

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 23, 2014 at 6:30 PM.

SUPERVISORS PRESENT

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

SUPERVISORS ABSENT

OTHERS PRESENT

Michael W. Johnson, County Administrator (Clerk)
Lynette C. Lowe, Deputy Administrator CFO
Amanda N. Smith, Administrative Assistant

OTHERS ABSENT

Julien W. Johnson, Jr. Public Utilities Director
Richard E. Railey, Jr., County Attorney

Chairman Jones called the meeting to order.

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

Chairman Jones states alright gentleman. You have had a chance to look over the budget. Is there anything we could change, or anything you want to discuss or talk about tonight?

Supervisor West states I would like to make a comment if I may.

Chairman Jones states you may do that.

Supervisor West states I have had an opportunity to look at it as everyone has on the board I am sure. There are probably a number of occasions you could change \$500 or small amounts of money. But that is a long ways from \$150,000 needed to change the budget one cent. I am not going to place the burden of the two cents on the Fire and Rescue, and specifically Rescue. I would say to you we have request that exceeds obviously our income. And those request, we try to be as fair with that as we can. Right now, even funding this budget as requested and presented, you are not going to give the raises to the sheriff department and the other areas that have been requested in those budgets. They are not getting them. Now, the step changes have been absorbed is that correct Mr. Johnson.

Mr. Michael Johnson states that is correct.

Supervisor West states but the raise request from one amount to another is not being funded at all. So don't get the idea that if someone is requesting from a department \$4,000 or \$6,000 or \$8,000 that they are getting that amount of money. They are not. But if you are in step 27 and you move to a step 31 and you should have been because of age and requirements, you are getting that. That is being funded. I cannot see where we can make this change to get rid of a penny or two pennies. As we stand now, I see a need for rescue to be budgeted for the weekends. I think Mr. Garner presented a situation that I saw as necessary. As it stands tonight, I feel comfortable. I don't like paying taxes and I don't want to pay any more taxes, but two cents is what I am going to at this point feel comfortable with.

Chairman Jones states alright, Mr. Faison.

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Supervisor Faison states I feel comfortable with the budget as it is presented. I listened to all of the departments last week and I was very encouraged because people are cooperating. They are doing what they can to hold the budget down. We have needs and services for this county that we have to meet. I think this budget does it by being thrifty and not being extravagant. I can't recommend a change that I think would be beneficial.

Chairman Jones states alright, Dr. Edwards.

Supervisor Edwards states I agree the two cents was necessary with state mandate and public safety and we cannot neglect public safety. I feel the two cents is going to a good cause.

Chairman Jones states alright, Mr. Phillips.

Supervisor Phillips states I concur with all of that. With Carl being here, I would like to hear if he has any further comments because he asked us not to implement the tax until they had time to better understand the implications of what it could do to, my guess is how they make their collections; in other words the county fund less than half of what it takes to run these Fire and Rescue Departments and then they raise the rest of the money through public donations and I am sure what his concern is, and I hope I am not putting words in your mouth, people may take the attitude that they paid that money through their taxes. Anyway, one further thing we have committed ourselves to have a discussion on the tools and machinery tax, so I would like to see us touch on those a little bit.

Chairman Jones states okay, but let's finish getting comments.

Supervisor Porter states who me.

Chairman Jones states either one of you, Barry.

Supervisor Porter states I think this is a good budget. I think it funds the basic services and requirements that we have in the county. I am not ready to vote a tax increase tonight, because I think we have time to make it a better budget if we can. I am not saying it will be a better budget, but I think we owe that to the citizens to examine it until we have to vote on it in our May meeting. I think it is not a final plea that we have to have a .77 cents tax rate to me at this point. If we have to have it, I will vote for it, but I am not willing to do that until May 19. I think this is a budget that we could publish for public comments at the public hearing. I don't think there will be any substantial changes within the next week to it, which was the time we needed to vote on that aspect of it. I am willing to support taking this to publication for public comment, but I am not going to say tonight this is my final answer. I am going to look at it; I have looked at it for the last month, and I am going to look at it for the next month, and if I can find ways to make it better then I am going to ask Mr. Johnson and see if others also can look at it and see if we can make it better. I think that is the position I am taking tonight.

