

**MINUTES
KING WILLIAM COUNTY
BOARD OF SUPERVISORS
PUBLIC HEARING MEETING OF APRIL 15, 2013**

At a scheduled public hearing meeting of the Board of Supervisors of King William County, Virginia, held on the 15th day of April, 2013, scheduled to begin at 7:00 p.m. in the Board Meeting Room of the County Administration Building, with the following present:

T. J. Moskalski, Chairman
O. O. Williams, Vice-Chairman
C. T. Redd III
S. K. Greenwood
T. S. Stone

T. L. Funkhouser, County Administrator
T. Bingham, Financial Services Manager

RE: CALL TO ORDER

Chairman, T. J. Moskalski, called the meeting to order at 7:00 p.m.

RE: ROLL CALL

Roll was called with all Board members present.

Those members voting:

C. T. Redd III	Aye
S. K. Greenwood	Aye
T. S. Stone	Aye
O. O. Williams	Aye
T. J. Moskalski	Aye

RE: NEW BUSINESS

a. Public Hearing – Proposed Budget FY14 - Chairman Moskalski declared the public hearing open to receive comments on the proposed FY14 Budget. He announced the public hearing for Tax Levies for Calendar Year 2013 will follow. The following persons appeared to address the Board:

i. Agency Requests –

1. King William Volunteer Fire & Rescue Department - President Rodney Inge addressed the Board and gave an update on the status of the organization. He said in the last six to eight weeks they have had a severe drop off in their volunteers and any membership activity. He stated approval of the proposed budget of \$240,000, prepared by the County Staff, is needed desperately. He said the department has missed a lot of calls in the last six weeks; they have had mutual aid

from Caroline County, Hanover County, Mattaponi EMS and West Point. He said the fund raising attempts in the past have not generated a lot of funds for the department; the sustainability of the department is direly dwindling. He stressed more than anything the department needs volunteers and for the County to back the organization in order to keep sustainability and continue to help the citizens of King William County with EMS and fire needs.

Chairman Moskalski stated that maintaining fire and EMS services in that area of King William needs to be a priority of the Board and he is prepared to take the steps necessary to insure that the department's doors are open to be able to provide that service; and to try and rebuild the department. He said the Board will continue to work with the department to try and find a way to move forward.

2. Rappahannock Legal Services – Mr. John Rellick, Managing Attorney of the Tappahannock office of Rappahannock Legal Services, explained his office offers legal aide to low income and elderly residents of King William County, and six other counties surrounding Tappahannock. Services handled from his office are in areas such as power of attorneys, wills, estate planning, advance medical directives, landlord/tenants, child custody, domestic violence, protective orders, housing, public benefits including disability cases, and unemployment compensation cases; criminal cases are not handled. He recognized the budget situation of the county but asked for level funding of his department; or at least a less severe cut. He said beginning in January of this year he has been coming to King William courthouse, once a month, to provide information about the services his organization provides and are available to citizens. He said he has met with eleven King William citizens this year and that number is expected to increase. He said he appreciates the funding for the past 24 years and for future assistance from King William County. He stated Leroy McAllister, former Board of Supervisor member, recognized 24 years ago that the poor man has just as much of a right to meaningful access to our court services as the rich man has.

Chairman Moskalski asked for clarification that West Point residents have access to these services; Mr. Rellick answered in the affirmative.

3. Rappahannock Community College – Mr. Kym McMannus, Vice President of Finance and Administrative Services at Rappahannock Community College, thanked the Board for the 43 years of continuous support and said the college is excited that King William County is in a part of their service region. He said the college has undergone some renovations recently and invited everyone to come and check them out. He asked the Board to please consider continuing funding the organization. He stated the programs offered are well attended by King William residents for continued education. He stated the college has a 10 year capital improvement plan and said this is the first time in 43 years they have asked King William County for additional funding for this purpose. He asked for funding for capital projects in the amount of \$25,110, in addition to the \$7,623 for operating budget; he stated capital funding would continue for 10 years.

Mr. Redd thanked Mr. McMannus for the services provided by the college to King William County residents. He said the programs offered by the college are beneficial to the high school students.

