

At a budget workshop meeting of the Southampton County Board of Supervisors held in the Board Room of the Southampton County Office Center, 26022 Administration Center Drive, Courtland, Virginia on April 29, 2013 at 6:30 PM.

SUPERVISORS PRESENT

Dallas O. Jones, Chairman (Drewryville)
Ronald M. West, Vice Chairman (Berlin-Ivor)
Dr. Alan W. Edwards (Jerusalem)
Glenn H. Updike (Newsoms)
Carl J. Faison (Boykins-Branchville)
Barry T. Porter (Franklin)
S. Bruce Phillips (Capron)

SUPERVISORS ABSENT

OTHERS PRESENT

Michael W. Johnson, County Administrator (Clerk)
Beth Lewis, Director of Community Development
Lynette C. Lowe, Finance Director
Richard E. Railey, Jr., County Attorney
Cynthia J. Edwards, Administrative Secretary

OTHERS ABSENT

Julien W. Johnson, Jr. Public Utilities Director

Chairman Jones called the budget workshop meeting to order.

After the Pledge of Allegiance, Supervisor Faison gave the invocation.

Chairman Jones thanked everyone for coming. He stated that they were just going to do what they had to do to work on the budget. There will be no comment from the audience at all; we will have that next month.

Mr. Michael Johnson stated that Supervisor West has one item of business outside of the budget if he wanted to go ahead and bring that up.

Supervisor West said he would be glad to. He said he had a citizens request from Ivor for Power House Christian Center, specifically Mrs. Mable Fenner to request to use the Ivor Elementary School yard during the memorial day weekend starting Friday, Saturday, Sunday, and Monday. They will provide entertainment and activities for the community as well as religious activities, but they will have the air, bouncy houses and things like that for activities. That will be for the weekend of Memorial Day. She had initially asked to rent that property. They will clean up behind themselves. They would like to set up pop-up tents and things like that. He said if he could at this time he would like to recommend that this be done.

Chairman Jones asked if anyone had any problem with this. This is something for the community and we need more of it.

Supervisor West said yes we do. I make a motion that we allow Mrs. Mable Fenner and Power House Christian Center to use this property Memorial Day weekend.

Supervisor Phillips seconded the motion which carried unanimously.

Supervisor West stated that it was open to the entire community.

Chairman Jones asked Supervisor West if he had any comments he wanted to make.

Supervisor West stated that he and Supervisor Porter had a chance to sit down with Mr. Michael Johnson and Mrs. Lynette Lowe. He stated that they have done the debone work and made some suggested changes that I think the 452 Committee is in line with. From what you will see I think that Mr. Michael Johnson is going to make a presentation. I would like to make one general comment. You never promise anything that you don't have, but finances this year will be somewhat more difficult because there is not any new money in the county, but next year there should be as much as \$1.4 million dollars or somewhere in that neighborhood. That is speaking very strongly and out of turn to some degree, but we would have more latitude next year to make some changes. And we also need to look at rebuilding our reserve fund at that time. We will look at our friends in the school system as well and do what we can at that time. But, I will be real honest with you tonight. We are one year off from that opportunity. And you have to work with us and we will work with you. Hang in there. We do have school buses set aside in this. We are making the step in the right direction. Tax payers took a substantial burden and a big hit last year when that \$200.00 additional fee was added on. Some people have chosen to turn their noses up at us and ignore that process. And making the tax paying citizens that are willing to pay, pay on time, and do as they should bear the burden for them and those non-payers. With that being said I don't think that is fair and I don't think it is fair to add an additional tax this year to cover the unpaid taxes for the solid waste management fee. So based upon this I would like for Supervisor Porter to comment briefly on it. Again Mr. Michael Johnson, Mrs. Lynette Lowe, and Supervisor Porter, and I have sat down and we feel comfortable recommending this to you tonight.

Supervisor Porter said he just wanted to echo what Supervisor West said. We sat down with Mr. Michael Johnson and Mrs. Lynette Lowe and we went over the budget in detail line by line in many cases. We had a guiding principal and our guiding principal was our long term strategy to get the county back on strong financial footing. Last year was a horrible year. We had to make some tough decisions and people got pretty mad about it. This year is a bad year. We can't do what we want to do. We don't have the money. Next year is going to be better and I am confident that the following year is going to be even better because I think we are headed in the right direction. For many years, we had trouble attracting industry in this county. And, the problem was we really didn't want it. The people didn't act like they wanted industry. Our savior is two pronged. One we have got to widen our tax basis and that means that we have got to bring some industry in here to pay taxes so we can sustain the county. If we don't have industry; we cannot sustain the county. We are talking about having trouble with education right now and if you look at it in five years if we don't broaden the tax basis we are either going to have a real estate tax of \$1.50 or we are going to have to cut way back from where we are today. So, we have to attract industry. We cannot make any short term decisions that are going to get in the way or prevent us from getting there in a timely manner. That is one of the reasons that we didn't want to jack our taxes around. Having spent his life in business, he knows that one of the first things that businesses look at when they come to relocate is a stable and favorable tax policy. If you start jacking rates around from year to year they are going to get uncomfortable and they are going to go somewhere else. So we are in a position now where we are starting to get interest. We have an energetic person looking out for us in Mrs. Amanda Jarratt. We are starting to get a lot of interest in companies here. We are getting four new businesses in this year and we have got more that are interested in coming here and we have got to do everything that we can to encourage them to come and not to leave. If they can't be comfortable that we are going to have a strong consistent tax policy they are not going to come and that is number one. The other thing that we are looking forward to is that we have got to find a better way to use the assets that we have. Right now we have a very active program. The 452 Committee is working with the City of Franklin and we have identified some areas that are win-win situations that can save a lot of money for both of us. These are the two prongs in our long term strategy that we cannot stray from and that will get us to the future that will allow us to do the things that we really want to do. But, as I reiterate I am not going to make a short term decision that is going to cause us to fall off that path and that is one of the guiding principals in this budget. We can't do everything that we want to. We believe that it is going to be better next year. We believe that if we follow this path we are going to get to a vision in the county that we can all be very, very proud of all the time.