Chairman Jones states alright, Mr. Updike.

Supervisor Updike states I am going out in left field and you better put this down in the record as encouraging more expenses. I would like to see in the budget a fund of at least \$5,000 for recognition of our volunteers throughout the county, which is Fire, Rescue, and any other organizations. We appreciate them for the millions of dollars they are saving the county by volunteering. They need to be recognized as a group or as a single group throughout the county. I want this money earmarked for that and that alone. So mark it down, I encourage additional spending one time. Bruce made a comment, and you made the comment that EMT's want the program to be put off for a year and you got a two increase for this year when they are not requesting those funds this year. I think we need to think about that seriously. I see you shaking your finger that is alright.

Supervisor Porter states I think you misunderstood what he is asking. He is still asking for the funds, but not to designate the tax districts.

Supervisor Updike states yes I agree but that is in next year's budget or someone else's, not this year's budget.

Supervisor Porter states no he is asking for it in this year's budget.

Supervisor West states no we are looking to fund two cent based on the code of Virginia giving this governmental body the authority to set up a taxing authority. Am I correct Mr. Johnson?

Mr. Michael Johnson states it is a special district for Fire and EMS.

Supervisor West states right, and that two cents and Mr. Garner specifically said hold on that idea if there is any way possible until I get with everybody. I would like to talk to them; at no time did he say I don't think we need the funds; but I would like to talk to all the people that are involved because he did not understand the implications of what that would mean. Am I correct sir?

Mr. Carl Garner states right. We had no idea of what it was all about. We have learned a lot over the last few days.

Supervisor West states but since that time, he has had an opportunity to understand through talking with Mr. Johnson and with Bruce and different ones; and he understands much more so. You feel much more different about that than your original comment. Is that correct?

Mr. Carl Garner states correct.

Supervisor West states and as of right now as far as Mr. Garner's concern let's go. Am I right?

Mr. Carl Garner states yes.

Chairman Jones states alright.

Supervisor Updike states let me finish. The other thing I think we need to really consider is a one-time bonus of \$1200 for every county employee and not give them raises. This will save a substantial amount of money for the county. It would give them time; I have looked through this and the departments and the people that are hollering the loudest, they are the ones that get the most input on the budget. You need to look at the reclassification real close, individuals and departments, and I don't think we have the time to do that in this year's budget. I want to see the 2% or \$1200 will cover the cost of living. It is not expenses but the cost of living. It cost the person that is making \$40,000 the same amount as these people that are making over \$100,000. I think that is a reasonable request to give everybody a bonus for this year while we are in the process of really getting down and looking at the reclassification of the various departments.

Chairman Jones states alright, any other discussion on what Mr. Updike is saying. Anybody wants to talk about that.

Supervisor West states don't want to go there on that one. I do agree with Mr. Porter right now. I am not saying we are voting on the budget because we are not.

Chairman Jones states no we are not.

Supervisor West states I think it is ready to be advertised with input from the public on May 19th. After that meeting, we will meet again as I understand it on May 20th and make the final decision at that time based upon the input from the citizens from the county. That is what you said a few minutes ago Mr. Porter.

Supervisor Porter states I don't think we should stop looking at the budget. We may be able to find ways to make it better until last minute.

Supervisor West states what you have said has been considered Mr. Updike. It is just something, no; I am not going to jump on tonight.

Supervisor Updike states if I remember I am just following your leadership a couple of years ago that this was the proposal that came from you.

Supervisor West states thank you, but times have changed.

Chairman Jones states alright now I have talked to one or two of you about meeting again. This is

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one of the reasons I am saying; do we need to come back and have another meeting next Wednesday on the budget? We are going to look at it. I am not saying we are not going to look at it, and we are not voting on it.

