

**At a Finance Committee Meeting of the Sussex County Board of Supervisors
on Tuesday, March 15, 2011, 4:00 p.m., held in the
Law Library, Sussex Judicial Center**

COMMITTEE MEMBERS PRESENT

T. Wayne Birdsong

C. Eric Fly

Harris L. Parker

COMMITTEE MEMBER ABSENT

Rufus E. Tyler, Sr.

STAFF PRESENT

George E. Morrison, III, Interim County Administrator

Henry A. Thompson, Sr., County Attorney

Jerry L. Whitaker, Director of Finance

Deborah A. Davis, Assistant to County Administrator

OTHERS PRESENT

Onnie L. Woodruff, Treasurer

Item 1. Call to Order

The March 15, 2011 meeting of the Sussex County Board of Supervisors' Finance Committee was called to order by Supervisor Fly.

Item 2. Approval of Agenda

ON MOTION OF SUPERVISOR PARKER, seconded by SUPERVISOR FLY and carried: RESOLVED that the agenda of the March 15, 2011 Finance Committee meeting is hereby approved inclusive of the following: (A) Industrial Park (Mega Site); (B) Fund Balance (C) 2011 Shortfall; and (D) Capital Projects (School Construction and Addition to Courthouse for Commonwealth's Attorney Office).

Voting aye: Supervisors Fly, Parker

Voting nay: none

Absent: Supervisor Tyler

Item 3. Industrial Park – Mega Site

Supervisor Fly spoke about the March 25, 2011 deadline for the Mega Site. Supervisor Fly stated that his concern is that Sussex County cannot afford the \$4.88 million purchase of the mega site property. He further stated that because of the following items, it will be difficult for the County to proceed with the option to purchase the mega site property: (1) 460 Industrial Park Project (2) I-95 Western Industrial Park Project (3) School(s) Construction Project (4) Addition to Courts Building for Commonwealth's Attorney (5) Reduction in Landfill Tipping Fees (5) Loss of Department of Corrections Payment in Lieu of Taxes.

The 460 and I-95 Western Industrial Park projects are projected to cost \$5,000,000.00 to prepare for infrastructure, which could create at least \$380,000.00 in debt service per year for 20 years.

The School(s) Construction Project will require (1) that the Board draw \$7 million from the County's reserves; (2) finance \$4.3 million and (3) require that the School Board provide \$800,000.00 from their Capital Projects fund.

After some discussion, County Attorney Thompson advised the Committee enter into Closed Session.

Item 4. Closed Session

ON MOTION OF SUPERVISOR PARKER, seconded by SUPERVISOR FLY and carried: RESOLVED that the Sussex County Board of Supervisors hereby enter Closed Session for a discussion regarding legal matters to obtain consultation with legal counsel as to actual or probable litigation concerning a former County employee, applicable Code Section 2.2-3711(A)(7).

Voting aye: Supervisors Fly, Parker

Voting nay: none

Absent: Supervisor Tyler

Item 5. Return to Open Session

ON MOTION OF SUPERVISOR PARKER, seconded by SUPERVISOR FLY and carried: RESOLVED that the Sussex County Board of Supervisor has convened a Closed Meeting on this date, pursuant to an affirmative recorded vote and in accordance with the provisions of the Virginia Freedom of Information Act; and

WHEREAS, Section 2.1-3712 of the Code of Virginia requires a certification by Sussex County Board of Supervisors that such Closed Meeting was conducted in conformity with Virginia law.

NOW THEREFORE BE IT RESOLVED that the Sussex County Board of Supervisors hereby certifies that, to the best of each member's knowledge (i) only public business matters lawfully exempted from open meeting requirements by Virginia law were discussed in the Closed Meeting to which this certification resolution applies, and (ii) only such public business matters identified in the motion convening the Closed Meeting were heard, discussed or considered by the Sussex County Board of Supervisors.