Chairman Jones stated that before we go any further in our meeting Mr. Michael Johnson has a Power point presentation that he is going to make.

Mr. Michael Johnson gave the following Power point presentation:

Fiscal Year 2014 Proposed Draft Budget

Board of Supervisors
 Monday, April 29, 2013
 6:30 p.m.



Budget Approval Process

February 8, 2013	Budget request forms issued
February 27, 2013	Budget request forms returned
March 25, 2013	Advance public comment received
April 10, 2013	County Administrator's draft budget presented
April 17, 2013	Budget work session – department presentations
April 24, 2013	Budget work session (SHS) – public comment
April 29, 2013	Budget work session (draft budget finalized)
May 20, 2013	Public hearing on proposed budget (SHS)
May 22, 2013	Budget work session (if necessary)
May 28, 2013	Board adopts FY 2014 budget
May 28, 2013	Board adopts CY 2013 tax rates and fees

Changes from Initial Draft

- Changes made to revenue estimates
 - 60 days of additional data providing us greater precision for FY 2014 projections
 - Feedback from the Board that 2¢ increase to the real estate tax rate had no support
- Changes made to expenditure estimates
 - Incorporated citizen input when evaluating potential expenditure reductions
 - Discussed and endorsed by “Committee 452”

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Revenue Adjustments

General Property Taxes	
Real estate tax rate adjusted back to \$0.75	\$ (291,117)
Increase real estate taxes (Eriviva, AMAC)	20,155
Increase interest charged estimate	15,741
	\$ (255,221)
Other Local Taxes	
Increase communication sales tax estimate	\$ 15,000
Increase business license estimate	3,000
Increase motor vehicle license estimate	10,000
Decrease probate tax estimate	(2,241)
	\$ 25,759
Other	
Increase meals taxes (Hardees)	\$ 38,000
Decrease building fund carryover	(21,000)
Increase building permit fee estimate	6,031
Decrease court fines & fees	(10,000)
Increase interest earned	2,000
Increase industrial corridor revenue	52,830
Increase transfer from reserve	8,304
	\$ 76,225

Impact of Adjustments to Budget

Summary of Revenue Adjustments	
General Property Taxes	\$ (255,221)
Other Local Taxes	25,759
Other	76,225
	\$ (153,237)
Initial Draft Budget	\$ 52,426,053
Revenue Adjustments	(153,237)
Proposed Draft Budget	\$ 52,272,816

Expenditure Adjustments

General Property Taxes	
Real estate tax rate adjusted back to \$0.75	\$ (291,117)
Increase real estate taxes (Erwiva, AMAC)	20,155
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Decrease court fines & fees	(10,000)
Increase interest earned	2,000
Increase industrial corridor revenue	52,890
Increase transfer from reserve	8,304
	\$ 76,225

Total Budget – All Funds

Millions



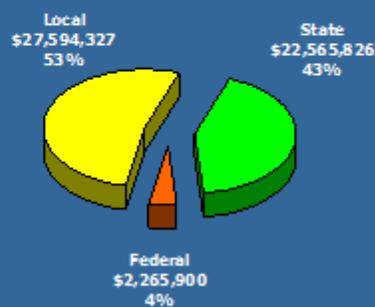
FY 2013	\$52,511,208
FY 2014	<u>\$52,426,053</u>
Decrease	\$ 85,155

**Budgetary Decrease
(0.16%)**

Initial Draft FY 2014 Budget

Revenue Sources

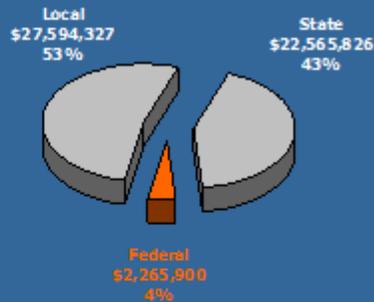
State	\$22,565,826
Federal	2,265,900
Local	<u>27,594,327</u>
TOTAL	\$52,426,053



Initial Draft FY 2014 Budget

Federal Funds

- All used for education or school food program

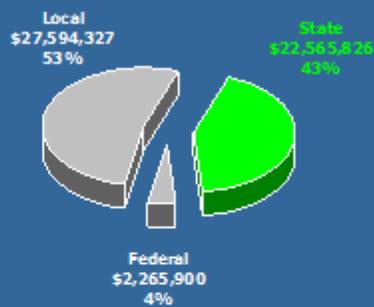


Initial Draft FY 2014 Budget

State Funds

Allocation

Southampton County Schools	\$16,382,141
Sheriff's Office	2,590,508
Department of Social Services	1,937,088
Commonwealth's Attorney	374,345
Clerk of Court	302,225
Jail Costs	231,118
At-Risk Juveniles	211,715
Non-Categorical	193,000
Other	128,049
Commissioner of the Revenue	94,088
Treasurer	79,540
Voter Registrar	<u>34,035</u>
TOTAL	\$22,565,826

