next decade, absent a substantial growth in revenues.

While our original projections remain on track, there are two other significant changes that were unanticipated in 2008. First, the collapse of SPSA in 2009 resulted in precipitous increases in tipping fees which creates lasting budget impacts. Second, the Commonwealth of Virginia has reduced state funding by almost 13% over the past 2 years but hasn't removed any of the associated

mandates. I only share this with you because it has the potential to exacerbate further tax increases in the future.

20. What plans has the county implemented, or planning to implement, to put us on a path of economic recovery and create jobs?

This is something we've been concerned about and working on long before October 22, 2009. The role of government in economic development is to create an environment that is conducive to new private investment and job creation. In June 2002, at its strategic planning retreat, the Board of Supervisors invited representatives from the Virginia Economic Development Partnership and asked them a simple question: what does it take for a locality to be successful in today's global economy? What they got was a quick lesson is the Top 5 location factors for new companies:

- a) *You must have "ready-to-go" sites. You can't tell a company that you can have everything ready in a year or two – your competition has sites ready now. By ready, they mean that the site is publicly owned, the appropriate zoning is in place, all the environmental issues like wetland delineation and mitigation and stormwater management are resolved, geotechnical analysis of the soils are complete, a master site plan has been prepared, the appropriate infrastructure is available and the site has been cleared and graded so that the company can proceed immediately with construction. This has been our sole objective with development of the Turner Tract;*
- b) *You must have available labor. Prior to October 2009, this was often a challenge for us. We had to include areas 30 and 40 miles away in our labor studies to demonstrate that we had an adequate workforce. That's no longer an issue with a skilled, capable workforce in Southampton, Franklin and Isle of Wight looking for new opportunities;*
- c) *You must have access to markets. We've nurtured and developed relations over the last 5 years with the Port of Virginia to identify opportunities associated with both imports and exports. Southampton County has great access to markets – we're centrally located on the mid-Atlantic coast. We're only 42 miles from the World's greatest harbor and 35 miles from America's Main Street, I-95. We have excellent rail and highway connectivity for any company to efficiently move their products.*
- d) *You must have quality of life. Quality of life is a little like beauty – it's in the eye of the beholder. But regardless of your personal preferences, quality of life will always be linked with education. Southampton County has invested sacrificially in new, state-of-the-art educational facilities. Our school board, administration and faculty*

have worked diligently to assure that our schools remain fully accredited.

- e) *You must effectively market your community. In 2005, we partnered with the City of Franklin and leveraged our funding with the local foundations to create FSEDI. It's work is directed by a Board of Directors that includes leading business people from our community (Warren Beale, Bill Peak, Harriet Duck, Harrell Turner, Felicia Blow) and they have aligned themselves with the Hampton Roads Economic Development Authority and the Virginia Economic Development Partnership. We have full-time professionals actively and aggressively pursuing opportunities around the globe each and every day.*

To answer your question, we've put ourselves in a position to compete with any community in the country for new opportunities in today's global economy. Like everyone else, we'll lose more projects than we win, but our day is coming.

The alternative is not to compete at all, and I think we all know where that will lead.

21. With the current housing downturn, can we expect to see our real estate taxes decrease after the next assessment?

Property assessment is not my area of responsibility or expertise but we all know the recession has clearly had an adverse impact on housing values. That said, by the time the reassessment is complete, it will have been 6 years since the last assessment was done, so I wouldn't want to speculate on the extent of change.

Regardless, keep in mind that your tax bill is a function of 2 variables – the assessed value and the rate. The Constitution of Virginia requires all real estate to be assessed at 100% fair market value by a certified appraiser so that the burden of taxation is fairly and equitably spread among property owners. While a lot of attention is often directed at the assessment, that's not a variable that is controlled by your elected officials.

If you're concerned about the taxes you pay, my suggestion is that you focus on the rate. Your elected officials can't change your assessment, but they do control what you write your check for when they adopt the rate.

22. With the recent editorial by Steve Stewart from *The Tidewater News* (Oct. 10th) regarding Southampton County's identity crisis, what do you think of his comments, and how do you see it being resolved?

