

VIRGINIA:

A meeting of the Lancaster County Board of Supervisors was held in the Administrative Building Board/Commission Meeting Room of said county on Thursday, June 26, 2014.

- Members Present: B. Wally Beauchamp, Chair
- Jason D. Bellows, Vice Chair
- F. W. Jenkins, Jr., Board Member
- Ernest W. Palin, Jr., Board Member
- William R. Lee, Board Member

- Staff Present: Frank A. Pleva, County Administrator
- Don G. Gill, Planning and Land Use Director
- Jack Larson, Financial Consultant
- Crystal Whay, Building/Land Use Secretary

Mr. Beauchamp called the meeting to order at 7:00 p.m.

PUBLIC INPUT

Mr. George Bott, a District 1 citizen, referred to the FY 16 Budget and stated that as the Board considered the FY 15 Budget, they may want to look into the future. He stated that next year, the schools and the county budgets will likely have increases for pay raises and health benefit costs. He stated that the Chairman of the School Board, Dr. Westbrook, has scheduled meetings over the summer to define requirements for school enhancements, such as maintenance, remodeling and additions to help with the existing school structures. He stated that the school enhancements will likely have high dollar costs that the Board will be looking at next year. He stated that these are known knowns and asked about the known unknowns. He stated that something else to consider is the unknown unknowns or black swan event, in which something comes as a complete surprise. He stated that there was no better time than now to consider making an investment to increase business in Lancaster County.

Mr. Eddy Whichard, a District 1 citizen, stated that the dredge has been completed on Greenvale Creek. He stated that 1100 cubic yards were removed. He stated that the approved disposal site was used to move all of the sand and the road was cleaned. He stated that the parking lot was graded and the restaurant area now looks more like a park. He stated that he was satisfied with the job that Jones Brothers did. He added that they have asked for a modification of their existing VMRC permit to expand the existing jetty to 300 feet. He stated that Brian Barnes, the Lancaster County Environmental Codes Compliance Officer, is also on board with the work.

Mr. Whichard stated that he also wanted to mention that at the end of his road, there is an unoccupied restaurant that has a lot of junk and debris around it. He stated that he would like the issue looked into to see if the parcel was in compliance with zoning regulations.

Mr. Whichard referred to the tax rate on boats and stated that he advocates making a change, but proposed that the County only needs to be competitive to other municipalities in the area.

Mr. Beauchamp asked Mr. Gill to follow up with Mr. Whichard's concern about the unoccupied restaurant area.

Mr. Jenkins referred to the jetty extension and stated that it should be a no-brainer. He stated that there was a natural jetty further up the river created by oyster shells that was the result of an oyster house that operated there for many years. He stated that the jetty will, over time, serve to rebuild the beaches between Monaskon and Greenvale Creek.

PRESENTATIONS

None.

VIRGINIA DEPARTMENT OF TRANSPORTATION

Mr. Robert Harper stated that they have begun mowing on the secondary road system. He stated that once the secondary roads are completed, they will mow the primary roads again. He stated that they are also working on litter pick-up.

Mr. Harper stated that they are currently paving on Route 201 (White Chapel Road) and should be finished the next day. He referred to Route 354 between Route 3 and Morattico Road and stated that they have milled, patched and will pave it after the paving is completed on Route 201.

Mr. Harper referred to Mr. Lee's concern about the drainage issue off of the Robert O. Norris Bridge and stated that the shoulders have been cut back and the issue has been resolved.

Mr. Lee referred to the secondary road mowing and stated that the Boys Camp Road needed attention.

Mr. Harper stated that the road is being redone.

PUBLIC HEARING

1. Proposed Conveyance of the County Owned Subdivided Portions of Tax Map #29-76 to Reserve at Lake Chase, LLC

Mr. Beauchamp asked Mr. Pleva to present the issue.

