

AT A HYBRID MEETING OF THE MIDDLESEX COUNTY BOARD OF SUPERVISORS  
HELD ON TUESDAY, FEBRUARY 2, 2021, BOTH ELECTRONICALLY AND IN-  
PERSON IN THE BOARD ROOM OF THE HISTORIC COURTHOUSE, SALUDA,  
VIRGINIA:

Present: Wayne H. Jessie, Sr., Jamaica District  
Peter W. Mansfield, Saluda District  
John B. Koontz, Jr., Hartfield District  
Reginald A. Williams, Sr., Harmony Village District  
Lud H. Kimbrough, III, Pinetop District

Matthew L. Walker, County Administrator  
Betty S. Muncy, Assistant County Administrator  
Heather W. Lewis, County Attorney

**CALL TO ORDER**

Chairman Jessie called the meeting to order at 9:30 a.m. for the purpose of conducting a budget work session.

**DECLARATION OF EMERGENCY**

Ms. Muncy read the Electronic Meeting Provisions allowing the Board of Supervisors to conduct county business by electronic means, pursuant to the Board of Supervisors' Government Continuity Ordinance, #81, adopted on May 5, 2020, and re-adopted on November 4, 2020, extending the ordinance for up to an additional six months.

**ROLL CALL**

Attendance was taken by Ms. Muncy with the following roll call: Supervisor Koontz – Present; Supervisor Mansfield – Present; Supervisor Williams – Present; Supervisor Kimbrough – Present; and Chairman Jessie – Present. All five Board members were present; there was a quorum. Supervisor Williams led the group in prayer; Mr. Walker led in the Pledge of Allegiance. Chairman Jessie announced that the meeting would be a limited hybrid meeting, with Board members and staff choosing to meet either electronically or in person. If meeting in person, CDC guidelines of wearing a mask and keeping socially distant would be adhered to. He said the public would continue to participate electronically by Zoom, either by phone or computer video.

## **BUDGET REVIEW**

Ms. Muncy distributed budget binders, explaining that in November, each department or agency was asked to submit their budget requests for FY2022. Those requests had been entered into the Bright financial software system used by the County and had been printed out and included in the budget binders. Some budget requests have explanations of their expenses and some do not; explanations are not required. Each department or agency is told that they will have an opportunity to come before the Board during a budget work session and make a presentation.

## **EXPENSE REVIEW**

Mr. Walker stated that the budget season is starting with a budget gap of approximately \$2.1 million. He reminded the Board that last year, approximately \$567,000 was brought in from the fund balance to cover last year's budget gap, which is included in this year's budget gap. The budget gap does not include an increase for schools or school capital improvements since no data has been received yet on how much their request may be. It does include level funding for schools, school capital improvements and textbook funding. The school capital improvements would not affect the operating budget because money is brought in from capital reserves to offset the capital improvements costs. Funds are also brought in from capital reserves for County capital improvements, so those costs are not included in the starting budget gap. Also, no County salary adjustments or school salary adjustments are included in the starting budget gap except for certain departments that included salaries in their written budget request submittals for specific reasons. Mr. Walker reviewed the County capital improvements but said that there were a few omissions because there is no data yet for them. Some of the projects included in the capital improvements are the Cooks Corner Historic Interpretive and Exercise Trail, the Multi-Purpose Path grant match, and waterfront beach access property acquisition, bringing the capital improvements total thus far to \$1.1 million, but that does not affect the starting operating gap. He said that the Cooks Corner Complex park will most likely be added to that list.

Mr. Walker said that some debt service was refinanced which resulted in lower debt service payments. The debt service payment in 2022 does include \$50,000 set aside for debt service for the Cooks Corner Office Complex renovation. USDA is currently loaning monies at 2.25% for a 40-year term which would result in an annual payment of \$38,100, less than the \$50,000 current placeholder. He said that other alternatives would also be discussed with the Davenport financial advisor.

