

**AT A TOWN HALL MEETING OF THE GLOUCESTER COUNTY BOARD OF SUPERVISORS HELD ON WEDNESDAY, MARCH 26, 2025, AT 6:00 P.M. IN THE THOMAS CALHOUN WALKER EDUCATION CENTER AUDITORIUM, 6099 T. C. WALKER ROAD, GLOUCESTER, VIRGINIA:**

**1. Call to Order and Roll Call**

Mr. Smith called the town hall to order and thanked everyone for attending. He asked that everything be kept cordial and noted the Board members in attendance. Mr. Bazzani and Dr. Orth were absent [Dr. Orth arrived at 6:12 p.m.]. He invited anyone with questions or comments to come forward to the microphone.

**HOWARD MOWRY**

Mr. Mowry stated that Waste Management was listed in the revenue budget, and he had not seen that before.

Ms. Steele stated that in the contract with Waste Management there was not only a benefit in that the citizens do not pay for trash, but it was also a revenue source. Waste Management paid the County an amount based on the tonnage of other waste it accepted.

Mr. Mowry then questioned the amount of the expenditures and revenues for Parks, Recreation, and Tourism and the Daffodil Festival.

Ms. Steele noted that the Daffodil Festival was a break-even or profit event. She stated that there was a reserve account that covered any expenses above the revenue and that there was no cost to the General Fund. The festival also brought in higher sales and meals tax revenue. She noted that Tourism also had that same type of impact, by encouraging visitors to come to Gloucester. She stated that recreation was pay to play. She advised that the parks did not make money. Like libraries, the users did not expect to pay to visit the parks.

Mr. Mowry stated that two fire stations were needed. One on Main Street with rescue services and then a main station on the old Page site with the heavy equipment. He also suggested that community engagement be shut down and the school system manage their facilities after hours.

Mr. Gibson thanked everyone for attending. In reference to the earlier comments on Parks, Recreation, and Tourism, and the Daffodil Festival, he stated that they were not for profit enterprises. He stated that the Daffodil Festival was the largest event in the County. It promoted tourism and resulted in increased sales and lodging taxes that were paid by tourists who came in, spent money, and left. He stated that parks and recreation were valuable assets for the youth of the community. Young people in sports, being coached by good mentors, were less likely to engage in bad activities and would be learning life lessons.

Mr. Mowry asked about the cost for the third party monitoring for the AMI (Automated Metering Infrastructure) contract, fund balance investment, Placer contract renewal, and plans for the windfall if taxes were raised.

Ms. Legg, Director of Public Utilities, stated that there was an annual maintenance agreement for the monitoring of the AMI system. She advised that the monthly equipment fee would cover that cost.

Regarding fund balance investment, Ms. Calloway, Chief Financial Officer, advised that there were specific methods that could be used to invest public funds. The government did not have the same avenues that were available for personal investors.

Ms. Steele stated that no decision on the Placer contract renewal had been made yet.

Dr. Orth arrived at 6:12 p.m.

Mr. Chriscoe advised that the Board had not adopted the tax rates yet and the amount of any extra revenue was not yet known.

**KATHLEEN JONES**

Ms. Jones asked for further clarification of Mr. Chriscoe's comments.

Mr. Chriscoe stated that the Board has not adopted the budget yet and the tax rates may not change. The tax rates were only advertised rates at this time. The Board would be working to decide the budget amount, and then the Board would know what the new tax rate would need to be to support that budget.

Ms. Jones stated that the thought was that we need more money because we do not have infrastructure. She noted that Gloucester was growing at a ridiculous rate. She stated that citizens do not want taxes raised and they do not want to see the growth continuing. They wanted to maintain the rural, comfortable, hometown feel that currently existed. She stated that the Board should be looking carefully at the School Board's budget request. She asked that the Board spend efficiently.

**CATHERINE CARTER**

Ms. Carter noted that there was a national issue with property taxes. She stated that property taxes that were unconstitutional should be stopped. She noted that school districts were masters of central appraisal districts. She reviewed issues in the State of Texas and hoped that Virginia was not involved in those types of situations.

Mr. Chriscoe stated that school boards in Texas had taxing authority and Virginia School Boards did not.