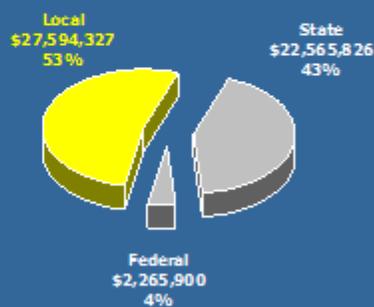


Initial Draft FY 2014 Budget

Local Funds

Allocation

General Fund	10,039,521
School (Operating)	\$8,838,678
Debt Service	5,543,651
Water & Sewer (Operating)	1,601,441
Capital Projects	872,622
School Food	368,904
Social Services	<u>329,510</u>
TOTAL	\$27,594,327



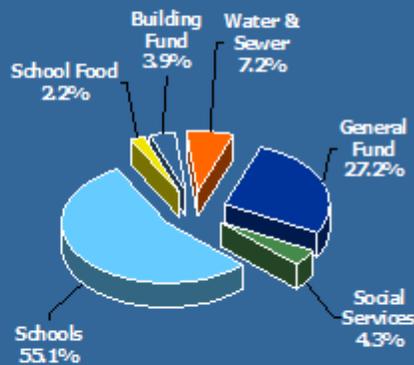
Initial Draft FY 2014 Budget

REVENUE SOURCE	FY 2013	PROJECTED 2014	INCREASE (DECREASE)	PERCENT CHANGE
General property taxes	\$ 18,554,714	\$ 19,142,757	\$ 588,043	3.17
Other local taxes	1,683,155	1,851,457	168,302	10.00
Permits, fees, licenses	116,530	114,230	(2,300)	(1.97)
Fines & forfeitures	597,250	607,250	10,000	1.67
Interest	4,000	2,000	(2,000)	(50.00)
Charges for services	1,780,546	1,690,352	(100,194)	(5.60)
Miscellaneous revenue	824,693	850,370	25,677	3.11
Transfer - General Fund Reserve	452,262	452,262	-	0.00
Other County Sources	642,713	536,904	(105,809)	(16.46)
Enterprise Fund	1,148,888	1,146,815	(2,073)	(0.18)
Building Fund	1,402,585	1,199,930	(202,655)	(14.47)
Revenue from the Commonwealth	22,573,429	22,565,826	(7,603)	(0.03)
Revenue from Federal Sources	2,720,043	2,265,900	(454,143)	(16.70)
TOTAL REVENUES	\$ 52,511,208	\$ 52,426,053	\$ (85,155)	(0.16)

Initial Draft FY 2014 Budget

Expenditures

General Fund	\$14,276,141
Social Services	2,266,575
Schools	28,885,123
School Food	1,172,491
Building Fund	2,036,218
Water & Sewer	3,789,505
Total	\$52,426,053



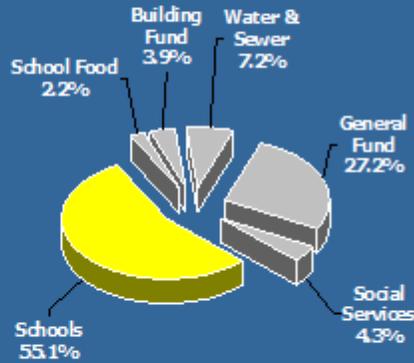
Initial Draft FY 2014 Budget

EXPENDITURE SOURCE	FY 2013	PROJECTED 2014	INCREASE (DECREASE)	PERCENT CHANGE
General & Financial Administration	\$ 2,109,948	\$ 2,129,829	\$ 19,881	0.94
Judicial Administration	1,696,581	1,817,584	121,003	7.13
Public Safety	6,369,725	6,487,912	118,187	1.86
Public Works	2,429,635	2,435,942	6,307	0.26
Health & Welfare	663,715	736,954	73,239	11.03
Parks, Recreation & Culture	269,568	272,372	2,804	1.04
Community Development	380,187	379,574	(613)	(0.16)
Non-Departmental	15,158	15,974	(814)	(16.62)
School Fund	29,483,960	28,885,123	(598,837)	(2.03)
School Food	1,137,620	1,172,491	34,871	3.07
Public Assistance Fund	2,383,914	2,296,575	(117,339)	(4.92)
Building Fund	1,836,203	2,036,218	200,015	10.89
Enterprise Fund	3,730,994	3,789,505	58,511	1.57
TOTAL EXPENDITURE \$	\$ 52,511,208	\$ 52,426,053	\$ (85,155)	(0.16)

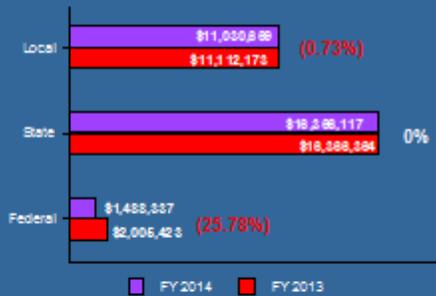
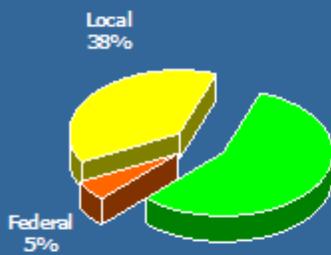
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FY 2014 School Budget Revenue



