

AT A WORK SESSION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF JAMES CITY, VIRGINIA, HELD ON THE 26TH DAY OF OCTOBER 2010, AT 4:00 P.M. IN THE COUNTY GOVERNMENT CENTER BOARD ROOM, 101 MOUNTS BAY ROAD, JAMES CITY COUNTY, VIRGINIA.

A. CALL TO ORDER

B. ROLL CALL

James G. Kennedy, Chairman, Stonehouse District
Mary Jones, Vice Chair, Berkeley District
Bruce C. Goodson, Roberts District
James O. Icenhour, Jr., Powhatan District
John J. McGlennon, Jamestown District

Robert C. Middaugh, County Administrator
Leo P. Rogers, County Attorney

C. BOARD DISCUSSIONS

1. Financial Trends

Ms. Sue Mellen, Assistant Manager of Financial and Management Services, gave an overview of the budget results of FY 2010 and what can be expected from FY 2011 based on the first few months of the new fiscal year. She noted that though the County fell short of the FY 2010 budget, it was a lower margin than expected, which created a positive result for the future. She stated that real estate and property tax funds are expected to increase and new construction was increasing. She stated there were also positive trends in machinery and tools and public service taxes. She stated that building-related revenues have been declining, but there was a slight increase recently, and an increase was projected. Ms. Mellen noted that business professional occupational licenses, lodging taxes, and sales and meals taxes were not projecting increases at this point. She noted that consumer and recreation revenues and State revenues would be staff's focus for FY 2011. She stated that staff expects revenues to exceed the FY 2011 budget by approximately \$1 million and about \$1.5 million in the FY 2012 planned budget. She commented that there were unpredictable factors in the State budget, regional issues, stormwater management, and school needs to replace stimulus funds and State contributions.

Discussion was held about the impacts of machinery and tool taxes and increased population and building-related taxes on financial trends. Ms. Mellen clarified that there would not be a reassessment for real estate property taxes and noted that the reductions in assessments amounted to approximately 1.2 percent overall.

The Board and staff discussed how staff monitors downward trends in real estate property assessments. Staff indicated that the Board would receive the data and noted that some areas were increasing. Discussion was held on increased tourism and offsets in consumer revenues in the area over the last few months, as well as the impact of sales tax holidays on revenues.

2. Cable Franchise Negotiations

Ms. Jody Puckett, Communications Director, introduced the staff and other individuals involved in the cable franchise agreement and gave an overview of the negotiation process. She reviewed the Community Needs Survey which was presented to the Board earlier in the year. She noted that over the years, the Federal Communications Commission (FCC) has taken more control over cable franchises and that the State model also limits local government's ability to negotiate certain aspects of the agreement. She stated that the County can negotiate the Customer Service Standards, based on FCC guidelines, Public, Educational, and Government (PEG) Channels and I-Net (Institutional Network) capital fees, and some technical standards. She stated what cannot be negotiated are rates, channels, or programming, nor the tier structure.

Ms. Puckett reviewed the focuses of the negotiations including compliance tools and monitoring; outages and reimbursements; discounted basic tier for low-income individuals; no disconnect fee for cable service; and PEG fees. She also reviewed the I-Net fees which would support fiber network connectivity in the County and in the region. She reviewed video and internet trends for the future. She reviewed the next step to extend the expiration date to March 1, 2011, and continue negotiations. She stated that the extension would result in an ordinance for Board consideration early in 2011. She stated that the Board would hold a public hearing at its regular meeting to receive comments from the public.

Discussion was held about government oversight of the limited basic rate tier based on FCC standards and the ineffectiveness of regulating rates on the local level. Discussion was held about using the elderly and disabled tax relief ordinance to provide a basis for a discounted basic tier for certain citizens.

The Board and staff discussed advertising on the PEG channels based on Public Broadcasting Service (PBS) guidelines and data on which citizens use cable, satellite, or antenna. Discussion was held on the franchise negotiation history and the franchise and capital fees that were part of the previous agreement.

Mr. McGlennon made a motion to recommend Mr. Wayne H. Grimes, Mr. Walter C. Neilson, and Mr. Christopher E. Rouzie for reappointment to the Board of Equalization.

On a roll call vote, the vote was AYE: McGlennon, Goodson, Icenhour, Jones, Kennedy (5). NAY: (0).

D. BREAK

At 4:45 p.m., the Board took a break.


Robert C. Middaugh
Clerk to the Board