

AT A MEETING OF THE GLOUCESTER COUNTY BOARD OF SUPERVISORS HELD ON MONDAY, MARCH 4, 2024, AT 6:00 P.M. IN THE COLONIAL COURTHOUSE, 6504 MAIN STREET, GLOUCESTER, VIRGINIA:

1. Call to Order and Roll Call

Mr. Hutson called the meeting to order, and Ms. Steele took roll call.

THERE WERE PRESENT: Christopher A. Hutson, Chair
Kevin M. Smith, Vice Chair
Phillip N. Bazzani
Ashley C. Chriscoe
Kenneth W. Gibson
Michael A. Nicosia
Robert J. Orth

THERE WERE ABSENT: None

ALSO IN ATTENDANCE: Edwin "Ted" Wilmot, County Attorney
Carol Steele, County Administrator

2. Invocation and Pledge of Allegiance – M. A. Tony Nicosia – Supervisor, Ware District

All in attendance recited the Pledge of Allegiance to the Flag of the United States of America and then Mr. Nicosia gave an invocation.

3. Citizens’ Comment Period

There were no speakers for citizen comment.

4. Regular Agenda

a. Presentation of FY 2025 County Administrator’s Proposed Budget (40 minutes) – Carol Steele – County Administrator

Ms. Steele began her presentation with the budget highlights for the FY25 proposed budget. She noted the proposed budget included a 3.2% COLA (cost of living adjustment), select staff additions and promotions, and support of existing external agencies and partners. She advised that the budget did not incorporate a tax increase, it proposed level funding for the schools, and included increases in health insurance costs and the County Administrator contingency. She noted that it incorporated use of one-time funds to balance the budget. She showed a list of the historical real estate tax rates from 1999. She reviewed the revenue value of a penny. She showed a comparison of the real estate tax rates for surrounding localities and noted that when comparing to other localities, it was important to remember that some provided services that Gloucester did not provide. She noted the growing increases in tax relief. She reviewed the relief amounts for veterans, elderly, and the fire and rescue volunteers. She noted that since 2016 the level of tax relief provided had increased by 90%. She then reviewed the value of a penny on the personal property tax. She moved to compensation. She provided a risk review noting that 11% of the employees were eligible to retire in FY24. She stated that by 2029 that figure grew to 24%. She noted that with the loss of seasoned employees, institutional knowledge was also lost. She reviewed the proposed personnel changes. She showed

the list of the personnel requests and advised that she was recommending funding of only 3.5 positions. She noted the proposed salary increase for the Board members.

Ms. Steele then began a review of the General Fund. She noted that the proposed FY25 total was \$1.1 million less than the current year. She reviewed the reasons for the decrease to include a decrease in the local transfers and upcoming debt retirement. She stated that the FMRR (facilities, maintenance, repair, and replacement) requests totaled \$1.1 million. She advised that \$363,136 of projects would not be funded. She showed the revenue outlook summary and noted the changes from FY24. For the Education Funds she advised that she was proposing level funding. She reviewed the Social Services, Children's Services Act, Opioid Abatement, and Debt Service Funds. She reviewed the sanitary districts, mosquito control, and utilities funds. She advised that the utilities fund budget included the proposed changes to the tier structures and the equipment fee that would be discussed at tomorrow's meeting.

Ms. Steele showed the list of the capital improvement plan and proposed projects for FY25. She stated that there were two adjustments. She noted that the schools would fund the lockset and sidewalk replacements, and she removed the Gloucester Point Beach grant match. She showed the recommended Pay Go projects. She showed the list of \$3.3 million in projects that were being pushed back. She stated with the list of \$5.1 million already requested in FY26, that was a total of over \$8 million in projects which was not feasible for next year's budget. She then reviewed the utilities capital needs for years one and two. She stated that there were a number of external requests from partner agencies. She noted some of the agencies included on the list. She then reviewed the fire and rescue local contribution amounts. She stated that Abingdon Volunteer Fire and Rescue had requested a lower amount this year. She noted that Gloucester Volunteer Fire and Rescue had some projects they wanted to complete and some personnel costs for an increased request. She noted that overall there was a net reduction between the two.

Ms. Steele provided an overview of the impact of inflation on the overall budget. She reviewed the steps taken to balance the budget to include use of one-time funds and a reduction in expenses. She noted the items that were not funded that the Board may wish to consider funding during budget discussions. She reviewed the suggested tax rates for advertising and the upcoming budget calendar. She asked for direction as to whether the Board wanted to have representatives from the marinas, external requesters, or other department directors in attendance at future meetings. She stated that she had previously mentioned the possibility of increasing some of the fees. She briefly reviewed the potential increases and the anticipated revenue for those increases. Finally, she thanked Ms. Calloway and the budget team for the assistance in putting the proposed budget together.

Mr. Bazzani stated that in comparing tax rates to other localities, it was important to note that the other counties and cities provided other services to their citizens such as paid fire and police.

Mr. Chriscoe stated it would be beneficial to provide a rough estimate on what it would cost for paid fire and rescue. He noted that several of the localities also have to maintain their roads.

Dr. Orth asked if there was any information on why relief for the elderly had decreased when the income limit was raised.

Ms. Steele stated that the Commissioner had advised that there had been some deaths and property sales that contributed to the decrease.

Mr. Bazzani asked for information on the revenue specialist position.

There was a brief discussion on the revenue specialist and Ms. Steele noted that the Commissioner would attend a future meeting to explain in more detail. In response to additional questions, there was discussion on the vacancies in the building inspections office, and the reduction on the proposed use of fund balance.

There was additional discussion on the use of one-time funds for ongoing expenses, other local taxes, and surplus tax sale revenue.