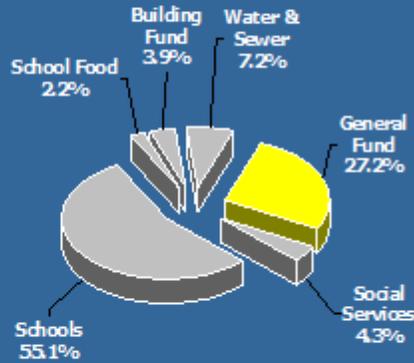
FY 2014 Initial Public Schools Budget

EDUCATION	FY 2013	FY 2014	Variance	Percent Change
Instruction	\$ 17,192,476	TBD	TBD	TBD
Administration	1,142,041	TBD	TBD	TBD
Pupil Transportation	2,901,852	TBD	TBD	TBD
Operation & Maintenance	3,165,661	TBD	TBD	TBD
School Food (Benefits)	64,909	TBD	TBD	TBD
Facilities	154,026	TBD	TBD	TBD
Debt Service	2,297,795	2,191,991	(105,804)	-4.6%
Technology	402,744	TBD	TBD	TBD
Textbooks	166,342	166,354	12	0.0%
State Technology	206,000	232,000	26,000	12.6%
Other State Programs	280,458	278,326	(2,132)	-0.8%
Federal Programs	1,509,656	1,444,037	(65,619)	-4.3%
	\$ 29,483,960	\$ 28,885,123	\$ (598,837)	-2.0%

Initial Draft FY 2014 Budget

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FY 2014 Initial General Fund Budget

GENERAL & FINANCIAL	FY 2013	FY 2013	Variance	Percent Change
Board of Supervisors	\$ 160,828	\$ 210,317	\$ 49,489	30.8%
County Administrator	305,369	216,123	(89,246)	-29.2%
Commissioner of the Revenue	294,047	308,898	14,851	5.1%
Property Assessment	8,839	8,839	-	0.0%
Treasurer	306,993	312,274	5,281	1.7%
Delinquent Tax Collection	10,959	11,959	1,000	9.1%
Accounting	225,597	229,204	3,607	1.6%
Data Processing	341,243	384,722	43,479	12.7%
Insurance/County Code	296,203	299,121	2,918	1.0%
Registrar	159,870	148,372	(11,498)	-7.2%
	<u>\$ 2,109,948</u>	<u>\$ 2,129,829</u>	<u>\$ 19,881</u>	<u>0.9%</u>

FY 2014 Initial General Fund Budget

JUDICIAL	FY 2013	FY 2014	Variance	Percent Change
Circuit Court Judge	34,535	34,227	\$ (308)	-0.9%
General District Court	22,559	22,200	(359)	-1.6%
Magistrates	658	658	-	0.0%
Clerk of Circuit Court	499,583	472,600	(26,983)	-5.4%
Sheriff - Bailiff	361,026	370,401	9,375	2.6%
Courthouse Security	193,874	335,613	141,739	73.1%
Commonwealth's Attorney	510,763	507,697	(3,066)	-0.6%
Victim-Witness Program	73,583	74,188	605	0.8%
	<u>\$ 1,696,581</u>	<u>\$ 1,817,584</u>	<u>\$ 121,003</u>	<u>7.1%</u>

FY 2014 Initial General Fund Budget

PUBLIC SAFETY	FY 2013	FY 2014	Variance	Percent Change
Sheriff - Law Enforcement	1,650,571	1,673,767	\$ 23,196	1.4%
Enhanced 911	161,603	151,473	(10,130)	-6.3%
Wireless 911	47,543	48,387	844	1.8%
School Resource Officer	52,337	53,394	1,057	2.0%
Volunteer Fire Departments	295,726	303,892	8,166	2.8%
Volunteer Rescue Squads	947,612	948,343	731	0.1%
State Forestry Service	21,730	21,729	(1)	0.0%
Sheriff - Detention	2,788,639	2,822,961	34,322	1.2%
Probation	91,669	103,311	11,642	12.7%
Inspections	85,083	114,271	29,188	34.3%
Animal Control	98,916	105,228	6,312	6.4%
Medical Examiner	420	400	(20)	-4.8%
Emergency Services	127,876	140,756	12,880	10.1%
	<u>\$ 6,369,725</u>	<u>\$ 6,487,912</u>	<u>\$ 118,187</u>	<u>1.9%</u>

FY 2014 Initial General Fund Budget

PUBLIC WORKS	FY 2013	FY 2014	Variance	Percent Change
Streetlights	\$ 48,000	\$ 48,000	\$ -	0.0%
Assign-A-Highway	5,189	5,189	-	0.0%
Refuse Collection	761,714	758,556	(3,158)	-0.4%
Refuse Disposal	1,116,000	1,116,000	-	0.0%
Buildings & Grounds	498,732	508,197	9,465	1.9%
	<u>\$ 2,429,635</u>	<u>\$ 2,435,942</u>	<u>\$ 6,307</u>	<u>0.3%</u>

FY 2014 Initial General Fund Budget

HEALTH AND WELFARE	FY 2013	FY 2014	Variance	Percent Change
Health Department	\$ 294,880	\$ 294,880	\$ -	0.0%
WTCSB	66,876	66,876	-	0.0%
Senior Services	12,319	12,319	-	0.0%
Comprehensive Services Act	288,146	361,385	73,239	25.4%
STOP Organization	1,494	1,494	-	0.0%
	<u>\$ 663,715</u>	<u>\$ 736,954</u>	<u>\$ 73,239</u>	<u>11.0%</u>

FY 2014 Initial General Fund Budget

PARKS, RECREATION, CULTURE	FY 2013	FY 2014	Variance	Percent Change
Community Concert Association	\$ 5,141	\$ 5,100	\$ (41)	-0.8%
Rawls Museum Arts	13,730	14,000	270	2.0%
Historical Society	23,500	23,500	-	0.0%
W.C. Rawls Library	227,197	229,772	2,575	1.1%
	<u>\$ 269,568</u>	<u>\$ 272,372</u>	<u>\$ 2,804</u>	<u>1.0%</u>