Mr. Williams stated he toured the facilities last month and said the improvements have come a long way since the last time he had visited the campus.

ii. Other

1. Board of Supervisor member C. T. Redd III, of the 1st District, stated that in his 25 years of serving on the Board of Supervisors this is the first time he has been compelled to speak at a public hearing on this side of the podium. He said the tax proposal is wrong and what got us to this point is even worse. He gave some details of the budget process leading up to this point. He said the Board has always used undesignated revenue funds where they are needed in order to make the budget work and not put an increased burden on the school fund or the general fund. He said the split levy has worked for 50 years and more. He said a couple of the Board members decided to get greedy and place most of this burden of undesignated revenue on the school fund side thus causing a tax increase to the general fund side of eleven cents, with an almost equal tax decrease on the school fund side. He said which by the way this increase would mean that he personally and the rest of the tax payers in the Town of West Point get hit with eleven cent increase

and the other 80% of the County tax payers have a wash. He stated this is not the way the Board should operate King William County. He said because of these revenue issues the 1st District is faced with a proposed tax rate that increases the real estate tax by \$0.52, the personal property tax by \$3.15 and machinery and tools tax by \$1.50 for 20% of the County tax payers; while the other 80% receive a real estate tax decrease of \$0.02. He reminded everyone the 20% he is referring to is the West Point tax payers. He said the Board may think this is fair and okay, however he said he guarantees that the rest of his neighbors from the 1st District sitting and standing in the hall would totally disagree. He said to make matters worse the proposal was presented and advertised one week before the Town of West Point was planning to advertise its budget. He said the County does not have a legal obligation to advise the Town of this drastic change in the way taxes are set; he felt the need to let the Town know and he met with the Mayor and the Town Manager when this started happening. He said more notice would have been courteous since we are all King William tax payers. He said the split levy is legal and was confirmed by a ruling by the Honorable Judge Hoover back in 2009, involving a law suit against the County. He suggested that the Board at least wait until next year, if bound and determined to go with this proposal, to give Town Council time to prepare for these changes in funding and take what actions they deem necessary to protect the West Point tax payers.

2. Linda Benson, of the 2nd District, feels a \$0.02 reduction in the levies for 2014 is a good step in the right direction; in her opinion we need to live within our means. She asked for clarification on how much lower King William tax levies would be if we adhere to state law and did not allow the split levy to stand. She suggested an independent study from the Commonwealth's Attorney General Office be performed to determine if this situation was an oversight, if the King William Board of Supervisors and West Point Town Management should have known of this arrangement, and if it violates state law and what we should do. She said there are a number of stories, tales and facts; we need someone to come in and give us one set of facts, one timeline, one story and one decision. She questioned is the split levy legal or not?

3. Steven Tupponce, member of the King William County School Board, thanked the Board for the continued support of King William and West Point school systems.

4. Afton Bell, of the 1st District, praised the West Point school system and her education she received from there. She does not support raising taxes in the 1st District.

5. Jim Hudson, Mayor of the Town of West Point, appeared before the Board to voice the Town Council's opposition to the proposed budget. He commented on the large turnout for the meeting tonight and stated this is a big deal to the Town; he reminded the Board they are all King William County tax payers. He said the Town opposes the proposed budget and the foundation which it is based on. He said this budget replaced, in their opinion, that an unconscionable tax burden on King William County tax payers who reside and do business in the Town; while affording some relief to some County tax payers in the other districts. He said for many years the Town and the County have collected taxes based on the split levy, the concept has been simple and effective. He said the Town operates its schools and the County operates its schools. He said the Town and the County contributes to the general fund on a pro rata basis in ordered and shared services. He said the Town was surprised when Mr. Redd, Mr. Funkhouser and Mr. Bingham paid a visit last week, two days before the King William budget was being advertised, to advise them that the County had unilaterally decided to change this method of taxation; based on advice that the split levy was illegal. He stated this split levy has been going on for about 100 years. He said this news was even more surprising given the County's vigorous argument supporting the opposite position that the split levy is constitutional and supported by Virginia law in the 2009 case of Smurfit Stone vs. King William County. He said in 2009 this Circuit Court of King William County ruled on the motion of the County that the split levy was proper and did not violate the law. He said it appears that the County would have this issue both ways now, to keep from paying money to Smurfit Stone and now to get more money from those County tax payers that live in the Town; that is just flat not right folks. He said this lack of consistency and common fair play

sends exactly the wrong message to the tax payers individually and corporately who currently live and do business in the entire County; not just West Point.