Some of his comments I agree with, some I don't. First, I agree with the notion that change brings conflict with it. That's not unique to Southampton County. That describes every community in the country. But I don't agree that the struggle has led to inconsistencies, at least in the examples he cites. I would suggest that Steve's examples have followed our script, better known as our Comprehensive Plan, pretty closely.

Let's look at his first example. Steve sees construction of the wastewater treatment plant as being inconsistent with implementation of the land-use program. I don't see it that way. First of all, the purpose of land use was not to curb commercial and residential growth – the purpose of land use is to foster the preservation of agriculture, forestry and open space. Southampton County is an agricultural county and we don't apologize for that. To the contrary, we're exceedingly proud of our agricultural heritage and will do everything that we can to protect and promote agriculture, and the land use program is one such example. If you look at our future land use map, the predominant color is white – which represents farms, forestry and open space. But it's not entirely white. We've never maintained that we want our county to be exclusively agricultural. That would clearly be to our detriment. We need new investment and jobs if we are to prosper. And new investment and jobs will lead to growth. There are parts of Southampton County that are planned for future growth and development. The Courtland planning area is one of them and that's where the new wastewater treatment plant was built – to serve as an infrastructure hub for new development – our plan encourages growth in that area – I don't see that as inconsistent at all.

His second example cites construction of Riverdale Elementary School to accommodate the future growth but then refusing to allow the developer who donated the site to develop the adjacent property. He's right on the first count – the school was built with future growth and development in mind. But he's wrong on the second count – 2/3's of the developer's property is already zoned for single family residential development – he doesn't need further zoning approval from the Board of Supervisors to build single family homes. When he sought an amendment to the Comprehensive Plan in 2008, he was seeking approval to increase the density of the development and to facilitate mixed (i.e. commercial) uses. The Board simply took a wait-and-see approach and suggested that the developer start with what he already had – property that can already accommodate more than 500 new single family homes - before requesting additional density.

His last example cites inconsistency between our position on the OLF and our willingness to sign the Declaration of Interdependence with our neighbors in Hampton Roads. I already addressed that in question 13 – the Declaration calls for unity but recognizes that disagreement will be inevitable on certain issues – this is one of them.

All that said, I don't disagree with Steve's conclusion. We can and must protect agriculture and honor our agricultural heritage while embracing new growth and development in the areas that are planned for it.

23. In regards to the cost of fringe benefits for employees of Southampton County, how does Southampton County compare to surrounding localities? (health insurance, retirement, leave time).

Southampton County and all its surrounding localities participate in the Virginia Retirement System, so retirement benefits, including life insurance coverage, are exactly the same. The employer share of participating cost will vary by community and is based on an actuarial study of each employee group. Our current employer contribution rate is 11.28 % of base salary in FY 2011. Southampton County and all its surrounding communities opted to continue to pick-up the 5% employee share for new employees hired after July 1, 2010.

With regard to health insurance, we offer the same plans as the City of Emporia, City of Franklin, and Greensville County. Isle of Wight offers a HMO and PPO option. All localities offer at least 2 options and contribute varying amounts for different levels of participation, which are single, dual, and family. Generally speaking, based on cost per employee, Southampton County's contribution is less than that for the City of Franklin, but more than the City of Emporia, Greensville County or Isle of Wight County. For our most comprehensive health care plan, Southampton County picks up roughly 89% of the premium for the individual, 68% for the dual coverage, and 64% for the family coverage. The Wall Street Journal reported in July that the average public sector employer picked up 89% of the premium for individuals and 73% for family coverage. According to the same article, private sector companies picked up 80% on average for the individual and 70% for families. The annual average cost per employee paid by the county is approximately \$5,500.

With regard to vacation time, our policy is identical to Greensville's, Emporia's and Isle of Wight's for employees with 15 or less years of service. We provide the least amount of vacation time for the group for employees with more than 15 years service. All of our sick leave policies are identical.

The City of Franklin does not distinguish between sick leave and vacation – they combine the two and refer to it as Paid Time Off.