Dr. Orth asked for a trending graph for the local taxes - sales, meals and lodging with projected and actuals for several years.

Mr. Bazzani asked Dr. Vladu, Superintendent of Schools, the status of enrollment.

Dr. Vladu stated the school budget was built on a projected enrollment of 4,800.

There was some discussion on the HVAC (heating, ventilation, and air conditioning) at Botetourt, membership in the Middle Peninsula Planning District Commission (MPPDC), and the new MPPDC grant writer.

Mr. Bazzani thanked Ms. Steele and Ms. Calloway for the work in putting the budget together. He also thanked Dr. Vladu for the Superintendent's budget request.

Mr. Nicosia stated that he would be asking for information at the joint meeting on whether there was a backup plan for the Botetourt HVAC.

Mr. Chriscoe asked for the unassigned fund balance amount based on the FY25 proposed budget. After Ms. Calloway noted it was just over 16%, he stated that it was likely that the Board would dip down to the 15% level if the Botetourt HVAC was needed.

b. Decision on Advertised Tax Rates and Authorization to Set Public Hearing - Carol Steele - County Administrator

Dr. Orth stated that Ms. Steele had prepared a proposed budget based on no tax increase. He noted that advertising slightly higher would give the Board flexibility, but he did not want the citizens to think that it would mean a tax increase. He stated that the State and Country had come a long way in the respect for veterans. He reviewed how veterans were treated in the past. He stated that he hoped citizens who

were not veterans recognized what localities were doing in providing relief. It meant, however, that the County would have to look at their own services in order to make up the reduced tax revenue. He reiterated that it was a great thing, but he hoped citizens understood that the Board had to think about how to make up that revenue.

Mr. Chriscoe agreed with Dr. Orth. He noted that this was also like an unfunded mandate. He stated that Ms. Steele had done a great job in preparing the budget without the tax increase. He noted that he could not support advertising at a higher rate because the citizens indicated in the election that they would not support a tax increase.

Mr. Gibson stated that the poll was based on statements that the County had the money for the fire station and the bunkhouse and those were not the facts.

Mr. Bazzani stated that what was said was that the County had the funds to make payments on the firehouse. He noted that was to be delayed because the fire department wanted to have a study done on the location.

There was additional discussion on this and on upcoming debt service retirements.

Mr. Nicosia stated that Ms. Steele and staff had done a great job in presenting a budget that the citizens wanted with no tax increase. But he advised that a tax increase was coming in order to fund services. He noted that he would say no tax increase this year because of the vote on the referendum, but next year the Board needed to take a hard look at the tax rates.

Mr. Hutson stated that for FY26 he would like to see the County Administrator present the budget of need, and the Board then make the cuts as needed.

There was additional discussion on the rates and on the expected negative start for FY26.

Mr. Chriscoe moved, seconded by Dr. Orth, to advertise the real estate tax rate at \$0.603 with no change to the personal property tax rate. The motion failed by the following roll call vote: Mr. Chriscoe, Mr. Hutson, and Dr. Orth - yes. Mr. Bazzani, Mr. Gibson, Mr. Nicosia, and Mr. Smith - no.

Mr. Chriscoe moved, seconded by Mr. Gibson, to advertise the tax rates at the current levels. The motion carried and was approved by the following roll call vote: Mr. Bazzani, Mr. Chriscoe, Mr. Gibson, Mr. Nicosia, and Mr. Smith - yes. Mr. Hutson and Dr. Orth - no.

**RESOLUTION AUTHORIZING THE COUNTY ADMINISTRATOR TO
ADVERTISE FOR PUBLIC HEARING THE FY 2025 PROPOSED
COUNTY BUDGET AND CY 2024 REAL ESTATE TAX LEVIES AND
OTHER PROPOSED TAX LEVIES**

WHEREAS, the County Administrator has submitted to the Gloucester County Board of Supervisors a proposed annual budget for the County for the fiscal year beginning July 1, 2024, and ending June 30, 2025, as required by Section 15.2-1541 of the State Code; and

WHEREAS, a brief synopsis of the budget is to be published and a public hearing to be held as required by the provisions of Section 15.2-2506 of the State Code; and

WHEREAS, a notice to establish the real estate and other tax levies for calendar year 2024 is required to be published and a public hearing be held; and

WHEREAS, it is the wish of the Gloucester County Board of Supervisors that calendar year 2024 tax levies be advertised as \$0.583 for Real Estate, \$0.583 for Public Service Corporation Property; \$0.583 for Manufactured Homes, \$2.95 for Tangible Personal Property not otherwise set out; \$0.0000000000000001 for one motor vehicle owned or leased by a member of a volunteer fire department as specified in State Code 58.1-3506 (A)(15); and \$0.0000000000000001 for Boats; and

WHEREAS, it is also the wish of the Gloucester County Board of Supervisors that calendar year 2024 Ad Valorem tax rates be advertised as \$0.01 for the special service districts.

NOW, THEREFORE, BE IT RESOLVED by the Gloucester County Board of Supervisors that the County Administrator is authorized to advertise for public hearing the FY 2025 Proposed County Budget and the suggested calendar year 2024 Proposed Tax Levies.

Mr. Hutson stated that he and Mr. Smith had met with Mr. Andersen and Ms. Arsenovic to prepare for the joint meeting with the School Board. He felt it was a good meeting.

5. Adjournment

Mr. Smith moved, seconded by Dr. Orth, to adjourn. The motion carried and the meeting was adjourned at 8:05 p.m. by a unanimous voice vote.

Christopher A. Hutson, Chair

Carol E. Steele, County Administrator