Continuing he asked the Board to think of the message we are sending to businesses looking to relocate; businesses look for a stable, cohesive, consistent community to invest. He said King William currently looks dysfunctional and in disarray. He said last May the Town Council invited the Board to a meet and greet to talk about the relationship between our two bodies; all Board members graciously consented to come and all made the trip to West Point and it was much appreciated. He said the Town Council indicated they would like to begin regularly scheduled meetings between the two bodies to plan the future of the County and the Town; after all every one of us benefits from fiscal responsibility and economic development regardless of which end of the County it is in. In his opinion the Town and the County still need to work together to deliver maximum benefit to all the County tax payers in these challenging times. He said it was his impression then that the Board was going to invite the Council up to the County for a follow up meeting this past fall, that didn't happen, that communication needs to happen. He said as they offered a year ago, Council is still willing to work with the Board to plan our future and show a unified and responsible County to our citizens, our businesses and our economic development prospects; failing that forces the Council to employ whatever measures are available in order to protect those citizens in the Town from unfair treatment. He said the choice is left with the Board, we can go either way, be assured that the one option which is not available to the Town Council is to do nothing. He urged the Board to continue the split levy method at rates which are fair to all of the tax payers.

6. Bonnie Stokes, of the 4th District, asked for clarification of how meals tax and PPTRA funds are being allocated. Her understanding is both are to fund the schools; she believes West Point schools are receiving funds but King William schools are not.

The County Administrator stated meals tax goes to the general fund for debt service. He said the PPTRA the County receives, the Town has its own PPTRA, from the State does not go to West Point schools. He said Ms. Stokes may have

heard PPTRA has been remaining in the general fund and wasn't split according to the present general fund/school fund ratio and was subsidizing the general fund.

Chairman Moskalski further stated the general fund rate remained low while the school fund rate remained higher, typically you would see those rates a little more equitable. He said one of the first steps taken in this budget process was to correct the allocation issue with the PPTRA funds from the State and put those into the school fund where they should have been; which resulted in the initial increase on the general fund side. He said if you are hearing they went to West Point schools perhaps it could be misconstrued in that way so much as its been subsidizing the general fund that the Town pays into; but it has not been going to the West Point schools.

7. Ron Kirkland, of the 1st District, said he moved to West Point because of the schools. In his opinion the County is trying to take over West Point schools and to try and ruin the education for his children he specifically came to the Town for. He said he will support Town Council in any way he can to stop a takeover. He urged the Board to consider the long term ramifications before making a decision.

8. Chris Polcyn, of the 1st District, said he feels the public servant definition seems to be lost amongst those who supposedly represent the citizens. In his opinion it doesn't matter who he pays taxes to, the Town or the County, he feels the taxes he pays are higher than a lot of other places in the State of Virginia.

9. Joan Faulkner, King William County representative for Rappahannock Community College, asked the Board to please consider level funding the budget request from the college. She gave statistics of how the college serves King William County and the Town of West Point residents through education and employment.

10. Betty Herring, of 10260 King William Road, said she is an accountant and has offered her assistance to the King William Volunteer Fire Department and Rescue in any way that she can help the organization. She said fire and rescue services are very important to her and she is concerned for the citizens in the area covered by KWVFR.

There being no other persons appearing before the Board to speak for or against the proposed FY14 Budget, the Chairman declared the first public hearing closed.

b. Public Hearing – Tax Levies for Calendar Year 2013

The Chairman declared the public hearing open to receive comments on the proposed Tax Levies for Calendar Year 2013. The following persons appeared to address the Board:

1. Robert Hughes, of the 2nd District, feels the Board seems to be leaning towards giving West Point another full year on the split levy system. In his opinion the State Attorney General's Office should perform an audit to determine if things are being done correctly. He said if the decision is made to give the Town another year he would like to see Mr. Moskalski recalled and stated he will go through the necessary steps to request a recall.