FY 2014 Initial General Fund Budget

COMMUNITY DEVELOPMENT	FY 2013	FY 2014	Variance	Percent Change
Planning	\$ 224,758	\$ 200,023	\$ (24,735)	-11.0%
Economic Development	100,000	125,000	25,000	25.0%
Soil & Water Conservation	9,768	9,768	-	0.0%
Cooperative Extension	45,661	44,783	(878)	-1.9%
	<u>\$ 380,187</u>	<u>\$ 379,574</u>	<u>(613)</u>	<u>-0.2%</u>

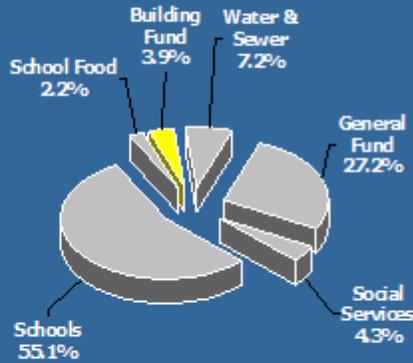
FY 2014 Initial General Fund Budget

NON-DEPARTMENTAL	FY 2013	FY 2014	Variance	Percent Change
Revenue Sharing w/ Franklin	\$ 19,158	\$ 15,974	\$ (3,184)	-16.6%

Initial Draft FY 2014 Budget

Expenditures

General Fund	\$14,276,141
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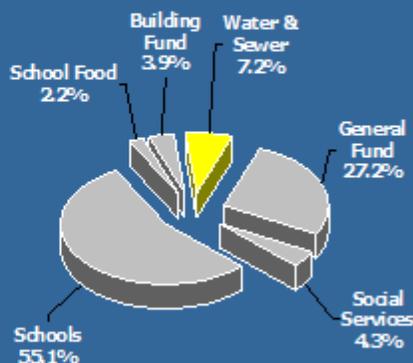
Building Fund Uses of Funds

• Debt Payments	
– Radio System	\$ 321,747
– Turner Tract	841,849
• Fire & Rescue Capital Projects	476,500
• Sheriff's Office Vehicles	120,122
• Earmarked for School Buses	70,000
• Earmarked for Courthouse Security	65,000
• Earmarked for Jail Farm Cafeteria	75,000
• Solid Waste Sites	44,000
• Public Works Pick-Up	22,000
	<u>\$2,036,218</u>

Initial Draft FY 2014 Budget

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Enterprise

System Revenues

	FY 2013	FY 2014	Increase (Decrease)	% Change
Water service fees	\$ 316,388	\$ 318,000	\$ 1,612	0.51
Sewer service fees	773,785	773,000	(785)	(0.10)
Penalties/Interest	41,000	42,000	1,000	2.44
Reconnection fees	7,500	3,600	(3,900)	(52.00)
Debt Service payments from Narricot	10,215	10,215	-	0.00
Transfer-in from General Fund (Debt)	2,158,139	2,188,064	29,925	1.39
Transfer-in from General Fund (Operations)	423,967	454,626	30,659	7.23
	<u>\$ 3,730,994</u>	<u>\$ 3,789,505</u>	<u>\$ 58,511</u>	<u>1.57</u>

System Expenses

	FY 2013	FY 2014	Increase (Decrease)	% Change
Sewer system operations	\$ 982,008	\$ 992,900	\$ 10,892	1.12
Water system operations	590,847	608,030	17,183	2.91
Sewer system debt service	2,017,175	2,047,542	30,367	1.51
Water system debt service	140,964	140,973	9	0.01
	<u>\$ 3,730,994</u>	<u>\$ 3,789,505</u>	<u>\$ 58,511</u>	<u>1.57</u>

Proposed Tax Levies

	FY 2013	PROPOSED FY 2014
REAL ESTATE		
General	\$0.75/\$100	\$0.77/\$100
Public Service Corporations	\$0.75/\$100	\$0.77/\$100
PERSONAL PROPERTY		
General	\$5.00/\$100	\$5.00/\$100
Machinery & Tools	\$2.40/\$100	\$2.40/\$100
Mobile Homes	\$0.75/\$100	\$0.77/\$100
Public Service Corporations	\$5.00/\$100	\$5.00/\$100
Merchants Capital	\$0.50/\$100	\$0.50/\$100
Farm Machinery	\$1.95/\$100	\$1.95/\$100
Farm Machinery/Single Product	\$1.25/\$100	\$1.25/\$100
Construction Machinery	\$2.40/\$100	\$2.40/\$100
Motor Carriers	\$2.40/\$100	\$2.40/\$100

Impacts

- Tax increase equates to approximately \$34.36 per year on the average homeowner (\$171,819)
- Tax increase equates to approximately \$37.50 per year on a 300 acre farm enrolled in Land Use
- Tax Increase equates to approximately \$44.00 per year on a 300 acre tract of timber enrolled in Land Use

Mr. Michael Johnson said he would stop before he finished up. He said he only had a couple more slides. He asked if there were any questions on adjustments that we have made to revenue or expenditures. He asked if everybody was good.

Supervisor Updike said in the revenue he didn't see any adjustment made for the loss of Valley Proteins. Will the revenue coming in be equal to the other company coming in.

Mr. Michael Johnson said from AMAC. He stated at this point we are not entirely confident that we are going to lose that revenue.

Supervisor Updike said I hope and pray that we don't.

Mr. Michael Johnson said it could happen.

Supervisor Updike said it could happen and we don't want to end up over estimating our revenue and then wind up having to borrow more money putting ourselves in the hole.

Mr. Michael Johnson said right.

Supervisor West said it is a point well taken and we will consider that as things develop so you will know what goes on, but we are hoping that we won't lose the revenue.

Supervisor Porter said we have better than a 50/50 feeling that we won't lose it. Is that a fair statement?

Supervisor West said yes.

Mr. Michael Johnson asked if there were any other questions.