Voting aye: Supervisors Fly, Parker

Voting nay: none

Absent: Supervisor Tyler

Item 6. Fund Balances

Onnie L. Woodruff, Treasurer, provided the following report and FYE 2011 Appropriations Recommendations to the Finance Committee:

Type of Appro

BA or

<u>BT</u>	<u>R/E</u>	<u>FD</u>	<u>Dept</u>	<u>Acct</u>	<u>Description</u>	<u>Debit</u>	<u>Credit</u>
BA	3	100	11040	2010	MT Taxes 2010		79,000.00
BA	3	100	13030	32	Landfill Tipping Fees		700,000.00
BA	3	100	14010	1	Court Fines & Forf		500,000.00
BA	3	100	18990	10	Insurance Adj		28,000.00
	3	100	19020	3	Jail Cleanup		19,000.00
BA	3	100	21000	101	Pymt in Lieu of Tx	480,000.00	
BA	3	135	41050	100	Trf to GF		
BA	3	100	41050	135	Trf fr RCPF		
						480,000.00	1,326,000.00

Net Revenues to Appropriate **846,000.00**

BA	4	100	51100	1117	511	Sheriff OT CRS	54,600.00	
BA	4	100	51100	1117	513	Sheriff OT SPOT	7,000.00	
BA	4	100	51100	1117	514	Sheriff OT Spec OP	75,000.00	
BA	4	100	63100	1111	630	Com Atty Sal Reg	14,909.23	
BA	4	100	63100	1118	631	Com Atty Pt Time		14,909.23
BA	4	100				AS400 Replaced	55,845.00	
BA	4	100				BAI Net Prog (685)	19,155.00	
BA	4	100				Trf to RCPF		
BA	4	135				Trf to GF		
						226,509.23	14,909.23	

BA Net expenses to Appropriate **211,606.00**

Balancing Current BA Expenditures **227,713.37**

Already approp

439,319.37

Net Revenue BA's Expenditure BA's your projected increase in fund balance **406,580.63**

Item 7. Closed Session

After more discussion, County Attorney Thompson advised the Committee enter into Closed Session.

ON MOTION OF SUPERVISOR PARKER, seconded by SUPERVISOR FLY and carried: RESOLVED that the Sussex County Board of Supervisors hereby enter Closed Session for a discussion regarding land site acquisition, applicable Code Section 2.2-3711(A)(3).

Voting aye: Supervisors Fly, Parker

Voting nay: none

Absent: Supervisor Tyler

Item 8. Return to Open Session

ON MOTION OF SUPERVISOR PARKER, seconded by SUPERVISOR FLY and carried: RESOLVED that the Sussex County Board of Supervisor has convened a Closed Meeting on this date, pursuant to an affirmative recorded vote and in accordance with the provisions of the Virginia Freedom of Information Act; and

WHEREAS, Section 2.1-3712 of the Code of Virginia requires a certification by Sussex County Board of Supervisors that such Closed Meeting was conducted in conformity with Virginia law.

NOW THEREFORE BE IT RESOLVED that the Sussex County Board of Supervisors hereby certifies that, to the best of each member's knowledge (i) only public business matters lawfully exempted from open meeting requirements by Virginia law were discussed in the Closed Meeting to which this certification resolution applies, and (ii) only such public business matters identified in the motion convening the Closed Meeting were heard, discussed or considered by the Sussex County Board of Supervisors.

Voting aye: Supervisors Fly, Parker

Voting nay: none

Absent: Supervisor Tyler

The Treasurer recommended that the Board reconsiders what the Tobacco Commission will offer for industrial parks and review debt service issues. He also stated that the industrial parks will need water, sewer, etc., and the Board will have to create debt service to get this done.

George E. Morrison, III, Interim County Administrator advised that it is projected to cost \$15 million to clear property and prepare the industrial sites, with Tobacco Commission providing some financial assistance.

Supervisor Parker stated that the Board knew what they were dealing with when we talked about the March 25th deadline.