2. Teresa Glidewell, of the 1st District, feels this has been a very aggressive and hostile move by the Board. She spoke of the timing of escrow payments and the proposed tax bills due in June; the adjustments that will need to be made for the second half of the year will be devastating to many. She feels the Board needs more time to consider these changes.

3. Blair Wilson, of the 1st District, said he has been in business in West Point for the past 21 years. He is not in favor of the proposed budget of King William County. He said his opposition is the taxation without representation and services. He urged the Board to look at what the unintended consequences will be before making a final decision on this budget.

4. Linda Smith, of the 1st District, opposes the proposed tax levies to be imposed on the residents in the Town of West Point. She stated she is an employee of Mennel Milling Company, formerly Old Dominion Grain, and said it is very discouraging to the expansion plans they are in the process of going through.

5. Barbara Berry, of the 1st District, spoke in opposition of the proposed tax levies to the Town residents and feels it is unfair.

6. Carol Armstrong, of the 1st District, asked for clarification of the plans of the Board if the businesses in West Point, such as RockTenn, have to

close their doors or relocate because they cannot afford the taxes, how do you recoup that revenue. She asked what the long range goals are for 2014. She feels given the likelihood of a large turnout for tonight's meeting using such a small room is a disservice to citizens who want to express their concerns.

Chairman Moskalski stated Board comments are reserved and will be made after hearing all public comments.

7. Diane Pillsbury, of the 1st District, feels the Board should be ashamed of themselves. In her opinion the Board is seeking to rectify their mistakes by unfairly taxing the citizens of West Point. She stressed that West Point residents are citizens of King William County.

8. Paul Kelley, Town Council Member, feels there is no disgrace in making a mistake, but feels it is a true crime when you find out a mistake has been made and you don't correct it. He urged the Board to correct the mistake that has been made because the citizens of King William deserve better.

9. Marianna Chestnutt, of the 1st District, stated she is a retired teacher from West Point High School, after 45 years. She opposes a tax increase for the residents of the Town of West Point. She pled with the Board to stop, listen and pray before a decision is made to raise taxes.

10. Zach Hodges, of the 1st District, feels any argument that split levy taxing is illegal is ridiculous; he said the argument of whether it is fair is a discussion that could be had. He also feels the proper research was not performed to propose this change.

11. Tina Gulley, Town Council Member, said in her opinion the dual citizens of the Town of West Point and King William County want to be treated fairly and justly. She said she feels the tax rate advertised by King William County for the citizens in the Town of West Point are incorrect. She asked all Board members if each of them would be in favor of a tax increase if it only affected the citizens in their individual district.

12. Will Addison, of the 1st District, said while the quality of the schools in West Point is unique the situation of the split levy tax is not and referenced the General Assembly granted a split levy system to Westmoreland in 2000. He said

he does not feel the misappropriation of funds in the County for their schools should be laid on the doorstep of West Point.

13. Dudley Olson, Chairman of the West Point School Board, urged the Board to vote against the proposed county budget and doing away with the split levy tax; instead she asked them to work with the Town of West Point on an alternative strategy. She feels the budget process has been rushed with little input from the King William citizens of the 1st District. She said it appears this is an attempt to close a gap in a budget deficit by raising taxes on residents of one district in the County; the district she feels uses County services the least. In her opinion the proposed budget plan takes control of the funding mechanism throughout the County, including West Point. She said allocation each year will be directly tied to the amount of funding the King William Board of Supervisors decide to provide for King William schools; this allocation will be insufficient to fund West Point schools at their current levels. She asked if the debt services for West Point schools will shift to the County. She urged the Board to look for a solution that allows both the County and the Town to move forward in a mutually agreeable way.

14. John Martz, of the 1st District, said he moved to the Town of West Point for the school system. He opposes raising taxes on the citizens of the 1st District. He said if the split levy tax system is broken fix the problem, don't destroy it.

15. William P. Cawley, resident of the 1st District and also a business owner in West Point, opposes a tax increase to the residents of the 1st District. In his opinion if the Board follows through with this tax it will destroy the Town of West Point. He suggested the Board table this change in the tax levy and said the system has been around for 40 plus years and he doesn't feel one more year will make a difference. He asked the Board to simply do the right thing, leave the split levy tax system as it is.