Supervisor Updike said he had one more question did you want it now or later.

Mr. Michael Johnson said it doesn't matter.

Supervisor Updike said he noticed that we wanted tourism and everything else and the historical society has spent 500 to a 1000 hours maintaining the history of our county and the history of the area to bring in tourism and since 2010 their budget has been cut. Every year they have followed your request and cut 5% and now we are even cutting them again. It has gone from almost \$50,000 down to let me look at the sheet here, but it has gone way down.

Mr. Michael Johnson said we haven't cut the Rebecca Vaughan house any year. Their appropriation is the function of two numbers. The flat amount that we have given to the Rebecca Vaughan house project which has been \$20,000 annually for the past four or five years/

Mrs. Lynette Lowe said she thought it had been since fiscal year 2008.

Mr. Michael Johnson said we have reduced their operating money to pay people to cut grass and those kinds of things which is the much smaller piece.

Supervisor Updike said the whole group under that category has contributed greatly to the county's tourism and the heritage of the county. We voted a couple of times of giving tax free to other organizations and this is only \$10,000.00 and where that is over \$800, \$900, or over \$1,000 to various other groups. I'm just sort of picking them out and they have probably done a better job than all of us put together.

Mr. Michael Johnson said he had just a couple of other slides as shown:

Schedule for Debt Service

	NEGMS SISGMS ¹	NEGMS (No. in 2009)	LEADS (No. in 2009)	RMCORALE (No. in 2009)	RMCORALE (No. in 2010)	FOCS (No. in 2009)	RACIOS (No. in 2009)	TURNER (No. in 2009)	DDN SOWER (No. in 2009)	DDN WATER (No. in 2010)	PPFA (No. in 2009)	DDN SOWER (No. in 2010)	TOTAL
2010	727738	826226	405275	802694	150000	1200	322376	810110	201190	140871	-	-	4,122,759
2011	499964	976328	763125	902668	242000	1400	302546	910000	471178	140800	-	-	4,962,110
2012	307158	790891	100875	803625	217200	1200	303172	810800	201190	140800	820488	-	4,822,811
2013	110499	770346	80000	802877	210000	1200	31048	81087	201190	140800	1,79048	20,000	2,522,869
2014	51555	750800	70000	800000	200000	1200	31767	81009	201190	140800	180000	2000	2,524,001
2015	-	726418	81000	802000	400000	1200	30750	81000	201190	140800	1,80000	2000	2,524,500
2016	-	717822	81000	802000	400000	1200	-	81000	201190	140800	2,070000	2000	2,710,802
2017	-	588115	80000	800000	400000	1200	-	81000	201190	140800	2,000000	2000	2,488,711
2018	-	588522	87275	802000	472200	1200	-	81000	201190	140800	2,070000	2000	2,577,804
2019	-	682428	85000	802000	400000	1200	-	81000	-	140800	2,370000	2000	2,612,201
2020	-	640891	82000	800000	400000	1200	-	81000	-	140800	2,370000	2000	2,604,201
2021	-	620493	80000	802000	400000	1200	-	81000	-	140800	2,370000	2000	2,524,000
2022	-	-	70275	800000	412200	1200	-	81000	-	140800	2,370000	2000	4,733,273
2023	-	-	70000	800000	400000	1200	-	81000	-	140800	2,370000	2000	4,733,273
2024	-	-	80000	800000	400000	1200	-	81000	-	140800	2,370000	2000	4,634,073
2025	-	-	80000	800000	400000	1200	-	81000	-	140800	2,370000	2000	4,634,073
2026	-	-	80000	800000	400000	1200	-	81000	-	140800	2,370000	2000	4,634,073
2027	-	-	80000	800000	400000	1200	-	81000	-	140800	2,370000	2000	4,634,073
2028	-	-	80000	800000	400000	1200	-	81000	-	140800	2,370000	2000	4,634,073
2029	-	-	80000	800000	400000	1200	-	81000	-	140800	2,370000	2000	4,634,073
2030	-	-	-	800000	400000	1200	-	-	-	-	2,370000	2000	2,784,073
2031	-	-	-	-	-	-	-	-	-	-	2,370000	2000	2,604,073
2032	-	-	-	-	-	-	-	-	-	-	2,370000	2000	2,604,073
2033	-	-	-	-	-	-	-	-	-	-	2,370000	2000	2,604,073
2034	-	-	-	-	-	-	-	-	-	-	2,370000	2000	2,604,073
2035	-	-	-	-	-	-	-	-	-	-	2,370000	2000	2,604,073
2036	-	-	-	-	-	-	-	-	-	-	2,370000	2000	2,604,073
2037	-	-	-	-	-	-	-	-	-	-	2,370000	2000	2,604,073
2038	-	-	-	-	-	-	-	-	-	-	2,370000	2000	2,604,073
2039	-	-	-	-	-	-	-	-	-	-	2,370000	2000	2,604,073
2040	-	-	-	-	-	-	-	-	-	-	2,370000	2000	2,604,073
2041	-	-	-	-	-	-	-	-	-	-	2,370000	2000	2,604,073

¹ Includes Public Safety, Industrial Park, 2002, 2003, 2004, 2005, 2006, 2007, 2008, 2009, 2010, 2011, 2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020, 2021, 2022, 2023, 2024, 2025, 2026, 2027, 2028, 2029, 2030, 2031, 2032, 2033, 2034, 2035, 2036, 2037, 2038, 2039, 2040, 2041