Supervisor West states depend on what we do tonight.

Chairman Jones states yes we are going to talk about the tool tax. I understand that, but I am asking you now do we need to come back next week and talk about this budget. We are going to advertise it and look at it and see if there is anything that we can do or anything that needs changing. If so, we can talk to Mr. Johnson.

Supervisor West states I favor letting the public instruct us next. I think you have the formulation of good ideas all down the board, but I think the public now has an opportunity to speak and that will be on May 19th but we need to move in the paper and advertise the budget as we see it right now. We consent two cents but we can't go two more cents.

Chairman Jones states no, no we can't go any higher.

Supervisor West states end of story. But we can go down.

Chairman Jones states you can go down.

Supervisor West states after the input comes from citizens then a decision could be made downward. So at this point, I am ready to move forward just based on that and the next meeting which will be Monday and that would be an opportunity for people to speak at that time as well, and then the next meeting on May 19th. I feel that would be a comfortable time for me.

Supervisor Edwards states cut out the Wednesday night.

Chairman Jones states yes, now if you think we need to come back and talk about this budget again fine, I have no objection to meeting more and more; are you going to try and change anything in the budget.

Supervisor Porter states the issue as I said, I don't think we are going to raise the tax rate to .79 cents or .80 cents and I don't think we are going to lower it before we go to publication below .77 cents. If we do authorize going to publication that tells everyone what the maximum impact could be next year.

Supervisor Edwards states exactly.

Supervisor Porter states then next month we can look at it to see if we can make it better.

Chairman Jones states yes that is right. Okay, that is all; I just wanted to understand.

Supervisor West states no meeting next Wednesday night.

Chairman Jones states no meeting next Wednesday night; unless something comes up. If you want to meet then we will do it. Alright Mr. Phillips we can go with the tools.

Supervisor Phillips states I said something to Michael. We had a discussion; we had one of our citizens come forth at our regular board meetings asking for some consideration or reconsideration on the tools and machinery tax. I thought we are at the point where, if we are going to include any change, now is the time we discuss it. Michael do you have anything that you could give us.

Mr. Michael Johnson states the current initial draft budget you have in front of you contemplates no change in the tax. Now, I asked Lynette to get in touch with Amy and pose the question of what would the financial impact be if we lowered the tax on timber harvesting equipment from the current rate of \$2.40 per 100 to the same rate as farm machinery which is \$1.95 per 100. Amy's response was the lost in revenue would approximately be \$8,000 to \$10,000, but she said from a practical standpoint you would really need to look at lowering the rate on the contracting equipment as well, and that total impact of timber harvesting equipment and contracting equipment would be a reduction in revenue of \$15,000. So, if that is something that you are

interested in pursuing we can certainly pursue that, but we need to either go in and adjust one of the other revenue lines up or go in and reduce an expenditure line somewhere in the budget down obviously so that the budget remains in balance.

Supervisor West states what repercussion for a larger entity like Enviva or Curtis Contracting. What does it speak down the road to those businesses? Are they; to me that is machinery, the equipment that they use.

Mr. Michael Johnson states there are specific classes of machinery and tools and personal property that the Code of Virginia allows you to create a separate class and tax at a different rate if you choose to do that. So you can lower the rate on machinery tools for timber harvesting equipment and the rate on machinery and tools that Enviva and AMAC pay would remain unchanged. Now Amy is the one that would have to answer the question on whether lowering the rate on the contracting equipment would affect AMAC or not. But, if it does still the total impact is about \$7,000. The difference in about \$8,000 in what she said would be a total of \$15,000.

Supervisor West states have you done any comparison with Isle of Wight or neighboring counties or cities?

Mr. Michael Johnson states not recently but I can do that in a matter of minutes. It is a publication put together by Weldon Cooper Center for public service that compares tax rates across the board by every locality in Virginia. It wouldn't take long to put that together.

