

**MINUTES**  
**JAMES CITY COUNTY BOARD OF SUPERVISORS**  
**WORK SESSION**  
**County Government Center Board Room**  
**101 Mounts Bay Road, Williamsburg, VA 23185**  
**April 24, 2018**  
**4:00 PM**

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**A. CALL TO ORDER**

Ms. Larson called the Board of Supervisors Meeting to order. She noted that the Closed Session listed on the Agenda would be done first, and then the Board of Directors Meeting would be called to order for the remainder of the Work Session.

At 4:33 p.m., Ms. Sadler called the Board of Directors Meeting to order.

**B. ROLL CALL**

**Board of Supervisors**

Michael J. Hipple, Powhatan District  
P. Sue Sadler, Stonehouse District  
James O. Icenhour, Jr., Vice Chairman, Jamestown District  
John J. McGlennon, Roberts District  
Ruth M. Larson, Chairman, Berkeley District

William C. Porter, Interim County Administrator  
Adam R. Kinsman, County Attorney

**Board of Directors**

Michael J. Hipple, Vice Chairman, Powhatan District  
John J. McGlennon, Roberts District  
James O. Icenhour, Jr., Jamestown District  
Ruth M. Larson, Berkeley District  
P. Sue Sadler, Chairman, Stonehouse District

M. Douglas Powell, General Manager

**C. BOARD DISCUSSIONS**

1. Budget Discussion

Ms. Sue Mellen, Director of Financial and Management Services, stated that two funds were impacted since Senate Bill 942 had been passed with its amendments: the General Fund as well as the Tourism Investment Fund. She first discussed the General Fund and referenced a handout given to the Board and displayed on a PowerPoint slide. She referred to the slide and noted an adjustment of \$1 million on the grocery exclusion, which reduced the sources of revenue by \$1 million. She further noted the Board previously asked staff to identify non-recurring uses which staff listed in priority order with one exception being the School Contribution for Operations. She stated staff recommendation was that the offset for the \$1

**ADOPTED**

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million reduction in sales tax be offset against the tax relief originally proposed. She noted that if the Board decided to keep 2 cents as a tax reduction, staff suggested eliminating various spending items. She commented that if the Board did not reduce the real estate tax rate, staff recommended the additional \$1.175 million to be transferred to the Capital Improvements Program (CIP) fund to help start off the infrastructure goal.

Mr. Icenhour expressed his gratitude to Ms. Mellen for clarifying a few questions he had when he met with her the previous day. He stated that they discussed the School Contribution for Operations and noted it was the only recurring item on the list and was only for FY 19 and FY 20; however, in FY 21 it would transfer into the regular budget.

Ms. Mellen replied that it would transfer in FY 20 because everything that was allotted for in FY 20 were CIP items.

General discussion ensued regarding this subject.

Mr. Hipple stated he felt this was an opportunity to put the \$1.175 million into a fund dedicated to bringing the County complex together under one roof instead of the current scattered buildings housing various departments. He discussed the benefits of having every department in one building versus maintaining several facilities and relayed his vision of a future County complex. He stated that for informational purposes, in regards to a new building housing over 700 employees, he was willing to speak with professionals who could provide a rough estimate on the number of stories needed and cost involved.

Discussion ensued regarding the penny amount in the original budget.

Ms. Larson inquired about an Efficiency Study regarding a new building and property currently owned by the County.

Ms. Mellen stated that the first step would be an Office Space Needs Study proposed in the budget identifying the needs as well as the spaces currently being utilized. She further stated that the second step would be the Facility Master Plan, which would provide options in order to evaluate.

General discussion ensued regarding the Strategic Plan as well as money and land availability for future needs.

Mr. Hipple inquired about the amount of money the School Board faced regarding a new building for its staff.

Ms. Mellen stated that she would get that information.

Discussion ensued regarding school expansion projections.