16. Tim Brown, of the 1st District, said he would like to know if the Board, in good conscience, knows what they are proposing. He said there is no certainty that citizens will have any offsetting taxes from the Town, and he does not know how the Board can vote it up at a time when this information is unknown. He said one wonders if this is a way to redistribute money to the County budget in the

face of machinery and tools tax changes coming down the pike. He suggested the Board get an opinion from the State Attorney General about the legality of the split levy system and said that would seem to be a requirement.

17. Garland Jenkins, of the 1st District, said he had the privilege not to be elected, but was appointed to serve as a Board of Supervisor for King William County, to fill a term of a Board member that resigned. He said during the time he served the decisions he made were not political; his decisions were made for what he felt was best for the County as a whole and not just one district. In his opinion the proposed budget does not represent everyone in the County. He urged the Board to reconsider the proposed budget and to work with the Town of West Point on a more equitable solution.

18. Joseph Bartos, of the 1st District and Chief of West Point Fire Department, pointed out the proposed budget does not fund the King William Volunteer Fire Department and Rescue. He feels no funding from the County will bankrupt this agency and will leave at least one third of the County unprotected; 500 calls will fall on out of County resources. He noted West Point recently had to respond to a call on Rt. 360 which is within a stone's throw of King William Fire and Rescue. He feels the Board has the power to destroy the Town of West Point over \$800,000 and wonders what the long term consequences will be.

19. John Crowder, Owner of the West Point Pharmacy, said he serves on the Chamber of Commerce and the Ruritan Club. He is stunned and speechless about the proposed King William County budget plan. He said he is aware King William's situation did not occur overnight. He feels the Board has presented the issue of the split levy as a done deal. In his opinion economic development is being neglected as a source of revenue and the businesses left are going to be squeezed until they close. He encouraged the Board to revisit the plan and take the approach of basic fairness.

20. Jack Lawson, Town Council Member, said he is concerned and disappointed with the lack of communication that has been shown to the citizens of West Point and Town Council. In his opinion the Board should have made cuts last year to prepare for the cost of the new radio system and now the County is behind the

eight ball and playing catch up. He said he fears the lack of funding for a fire department will cause undue stress on other departments and negatively impact the quality of service and response time. He urged the Board to go back to the drawing board and come up with another way of balancing the budget; placing the burden on one district is not the answer. He said anything less from the Board is just another example of reckless government.

21. Mark Davis, of the 1st District, said he is totally against the lack of communication the citizens of West Point have received from the County. He spoke about the many years of the obvious divide between the Town and the County and joked that he tried to fix the divide by marrying a women from King William, but that didn't fix it. He urged the Board to go back to the drawing board with the proposed budget plan.

22. Dr. Marlene Capps, of the 1st District and business owner in the Town, said she moved to the area ten years ago for the school system. She said she did not realize that without the Town government knowing anything these changes could come about so quickly. She said she is aware many governmental bodies are struggling with budget issues; it is a sign of the times as we are in a recession. She spoke of socialism and said it only works for a while until the money runs out. She stated West Point has a higher per family capita income but not if you breakout the African American families that she takes care of in a lot of cases. She said the seniors that she cares for everyday are the least able to pay the additional fees and are going to suffer disproportionately. In closing she told the Board to vote their conscience.

23. Paul Diggs, of the 1st District, said his father served on the King William Board of Supervisors and served as Chairman for several years. He said he empathizes and appreciates the commitment Board members have made to do a civic duty, but he cannot appreciate or comprehend how we have gotten to this place at this time. He said Town residents have always paid more in taxes than the County and said the County doesn't pay the Town anything. He feels by doing away with the split levy the Town residents will still pay more in taxes than County residents and the Town will lose majority control of how their taxes would be allocated. He quoted from Virginia State Code §58.1-3910 – Taxation “In any county the County Treasurer and

the Treasurer of any Town located partially or totally within such county may enter into a reciprocal agreement with the approval of the respective governing bodies that provides for the Town Treasurer to collect real and personal property taxes". He said the split levy has been a mutual agreement between the County and the Town for decades and he urged the Board not to unilaterally void this agreement.