Mr. Gibson stated that he wanted to address Ms. Jones's comments about growth. He noted that it was critical to manage growth to preserve our rural, small town way of life. He noted that first responders, infrastructure, increased traffic, and the utility system were some of the areas that were stressed. He stated that if there were reasonable measures of growth that would not add additional stress then that could be considered, but those concerns needed to be weighed moving forward.

Mr. Nicosia noted in reference to the comments regarding school district appraisal districts that his wife was a Texan and that she knew that every citizen in Texas paid a school tax to the independent school district.

Dr. Orth stated that with the tolls being removed from the Coleman Bridge, it would be difficult to manage growth. He noted that citizens had property rights, and it would be difficult to tell them what they could and could not do with their property.

**DIANE JONES**

Ms. Jones brought up a question about a large amount of money being delegated to study something.

Ms. Steele advised that the Board voted to fund a compensation study at a cost of \$49,000. She reviewed that a study had not been done by an outside organization in ten years. The study was currently underway and when the results were available the Board would decide what, if anything, to do with those results. She noted that the study would help inform how the County could stay competitive with other localities particularly with law enforcement, utilities, and others. She stated that the information from the study would be presented at a public meeting.

Ms. Jones stated that she was also concerned about growth, traffic, and crime. She reviewed some of the issues with road work. She stated that in the past two years there had been two attempted break ins at her home. She stated that she was on social security. She stated that citizens over 75 should not have to pay taxes and encouraged the Board to think about an age limit on property taxes.

**TERESA ALTEMUS**

Ms. Altemus reviewed information provided to the Board at two of its meetings in 2023 by its financial consultants. She reviewed that one of the considerations in the presentation estimated revenue from the sale of the fire department's assets and asked whether that included apparatus. She noted also that in FY24, the County ended with a positive fund balance of just under \$600,000. She stated that she heard that it was used to fund the increase in health insurance for employees and asked whether that was the case.

Mr. Chriscoe stated that the projected \$2.9 million in revenue from the sale of the fire department's assets was for the potential sale of the current property on Main Street. He noted that the fire department had agreed to turn over their current property to the County once the new station was built. The estimated revenue from the sale of those properties was \$2.9 million. He advised that the number did not include any apparatus.

Ms. Altemus noted that in the previous meetings it was stated that the fire station could be funded without a tax increase. She stated that at later meetings additional projects were added to the discussion on holding a referendum. She questioned why the Board did not discuss moving forward at that time with the fire station.

Mr. Chriscoe noted that he could not speak for the rest of the Board, but he had tried to remove the fire station from the referendum.

Mr. Hutson stated that in some of the earlier meetings it was discussed that if the Board had used the \$19 million borrowing capacity for the fire station, then they would not have had opportunities to fund other projects. He personally felt if he could go back in time then a referendum did not need to be held. The Board could have made a two cent tax increase to fund the other projects that were desperately needed.

There was additional discussion on this matter.

Ms. Altemus noted that it appeared at that time that the County was rolling toward the referendum without hard discussions. She noted that many felt betrayed and she thought it still had not been adequately explained why the fire department was not already built.

Mr. Hutson stated that was one of the reasons he had asked Ms. Calloway to review the historical data at the last meeting because the County did not have the cash available to build the station, as many believed. He stated that the funds would have to be borrowed, and it would have been the fall of 2024 for that borrowing.

Ms. Steele noted also that the Board had decided to remove the sale of the fire department's properties from the possible revenue stream, given the uncertainty of timing and whether they would sell. When that was removed, it changed the borrowing window to the fall of 2024.

Ms. Altemus asked if there was a discussion about moving forward without the fire department having to submit their assets.

Ms. Steele noted that when she first met with the fire department, this was discussed. She advised that the fire department had been planning to sell their property once they had the new station. Their intent was to use those funds to help pay their loans. She noted that they had been saving, and it had been their hope to pay for the station themselves.

There was additional discussion on the previous ability to fund the fire department without raising taxes, the lack of any debt capacity for other projects, and debt service obligations.

Mr. Gibson stated that he was 1000% in support of the new fire station and all that the first responders were doing. He noted that he wanted the fire station to be built as fast as possible and that was why the referendum proposal was put before the community. He stated that there was an opportunity to have the referendum to be able to issue general obligation bonds which would have had a very low interest rate. The goal was to get the fire station built as soon as possible and to take advantage of the general obligation bonds to meet additional important needs. He reviewed some of the other projects that were part of the referendum to include: Botetourt Elementary School renovation for security upgrades, school HVAC (heating, ventilation, and air conditioning), and the sports complex at the high school. He advised that there was the sense that the projects were so significant that the input of the community was needed before borrowing that amount of money. He stated that he wanted to clear up one major misconception. There was a concerted effort by those who opposed the referendum to say that the County had the money in the bank. That was not true. In 2023, the County had less than \$3 million in available funding that could have been applied to the fire station. At that time the cost for the fire station was \$12.1 million. The only way to build the fire station was to borrow money or to raise taxes.