Mr. Pleva stated that the public hearing is being held in accordance with Sections 15.2-1800 and 15.2-1813 of the Code of Virginia, 1950, as amended. He stated that the proposal is to convey two parcels of land back to the previous owner, which were donated to the County in January for the purpose of public access. He stated that the Board of Supervisors decided not to pursue the boat ramp project and the original owner, Mr. Sowder, has asked for the land back.

Mr. Pleva stated that, under the Code of Virginia, the Board must conduct a public hearing before it can convey an interest in real estate. He stated that the properties are located off Fleets Bay Road and are a recent subdivision of Tax Map #29-76.

Mr. Pleva stated that he had not received any public comment on the proposed conveyance.

Mr. Beauchamp opened the public hearing.

There was no public comment.

Mr. Beauchamp closed the public hearing.

Mr. Bellows made a motion to convey the county owned subdivided portions of Tax Map #29-76 back to Reserve at Lake Chase, LLC.

VOTE:	B. Wally Beauchamp	Aye
	Jason D. Bellows	Aye
	F. W. Jenkins, Jr.	Aye
	Ernest W. Palin, Jr.	Aye
	William R. Lee	Aye

CONSENSUS DOCKET

Motion was made by Mr. Jenkins to approve the Consensus Docket and recommendations, but would like some more information on item 7.

Mr. Pleva stated that Consensus Docket Item 7 is an optional contract with Ash Britt for debris removal. He stated that Lancaster County “piggy backs” on Prince William County’s contract. He stated that there is no financial obligation or annual fee to the County. He stated that it is a service that

is available if the County needed a post-storm debris clean-up and wanted to use a service from out of town. He stated that it is more for piece of mind and no costs are incurred unless the service is used.

Mr. Jenkins stated that the emergency service volunteers, as well as local contractors help with a lot of the post-storm debris clean-up. He stated that the Ash Britt contract is for clearing the roadways and opening the roads for emergency services.

1. Minutes for May 22 and May 29, 2014 Meetings

Recommendation: Approve minutes as submitted

2. Abstract of Votes-Republican Primary Election held on June 10, 2014

Recommendation: Approve abstract of votes as submitted

3. Virginia Juvenile Community Crime Control Act Resolution

Recommendation: Approve the resolution as submitted

Virginia Juvenile Community Crime Control Act

BE IT RESOLVED, that the Lancaster County Board of Supervisors will participate in the Virginia Juvenile Community Crime Control Act and accept funds appropriate for the purpose set forth in this Act for FY 2015.

BE IT FURTHER RESOLVED, that Westmoreland County will combine with the governing bodies of Essex, Lancaster, Northumberland and Richmond Counties. Westmoreland will act as fiscal agent for these localities.

BE IT FURTHER RESOLVED, that the County Administrator is hereby authorized to execute a local plan on behalf of the County of Lancaster.

4. VRS School Division's Certified Rate Resolution

Recommendation: Approve the resolution as submitted

**Local Governing Body Concurrence with School Division Electing to Pay the
VRS Board-Certified Rate in Accordance with the 2014 Appropriation
Act Item 467(I)**

BE IT RESOLVED, that the County of Lancaster, Employer Code 55151, does hereby acknowledge that the Lancaster County School System has made the election for its contribution rate to be based on the employer contribution rates certified by the Virginia Retirement System Board of Trustees pursuant to Virginia Code § 51.1-145(I) resulting from the June 30, 2013 actuarial value of assets and liabilities (the “Certified Rate”); and

BE IT ALSO RESOLVED, that the County of Lancaster, Employer Code 55151, does hereby certify to the Virginia Retirement System Board of Trustees that it concurs with the election of the Lancaster County School System to pay the Certified Rate, as required by Item 467(I) of the 2014 Appropriation Act; and

NOW, THEREFORE, the officers of the County of Lancaster, Employer Code 55151 are hereby authorized and directed in the name of the County of Lancaster to execute any required contract to carry out the provisions of this resolution. In execution of any such contract which may be required, the seal of the County of Lancaster, as appropriate, shall be affixed and attested by the Clerk.