24. Dr. Katherine DeVries, of the 1st District and part business owner in the Town, asked the Board to please consider that a school system is crucial in attracting young professionals to move to an area when making their decision.

There being no other persons appearing before the Board to speak for or against the proposed Tax Levies for Calendar Year 2013, the Chairman declared the public hearing closed.

RE: BOARD OF SUPERVISORS COMMENTS

Mr. Williams said he has heard a lot of good comments tonight. He reminded the citizens in the 1st District that last year when there was a benefit for the Town to shift the radio dispatch services to the County, citizens from the Town did not show support. He asked when the discussions of upgrading the radio system for the County were being heard and adding a \$1,000,000 tower to make sure the Town has good performance, where were the Town citizens then. He feels citizens should speak out when the issue is for you and when the issue is against you. He stated he represents the 5th District and he tries hard to look out for his constituents but he does not want to see an undue burden put on anyone in the County. He would like citizens to understand that there are more times they should be speaking out instead of just tonight. He said when the decision to shift the dispatch services was published in the paper it was a surprise to him, communication goes both ways. These decisions need to be looked at to consider all people.

Chairman Moskalski reminded the audience order needs to be maintained in the room, and stressed this is the opportunity for the Board members to speak; the public has had their opportunity to address the Board.

Mr. Greenwood said he agrees with Mr. Williams that it is unfortunate that we only see this large of a turnout when the issue only affects West Point; he said this issue does not just affect West Point. He said an error was discovered that has been

an error for over forty years and cannot be overlooked. This information was not kept from citizens; given the timing of the discovery and the research that had to be performed. He spoke about the split levy system in Westmoreland that was approved by a bill in 1993, and said King William has never gone through that process. He mentioned the Town Council has not reconfigured their tax figures. He said the County needs to correct this error to be in compliance with state code and to avoid law suits; he for one is not going to be liable for a law suit. He said hopefully something can be worked out to be more beneficial to the citizens. He referenced a comment made earlier about Board members not paying attention to speakers; he stated he makes notes during the comments period and cannot make constant eye contact with speakers at all times.

Ms. Stone thanked Supervisor Moskalski for running a tight meeting. She thinks it is only fair to mention, on behalf of Trent Funkhouser and because he a resident of the Town of West Point, it may appear he is flip flopping but she feels it is just how this issue has transpired. She said this was not a conspiracy theory, it is not that exciting, and the issue was stumbled upon. She said she started a lot of this so she is probably public enemy number one in the 1st District. She said she asked questions of how the revenues are allocated between the general fund that the Town receives the benefit of and the school fund which are the revenues that go to King William schools. During research it was discovered PPTRA was not being allocated to the school fund and other taxes, such as the meals tax and the sales tax, that are collected within the 1st District stays within the Town and is available for the Town to allocate to schools, or do what they want with it. The meals taxes that are collected in the rest of the County, such as the 4th district that she represents, does not stay, does not necessarily go to our schools, they go into the general fund and the general fund is the fund that the Town pays into. An example of what seems to her not to be equitable is that revenues are going into the general fund and lowering the rate, and has lowered the rate that Town residents have paid for a number of years. She said she asked the County Attorney if he could find in the State code, over the next few months, where the split tax is legal. She wanted to understand how it is supposed to work, and if the County is making it work correctly. She said the County Attorney

researched and reached the conclusion the split levy is not legal. She explained the Judge Hoover ruling was to another question, it made reference to a split tax levy, but you have to ask a specific question to get a specific answer, the question was not is the split tax levy legal, this was a topic that came up in the discussion. She said she has lived in the 4th district all her life, and her friends and family live in other districts of the County, and asked if they have been unduly over taxed for 40 or 100 years is that fair? That doesn't seem to be equitable to her and she has a burden to answer to them.

Ms. Stone said she took an oath of office to uphold the Code of Virginia, she is also a certified public accountant and took an oath to never do anything that she knowingly knows is not legal, whether it's a federal regulation or a state regulation; she said she does not support a split tax levy. She said some of her colleagues have indicated to her that it could be malfeasance that she voted for the split levy once last year when she did not know that it was not legal. She understands that potentially there was an Attorney General ruling in the 1960's that potentially was specifically directed to King William that said the levy was not legal.