After some additional discussion, Dr. Orth noted that in retrospect the Board should have just bitten the bullet and raised the taxes by two cents. However, he

noted that so few people come out during the budget time that the majority of the Board felt that they wanted the input of the citizens through the referendum. He stated that the Board was fully supportive of fire and rescue. He noted that this was a conservative Board financially, but they had to listen to the needs of the community.

Ms. Altemus asked about general fund transfers to utilities, and whether the proposed rate increases would build up the utilities fund balance.

Ms. Legg stated that the previous transfers from the general fund to utilities stopped several years ago. She advised that the rate increases would not only cover additional debt payments, should the Board choose to borrow funds for the needed capital projects, but would also build the fund balance to provide for at least a quarter year's worth of operating costs in reserve.

Ms. Altemus asked if the County had been approached by a company offering to buy the water system and if so, what revenue would have been realized from a sale.

Mr. Hutson stated that the County had been approached. He did not remember the amount, but he noted that the current debts of the system would have been paid from any revenue from a sale.

Mr. Bains, Deputy County Administrator, advised that the County was approached by someone with an offer. Much of the information the Board received on that was confidential under the PPEA (Public-Private Educational Facilities and Infrastructure Act). The Board worked through the process and determined not to move forward.

Dr. Orth stated that the company that approached the County was a for profit company. He advised that he had done some research on the company and the comments from other localities where they had purchased water systems were shocking. He noted that if the utilities were sold, then the Board would have had no control over the rates. He noted that there were issues with infrastructure that needed to be addressed, and Ms. Legg had presented a plan to move forward.

Ms. Altemus thanked the Board for the opportunity and the exchange of information.

#### **CATHERINE CARTER**

Ms. Carter asked who would fund the bonds that were mentioned earlier and discussed aspects of the Virginia and United States Constitutions.

Mr. Hutson stated that the Board had not gotten to the point of issuing the bonds.

#### **SUSAN AUSTIN**

Ms. Austin stated that she felt the citizens were misled about the referendum. She asked if there were any plans to fund the fire station and stated that the fire station should be the priority.

#### **LOGAN AVERY**

Mr. Avery stated that he had heard rumors about devices tracking phones in certain areas of the County and would like to know if that was true. He also asked what was being done to reinvest in the County. For instance, what were the economic incentives for companies to come to the County to start businesses.

Mr. Hutson noted the issue with phone tracking was likely a result of the discussion on the product called Placer.

Dr. Orth stated that there was an economic incentive program through the Economic Development Authority. They could provide business incentive loans to encourage businesses to locate in the County. He noted that when businesses came to look at the County, they gathered information to determine the customer base and other factors. He reviewed Fox Mill and the information that its owner gathers to determine the types of businesses to bring to the center. He noted that the Board did what it could to make the County business friendly, including changing regulations to make things easier for businesses.

Mr. Avery asked if independent experts were consulted when it came to small purchases such as slope lawn mowers, AI (artificial intelligence) products, and vehicles.

Ms. Steele stated that the County had a Purchasing Department. She noted that the County had to follow State procurement laws and also had a local ordinance as well.

Dr. Orth stated that there were ethics that the County had to follow and the purchasing staff did a very good job of trying to get the best deal for the best cost.

Mr. Hutson asked for Mr. Avery's opinion on the Board's focus. He noted that it was mostly citizens of the older generation that were providing input. He stated that Mr. Avery and his friends in the younger generation were the ones coming to and staying in the County. He stated that the Board would like to hear what it needs to do to keep young people in the County.

Mr. Avery stated that there was nothing to do in the County. He noted that there were differing opinions about what to have, but he and his friends enjoyed the parks and being outside. He stated that there were no local businesses promoting entertainment.

Mr. Hutson noted that he was glad Mr. Avery was there. He noted that different ages had different perspectives on needs and wants, and the Board needed to hear from everyone.