Mr. McGlennon discussed a list he created that noted modest interest in a County building, school needs, recreation needs in the Jamestown area or an aquatic center and land banks for future school or other needs. He stated that the Board should decide if it wanted to designate an amount of funding to go into the CIP and begin to introduce these items to the CIP process. He noted the importance of making an informed choice through a process consistent with the way the Board should be evaluating these junctions. He further noted the Board should not make a hasty decision about the use of funds, but instead should begin the process of identifying the greater needs to be placed at the top of the list.

General discussion ensued regarding this topic.

Ms. Sadler inquired about the last tax increase that was voted on and asked if a new administrative building was part of something that was being promoted.

Mr. Hipple replied no.

Ms. Sadler referenced the budget last year compared to this year and inquired about the increase without the sales tax revenue.

Ms. Mellen replied 2.5% without the sales tax revenue, which equated to \$5.1 million. She explained that the \$5.1 million would be without the sales tax and no reduction in real estate.

Discussion ensued regarding this subject.

Ms. Sadler stated that as a good faith measure and being a good steward of taxpayer money she advocated returning the sales tax increase to citizens. She further stated this was an opportunity to give back to the business community through Business, Professional and Occupational License taxes, and noted this would encourage more small businesses to come to the County and help to retain the current small businesses.

General discussion ensued regarding this subject.

Ms. Mellen stated the County had been very conservative in its budgeting with less than a 2% increase overall. She commented that if the economy was to turn for the worse, adjustments would be made. She remarked that information was monitored; however, the bigger concern at this time was keeping a close eye on interest rates.

Ms. Larson inquired about the administrative cost in regards to reducing the tax rate to 1% and asked if new tax bills would have to be sent out.

Ms. Mellen replied no and explained that once the tax rate was established, the system would adjust and no additional costs would be involved.

Ms. Larson discussed concerns regarding future land needs.

Mr. Icenhour referenced his previous meeting with Ms. Mellen regarding the budget. He noted her concerns of having a \$1 million leeway, which equated to less than .5% making it financially tight and discussed this concern.

General discussion ensued regarding the tax rate issue.

Mr. Icenhour inquired about the school CIP referenced in the handout.

Ms. Sharon Day, Assistant Director, Financial and Management Services, replied that the school CIP referenced the school redesign front entrance money, as well as the buses, which are both capital items.

Mr. McGlennon inquired if that would be in addition to what was already anticipated.

Ms. Mellen stated no, that it was the funding source of some items in the CIP for FY 20 and if it were eliminated various items would need to be cut from the CIP. She further stated that the current tax rate was advertised at 84 cents, the proposed budget was 82 cents and the staff priority recommendation was 83 cents. She felt the total revenue should be decided first and then to move forward on the expenditure side. She discussed an errata sheet that was part of the PowerPoint slideshow.

General discussion ensued regarding this subject.

Ms. Larson asked Mr. Porter his opinion on the use of the money discussed.

Mr. Porter replied that with change in the groceries tax, he felt it was best to put the money aside for land banking or investing for future priorities. He mentioned he had received telephone calls regarding interest in the Purchase of Development Rights (PDR) program.

General discussion ensued regarding the PDR program.

Mr. Hipple suggested putting the \$1.175 million and in savings for future projects that needed to be done in order to move forward.

General discussion ensued regarding this item.

Mr. McGlennon inquired where the \$412,000 would be reflected.

Ms. Mellen replied in the Tourism Fund.

Ms. Larson stated she received a machine and tools comparison from a citizen in another county and would like staff to research and determine if it was a fair correlation.

Mr. McGlennon stated the best utilization for a 1-cent reduction in the tax rate would be to hold it to determine future needs.

Mr. Icenhour stated that initially he would like to give a penny back to citizens; however, if the Board wished to hold onto the money, his second priority was for future school funding. He stressed the importance of retaining the same simple information sheet in the budget, which allowed anyone to look and see where money was and what was being done with it. He noted the job of Board members was to show constituents that money would be spent wisely in areas such as safety, schools and the quality of life in the County.