Summary of Outstanding Debt

Project	Lender	Balance on 8/30/2013	Maturity
Southampton Middle School	VPBA	\$ -	12/15/2014
Southampton Middle School	VPBA	15,000	12/15/2013
Southampton Middle School	VPBA	15,000	7/15/2015
Meherin/Natoway Elementary	VPBA	4,587,188	7/15/2020
Hunterdale/Capron Elementary	VPBA	688,004	1/15/2023
Riverdale Elementary	Regions Bank	8,584,858	4/1/2028
Riverdale Elementary	State Literary Fund	6,375,000	6/15/2030
Total Education		20,245,088	
Boykins Branch II-Newsoms Sewer Improvements	VRA	1,005,892	1/1/2018
Boykins Branch II-Newsoms Water Improvements	BBBT Bank	1,577,440	6/30/2028
Courthand-Frank III Sewer Improvements	VRA	3,191,000	10/1/2038
Boykins Branch II-Newsoms Sewer Improvements	VRA	1,017,828	9/1/2032
Total Water & Sewer		35,510,858	
Public Safety Communications Equipment	RBC Centura	812,000	1/15/2015
Turner Tract Industrial Park	Regions Bank	8,997,142	4/1/2028
Total Other		9,809,142	
Total Long-Term Debt		\$ 66,365,088	

Mr. Michael Johnson stated that he had a call this afternoon from Dr. Alvera Parrish and he was glad that she was here tonight so she can elaborate as much as she likes. The question that she proposed to him this afternoon was have you got the extra \$196,745 in state revenue for the schools included in the budget. The answer to that is the draft budget that you have in front of you does not include that. So, if the school board is able to identify funds within their budget to use for that local match you may be able to increase the school budget by the additional \$196,745 in state revenue. It will have absolutely no impact in your local number, but it will allow them if they are able to identify and use local funds to leverage against that it will enable them to access almost another \$200,000.

Supervisor West said he had two questions. He said what is the amount that would have to be identified by the school to receive these magic funds? And the second question is: What is the amount that it is going to be? Is it going to be \$68 or something like that?

Mr. Michael Johnson said he would have to look that up, but that was in the ballpark.

Dr. Alvera Parrish said it has gone down to about \$44,000.

Supervisor West said \$44,000?

Mrs. Joy Carr said it went down to about \$44,000.

Supervisor West said and the second part is have you been able to identify this needed funds in order for us to reach and grab the \$196,000 and put back in your fund?

Dr. Alvera Parrish asked Chairman Jones if she could speak.

Chairman Jones said yes go right ahead.

Dr. Alvera Parrish said presently what we need to do is go back to my Board and have the opportunity to have that discussion because I have not had that chance to have them to have input in this process. We are going to be meeting very soon. And I talked to Mr. Michael Johnson about that and we will get input as to how the Board wants to move forward.

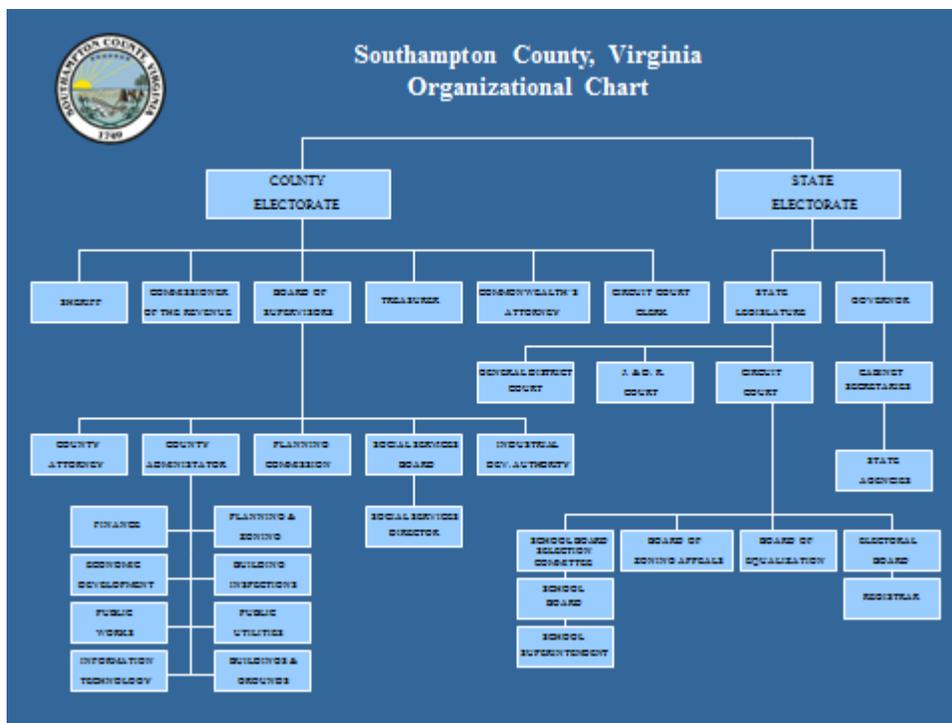
Supervisor West said well we use the expression win-win, but it is for both. It also puts us through this trying year to next year which is an entirely different question.

Dr. Alvera Parrish said right.

Supervisor West if you can find this money and let us know so we can appropriate this money it will be fantastic. I'm sure that is the consensus of the Board.

Chairman Jones said I think everybody will agree with you after what we heard Wednesday night.

Supervisor Updike said he had asked these questions before. He said we are appropriating this, this year, what is happening next year? Are we going to have an increase of \$350,000 and the state is not going to put a penny in it. So, we are jumping into the fire without any recourse. That \$70,000 next year on the school buses is going to double. I see it exploding on us on the School Board budget.



Chairman Jones asked the Board members if they had any comments.