**SUSAN AUSTIN**

Ms. Austin asked about the plans for building the fire department.

Mr. Hutson stated that the Board was working on figuring out the financing.

Ms. Steele stated that the fire department was the number one capital improvement project in the County Administrator's proposed budget.

**J.D. CLEMENTS**

Chief Clements thanked the citizens for their continued support and the Board for everything that had been done for the fire department and rescue squad. He

stated that the fire station building committee was working with the architectural group on the site plan. He noted that they hoped to have shovels in the ground by the end of the year. He stated that when the building was built it would be the fire department's building funded by the community. He noted that when the time came for it to go to a career department then it would revert to Gloucester County. He stated that their call volumes had increased and so their operating costs were increasing as well. He noted that it was a big expense but not as much as it would be as a career fire and rescue station.

Board members expressed appreciation and support for fire and rescue and the valuable work they did for the citizens.

**BILL KNIGHT**

Mr. Knight noted that he had been coming to Gloucester since he was four years old. He reviewed his time visiting and living in Gloucester. He noted that he had been in the building and development business for 40 years. He stated that he knew budgets and he knew that you had to prepare for tough budget times. He stated that Mr. Avery's earlier question dealt with value engineering. He noted that was a way of looking at all the options available and asking how it could be done better. He reviewed an example from his time working for the State and purchasing lawn mowers. He recommended that the County consider within its budget and purchasing restraints how it could do things better and more efficiently. He then stated that he would like to address the elderly population in the County. He noted that there were places where the rate of taxation for retirees could be adjusted. He asked the Board to consider that option.

Dr. Orth stated that there was an income and asset based program in Gloucester to provide tax relief to the elderly.

Mr. Knight stated that the country seemed to be in a perfect storm economically. He agreed with having a fund to put some money aside to fix the water system issues. He asked if there would be an increase in the taxes on cars.

Mr. Hutson stated that the Board was advertising rates that were higher than the current rates just to have options available.

Mr. Chriscoe noted that several years ago the State decided that 100% disabled veterans were entitled to tax relief and gave all the localities the ability to pass an ordinance for the relief. In Gloucester it resulted in a loss of \$1.6 million in revenue. The State did not assist with any funding to make up that difference.

Mr. Knight recommended making sure that the elderly were aware of the programs that were available. He thanked the Board members for the civil discourse and for the work that they do.

Dr. Orth noted that all Board meetings were open to the public and recorded for playback. He stated that some citizens may have issues with technology.

Mr. Knight asked what the average increase in home values had been over the last five years and how that affected the revenue stream.

Ms. Calloway stated that she could provide some information. For 2025 the growth in assessments was 0.6%. In 2024, the growth was 1.1%

Mr. Chriscoe noted that if the total revenue increased by more than 1% due to the assessments, then the Board had to equalize the tax rate to maintain the revenue level. He advised that the assessment information would be presented to the Board in the October/November time frame. The notices would go out in December so that citizens would know the amount of the assessments.

There was additional discussion on assessments and equalization.

Mr. Knight stated that he previously worked with a company that considered building in Gloucester. They decided not to because if they built a pump station, they would not get any benefit from others connecting to it. He recommended that the Board consider that as it would be a good incentive for the builders who go through the expense of installing a pump station.

**DIANE JONES**

Ms. Jones asked about the product that Ms. Steele had mentioned that tracked everyone that went to Ollies and Walmart and other places.

Ms. Steele stated that there was a national system that used tracking information that was available. She noted that when the County used the system, it could see the number of shoppers at Walmart and what zip codes they came from which would help to determine locations for marketing and tourism efforts. She advised that the information was anonymous and was not tied to specific individuals.

Ms. Jones then asked, with the removal of the tolls on the Coleman Bridge, why the County could not put tolls through Gloucester. She noted that this was a practice in Florida. She also asked about the senior citizens tax relief.

Mr. Chriscoe stated that the roads in Florida that were charging tolls were private roads. He stated that to apply for tax relief, the individual fills out a form and presents it to the Commissioner of Revenue's Office.

As there were no other comments or questions, Mr. Smith thanked everyone for coming to the meeting.

Mr. Hutson noted that this was one of the first nights of the budget season and encouraged everyone to attend future meetings.

The town hall was adjourned at 8:42 p.m.

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Kevin M. Smith, Chair

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Carol E. Steele, County Administrator