Supervisor West states I recall a few years ago and I have a camper, a fairly new camper that a particular person made a real plea for the reduction of the \$4.40 or \$4.50 I believe is what it was at that time, on campers. I am not taking anything away from Mr. Rose here because \$7,000 or \$8,000 doesn't scare me or \$15,000. But, once you do, then why not come back for the camping community, and then why not come for, and I am just using this, the 4-wheeler community or the John Deere community; you could keep on singling out things.

Supervisor Porter states I can respond to that real quickly.

Supervisor West states okay.

Supervisor Porter states one is recreational and one is industry. In the industry there are spinoffs and benefits. We can encourage more people to bring their construction equipment, or bring more timber harvesting equipment, to leave it here in the county. There are people that have their equipment across the border and implicating like Mr. Rose said; he just brought property in North Carolina and he could very easily do that as well. So, you may end up losing more than \$15,000 by not doing anything. The issue is, is it a fair tax. We don't have it broken up now because it is just listed as machinery and tools on the schedule. What is the construction machinery line?

Mr. Michael Johnson states if you look on page...

Supervisor Porter states I am looking at your proposed tax levies schedule.

Mr. Michael Johnson states I don't think that is in the draft budget. Let me go grab my budget and I will tell you exactly how it is worded.

Supervisor Phillips states there are so many things to be taken into consideration. There are several new logging companies, start-up companies that are starting here in this area because of the Envivas' and all. I know there are several companies that have moved across the line into Gates County just to get out of our \$2.40.

Supervisor Faison states so do you know what their rate is?

Supervisor Phillips states I don't think there is any.

Supervisor Faison states so then it doesn't matter what we drop the dollar to.

Supervisor Phillips states let me tell you something, it is a matter of convenience. This is just one thing that we need to consider real carefully because like you said, you may be opening the door to

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something else. But, what he is asking, and I am speaking as a farmer. What you are doing, you are putting it down to the value of what the farm tractor's pay in taxes. That piece of equipment, he uses pretty much every day depending on the weather. I just want to make sure everybody is....

Chairman Jones states I am fine with this if we can do it.

Supervisor West states I am too and your explanation was right on.

Chairman Jones states then I would say that we look at it this time and maybe we can do something about it in our next budget when we have another industry coming on.

Supervisor Phillips states either that or we can track it between now and the next budget.

Chairman Jones states right. That is what I am saying. We are looking at it.

Supervisor Phillips states right now we have all these loggers and that is a huge influence on business and we would like to keep them here in the county.

Chairman Jones states I understand. Yes I would love to keep them. I don't want anyone leaving. Now, what kind of affect will that have on this budget?

Supervisor Phillips states well that is what he just said. It would be somewhere in the neighborhood of \$15,000. The top amount would be \$15,000 correct.

Mr. Michael Johnson states what I just passed out is a copy of the tax ordinance that is part of your fiscal 2014 budget. Of course you would be adopting something similar for fiscal year 2015 in May. But what you will see here if you look down at number eight, you will see a different classification. It says a tax of \$2.40 per \$100.00 assessed evaluation on all heavy construction machinery including but not limited to land movers, bull dozers, front-end loaders, graders, packers, power shovels, cranes, power drivers, forest harvesting equipment, and ditch and other types of diggers. That language comes right out of the Code of Virginia. They are all sort of lumped together and that is why Amy said it is very difficult to just break out the timber harvesting equipment and not deal with the other pieces.

Chairman Jones states alright, well how much are we talking about lowering this thing.

Supervisor Phillips and West states \$2.40 to \$1.95.

Supervisor West states same as number three.

Supervisor Edwards states make a difference of \$15,000; .45 cents.

Supervisor West states but it sounded as if, in a since, that maybe some of them would not move out, would maybe stay if some litigation takes place. However, I am like Mr. Faison with a zero charge in North Carolina you are not going to move it back here for any rate.

