

**AT A MEETING OF THE GLOUCESTER COUNTY BOARD OF SUPERVISORS HELD ON MONDAY, APRIL 14, 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 meeting to order, and Ms. Steele took roll call.

**THERE WERE PRESENT:**        Kevin M. Smith, Chair  
   Ashley C. Chriscoe, Vice Chair  
   Phillip N. Bazzani  
   Kenneth W. Gibson  
   Christopher A. Hutson  
   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 - Kenneth W. Gibson - Petsworth District Supervisor**

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

**3.     Introductory Comments - Kevin M. Smith - Chair, Board of Supervisors**

Mr. Smith welcomed the audience to the public hearings on the proposed fiscal year 2026 budget and the tax rates being considered to support the budget. He stated that Ms. Steele would combine the budget and tax rates into a single presentation, followed by public hearings on those topics. He noted that there would be two separate and distinct public hearings – one for the budget itself and one for the tax rates. Mr. Smith informed the audience that those wishing to speak were asked to separate the topics and comment only on the specific matters discussed in each hearing, respectively.

Mr. Smith stated that Board members would not entertain questions regarding the topics of the public hearings but would take comments into consideration during their deliberations on the items. He noted that Board members will have the opportunity to make individual comments, if they wish, at the end of the public hearings.

Mr. Smith informed the citizens that the Board would take no action at the meeting on the budget or tax rates, as the Board will be meeting over the next couple of weeks to analyze and deliberate on alternative solutions. He welcomed all citizens to attend the meetings on April 21, April 24, and April 28, 2025.

**4.     Proposed Tax Rates and Budget Synopsis - Carol Steele - County Administrator**

Ms. Steele stated that she would give a tag team presentation with Gloucester County’s Chief Financial Officer, Ms. Calloway. She noted that the presentation was

condensed due to it being presented in full at another meeting and it having been discussed at other work sessions and the town hall. She presented a budget overview slide that had a table that showed each of the funds for the complete budget that totaled to \$188.9 million which was an increase of almost \$20.4 million. She noted that the table showed the difference between the FY25 amended budget and the FY26 proposed budget. Ms. Steele explained that the capital projects include Gloucester Volunteer Fire and Rescue (GVFR) Station One and a significant heating, ventilation, and air conditioning (HVAC) system for the schools. She explained that the GVFR station was included in the budget to allow the contribution that was anticipated to be collected in order for the borrowing process to proceed during the year. She highlighted a few expenditures that included debt funding for year one of the Utilities capital plan, a 3% cost of living adjustment (COLA), and one new staff position. She stated that the budget was balanced on a proposed 4.3 cent tax increase to support the general fund operations. Additionally, she noted that the Utilities budget was balanced on a 14% rate increase that was approved April 1, 2025. Ms. Steele explained that it was a challenging time due to limited or level revenue growth in real estate tax and the increased tax relief for veterans.

Ms. Calloway stated that the general fund expenditure budget totaled \$88.4 million which was about \$2 million higher than in FY25. She explained that most of that could be attributed to the transfer to the capital projects fund. She stated that 48% of the general fund budget was transferred to the schools or other funds and 52% was for operations. She displayed a table of the summary of functions of the general fund that totaled \$46.1 million. She explained that 47% can be attributed to public safety and 20% to general administration. She noted that general administration has most of the constitutional offices making up about 25% of that function which is partially reimbursed by state funding. Ms. Calloway listed the top five general fund expenditures which included school transfer, sheriff and jail, fire and rescue, debt service transfer, and capital transfer which amounted to 69%.

Ms. Calloway showed that most of the revenue for the general fund came from property taxes and the projected revenue incorporated \$2.5 million in real estate revenue generated from a proposed 4.3 cent tax increase. She clarified that a lot of the dollar changes from FY25 to FY26 were due to moving the grant funding into a separate fund. She noted that use of money and property, which was the interest revenue, had decreased. She also noted that the miscellaneous revenue had decreased which was mostly attributed to the surplus tax sales that were accounted for in FY25 but not FY26 because they were not something that could be confirmed to come in every year. She added that it also included the one-time sale of the County garage.