Mr. Walker said that the Airport and Board of Supervisors line items show a marginal increase. The County Administrator's office has a significant increase because it includes funding for the new additional Assistant County Administrator position. The County Attorney's department has a substantial increase because it includes monies to hire a part-time or possibly full-time paralegal and possibly some outside counsel to provide consulting for the various projects that are ongoing. The

auditor expense remains the same. The Treasurer's office has a small increase. There are minor changes to IT and Data Processing driven mainly by the cost of funding long-overdue projects. Elections has a sizable increase due to some equipment purchases and Officers of Election funding. Judicial line items went down slightly. Law enforcement increases are driven by increases in compensation. Level funding is requested for Fire and Rescue. The Regional Jail has a slight increase, so far; however, their numbers are not yet known. An increase is expected, however, mainly due to staffing and healthcare. The increase in the Building Department is due to the funding of an additional Building Inspector that will be hired. Animal Control increases are largely driven by needed improvements for the Animal Shelter; a roof is needed over the pens. Emergency Services and Squad coverage in Urbanna remain level. There is a slight decrease in E911 and GIS mapping. There is a slight increase in Solid Waste, which includes the Convenience Center employees, due to an increase in minimum wage. General Properties had a substantial increase because of improvements that are needed at several buildings and renovations that are underway, but it does not include the Cooks Corner Office Complex. The Health Department shows the standard increase. The Free Clinic makes a request every year, but unfortunately, it is trimmed back almost every year to almost level funding. The Community Services Board Mental Health line item is level-funded. Welfare and Service Organization is increased; some of that is due to Social Services compensation. He said that the Board will need to work on that over the next few months to make sure the Children's Services Act (CSA) is adequately funded. Parks and Recreation has an increase of \$45,000 for the proposed park at Cooks Corner. The Library has asked for a small increase. The Environmental Department shows a small increase. The Non-departmental category did go up quite a bit. Included in that is the capital reserves set-aside for sewer. There is \$100,000 in Contingency, tentatively. Also included under that category is the transfer of \$257,000 to the Middlesex Water Authority for their availability agreement. Mr. Walker said that the revenue side will probably get a little bit of a bump from real estate; the assessor has advised that the assessments seem to be coming in strong. He suggested that the Board take that under advisement and not adjust the rates until the revenues actually come in. He said he would provide more information on revenues in March. He said the Transient Occupancy Tax and Meals Tax seems to be consistent with what was estimated.

Mr. Walker said that the county would not know what the state transfers will be until the General Assembly has finished and a finalized budget from the state is received. The County has a healthy fund balance, and if 20% is taken out for operating reserves, that leaves approximately \$3.6 million that can be appropriated. He reminded the Board, though, that \$52,000 has been set aside for election equipment and \$750,000 has been set aside for the dredging fund, but that still leaves \$2.8 million to fund capital improvements and any amount that the Board wants to bring in for operations. If \$2 million is brought in to balance the budget, that would leave a sizable hole leftover for next year. He said, however, that this is just a preliminary budget and items still need to be trimmed and shaved. He reminded the Board that this budget did

not include any increase for the schools at this time, since he did not have any data from them yet.

Ms. Muncy said that although it is not certain, a message had been received from the health insurance consultant that it appears that the county's rates would be going down slightly, which is good news.

Supervisor Koontz said that the schools may be asking for Architecture and Engineering funding for the high school capital improvement. He expects that expense to be between \$40,000 and \$60,000. Mr. Walker said that expense may be financed inclusive with their project. He said that USDA financing requires you to have interim financing done through an intermediary before they close on their loan. Then the interim financing is refinanced into the USDA loan package.

Supervisor Koontz asked what renovations led to the increased expense in the General Properties category. Ms. Muncy responded that \$150,000 was added for replacement of the windows and siding at the Health Department and for renovations at the Puller Center. Ms. Muncy added the Animal Shelter needed to have a roof added over the dog run, per the state, to be compliant, and a drainage project needed to be installed to prevent a swampy area behind the building.

Supervisor Kimbrough asked about the VPPSA budget and asked if anything could be potentially significant or not for them. Supervisor Koontz responded that two things in particular may affect their budget. First, it would be wages, if they are compelled by the state to raise minimum wage. Secondly, VPPSA is in an ongoing struggle to get a normal cash flow from recyclables, particularly glass, which goes back to China no longer taking recyclables the way they used to.

Supervisor Williams asked for a comparison of what was spent versus what was requested for the last two years. He also wanted to know why each organization was asking for more money. He asked if the buildings brought in any revenue, such as the dog park, and if so, he wanted to know where that revenue went. He wants to see the justification for an increase because he wants everything to be transparent.