Supervisor Phillips states there is also someone replacing the equipment. If you have a piece of equipment that has basically zero value, you pay zero tax on it. Well if you go buy a new piece of equipment for \$200,000 it might make a difference if you pay a \$2.40 tax rate or a \$1.95 tax rate. So, if they keep that here I would rather get the \$1.95 than we get nothing if they decide to move their equipment.

Mr. Michael Johnson states 81% of something is better than 100% of nothing.

Supervisor Phillips states I hate to be skeptical but I don't think some of our other estimates are within \$15,000 accuracy. Is that a fair statement?

Mr. Michael Johnson states yes. In fact, before we close to tonight we have one issue we need to talk about. It was an omission from the budget we need to talk about. It is not a huge item but it is a small item we need to talk about.

Supervisor Porter states I don't know where Mr. Rose's equipment is, but if he moves it out of the

county we might lose as much as \$15,000 just from one person.

Chairman Jones states yes, okay.

Supervisor Phillips states would we have to make a motion tonight to include this for it to be advertised?

Mr. Michael Johnson states yes we want the direction of how you want it advertise because when we advertise it we advertised the budget, but we also advertise all these rates. In other words, this ordinance I just passed out will be the subject of a public hearing as well as the budget itself.

Supervisor Phillip states so therefore, the public can make a comment on it when we have our public hearing.

Mr. Michael Johnson states sure. You are not making a decision tonight. You are making a decision about how you want to advertise.

Chairman Jones states no, this is just a discussion.

Supervisor Phillip states but if we want to have that discussion, we have to make that decision tonight.

Supervisor West states do you want to have this public here to weigh in tonight.

Chairman Jones states if there is anyone that wants to comment on it, I would be glad to hear it. Anyone wants to comment on it.

Mr. John Burchett, from the audience, states I love tax cuts; they are great, but this county, even though this year we are smelling like roses instead of the other stuff. We are still in deep poo poo. We still owe a lot of money and I have seen people march up here over the last three years begging for tax breaks. I say we haven't been able to do it as a county because we can't afford it. I am not against what you are talking about and it is an incentive for businesses. But, I am just sorry we can't spread the cuts to the poor people that have to pay that \$200.00 for garbage fee. If we are going to cut \$15,000 in revenue we need to cut out some of these discretionary spending that we are doing that should not be coming out of the tax payers' money. I haven't had the chance to look at the budget in detail like I did last year, but I assume there are still line items in there that has nothing to do with running the county. We need to look hard at cutting those. They need to be funded other ways. Some of those funds are going to things that, myself included, take part in things that I can afford to pay for my own way. I don't need the county to subsidize me going to hear somebody sing or tell jokes. But anyway, thank you.

Chairman Jones states yes sir, anyone else.

Mr. Joe Vick, from the audience, stated I don't feel comfortable speaking Mr. West, and I ask you all to have a public comment period and it wasn't one advertised. I don't feel like it would be right for me to get up and speak publically when no else is able to be here to do it. And frankly, by the time we get to speak on May 19th, it is less than a week really before you approve it. Let us be honest, there won't be any changes made based on public comments.

Chairman Jones states alright. Gentleman what do you want to do? Mr. West.

Supervisor West states well it would require going into and finding an additional \$15,000 plus apparently Mr. Johnson could you give me some idea what that additional issue we have to deal with is?

Mr. Michael Johnson states yes we had one position in the sheriff's office that was omitted from the budget. It is a position the Sheriff talked to you all about last year related to Selective Enforcement which is 100% locally funded. When we put the personnel schedule together we just left that position out. He is moving one of his current employees there and will actually be hiring a new person to backfill at the lower level. Lynette is passing around a sheet which basically tells you the overall net impact of that change. I want you to see here the overall net impact does add with salary and fringe benefits \$47,502.00 to the bottom line. So what we can suggest is to go in

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and increase the other local taxes lines. The 47,502 is your sheriff and then the other 15,000 was the general property taxes if you decide to go ahead with what we were talking about with timber harvesting equipment. So if you were to decide to advertise the \$1.95 rate for the timber harvesting equipment this budget as you see modified would be the one advertised. I suggest going in and increasing the other local tax revenue line by 62,502. That basically is the state sales tax; we had gone in and substantially reduced that based on what we were seeing in fiscal year 2014. It is still substantially less than what we saw last year.