Supervisor Faison said he is concerned about the schools. This budget that we are proposing, does not increase anything for the schools. Now if we present this proposed budget as Mr. Michael Johnson said the tax increase proposed cannot be raised; it would stay just where it is. He said he

would want to leave that \$0.02 tax raise in the budget. Then after the public hearing it could be decreased, well that would be fine, but the proposed budget that we present tonight we couldn't raise it. Now I am very concerned about the schools and I think we should do something for them. The only way that I see we could do something for them is to leave that \$0.02 tax increase.

Chairman Jones called on Supervisor West.

Supervisor West said he was going to vote for the budget at \$0.75. I am looking ahead; I don't have the money in hand. I do feel that we work together with the schools, but we are not in a position tonight to give additional money. We just are not. Most of the areas surrounding us are struggling with school budgets as you are well aware of. We had our turn at this last year. We are not going to go there again this year. I'm going to vote for the \$0.75 as proposed.

Chairman Jones called on Supervisor Edwards.

Supervisor Edwards said he agreed with Supervisor West. We have kicked the can down the road many years. It is about time we stop doing that. Next year may be a little better, but everybody has got to realize that we have got a new jail coming up and the Capron School coming up. We have got aging infrastructure in this county, aging water works, and a dog pound. We have a lot of things coming down the road that we have to be prepared for and I don't like short changing anybody. The schools are doing an excellent job. But, that is the way the world is right now, we are all just going to have to cut back and work harder. So I am going to support the budget as it is now.

Chairman Jones called on Supervisor Phillips.

Supervisor Phillips said he is in favor of this draft budget as it is presented. I believe it is a product of long hours of work put together by both the 452 Committee and Mr. Michael Johnson and Mrs. Lynette Lowe. With their able assistance I think we are cutting county spending. We have adjusted revenue projections with better information. I think that we will be leaving the real estate tax at \$0.75 per \$100 of value this year. I hope that the schools can find funding for much needed teaching positions in the projected savings from the Anthem insurance reductions and fees. I believe that they might also find some funding through attrition and retirement that would help them fund these teaching positions. I believe that the school buses will further indicate the Board's commitment to the school system and to the safety of our students. I would further interest the Superintendent and the School Board to enter into any efficiency studies available to better identify any savings that are unrecognized. We are anticipating improving revenues in 2014. They are not here yet, but available data indicated that we can see a strong possibility for next year. I think that businesses that may be considering locating in Southampton County will recognize that there is something new about the county. That Southampton County's attitude about business in these difficult fiscal times has changed. I think that they will come to us. Thank you.

Chairman Jones called on Supervisor Updike.

Supervisor Updike said I also will go along with you, but in the mean time I would like to make some suggestions. I noticed that you made some cuts in part time and full time cuts in the budget on workers. I would like for this Board to adopt something where they can take off leave for the overtime and part time work. I am sure as I am sitting here that every department has down time. Now during their work periods where they can take off leave they can take off compensatory leave for any part time and overtime work that they have done during the busiest time. Businesses out here in the world do this and I think this is the way it should be done. And the department heads should monitor this and see that it is carried out. That would save when we are going through the budget so there are not a lot of overtime and part time funds appropriated. If we adopt a resolution for compensatory leave and ask the department heads to see that it is carried out we can do away with a lot of this overtime and part time work. So, that would be his first step in consideration of departments getting under control and cutting departments.

Chairman Jones said Supervisor Updike I can't agree with you on this.

Supervisor Updike said can I say something else.

Chairman Jones said I want to answer these questions first then I'll let you talk. We are already short. We already have less employees in our departments than any other county in the state. We can make them take compensatory leave. We don't have any other help. I just can't agree with you. Our employees are working just as hard as they can. Any office you go in there is one person sitting there. You go in any other county three or four people are sitting in that office.

Supervisor Updike said I can't help what other counties do. We have got to be efficient. We have got to do it different. I don't know of any business in this country that doesn't have down time and they have to take compensatory time.

Chairman Jones said I just can't agree with you.

Supervisor West said just let him talk.

Supervisor Updike said just let him talk. Okay, what you need is to look at things like that that you don't want to cut.

Chairman Jones called on Supervisor Porter.

Supervisor Porter said looking at the budget detail he supports it as presented. Again, I would like to give more money to the schools, but when I look out five years from now I want to see a sound financial county. That means that we have to get businesses and we have to continue functioning in an atmosphere where businesses want to come here. Right now I think that we going to be in a very, very positive position because we are more stable than our neighbors this year. We are going to be a good place for companies to come. We are going to have a competitive tax rate and we are on a stable tax regime; and that is very important because in your decision business is the bottom line in uncertainty. If they can't be certain with their taxes they aren't going to come; they are going to go somewhere else even if they feel like they have to pay a little bit more where they are certain of the taxes. I think holding the tax rate at \$0.75 is critical in our strategy of attracting businesses. I am very optimistic about our future. I am very, very happy with the direction that we are taking. We had four businesses come in over the last year. We have at least that many more interested that we are talking to so I think we are on the right path. We just have to demonstrate that we are going to support these businesses and we will get more.

Supervisor West said Amen.

Supervisor Porter said that is why unlike Supervisor Updike I will support the schools if they can find the money for that raise. I will give you the support for that raise. We just don't have the extra \$50,000 that we can give you right now, but if you can find it you have got my support for the raise.

Supervisor West said Amen.

Chairman Jones said you also have mine. I'll support it.

Supervisor West said and his.

Supervisor Edwards said and his.

Chairman Jones said what say ye on the budget now.

Supervisor West made a motion that we advertise the budget as presented tonight with all the corrections and changes.

Supervisor Porter seconded the motion which carried unanimously.

Chairman Jones stated the meeting was adjourned.

Dallas O. Jones, Chairman

Michael W. Johnson, Clerk