Ms. Sadler expressed her opinion that this year the money should be given back to citizens and businesses in an effort to show good stewardship.

Ms. Larson expressed her hesitation to take things away; however, emphasized taking a significant look next year and to continue to make certain resources are being used as efficiently and responsibly as possible.

General discussion ensued regarding the school system budget and salary concerns, the Virginia Municipal League rates and financial analysis, and the Virginia Association of Counties as well as CIPs.

Mr. McGlennon discussed the Historical Commission funding of \$49,000 to inventory and archive materials that had been assembled by the County over the years, in terms of James City County all the way back to the Colonial era, which was not funded in the recommendation. He stressed the significance of preserving and documenting historical artifacts in this area. He stated that the Historical Commission felt this had significant potential to be seed money to attract grants from the state, national organizations and private entities. He proposed that if there were remaining funding available in the Tourism Fund, a portion of the \$49,000, perhaps \$10,000 out of this year's Tourism Fund, could be used to allow the beginning of this process. He pointed out that if it was productive there was a possibility of generating seed money for other grants, and perhaps partner with other historical associations that were not currently making efforts in this regard. He noted this would be contingent on the availability of funding in the current year budget and could be revisited over the next two years.

as the Tourism Fund had been replenished.

Ms. Larson inquired about street signs.

Mr. Jason Purse, Assistant County Administrator, stated that there was approximately \$9,000 in last year's budget, which included approximately 50 signs, poles, hardware and installation. He noted that these were replaced on a complaint basis or if they were damaged.

Ms. Grace Boone, Director of General Services, commented this signage included "Welcome to James City County" as well.

Discussion ensued regarding procedures involved for damaged street signs.

Ms. Mellen continued with the PowerPoint presentation and discussed the Tourism Investment Fund section of the handout given to the Board as well as staff recommendation.

General discussion ensued regarding this topic.

Ms. Larson inquired if this money had to be spent on tourism due to Senate Bill 942.

Ms. Mellen replied it did not.

Ms. Sadler inquired if there was any discussion for the JCSEA.

Ms. Larson inquired if there had been any feedback on the grinder pump change.

Mr. Powell replied no.

#### **D. CLOSED SESSION**

1. Consultation with legal counsel regarding specific legal matters related to Senate Bill 942 and budget planning pursuant to 2.2-3711 (A)(8) of the Code of Virginia

A motion to Enter a Closed Session was made by Michael Hipple and the motion result was Passed.

AYES: 5 NAYS: 0 ABSTAIN: 0 ABSENT: 0

Ayes: Hipple, Icenhour Jr, Larson, McGlennon, Sadler

At approximately 4:01 p.m., the Board entered Closed Session.

2. Certification of Closed Session

A motion to Approve was made by John McGlennon and the motion result was Passed.

AYES: 5 NAYS: 0 ABSTAIN: 0 ABSENT: 0

Ayes: Hipple, Icenhour Jr, Larson, McGlennon, Sadler

At approximately 4:33 p.m., the Board re-entered Open Session.

#### **E. ADJOURNMENT**

1. Adjourn until 5 p.m. on May 8, 2018 for the Regular Meeting

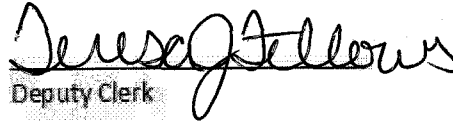
A motion to Adjourn was made by Michael Hipple and the motion result was Passed.

AYES: 5 NAYS: 0 ABSTAIN: 0 ABSENT: 0

Ayes: Hipple, Icenhour Jr, Larson, McGlennon, Sadler

At approximately 6:01 p.m., Ms. Larson adjourned the Board of Supervisors meeting.

At approximately 6:01 p.m., Ms. Sadler adjourned the Board of Directors meeting.

  
Deputy Clerk