Continuing Ms. Stone said she has asked her fellow Board members to consider lowering the machinery and tools tax rate because one thing that she does agree with is an undue burden upon commercial and corporate citizens and we need to work to ensure economic development and the growth of our County. She feels one thing we are forgetting, or conveniently leaving out, is that once this tax is assessed it results in an additional \$3,800,000 being collected by the County, \$3,000,000 of that is being returned to the Town, she hopes Town Council would not maintain the same tax rates they have today. She said it is not equitable to take the existing Town rates, add the new County rates and make comparisons from that. To the extent that this is a unique decision for a split tax rate and was so creative or a wonderful idea, she said it is not if it resulted in the other four districts overpaying taxes; she does not think those districts would call it a unique idea.

In closing, Ms. Stone spoke of the lack of communication between the Town and the County. She said the Board found out in the newspaper, when the Town Manager informed the Tidewater Review, that the County would start assuming

emergency communication services for the Town; communication does go both ways. She said she knows the Town does not want to lie down and take it but the people of the 4th district do not want to continue to lie down and take it. She said she has lived in King William all of her life, she is a graduate of King William High School and feels there has been a divide between the Town and County for years; she feels work needs to be done in that area. She clarified that the code, referred to by Mr. Diggs earlier, is not the specific code that references the split tax rate; the referenced code allows the Treasurer to act as a collection agent and remit those funds to the Town. She feels things can clearly become very complicated and it is not easy to put into one newspaper article. Again she said this is not a conspiracy, this was truly stumbled upon and now that we know that this split levy is not legal, or not compliant with State Code, she said she will not vote for it. She stated if the Attorney General comes back with a decision that the split levy is legal she would vote for a split tax rate, but it does not have her support at this time.

Mr. Redd clarified the details of the timing of notification to the Town and said the County finished their final budget meeting on a Monday afternoon; he met with Mr. Hudson and Mr. Edwards on the following Tuesday morning, which was the soonest he could meet with them. He also spoke about the question brought up during public comments about the West Point School \$8,000,000 debt for the new HVAC system and if the County will assume the debt; he questioned if the Town is prepared to assume the \$24,000,000 King William School debt. He said the Board does not want to see RockTenn leave; machinery and tools tax is a big thing that they pay. His concern with RockTenn is if they, after the decision in 2009, the County totally flip flops as far as the split levy; are they going to come back and say we want money for 2010, 2011 and 2012; he feels this needs to be addressed. He stated it is not up the County to dictate the tax rate for the Town, the elected Town Council decides the rate and should not depend on what the County does; we should look out for everyone and make sure everyone is treated equal. He thanked the Town residents for attending the meeting and showing their support.

Chairman Moskalski stated there have been some highly emotional charged arguments and a lot of information put out tonight to either defend one thing or

another. He said since this has become an issue he has been working diligently to wrap his brain around it, he said he is not an attorney. He said he has had conversations with the County Attorney, the former Town Attorney and Delegate Keith Hodges. He has also spoken with Mayor Hudson numerous times in the past week trying to find a solution. He reviewed some of the basic facts of the matter, the PPTRA allocation; he does not believe either Supervisor Redd or Mayor Hudson has an issue with that historical problem being fixed. With regards to the Town paying for the County's mistake, the argument could be made that the Town has historically underpaid; he is not of the opinion the County should be going after back taxes, he feels we need to fix the rate and move on. He said the County Attorney is of the opinion the split levy does not appear to him to be legal. He said after reading the case transcript it may give someone a different opinion, but after having a conversation with Delegate Hodges this morning there seems to be an agreement in the General Assembly that the split levy is not an illegal form of taxation. He said if it would appear to lack any statutory authority the General Assembly is ready to act to give us that authority at the drop of a hat. He stressed that the rates in the Town on residential were going to go up no matter what because of the PPTRA allocation; that needs to be corrected. He said with regards to the split levy being legal or not, there seems to be precedence and backing from the General Assembly to continue to tax that way; he does not believe the split rate is illegal.

Ms. Stone said she does not believe the General Assembly would have an opportunity to take action until next spring, in 2014.