B. Wally Beauchamp, Chairman
Lancaster County Board of Supervisors

CERTIFICATE

I, Frank A. Pleva, Clerk of the Lancaster County Board of Supervisors, certify that the foregoing is a true and correct copy of a resolution passed by the County of Lancaster and ratified by the County of Lancaster at a lawfully organized meeting of the Lancaster County Board of Supervisors held at Lancaster, Virginia at 7:00 p.m. on June 26, 2014. Given under my hand and seal of Lancaster County this 26th day of June, 2014.

Frank A. Pleva,
County Administrator

5. Request for Pump and Haul-Kenneth E. Jett

Recommendation: Approve the request as submitted with a \$1000 bond and 3 year renewals

6. R. L. Self Timber, Inc. Wood Waste Contract Extension

Recommendation: Approve the extension as submitted

7. Ash Britt Debris Removal Contract Extension

Recommendation: Approve the extension as submitted

Mr. Jenkins stated that his motion stands.

VOTE:	B. Wally Beauchamp	Aye
	Jason D. Bellows	Aye
	F. W. Jenkins, Jr.	Aye
	Ernest W. Palin, Jr.	Aye
	William R. Lee	Aye

CONSIDERATION DOCKET

The Board considered the following items on its Consideration Docket:

1. Approval of June 2014 Salaries and Invoice Listings

The motion was made by Mr. Palin to approve the salaries for June 2014 in the amount of \$239,206.74 and invoice listings for June 2014 in the amount of \$497,203.25*.

*Capital Improvements - \$81,295.15

VOTE:	B. Wally Beauchamp	Aye
	Jason D. Bellows	Aye
	F. W. Jenkins, Jr.	Aye
	Ernest W. Palin, Jr.	Aye

2. County Health Insurance – Participation in the Local Choice Health Insurance Benefits Program

Mr. Pleva stated that the County's current insurance provider's rates for the upcoming year had increased, for some of its plans as much as 59%. He stated that they have been exploring other insurance options. He stated that other localities, including three other Northern Neck counties participate in the Local Choice Program. He stated that it is an Anthem program with over 48,000 participants. He stated that the program's average premium increase over the last five years is 5%.

Mr. Pleva stated that the current insurance plan with Optima would be renewed on August 1, unless there is a change in companies. He stated that if the Board wanted to approve a transition, they would have to act at tonight's meeting. He stated that staff is recommending the change to the Local Choice Program.

Mr. Pleva stated that after conducting a survey, the employees picked two plans, which were the high-deductible plan and a mid-range plan with a \$500 deductible. He stated that the Board had not increased the employer contribution for health insurance for the last 6 years. He stated that staff was asking the Board to consider an additional \$25.00 per month per employee for health insurance. He stated, with the proposed \$25.00 increase, the high-deductible plan's premium would be paid in full by the employer contribution. He stated that if the Board approves the transition, his staff would have a meeting either Monday or Tuesday to fill out the appropriate paperwork. He stated that it would take approximately 30 days to complete the transition.

Mr. Lee stated that he had attended the majority of the insurance meetings and he thought it was the best plan for the County. He stated that the program had a good track record and it was the way the County should go as far as the employees are concerned. He further stated that since the County has not increased its employer contribution in 6 years, he thought that it should be raised to \$475.00 per employee per month.

Mr. Beauchamp stated that he understood that the entire staff has had an opportunity to provide input into the insurance decision.

Mr. Pleva agreed.

Mr. Lee stated that if the Board goes with the \$25.00 increase, it would cost the County another \$24,000 annually.

Mr. Beauchamp stated that he would support the increase.

Mr. Jenkins asked if the Health Savings Accounts would still be intact.

Mr. Pleva replied yes.

Mr. Bellows stated that, as everyone knows, the cost of health care is skyrocketing. He stated that he would support the \$25.00 increase.

Mr. Bellows made a motion to approve the \$25.00 increase in the healthcare contribution and to transition to the Local Choice Program.