Ms. Calloway noted that there was an additional request from the School Board that was not included in the budget which totaled an additional \$2 million. It included textbook adoption, student device replacements, fleet vehicles, maintenance

parts and supplies, and food service support. She explained that if that were to be included, it would be equivalent to a 3.6 penny tax increase.

Ms. Calloway showed the Board the new grant fund. It showed the grant programs that were funded both by general fund dollars and grant funds. In total, she stated that it amounted to \$2.462 million. Approximately \$2 million of that was grant funded revenues and \$396,000 was funded by the general fund.

Ms. Steele explained that the capital improvement projects were projects that cost \$50,000 or more. She noted that these were funded by debt financing and PayGo. She showed a list of projects and their funding sources. Ms. Steele noted that \$4 million was funded by the general fund. She explained that the Board had a policy to keep between 14%-16% in the fund balance. She informed the Board and citizens that the FY26 proposed use of fund balance would leave 15.6% in the fund balance. She briefly noted there was \$1 million in capital fund projects that were requested but not included.

Ms. Steele noted that there appeared to be a significant decline between the FY25 amended budget and FY26 proposed budget in Utilities, but that was mainly because they were using up the fund balance. She noted that it did include next year's borrowing.

Ms. Calloway explained that the reason a tax increase was recommended this year was due to inflation and increasing expenditures as well as having level or declining revenue. She informed the citizens and the Board that although several of the more expensive items dealt with compensation, that it was due to inflation. She noted that if a tax increase was not adopted, the real estate tax revenue would be \$135,000. She pointed out that since 2020, real estate tax revenue started to decline and has continued to do so which lowered the County's purchasing power. As of March 2025, she noted that other revenue sources such as sales tax and meals tax have seen a 1.1% drop in revenue.

Ms. Steele concluded the presentation to explain why a tax increase was requested. She explained that it was to keep the same level of staffing, to focus on public safety, to address the inflation reasons already discussed, and to also partially address maintenance needs. She briefly went over what the proposed budget did not include such as the School Board's request for an additional \$2 million, almost \$1 million in capital projects along with \$6 million more in financing, there was no subsidy of the Utilities fund, the majority of new positions were denied, and the facilities maintenance repair and replacement (FMRR) as proposed was 41% less than the County needed. Additionally, she added that the budget did not fully fund operating requests, the full compensation study results, or additional external requests. She reviewed the advertised tax rates.

Ms. Steele encouraged citizens to watch or come to the upcoming budget meetings and stated that the Board hoped to adopt the budget on April 30, 2025.

## **5. Public Hearing on Proposed FY 2026 Budget**

Mr. Smith opened the public hearing on the proposed budget.

**TINSLEY GOAD - BAY AGING**

Mr. Goad stated that Bay Aging area on aging and community action agency serves the Middle Peninsula and Northern Neck. He recognized his Board members and showed his appreciation for their service on the Board. He stated that they divided their operations into three separate categories including health, housing, and transit. Mr. Goad explained that everyone was experiencing inflation, and their request included a 3% increase. He asked the Board to maintain that consideration. He noted that it would take their health portion for their operations in Gloucester to \$16,701. He handed out a document that showed that they were able to serve 4,000 residents for services that included 35,000 home delivered meals, 23,000 homecare hours, caregiver support, emergency home repairs, homeless interventions, adult daycare facility, as well as others. Mr. Goad also stated that Gloucester had been involved in the housing choice voucher program and last fiscal year they administered 107 active vouchers. He noted that they were requesting \$25,669. On the impact sheet handed out to the Board, Mr. Goad explained that local match was required for them to draw down the much larger state and federal sources of revenue for the programs. He stated that every dollar contributed by Gloucester County translated to \$78 in services to County residents in the previous fiscal year. Mr. Goad pointed out that they do participate as an economic partner as they paid nearly \$110,000 in real estate taxes and utilities which would also increase.