Supervisor West states not money in the bank is it?

Mr. Michael Johnson states not money in the bank.

Supervisor West states based on that Mr. Johnson, I don't feel comfortable at this time to go with the \$15,000 that could be given as a reduction for this particular request. I would go as it is me personally.

Supervisor Porter states one other things is if he goes through the steps and remove his equipment, how much will that reduce our machinery and tools tax revenue. Would it be \$10,000 if you take that out? It may not be a negative at all.

Chairman Jones states somebody else. Mr. Faison what do you think?

Supervisor Faison states we were talking about reducing the tax on machinery and tools. I like the idea because I think it is an incentive that would be to our long-term benefit. To make that money up is the only question from what I see here. That \$15,000 now where is that coming from Michael? That is not already in hand, is that what you are saying.

Mr. Michael Johnson states that is right. We have budgeted that \$15,000 to come in from revenue in general property taxes. If you reduce the advertise rate from \$2.40 to \$1.95 the general property taxes will be \$15,000 less than what we originally estimated. So what we have suggested doing is to go in and increase the revenue estimate on the sales tax by \$15,000.

Supervisor West states on paper you pick it up but you don't have it in hand, and based on the current trend he said maybe but it wasn't showing it.

Mr. Michael Johnson states sales tax is down this year and we don't have a good explanation.

Supervisor Updike states people are making money; business is up.

Mr. Michael Johnson states we don't have a good explanation to tell you why that is the case but it is the case.

Supervisor Faison states but if that doesn't materialize than what?

Supervisor West states we take it out of reserve.

Mr. Michael Johnson states no we don't borrow money, we hope that the revenue line comes in \$15,000 more than you budgeted.

Supervisor Faison states but what is the final analysis if it doesn't?

Mr. Michael Johnson states you have to understand here like Mr. Porter said, if you have a 56 million dollar budget to get down within \$15,000 is.... you are not going to get that close. We are giving you the best estimates that we can, but there is a fractional margin of error when you get down to \$15,000.

Supervisor Faison states if we can justify this budget to the point it can be done, I would like to see it done.

Supervisor Edwards states I would too.

Chairman Jones states alright, Mr. Phillips.

Supervisor Porter says I would like to go on record saying...

Supervisor Phillips states yes.

Chairman Jones calls on Supervisor Porter.

Supervisor Porter states yes.

Chairman Jones calls on Supervisor Updike.

Supervisor Updike states I would definitely say not because it is just a threat that they are going to leave. If they are going to leave for .15 cents they sure are going to leave if they don't have to pay nothing. So, that is only a talking point, a threat. It is not reality. Second thing is this equipment that we are talking about is used year around. Using our roads and causing more maintenance. Bringing down to what the farmers pay, and the farmers use the tractors only a couple of months out of the year. That is not a fair comparison. I would definitely say, what is going to happen when Enviva and these other companies buy the equipment and rent it out? They are going to demand lower tax rates on their equipment. I can't see it. Bite your nose off despite your face coming up with this idea.

Supervisor Edwards states what you are looking is an industry that is an expansion. I think these people will go buy more and new equipment and will make up more than the deficit. I hear them now telling me they are buying new stuff.

Supervisor Updike states the taxes are not going to change that idea at all.