VOTE:	B. Wally Beauchamp	Aye
	Jason D. Bellows	Aye
	F. W. Jenkins, Jr.	Aye
	Ernest W. Palin, Jr.	Aye
	William R. Lee	Aye

Mr. Pleva stated that he wanted to thank the Board for their consideration. He stated that he especially wanted to thank Mr. Lee and Mr. Gill for their help.

3. FY 2015 Lancaster County Operating and Capital Improvement Budgets

Mr. Pleva stated that in May, the Board of Supervisors adopted the school budget and the school budget's numbers are included so that they can see the total picture. He stated that the Board may want to discuss capital projects later. He stated that the amount showing is the Planning Commission's recommendation of \$793,260. He stated that after talking to Dan Siegel, the Board could leave the amount in or take it out and just approve the operating budget.

Mr. Jenkins made a motion to amend the working document, under expenditures, and remove the amount of \$793,260 from the Capital Improvements category.

Mr. Pleva stated that would leave the operating budget amount at \$27,933,271.

VOTE:	B. Wally Beauchamp	Aye
	Jason D. Bellows	Aye
	F. W. Jenkins, Jr.	Aye
	Ernest W. Palin, Jr.	Aye

William R. Lee

Aye

PROPOSED OPERATING BUDGET

	<u>FY14</u>	<u>Increase/ FY15</u>	<u>(Decrease)</u>
Fund Balance Beginning of Fiscal Year	\$5,399,336	\$4,257,447	(\$1,141,889)
Revenues			
General Property Taxes	\$14,921,000	\$14,971,000	\$50,000
Other Lancaster County Taxes	2,775,700	2,780,000	4,300
Commonwealth of Virginia Funds	3,408,962	3,446,962	38,000
Federal Government Funds	546,707	588,060	
41,353			
School Operating Revenues	4,408,634	4,481,312	72,678
School Cafeteria Revenues	585,000	616,600	31,600
Total Revenues	\$26,646,003	\$26,883,934	237,931
Total Revenues & Funds All Sources	\$32,045,339	\$31,141,381	(\$903,958)
Expenditures			
General Government	\$1,290,570	\$1,318,962	\$28,392
Courts	695,593	707,116	11,523
Public Safety	4,298,422	4,547,795	249,373
Public Works	1,124,106	1,159,363	35,257
Health & Welfare	2,547,820	2,537,916	(9,904)
Education (Non-Public Schools)	6,536	6,817	281
Recreation & Cultural Activities	182,595	182,595	0
Community Development	447,247	476,696	29,449
Non-Departmental	66,925	66,925	0
School Operations	14,834,118	15,187,728	353,610
School Cafeteria	585,000	616,600	31,600
Debt Service	1,122,060	1,124,757	2697
Capital Improvements	586,900	0	(586,900)
Total Expenditures by Function	\$27,787,892	\$27,933,271	\$145,379
Fund Balance End of Fiscal Year	\$4,257,447	\$3,208,110	(\$1,049,337)

Mr. Bellows asked if the Board was going to discuss bonds.

Mr. Pleva suggested a work session to discuss bond options.

Mr. Jenkins stated that the amount of \$793,260 is just the tip of the iceberg. He stated that the Board has also been recently advised of an emergency communications issue. He stated that he thought a work session should be scheduled for early in the fiscal year.

Mr. Bellows referred to capital improvements and stated that the school system has a facility that they are trying to get ready for the upcoming school year and asked John Mann to speak on the subject.

Mr. Mann stated that the project is for a special education room as well as a handicapped facility in the emergency shelter. He stated that they are trying to complete the project before the Labor Day weekend.

Mr. Jenkins made a motion to approve the school capital improvement project of a special education room and handicapped facility in the amount of \$30,000.

VOTE:	B. Wally Beauchamp	Aye
	Jason D. Bellows	Aye
	F. W. Jenkins, Jr.	Aye
	Ernest W. Palin, Jr.	Aye
	William R. Lee	Aye

4. FY 2015 Appropriation Resolution

Mr. Pleva stated that he would delete the capital improvements portion of the resolution.

