

AT A HYBRID MEETING OF THE MIDDLESEX COUNTY BOARD OF SUPERVISORS
HELD ON THURSDAY, APRIL 22, 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
Ann Marie Ricardi, Assistant County Administrator
Heather W. Lewis, County Attorney
Susan C. Traner, Deputy Clerk

CALL TO ORDER

Chairman Jessie called the meeting to order at 7:00 p.m. for the purpose of conducting the FY2022 budget public hearing.

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 Mansfield – Present; Supervisor Williams – Present; Supervisor Kimbrough – Present; Supervisor Koontz – 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.

BUDGET PUBLIC HEARING

Mr. Walker gave a presentation on the proposed FY2022 budget for the county and schools and for the proposed tax rates, totaling \$29,442,838. He said the proposed budget would address the proposed revenues and expenditures, the proposed school budget, capital improvement projects planned for next year, and the proposed tax rates as well as other key issues affecting the budget. The proposed budget had been duly advertised, and the advertisement of the budget allows for adoption prior to the May 15, 2021 deadline for the School Board budget.

Mr. Walker stated that there is no real estate tax rate increase proposed this year, and the rate would remain unchanged at \$.62. He said word had been received from the assessor that it appears the County will have a fairly healthy reassessment coming into play in January 2022. Therefore, it was felt that the real estate tax should remain the same until the numbers come in. He stated that the Board of Supervisors was considering an increase in personal property taxes on vehicles, with the tax going from \$2.10 per \$100 of assessed value to \$2.60. The raising of personal property taxes on jet skis, recreational vehicles, campers, and apportioned trucks from \$1.75 to \$2.60 per \$100 of assessed value is also being considered. The personal property tax rates on airplanes would remain the same as last year.

Mr. Walker said the County had received an increase in public assistance and welfare transfers from the state. Mr. Walker said every attempt is being made to utilize some funds from the American Rescue Plan Act (ARPA) of 2021, where revenues could potentially fund eligible expenses within the county's budget. He said that the Board is also considering bringing in revenue from the fund balance or reserves to help balance the FY22 budget in anticipation of a fairly healthy and robust bump expected from the real estate tax reassessment. An increase in revenue will be incorporated into the budget from fund balance in the amounts of \$96,000 for completion of the reassessment, \$22,000 for new election equipment, and \$1.3 million for operating expenses, in addition to approximately \$354,000 or more from ARPA funds for potentially eligible expenses. He said that \$1.2 million is being brought in from fund balance for capital projects that are being proposed. He stated that the budget and revenues total \$29,442,838, which is a 10% increase over last year.

Mr. Walker reviewed some of the items that had increased in this budget. The state Compensation Board funded a 5% cost-of-living increase for funded employees, which included some of the Sheriff's Office employees, certain school employees, and certain County staff. In an effort to be equal and fair, a 5% increase was given across the board. The school employees' increase was actually a little less, because they operate on a biennium, and they received some of their portion last year. However, enough money was given to the schools so they would be able to leverage money from the state that had been adopted by the Governor and the General Assembly. The Board proposed a \$125,000 increase in the Sheriff's Office contingency account to aid and target salary adjustments needed to address certain inequities in that office. He said the Regional Jail costs had increased approximately \$204,000 from last year; local probation and parole also falls into that category. Also included is \$257,000 to the Middlesex Water Authority for an availability fee, per an agreement, for the provision of fire services throughout Eastern Middlesex. This will most likely be a temporary item and will probably drop off the budget in a few years when the Water Authority is up and running and sustainable with a good cash flow.

Mr. Walker reviewed some other expenses, saying that Administration had gone up to fund another Assistant County Administrator position and to procure a paralegal assistant in support of the County Attorney. The Elections Department increased by 60%, driven by a General Assembly adoption of larger salaries for staff and the need to