**DAVID FOLS - BAY AGING**

Mr. Fols stated that they have been partnered with Gloucester County for 29 years. He informed the Board that they had six buses currently where three do door-to-door services and three operate the microtransit which provided 20,639 rides last year. He asked for a 3% increase amounting to \$135,088. Mr. Fols noted that they had a citizen who needed a ride to the hospital for a procedure but did not have anyone to go with them, so they sent an employee that waited at the hospital to take them home after the procedure.

**KEN HICKMAN - MIDDLE PENINSULA NORTHERN NECK BEHAVIORAL HEALTH**

Mr. Hickman stated that they provide 24/7 crisis support for ten counties within the Northern Neck and the Middle Peninsula. He stated that they had a peer resource center and a clinical center in Gloucester. He informed the Board that they provided 60,688 services to 1,154 unduplicated clients. He noted that for those without insurance, they offer a sliding fee scale and 24% of their services were for the uninsured. Mr. Hickman stated that they recognize \$554,000 in discounted services. Of their agencies, he noted that 32% of their employees resided in Gloucester County and they had provided \$3.972 million in wages. He stated that they requested \$225,760 which was a little over a 10% increase, but it was calculated based on the Department of Behavioral Health and Developmental Services which required all Community Service Boards (CSBs) to obtain a local match of 10%.

**JIM CAMP - YORK DISTRICT**

Mr. Camp stated that he was not asking for an increase, but that he was asking for funding to previous levels. He explained that from FY04-FY23, the Board funded the Gloucester-Mathews Humane Society at a level of \$97,000 and in FY24, without notification, the funding was cut by \$17,370. He stated that they were asking to go back to the \$97,000. Mr. Camp pointed out that medical costs had gone up, particularly over the last two to three years. He stated that they have reduced staff by 3.5 full-time positions in the last eight months to cut salaries as much as possible. He stated that, in the past year, they had an intake of 2,203 animals where 667 were from Gloucester. Additionally, he informed the Board that they had 1,069 adoptions with 748 of those being from the Highway to Home program which was a guaranteed adoption program where they carry animals to other states to be adopted. He further informed the Board that they own the spay and neuter clinic, and in the past year, they did 4,541 alterations with 510 being feral cats. Mr. Camp stated that they have a pet pantry where they support 115 local citizens who could not afford to keep their pets otherwise, which costs about \$15,000 per year. He noted that he recently did a survey with 15 localities with similar populations to Gloucester. He stated that the average contribution in those counties was .0042% whereas Gloucester participates at .0032% which was a shortfall of \$184,000. He urged the Board to consider bringing the funding back to at least where they were funded in 2003 at \$97,000. He also mentioned that Tina Leone was their new Chief Executive Officer.

**ARLENE ARMENTOR - GLOUCESTER MATHEWS CARE CLINIC**

Ms. Armentor thanked the Board for their support in the past. She stated that they requested an increase of 16%, which was \$10,000, in the FY26 budget. She noted that she understands that due to inflation there were more needs than funds available. Ms. Armentor explained that in the last two years, their patient count had increased by 24% and Medicaid patients that cannot find a local provider make up 47% of their practice. However, she noted that Medicaid revenue was only about 7% of their total revenue. Ms. Armentor stated that last year she had informed the Board about the blood draw service they initiated with Labcorp. She stated that area resident usage of the service first quarter of this year versus first quarter of last year, was up about 31%. She informed the Board that their biggest challenge was their healthcare workforce because there were fewer licensed clinical volunteers and it was difficult to attract and retain qualified staff. Another concern, she stated, was that they do not know what was going to happen at the state or federal level with Medicaid. She explained that if Medicaid was reduced or eliminated, they will see an increase in their uninsured patients and a decrease in Medicaid revenue.

**SUSAN AUSTIN - YORK DISTRICT**

Ms. Austin stated that she did not know what a school transfer was but that it was going to cost 34% of the budget. She stated that the County may need to do without the additional employee or do not have an increase. She noted that when

faced with not having the money to spend, the County needed to cut back and do without. Ms. Austin stated that the County cannot have the services that others have been requesting money for. She noted that personal property tax was going up. She wanted to know what would happen if visited by DOGE (Department of Government Efficiency) and they want to cut half of the staff numbers. She stated that the County had to be prepared because it was coming.