COUNTY OF LANCASTER, VIRGINIA

**FISCAL YEAR 2014 - 2015 GENERAL FUND BUDGET
RESOLUTION OF APPROPRIATION**

WHEREAS, the Lancaster County Board of Supervisors has heretofore prepared a budget for the Lancaster County Public Schools for the Fiscal Year beginning on July 1, 2014 and ending on June 30, 2015 for information and fiscal planning purposes only and has conducted a legally advertised public hearing on said budget on May 13, 2014 in accordance with Section 15.2-2506 of the *Code of Virginia, 1950, as amended*, and has subsequently adopted and appropriated funds for said public schools budget on May 22, 2014; and

WHEREAS, the Lancaster County Board of Supervisors has also heretofore prepared a General Fund Budget for the Fiscal Year beginning on July 1, 2014 and ending on June 30, 2015 for information and fiscal planning purposes only and has conducted a legally advertised public hearing on said general fund budget on June 19, 2014 in accordance with Section 15.2-2506 of the *Code of Virginia, 1950, as amended*; and

WHEREAS, the Lancaster County Board of Supervisors has approved a budget for the Fiscal Year beginning on July 1, 2014 and ending on June 30, 2015 for the purposes and in the amounts delineated in the resolution of budget adoption on June 26, 2014; and

WHEREAS, it is now necessary to appropriate sufficient funds for the contemplated expenditures that are contained in the budget for the Fiscal Year beginning on July 1, 2014 and ending on June 30, 2015.

NOW, THEREFORE BE IT RESOLVED, by the Lancaster County Board of Supervisors that no expenditures of funds that are approved for the Fiscal Year beginning on July 1, 2014 and ending on June 30, 2015 shall be made until the Board of Supervisors shall appropriate said funds for those purposes and in the amounts stipulated in the resolution of appropriation; and

BE IT FURTHER RESOLVED, by the Lancaster County Board of Supervisors that all expenditures of funds that are approved for expenditure in the Fiscal Year beginning on July 1, 2014 and ending on June 30, 2015 shall be in compliance with any and all terms and conditions stipulated in the resolution of appropriation; and

BE IT FINALLY RESOLVED, that the Lancaster County Public Schools Budget, which was appropriated on May 22, 2014 for the Fiscal Year beginning on July 1, 2014 and ending on June 30, 2015, is included herein for information and fiscal planning purposes.

Operating Budget

Board of Supervisors	\$44,199
County Administration	390,902
County Attorney	40,000
Independent Auditor	34,200
Commissioner of the Revenue	286,848
Treasurer	290,981
Information Technology Services	107,750
Electoral Board	32,551
Registrar	91,531
Circuit Court	13,053
General District Court	3,400
Magistrate	600
Juvenile and Domestic Relations Court	1,975
Clerk of the Circuit Court	315,584
Court Appointed Special Advocates	5,000
Victim/Witness Assistance Program	22,298
Commonwealth's Attorney	345,204

Sheriff (Law Enforcement)	1,853,169
School Resource Officer	106,666
Volunteer Fire Departments	283,855
Volunteer Rescue Squads (EMS)	93,636
Paid Rescue Services (EMS)	906,070
Forest Fire Service	4,000
Local Emergency Services	27,120
Sheriff (Corrections)	957, 573
Juvenile Detention and Probation Office	50,450
Building Inspections	133,862
Animal Control	131,195
Medical Examiner	200
Refuse Disposal	896,774
General Properties	262,588
Health Department	201,352
Free Health Clinic	100,477
Community Services Board	37,846
Bay Aging	70,549
Rappahannock Legal Services	5,600
The Haven Crisis Shelter	4,000
Comprehensive Services Act	600,000
Social Services	1,452,592
Virginia Quality Life	10,000
Boys and Girls Club of America	55,000
Lancaster Chamber of Commerce	500
Rappahannock Community College	6,817
YMCA	75,000
Mary Ball Washington Museum	\$4,400
Historic Resources Commission	200
Community Library	102,995
Northern Neck – Chesapeake Bay Region Partnership	6,000
Rappahannock River Basin Commission	1,000
Land Use Administration	273,790
Department of Housing	56,079
Planning District Commission	22,000
Soil and Water Conservation District	10,000
Wetlands Board	11,163
Board of Zoning Appeals	2,167
Planning Commission	8,331
Regional Branding Initiative	25,000
Cooperative Extension Service	61,169
Landfill Closure Management	7,000
Enhanced Emergency (E-911) Telephone System	59,925
Lancaster Public Schools	15,804,328
Instruction and Technology	11,698,308