pay election officers for the number of elections that are being held. The Judicial line item went down slightly. The Sheriff's Office had an increase for Sheriff's Office positions and the School Resource Officer. Building Inspection increased due to hiring a Building Inspector to train and certify before the current Building Official retires. Animal Control went up because of improvements that need to be made to the building for the animals. General Properties increased because of a need for renovations to some of the older buildings. There was an increase for welfare and social services organizations; a raise for Social Services staff was given, largely funded by federal and state transfers. Mr. Walker said that the Virginia School League Activities fund was cut from the budget, but if a Middlesex team was to advance to a state tournament, he feels it would be the Board's intention to aid and help fund that effort. The money for that could be taken from another line item, or even from contingency. The Parks and Recreation increase is driven by the potential park improvement at Cooks Corner. Museums will be given level funding, just under a different line item this year. Library funding will be level. In reviewing the school's budget, he said it is proposed that the school will receive a \$524,000 increase over last year's approved budget. School debt service went up slightly to fund the elementary school HVAC project that was recently adopted. All of the expenses come to a proposed budget total of \$29,442,838.

Mr. Walker said the FY22 school budget was based on an Average Daily Membership (ADM) of 1,080. Last year, the ADM was 1,130. Key revenue items affecting the school budget are an estimated decrease in state funding of approximately \$80,000 and a decrease of about \$15,000 in federal funding; a proposed increase in local contribution of \$524,000; and a proposed increase in county-funded debt service for the schools of \$86,000 for the HVAC project. The school Food Fund is largely being funded by federal pass-throughs this year and the school Textbook Fund remains stable. The total school budget is \$19,141,098, an overall increase of \$179,000. School capital improvement amounts were decreased. The amount for Capital improvements being proposed for the school is \$75,000 and for the County, it is \$1.125 million, for a total of \$1.235 million. The school capital improvement of \$75,000 is for hiring an architect to help plan and guide the School Board on the High School's East Wing renovation and how to best proceed with that. County capital improvements include \$100,000 for the Cooks Corner Historical Interpretive Trail and the Deltaville phase of the multi-purpose path currently grant-funded through VDOT; both of those projects are carryovers from last year that did not proceed, so they are being carried forward into the capital budget for this year. New on the capital improvements plan is \$750,000 to aid the County in acquiring a beach property within the county for water access. Also on the plan is the Whiting Creek boat launch upgrade at \$75,000. This project was recently put out for bid; a fairly good bid was received. This project will be funded after July 1, 2021.

Mr. Walker reiterated that there was no proposed increase on real estate taxes. Increases are being proposed on personal property taxes, with vehicles, jet skis, recreational vehicles, campers and apportioned trucks being taxed at \$2.60 per \$100 of assessed value. All other personal property classifications remain at the current rates. He said that the personal property tax regional average is \$3.31, and Middlesex is

currently at \$2.10. Lancaster is the only county lower than Middlesex, currently at \$2.04. However, they are proposing to raise that rate in their proposed budget to \$3.75.

Mr. Walker said that staff is always looking for alternative sources of revenue where the residents do not have to bear the brunt of it, and the Cigarette Tax is a good example of that. Discussion has been had on the possibility of adopting a Cigarette Tax Ordinance and that the County might consider participating in a regional Cigarette Tax Authority or Board. No Cigarette Tax revenues were included in this budget. If adopted, this ordinance would probably not take effect until after January 1, 2022. Several Northern Neck counties are already involved in a Cigarette Tax Board, and several other surrounding counties in the Middle Peninsula are looking into forming a Middle Peninsula Cigarette Tax Board.

PUBLIC HEARING COMMENTS

Chairman Jessie opened the public hearing comment period at 7:26 p.m.

No speakers addressed the Board concerning the proposed budget.

Chairman Jessie closed the public hearing comment period at 7:27p.m.

Supervisor Koontz reminded everyone that the Earth Day countywide clean-up for Middlesex County was being held on Saturday, April 24, 2021, and he encouraged everyone to participate.

Mr. Walker reminded the Board that legally, the Board cannot vote on the budget at this time. The law requires that the Board wait a minimum of seven days after the public hearing before voting on the budget.

ADJOURN

A motion to adjourn until the Budget Deliberation and Adoption meeting scheduled for Thursday, April 29, 2021 at 7:00 p.m. was made by Supervisor Kimbrough, seconded by Supervisor Koontz, and carried by the following roll call: Supervisor Kimbrough – Aye; Supervisor Koontz – Aye; Supervisor Mansfield – Aye; Supervisor Williams – Aye; and Chairman Jessie – Aye.

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