**KATHLEEN JONES - YORK DISTRICT**

Ms. Jones stated that she retired from procurement and bought major equipment for various companies. She stated that she had to live within her income and that the County could probably do that too. She explained that a 3% increase for employees sounded great but sometimes that cannot happen. Ms. Jones stated that it may be helpful to employ another person, but there were other needs like capital projects, the Humane Society, and well-care. She explained that she had rental units and she tried to keep rent low, but she would have to pass down the costs because she could not afford them. She thought that instead of getting extra people or an across-the-board raise, do merit raises instead. Ms. Jones stated that Mr. Gibson voted down Gloucester DOGE and felt that it was not a bad idea. She encouraged other citizens to come to meetings, but they do not think it makes a difference.

**ANNE THOMPSON - WARE DISTRICT**

Ms. Thompson stated that there was no need for a \$700,000 study to analyze the staff raises issue and protocol. She stated that there was a public referendum several years ago for the fire department and tax increase issues which was voted down but it was now in the budget. She explained that there was a need for a larger, fire department, but that it did not belong on Main Street. Ms. Thompson wanted to know why there was not a third party assessment regarding viable and appropriate locations. She stated that the assets surrounding the current facility plus the most recent land purchase could all be sold to help finance the new expansion.

As there were no other speakers, Mr. Smith closed the public hearing on the proposed budget.

**6. Public Hearing on Proposed Tax Levies for Calendar Year 2025**

Mr. Smith opened the public hearing on the proposed tax levies for calendar year 2025.

As there were no speakers, Mr. Smith closed the public hearing on the tax levies.

**7. Board Comments**

Mr. Gibson wanted clarification on the citizen comment regarding the cost of the compensation study.

Mr. Chriscoe stated that the \$690,000 was to fulfill what the compensation study presented in pay to County staff.

Dr. Orth thanked everyone for coming and agreed that it was unfortunate that

more people do not attend. He stated that this was a very complicated and challenging year and there will be a lot of upcoming discussion. He wanted to clarify that the staff member approved was for the Sheriff's Department and Sheriff Warren provided a strong case as to why it was needed. He stated that their budget was significant, but it was necessary to keep the County safe. He stated that they will fund the Fire Department with the capital plan but will discuss the funding mechanism. He explained that the school transfers included the funds that went straight to the schools, and there were a lot of needs that were not met by the County. He mentioned that the schools now have school resource officers for safety, and it costs money. He concluded that there will be a lot of sessions to try to figure out how to balance the budget without the proposed tax raise.

Mr. Chriscoe thanked everyone who came to the meeting and stated that the more the Board heard from citizens, the better it was for the Board to make decisions. He stated that they have a lot of work to do, and he did not know if they can avoid a tax increase, but they will do their best to minimize it.

Mr. Bazzani stated that he wished more people would come out to speak to let the Board know their concerns. He stated that the pay raises were an unfunded mandate, and it was a reoccurring cost. He was of the opinion that it should be a one-time bonus. He noted that inflation is down to 2.8% and the County asked for a 4% increase which is more than COLA (Cost of Living Adjustment). Mr. Bazzani stated that the federal government was cutting fraud in many departments. He wanted to see if there should be a mandate to cut 3-5% to make up for the difference in tax increases. He stated that if tax increases were levied against citizens, it would be for revenue from January through June which was about \$1.2 million that was not accounted for in the upcoming budget. He wanted to see if there was a way to account for that money in the budget. He stated that the Coleman Bridge tolls would come off in January and that when there were no tolls, Gloucester County was the fastest growing county in the state. He questioned what would need to be done to the comprehensive plan and whether the County would limit growth or not.

**8. Review of Budget Adoption Schedule - Carol Steele - County Administrator**

Ms. Steele reviewed the budget calendar.

**9. Adjournment**

Mr. Chriscoe moved, seconded by Dr. Orth, to adjourn. The motion carried and the meeting was adjourned at 6:56 p.m. by a unanimous voice vote.

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Kevin M. Smith, Chair

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Carol E. Steele, County Administrator