Administration, Attendance and Health	700,203
Pupil Transportation	1,204,038
Operations and Maintenance	1,497,785
Debt Service	87,395
School Cafeteria (Food Service) Fund	616,600
Debt Service	<u>1,124,757</u>
Total Operating Budget	\$27,933,271

TERMS AND CONDITIONS

1. In accordance with Section 15.2-2506 of the *Code of Virginia, 1950, as amended*, except as noted herein, all appropriations, including those for the Lancaster County Public Schools and General Fund departments, agencies and organizations, are made on an annual (12-month) basis; specifically, for the period beginning on July 1, 2014 and ending on June 30, 2015.

All payment requests for capital improvements expenditures shall be directed to the Board of Supervisors by way of the County Administrator for approval and payment.

2. All appropriations are declared to be maximum, conditional and proportionate appropriations. This makes the appropriations payable in full in the amounts named herein, if the aggregate revenues collected and other resources available during the fiscal year beginning on July 1, 2014 and ending on June 30, 2015 for which appropriations are made, are sufficient to pay all of the appropriations in full; otherwise, said appropriations shall be deemed to be payable in such proportion as the sum of all realized revenue is to the total amount of the revenues estimated by the Board of Supervisors to be available for appropriation in the fiscal year beginning on July 1, 2014 and ending on June 30, 2015.

3. No department, agency, or individual receiving appropriations under the provisions of this resolution shall exceed the amount approved for that department, agency or individual by the Lancaster County Board of Supervisors.

4. The Board of Supervisors reserves the right to change at any time during the fiscal year beginning on July 1, 2014 and ending on June 30, 2015 compensation provided to any officer or employee and to abolish any office or position, except for such office or position as may be prohibited by law from abolishing.

5. The County Administrator is authorized to establish purchasing policies and procedures to assure that expenditures are made within the appropriations defined within this Resolution and to initiate emergency spending reductions to decrease expenditures in light of decreased actual revenues.

6. In accordance with Section 22.1-94 of the *Code of Virginia, 1950, as amended*, the amounts appropriated to fund the contemplated expenditures for the Lancaster County Public Schools (School Board) are by the major expenditure categories or classifications that are delineated in this resolution. The School Board shall not transfer any funds between said categories without first obtaining the prior approval of the Board of Supervisors.

7. No expenditures shall exceed the appropriation established by the Lancaster County Board of Supervisors unless a supplemental appropriation is approved in advance of the expenditure.

8. Any request to increase the overall appropriation to any department, agency or organization as appropriated by this resolution must be made to the Board of Supervisors by written request.

9. The County Administrator may increase appropriations for the following items of non-budgeted revenue that may occur during the fiscal year:

a. Insurance recoveries received for damage to County vehicles or other property for which County funds have been expended to make repairs.

b. Refunds or reimbursements made to the County for which the County has expended funds directly related to that refund or reimbursement.

c. Additional, unbudgeted grants received during the fiscal year for which there is sufficient revenues to defray expenditures.

10. All appropriations that are not encumbered or expended prior to June 30, 2015 will lapse and the balance shall become part of the General Operating Fund Balance.