Supervisor Fly stated that the Board is committed to economic development and its industrial parks, but it needs to prioritize what can be financed and is affordable. He further stated that he wants to purchase the Mega Site property, but 2010-2011 budget caused the Board to place both industrial parks on the shelf due to lack of funding. This year's budget was balanced only because the Board placed a hold on the 460 and I-95 Industrial Parks. According to Supervisor Fly, the \$4.88 million is the beginning of capital outlay for industrial parks; then the Board is looking at another \$9 million for roads, water, sewer and clearing of the property to have it suitable for economic development. If the board of Supervisors spends \$ 4.88 million dollars to purchase the mega site and the economy does not get better, then we may not be able to proceed.

Supervisor Parker stated that Rolls Royce is developing their property and perhaps there will be a developer that may want to come to the County and develop our industrial park.

Supervisor Fly further stated that he would ask for a 15-18 month extension on the purchase option of the Mega Site and requests that the Finance Committee would recommend the same to the Board of Supervisors.

Jerry L. Whitaker, Director of Finance, reported the following: The annual debt service payment for the industrial parks would be \$570,000.00; for schools, \$380,000.00; for Commonwealth's Attorney office space, \$50,000.

Item 9. Closed Session

ON MOTION OF SUPERVISOR FLY, seconded by SUPERVISOR PARKER and carried: RESOLVED that the Sussex County Board of Supervisors hereby enter Closed Session for a discussion regarding acquisition of real property/real estate matters where an open discussion may be adverse to the negotiation process of the purchase option of the Mega Site, applicable Code Section 2.2-3711(A)(3).

Voting aye: Supervisors Fly, Parker

Voting nay: none

Absent: Supervisor Tyler

Item 10. Return to Open Session

ON MOTION OF SUPERVISOR PARKER, seconded by SUPERVISOR FLY and carried: RESOLVED that the Sussex County Board of Supervisors has convened a Closed Meeting on this date, pursuant to an affirmative recorded vote and in accordance with the provisions of the Virginia Freedom of Information Act; and

WHEREAS, Section 2.1-3712 of the Code of Virginia requires a certification by Sussex County Board of Supervisors that such Closed Meeting was conducted in conformity with Virginia law.

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Voting aye: Supervisors Fly, Parker

Voting nay: none

Absent: Supervisor Tyler

Supervisor Fly stated that the 460 bypass as currently being proposed, will cause major problems for Sussex County and in this budget cycle; the Board has already shelved the two industrial sites.

Supervisor Parker stated that the 460 and I-95 sites are not as viable as the Mega Site because of the locations and added that he doesn't believe that the Board has totally shelved the 460 and I-95 sites.

Supervisor Fly stated that the Board has put economic development projects on hold right now. But in doing so, that was the only way that we were able to balance the current budget. The 460 and I-95 sites were paid for in cash, therefore the Board incurred no debt. The questions is does the County have the funds to purchase the Mega-Site?

Supervisor Parker asked if the Tobacco Commission will come on board with funding

George E. Morrison, III, Interim County Administrator, advised that it is his understanding that the Tobacco Commission would assist with the purchase of additional land.

Item 11. Finance Committee Recommendation

Supervisors Parker and Fly agreed that the Finance Committee can recommend to the Board of Supervisors to consider SunTrust Option for the financing of the Mega Site project, if things work out.

ON MOTION OF SUPERVISOR FLY, seconded by SUPERVISOR PARKER and carried: RESOLVED that the Finance Committee recommends to the Board of Supervisors that due to financial constraints, shortfalls in the budget, downturn in the economy, they not move forward with the Mega Site purchase option.

Voting aye: Supervisors Fly, Parker

Voting nay: none

Absent: Supervisor Tyler

Item 12. Recess

ON MOTION OF SUPERVISOR PARKER, seconded by SUPERVISOR FLY and carried: RESOLVED that the Finance Committee shall hereby recess until the 6:00 p.m. March 17, 2011 meeting of the Board of Supervisors.

Voting aye: Supervisors Fly, Parker

Voting nay: none

Absent: Supervisor Tyler