Supervisor Porter states I had a discussion last year with a young guy who was getting into the forestry industry and his comment was my taxes are so high it makes it tougher for me to be here than somewhere else. It is a growing industry and I would like to answer his question. I hope long-term we can reduce the machinery and tools tax below \$1.95. That would be great. It would provide a better economic incentive and get other industries involved. I think at a minimum cost it shows we are trying to do the best we can to get businesses here and make it more profitable. Yes, this equipment is used more often than farm equipment. I hope it is used every day. If they are using it every day here, that means we are succeeding in this industry. One thing too, when they use it every day, it wears out a lot sooner, they replace it, and they pay a tax on a higher base. Your farm equipment, your tractor you keep twenty years; every ten years the depreciation is so much that you don't pay that much tax on it anyway. I heard you say that these guys don't have much equipment if they work it every day it's ten years old. It's more like three, to four, to five years old and they are paying a lower rate on a higher appreciated base, which mean on the same piece of equipment they are paying absolutely more dollars.

Supervisor Updike states I don't know which farmer you visited recently, but this day in time farming equipment like tractors and things will be increasing it or changing it every five years or more to upgrade to get larger more efficient equipment. It is not going to stay around there twenty years. At least not the farms I have ever been on. This day in time that is completely a false rumor or conception.

Supervisor Porter states I said ten years.

Supervisor Edwards states he told me a chipper last three to five years. Now if he is buying a new one every three to five years we are going to be ahead of the game.

Supervisor Phillips states that is a quarter of a million dollars.

Supervisor Edwards states right. I think this is an incentive not to lose money on this.

Supervisor West states so what are you saying? Are you saying the 47,000 plus the 15,000 is what you propose? Is that what you two said?

Supervisor Porter states yes.

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Supervisor West states so 62,000 is what the change would be. Than based upon what would be absorbed in the budget, guessing it and estimating it, it would be no real change in the tax rate. We continue at the .77 cents is that correct?

Mr. Michael Johnson states right.

Supervisor West states but the difference would be the \$2.40 dropped to \$1.95 for logging equipment.

Supervisor Porter states for construction machinery is the official name.

Mr. Michael Johnson states it is. Category A that you see on what I just gave you.

Supervisor Porter states and you do have it here. It is called construction machinery.

Chairman Jones states if that is the change you want to make we can do that and so far you have five to six people that say yes. We will do that; make that change Mr. Johnson.

Mr. Michael Johnson states so the consensus is we will advertise the budget that is modified.

Chairman Jones states the budget you just handed out. We are talking about the public will only have a week to discuss what they see in the paper. Do you think we need to have a public hearing here?

Supervisor West states I don't. Monday's meeting is the Monday everyone is planning for that.

Chairman Jones states I understand.

Supervisor West states plan for May 19th and advertise it in the paper and bring out the big bang.

Chairman Jones states alright. We can lower it that is all we can do; can't raise it. Alright, any other comments?

Supervisor Updike states one comment and I can't say we can't do it. I wish we put all the brains together and get the money lawyers opinion. That is, it burns me up Narricot paying \$1.50 for water and they have cost us millions of dollars. They are costing us continuously every month trying to keep our water in compliance.

Supervisor West states is this something we can deal with in public?

Mr. Michael Johnson states it is listed right here on the contractual agreement so I would suggest you discuss it in closed session unless you want Narricot to read about it in the newspaper.

Supervisor West states that is the issue.

Chairman Jones states yes. We cannot discuss it.

Supervisor Updike states we need to do something. I mean it's....

Chairman Jones states we did this some time ago and we want to keep the industry here.

Supervisor Edwards states we can put it on the next closed session.

Supervisor Phillips states those are jobs.

Chairman Jones states those are jobs for people in the county. I don't want to pay for water and sewer either but I pay it and that is it. We need the industry. We don't need that to be shut down. Anything else?

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Supervisor West states more shovels.

Chairman Jones states more shovels; that is what I say I want more shovels; as many as I can get. I will have to use your truck to haul them in.

Supervisor West states that is good.

Chairman Jones states alright, anything else to come before us. Alright, meeting adjourned.

There being no further business, the meeting adjourned at 7:15 p.m.

Dallas O. Jones, Chairman

Michael W. Johnson, Clerk

April 23, 2014

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