11. The County Administrator may increase or reduce revenue and expenditure appropriations related to programs funded all or in part by the Commonwealth of Virginia and/or the federal government to the level approved by the responsible state or federal agency.

12. The County Administrator may appropriate both revenue and expenditures for donations by citizens or citizen groups in support of County programs. Any remaining unencumbered balance of a restricted donation at the end of the fiscal year will be reappropriated into the subsequent fiscal year.

13. The County Administrator may appropriate revenues and expenditures for funds received by the County from asset forfeitures for operating expenditures directly related to drug enforcement. The outstanding balance of these funds shall not lapse, but shall be carried forward into the subsequent fiscal year.

Mr. Lee made a motion to remove the capital improvements portion from the resolution and adopt the resolution.

VOTE:	B. Wally Beauchamp	Aye
	Jason D. Bellows	Aye
	F. W. Jenkins, Jr.	Aye

Ernest W. Palin, Jr. Aye

William R. Lee Aye

5. CY 2014 Lancaster County Tax Rate Ordinance Adoption

Mr. Pleva stated that a public hearing for the proposed tax rate was held last week. He stated that the proposal was to leave the personal property rate as is and increase the rate for real estate by 5 cents. He stated that most of the public comment has addressed the “boat tax”. He stated that he had included a table that outlined other nearby localities’ boat taxes. He stated that the Commissioner of Revenue, Sonny Thomas, had completed the table and it compared different kinds of boats.

Mr. Pleva stated that he had also included a report of what nearby counties had done concerning their real estate taxes. He stated that the increases ranged from 2 cents to 7 cents.

Mr. Beauchamp asked Mr. Thomas to speak on the boat tax table.

Mr. Thomas stated that it was a difficult job to compare the boat tax rates because the code allows enough variations in the way assessments are done. He stated that he had chosen seven boats at random and compared them with Northumberland and Middlesex counties. He stated that the Middlesex method of assessment is close to Lancaster’s. He stated that if an effective rate is worked out for both counties, Lancaster’s rate comes out to \$1.52 for all boats and the average for Middlesex is \$1.22 for the seven boats that were included in the table.

Mr. Thomas stated that Northumberland County assesses documented boats differently than they assess registered boats, so it is hard to compare anything but a single boat to their method. He stated that the impression he has is that Northumberland’s rate is just as low as Middlesex, if not lower.

Mr. Beauchamp referred to depreciation and asked if all counties address it in the same manner.

Mr. Thomas replied no. He stated that there are different boat guides that can be followed.

Mr. Bellows asked what the cost per penny was for the boat tax.

Mr. Thomas stated that he did not remember, but could get that information.

Mr. Beauchamp suggested that the Board review the real estate tax levy first.

Mr. Lee made a motion to increase the real estate tax levy by 4 cents.

Mr. Jenkins stated that because of the most recent assessment, the citizens who own the more expensive homes, will be paying less than they did prior to the economy's down turn, but the working people, who take care of our community should not have to pay more taxes. He stated that many of them have not had pay increases, have increased health care costs and are still trying to hold on. He stated that he thought it was wrong to have an increase at all and would not support it.

Mr. Bellows stated that no one likes tax increases and he thought due diligence was done when they went through the budget and they were not extravagant by any means. He stated that they are looking at a dwindling reserve and future projects and they have not raised taxes in several years.

Mr. Jenkins stated that taxes were raised last year.

Mr. Bellows stated that they have not been raised over the equalization rate. He stated that he thought they should stay as close as they could to the 5 cent increase.

Mr. Lee stated that his concern is the dwindling reserve and he had given a lot of thought to the 4 cent increase that he had proposed. He stated that he agreed with Mr. Jenkins on increased health care costs, but the County had services and projects that needed to be done as well.

Mr. Palin stated that he kept thinking of prior years when they gave back and reduced the tax rate. He stated that he thought if that had not been done, they would not be in the shape they are now and could manage with a smaller rate increase.

Mr. Beauchamp stated that he did not like any tax increase, but stated that Mr. Bellows was correct and they do not know what next year will bring.