24. What is the average cost of the county car/truck fleet? Are policies in place to limit their use to county business only? Are detailed records kept on the mileage, purpose of trip, etc.? Are any county employees allowed to drive county vehicles home? If so, why?

Excluding the School Board, Sheriff's Office and Social Services, which are responsible for their own fleets, we have a total of 18 vehicles. In FY 2010, the cumulative mileage for all 18 vehicles was 258,527 miles or an average of 14,363 miles per vehicle. They consumed 22,367.2 gallons of fuel at a total cost of \$47,642, an average price per gallon of \$2.13.

Our policy is for county vehicles to be used only for public purposes. Our fuel dispensing system is secure and fully automated, keeping detailed mileage records for each vehicle, the number of gallons consumed by each vehicle, the number of gallons dispensed by each employee, and the average price per gallon. The purpose of every trip is not recorded, but unusual patterns would be detected by unexplained variances in mileage.

Six of the eighteen vehicles are driven home by employees – 3 in the Department of Utilities, 2 in the Department of Public Works, and mine. All employees that drive vehicles home have either on-call or after-hours responsibilities, and are expected to respond directly from home to minimize response times.

25. Are there any plans in place to handle trash collection and disposal after the contract with SPSA expires in 2018? If so, what are the details?

First, I do not foresee any changes in our method of collection over the next decade. With the exception of Boykins, Ivor and Franklin, the other 13 refuse convenience sites are either owned or leased on a long-term basis by Southampton County – so these should continue to serve us well in the future. After 2018, homeowners will continue to dispose of their waste at the refuse convenience sites, just like they have for the past 20 years.

There are three basic options for future disposal that the Board of Supervisors will evaluate over the next 3-4 years, all of which will be cheaper than our current contract with SPSA. I'll discuss them briefly, beginning with what I believe to be the least likely, and moving to what I think will be the most likely:

- 1. Continue to cooperate in some form or fashion with 7 other local governments, in some form of regional authority. The major difference after 2018 will be that all of the regional authority's outstanding debt will have been retired, allowing all 8 partners to start fresh with much lower tipping fees. Also, with the recent sale of the WTE plant, the future would be much less complicated with only a landfill operation, or perhaps an organization functioning only as a broker to contract disposal of the region's waste. Current cost projections for this option are approximately \$70 per ton in 2018 dollars;*
- 2. Operate independently of any other local government and arrange for our own recycling and disposal services. Under this option, we'd need to*

either acquire the SPSA Transfer Station outside of Franklin or build our own. The waste would be transported by the Department of Public Works from our convenience sites to the Transfer Station. From there, we'd competitively outsource the transportation and disposal. There are a number of private landfills relatively close which have substantial future capacity including ones in Sussex County, Brunswick County and Charles City County. Current cost projections for this option are approximately \$120 per ton in 2018 dollars;

- 3. Collaborate with Isle of Wight County and the City of Franklin to arrange for our recycling and disposal services. Similar to option 2, but with the added tonnage of all 3 communities, there should be economies of scale in procuring and administering transportation and disposal services. We have actively engaged in these discussions with Franklin and Isle of Wight and are currently meeting on a quarterly basis. Current cost projections for this option are approximately \$66 per ton in 2018 dollars.*

26. Was there any cost to the county for extending sewage lines to the new church on Camp Parkway? If so, how can this be justified?

In July 2009, the Board authorized a project change order to extend the 18" gravity sewer an additional 580' beyond its original termination at Riverdale Elementary School to align with property acquired by High Street Methodist Church. The cost of the change order was \$119,211 and was funded with interest earned on the investment of bond proceeds for the project. High Street United Methodist Church then assumed all responsibility for costs associated with jacking and boring water and sewer lines under 4 lanes of Camp Parkway.

The extension provided us an opportunity to make water and sewer service available not only to their project, but to other properties on the south side of Camp Parkway in the future. While several different locations have been engineered to accommodate laterals beneath the highway, this is the only one that has been constructed; again, at the expense of the church.