Supervisor Koontz asked if the Sports Complex had asked for any sort of increase because he knew they wanted to do a significant renovation. Ms. Muncy said that their request was for \$31,500, which was an increase of \$7,500 over last year.

Mr. Walker informed the Board that the YMCA had been omitted on the budget sheets that were given to them, but the YMCA was included on Mr. Walker's spreadsheet that was shared with them on the screen during his presentation.

Supervisor Koontz asked if the numbers had gone up for the amount contributed for juvenile detention. Ms. Muncy said that the amount for the Merrimac Center, which is secured detention, was \$21,050, which was actually a slight decrease from last year's request. She said that the non-secure detention category generally has ups and

downs. A starting figure of \$22,000 was put in, but in previous years, anywhere from \$60,000-\$93,000 was spent. Days are pre-purchased on an as-needed basis. The Crossroads facility is located in York County and they are the fiscal agent for it.

Mr. Walker said that, next month, he would be better prepared to discuss the revenue side. He said he would have more data in and the revenues from the real estate collections in December would be in. He said that the personal property tax rate in Middlesex is relatively lower as compared to others in the region and that may be something that the Board would like to examine. He said there were several options to consider over the next several budget meetings. Money can be brought in from fund balance, revenue from real estate assessments can be increased, the machinery and tools tax could be considered, the Land Use program could be modified, personal property tax and real estate tax rates could be examined, and further cuts could be made on department requests. He reminded the Board that \$567,000 was brought in from the fund balance to balance the budget last year and that is part of the hole that they are trying to fill this year.

The Board took a 10-minute recess at 10:35 a.m.

The Board reconvened at 10:44 a.m.

Supervisor Koontz stated that he had just gotten an email from a member of the Keep Middlesex Beautiful Committee that asked if there was \$13,500 in the county budget for that committee. The committee member believed that the money came from a state grant. Mr. Walker said that the county receives a state grant from either the Department of Conservation and Recreation or the Department of Environmental Quality for anti-littering campaigns. The committee member stated that she feels that the litter has continually gotten worse over time and that they may need to look into some contract labor, in absence of the jail-force help. Ms. Muncy said that a little over half of that amount came from a non-competitive state grant.

Supervisor Kimbrough asked for a rough number of what it would cost to provide a 1% cost of living adjustment for employees that have not already been addressed in the budget. Mr. Walker said that, using last year's salary adjustment figures, which includes the Sheriff's Office, the amount would be approximately \$46,000. A 2% equivalent would be roughly \$92,000, including the Sheriff's Office. For the schools, using last year's numbers, which have not been updated, it would be approximately \$235,000.

Supervisor Koontz asked Mr. Walker to prepare a report for the county and the schools showing what was done in the way of increases over the last 5-10 years. He said that the Springstead study was done five years ago showing how far behind the county was. Supervisor Koontz said the Board got aggressive, then relaxed a little, then stopped, which is kicking the can down the road, but the problem does not go away; it only gets worse. He believes that historical context would be helpful.

Supervisor Koontz asked Mr. Walker if the county had asked Delegate Hodges and Senator McDougale to put something in legislation for increased sales tax for school construction funding. Mr. Walker replied that he had contacted VACo about it and was told that it was already part of their legislative platform for all counties. Supervisor Koontz asked Mr. Walker to follow up with VACo to see where that stands right now.

Mr. Walker reminded the Board of the joint Board of Supervisors and School Board meeting on Tuesday, February 9, 2021, at 4:00 p.m. Chairman Jessie said he would not be available until 4:30 p.m. and asked if the meeting time could be changed until then. Mr. Walker said he would ask the School Board if they would be able to accommodate changing the time.

### **ADJOURN**

A motion to adjourn until the regular Board meeting scheduled for Tuesday, February 2, 2021 at 3:00 p.m. was made by Supervisor Koontz, seconded by Supervisor Williams, and carried by the following roll call: Supervisor Koontz – Aye; Supervisor Kimbrough – Aye; Supervisor Mansfield – Aye; Supervisor Williams – Aye; and Chairman Jessie – Aye.

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Wayne H. Jessie, Sr., Chairman  
Board of Supervisors