Mr. Jenkins stated that the years when taxes were reduced, which has not happened very often and spread out over a long period of time, the assessments were increasing. He stated that the increase will hurt the working people who are trying to stay in the County.

VOTE:	B. Wally Beauchamp	Aye
	Jason D. Bellows	Aye
	F. W. Jenkins, Jr.	Nay
	Ernest W. Palin, Jr.	Nay
	William R. Lee	Aye

VOTE: 3-2. Motion carried.

Jason D. Bellows	Aye
F. W. Jenkins, Jr.	Aye
Ernest W. Palin, Jr.	Aye
William R. Lee	Aye

Mr. Jenkins stated that since a committee was mentioned in Mr. Bellows' motion, he suggested the Board come up with a method by which a committee would be formed.

Mr. Beauchamp suggested that all Board members serve on the committee.

It was also suggested that the Commissioner of Revenue and some marina operators serve on the committee.

Mr. Jenkins made a motion that the Board select three people at large to serve on the boat tax committee at the upcoming work session.

VOTE:	B. Wally Beauchamp	Aye
	Jason D. Bellows	Aye
	F. W. Jenkins, Jr.	Aye
	Ernest W. Palin, Jr.	Aye
	William R. Lee	Aye

6. USDA Grant Loan for EMS Vehicle

Mr. Beauchamp asked Chief McGregor to present the issue.

Chief McGregor stated that he had found a grant opportunity for an item that was originally requested in the Capital Improvement Budget. He stated that the item was for a replacement vehicle to serve both EMS and Emergency Management functions, including haz-mat. He stated that the USDA Rural Development Program offers various types of opportunities, such as grants, loans and combinations of the two. He stated that Lancaster County is eligible for 55% grants.

Chief McGregor stated that when projects are being evaluated by the USDA, they are ranked based on how they are submitted. He stated that loan projects are selected first, followed by projects with a grant/loan combination, and then grant only projects. He stated that the USDA

Rural Development Loan Program offers a low interest loan at 4 ¼%. He stated that the loan can be paid off early with no penalty.

Chief McGregor stated that his request is for a grant/loan opportunity, which would fund the requested Capital Improvement item at 55%. He stated that would leave the balance of \$21,000 and essentially cut the cost to the County in half.

Mr. Bellows thanked Chief McGregor for doing his due diligence in finding the grant opportunity.

Chief McGregor stated that there is no guarantee that the grant will be awarded, but the probability is much greater in accepting the grant/loan combination.

Mr. Jenkins made the motion to submit the application for the USDA grant/loan combination for an EMS vehicle.

VOTE:	B. Wally Beauchamp	Aye
	Jason D. Bellows	Aye
	F. W. Jenkins, Jr.	Aye
	Ernest W. Palin, Jr.	Aye
	William R. Lee	Aye

BOARD REPORTS

None.

COUNTY ADMINISTRATOR

Mr. Pleva stated that he had received a letter from John Mann stating that Trane was bringing in their equipment later than anticipated for the HVAC project at the Lancaster Middle School and was requesting that they be able to roll over unexpended capital improvement funds to FY 15. He stated that the school was not asking for more money, but just wanted the Board to be aware that the project would not be finished by June 30th.

Mr. Bellows made a motion to approve the request to roll over unexpended capital improvement funds to FY 15 for the completion of the HVAC project at Lancaster Middle School.

VOTE:	B. Wally Beauchamp	Aye
-------	--------------------	-----

Jason D. Bellows	Aye
F. W. Jenkins, Jr.	Aye
Ernest W. Palin, Jr.	Aye
William R. Lee	Aye

ADJOURNMENT

Motion was made by Mr. Palin to adjourn.

VOTE:	B. Wally Beauchamp	Aye
	Jason D. Bellows	Aye
	F. W. Jenkins, Jr.	Aye
	Ernest W. Palin, Jr.	Aye
	William R. Lee	Aye