Chairman Moskalski stated there has been no talk of an emergency session but right now Delegate Hodges is having the legal team that advises the committee on cities, counties and towns review the 2009 case to determine whether or not, in an independent matter, not a town attorney, not a county attorney, to determine. The determination will not be a binding ruling but will be something that will settle the matter, more or less, of whether or not that case gives legal precedence; as well as some other things Delegate Hodges believes gives legal precedence to the split rate. He said he would be in favor of keeping the split rate with the correction in the allocation in the rates with regards to residential versus school levies.

Mr. Redd motioned, in lieu of what has been heard tonight and all the comments made by all Board members, that the Board not act on the proposed tax levy as advertised; that it be scrapped and re-advertised. He proposed a new tax rate schedule using the established split levy and to set a public hearing for April 29th; Chairman Moskalski seconded the motion from the chair.

Chairman Moskalski called for any discussion.

Mr. Williams stated there is still some work to do on the budget, he is not sure this is the way to accomplish.

Ms. Stone said she does not believe the Board came here ready to act tonight, only to conduct a public hearing and feels it may be a bit disingenuous to put this on the floor at this time; although she said she is more than happy to act and vote on it tonight. She said she is not sure all Board members have been given the opportunity to digest what has been heard tonight; or if the information shared by the Chairman that a committee of legal people within the State are looking into this issue and plan to come back to the Board rather quickly with input, she feels that could have an impact on the decision.

Mr. Redd stated if the Board waits until next week and decides to scrap this deal and re-advertise it will put us further behind the eight ball that the County needs to be to send out tax bills. He said all he is asking tonight is the Board scrap this and go to a different rate schedule, not changing the budget at all, which establishes back the premise that the split levy is legal, the Board act on that and move on. He feels the Board should not wait and should act on this tonight so Town Council can move on with their budget; which affects most of the people sitting in this room; this also enables the Board to move on.

Mr. Greenwood stated he thought the Board was here for a public hearing only, he can understand where Mr. Redd is coming from; he would like to have more time to make a decision.

Chairman Moskalski stated his point and reason for seconding from the chair. He explained the Board of Supervisors bylaws allow the Chairman to move and second from the chair. He said the General Assembly members he has spoken to are

of the opinion split levy taxing is legal; if it is discovered to not be legal they are prepared to act immediately to make it so.

Ms. Stone again stated the General Assembly will not be back in session until January of 2014, and feels there is no opportunity to act immediately. She said she has also spoken to delegates of the House who do not have the same understanding that this is legal; she said it is hearsay. She said if the question has been asked and the Board has the opportunity to get additional information then so be it. Also she feels constituents expect the Board to make a decision at the April 22nd meeting, that has been advertised, and since the beginning of the budget process the adoption would occur on April 22nd. She said there are other citizens in the County that expect the adoption will occur on that date and would like to be here.

Mr. Redd stated he is not asking for adoption of the rate schedule, he is asking to do away with this form of the rate schedule and adopt one with a split levy that makes more sense and also protects the citizens of the 1st District from a totally ridiculous tax bill.

Mr. Greenwood once again stated the County Attorney advised the Board this is not legal. He said Westmoreland drafted a bill saying a split levy is legal; King William did not draft a bill of this kind. He said in good conscience the county cannot go against state code.

There being no further discussion the Chairman asked the Deputy Clerk to call roll. The Chairman stated the specific motion is to do away with the proposed advertised tax levy system, to re-advertise with a split levy with a corrected PPTRA allocation and the corrected real estate rates relative to the County, and hold another public hearing on April 29th.

Those members voting:

S. K. Greenwood	Nay
T. S. Stone	Nay
O. O. Williams	Nay
C. T. Redd III	Aye
T. J. Moskalski	Aye

Chairman Moskalski announced the motion failed.

RE: ADJOURNMENT OF MEETING

There being no further business to come before this Board on motion by C. T. Redd III, seconded by T. S. Stone, and carried unanimously, the meeting was adjourned at 9:45 p.m.

COPY TESTE:

T. J. Moskalski, Chairman
Board of Supervisors

T. L. Funkhouser,
County Administrator
Clerk to the Board