

AT A WORK SESSION MEETING OF THE GLOUCESTER COUNTY BOARD OF SUPERVISORS HELD ON WEDNESDAY, APRIL 30, 2025 AT 6:00 P.M. IN THE COLONIAL COURTHOUSE, 6504 MAIN STREET, 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 - Kevin M. Smith - Chair, Board of Supervisors

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

3. Adoption of the Agenda

Mr. Hutson moved, seconded by Mr. Gibson, to adopt the agenda. The motion carried and was approved by a unanimous voice vote.

4. Public Comment Period

SUSAN AUSTIN - YORK DISTRICT

Ms. Austin stated that she came to several budget hearings and only heard one Board member who wanted to cut something out of the budget which was Mr. Bazzani. She stated that she had not heard anyone talk about the credit cards that are issued to County employees. She wanted to know why the Board did not follow Trump in limiting the card to one dollar. Ms. Austin wanted to know what the County is going to do when the water runs out and everything in the County is shut down because there is not an operating water system. She urged the Board to spend money on the water system now instead of spending money elsewhere.

KENNY HOGGE, SR. - GLOUCESTER POINT DISTRICT

Mr. Hogge stated that no member of the Board has questioned the millions of dollars in annual purchase card expenditures. He explained that when Mr. Mowry and him began evaluating purchase card expenditures two years before COVID, they were astonished at what money was being spent on including food, lodging, travel, and other fringe benefits. He noted that they have continued to rise each year. Mr. Hogge stated that he would share the information they compiled with the taxpayers after the budget is passed. He believed the County Administrator should have suggested cutting fringe benefits and frivolous spending.

Mr. Hogge stated that it had been mentioned that it is difficult to hire and retain Utilities employees. He believed that advertisement for those positions should be the same that is done for events like the Daffodil Festival. He noted that wages need to be higher than the competitors across the river and hiring bonuses and other incentives may be necessary. He suggested that advertising needed to be targeted at social media water and sewer system forums, online, printed newspapers, and trade-related periodicals. He stated that the first advertisements need to be for experienced leadership and management.

Mr. Hogge stated that it appeared that the Board does not understand the condition of Utilities and that Katey Legg, Director of Public Utilities, had provided them with the same type of information that her two predecessors did. He stated that tens of thousands of dollars have been spent over the last twenty years on plans and studies providing the same information. He thanked Dr. Orth for accepting responsibility and for trying to get the rest of the Board to understand that something substantial needs to be done. He concluded that he does not support the proposed FY2026 budget or the reasons for tax increases.

DANIEL CHAMPION - BELLAMY LANE

Mr. Champion stated that he has been a lifelong resident of Gloucester County. He stated that Chromebook replacement is a luxury and can be replaced with textbooks and that what cannot be replaced is food. He explained that no child, regardless of budgeting and legislation should inhibit a child from food. He stated that he pays a lot of taxes and he would pay more to ensure that children are being fed.

5. Work Session Agenda

a. Budget Discussion

Dr. Orth informed the Board that he asked Ms. Calloway, CFO at Gloucester County, to provide background information regarding comments made at the previous meeting about Utilities funding as well as to provide an update on what happened with veteran's relief.

Ms. Calloway stated that there was a question regarding the historical transfers to the Utilities fund from the general fund. She informed the Board that FY18 was the last transfer that the general fund made to the Utilities fund in the amount of \$430,524. She noted that there were small transfers made in FY24 and FY25 that were due to how they budgeted but it was not to fund operating expenses. She further noted that in FY19 and FY20, there were no transfers made. Ms. Calloway explained that in FY21, the Utilities fund began paying the general fund what was called "indirect costs". She stated that it was based on a percentage of the Utilities operating fund to provide the general fund reimbursement for expenses that were incurred for general operating management such as handling the bank deposits for the Treasurer's Office. Ms. Calloway stated that the costs were administrative in

nature that occurred in the general fund and the Utilities fund was being charged for it. She stated that there were transfers between \$166,000 and \$190,000 per year that occurred between FY21 and FY24. In FY25, she noted that it was removed from the budget and there were no interfund transfers because it was recognized that the Utilities fund was struggling.

Ms. Calloway informed the Board that she had watched the budget presentation for FY19 to see how the \$430,000 was utilized in future years. She explained that it appeared that there was a total recommended reduction in transfers of \$1.65 million from the general fund to Utilities and debt service which was offset by increases in transfers made to the schools and to Social Services. She stated that the \$430,000 went to fund operating expenditures of other funds. She explained that from FY20 going forward, those were operating recurring expenditures.

Ms. Calloway noted that the annual audits for the five past years are available online on the Finance website. There was a brief discussion on where information could be found.

Mr. Hutson asked Ms. Calloway how many years Utilities paid the County and Ms. Calloway stated that it was five fiscal years for a total of \$557,749. Ms. Steele clarified that it was significantly reduced in FY24.

Dr. Orth stated that at the time, it seemed like the right thing to do to move money into the general fund and minimize any potential tax increase that would have come if the County had not done that. He stated that there are unintended consequences because if they had of continued transferring and listened to the people concerned about the water system, the County would not be in the situation it is. He continued and noted that the County is making changes, but they are band-aid approaches. Dr. Orth explained that he felt personally responsible because he is on the Utilities Advisory Committee.

Mr. Chriscoe stated that if the Board had a better understanding of what was happening in 2019 with Utilities, they may have done things differently. He noted that the Board made decisions based on recommendations. He stated that now that the Board is aware of the issues, they have a path forward to correct them.

Ms. Steele informed the citizens that when Mr. Fedors brought up the idea of charging back, it was not an unusual type of activity. She explained that it was because Utilities are enterprise accounts and in many cases they are separate authorities where they have administrative staff that take care of what the County does. She stated that it was a creative idea to keep the tax rate down and be able to fund other operating expenses, but she thought it did have negative consequences. Ms. Steele noted that the idea was that the enterprise account should stand on its own.

Dr. Orth stated that the County has been faced with lean budgets since Mr. Fedors and the Board takes into account what is suggested. Mr. Hutson stated that

this was a chance to learn from the past and that maybe lean budgets are not the way to go.

Ms. Steele stated that there are little bits of information that come from the public that were meant to be educational but have been taken out of context. She noted that they generally sound bad and point out that there is waste in different areas that need to be cut from the budget. She corrected a comment that was made about a \$50,000 expense in HR stating that it was for frivolous benefits, but it was actually short-term disability insurance. She let the public know that if citizens have questions, she was more than happy to speak with them.

Dr. Orth stated that they had a meeting with Mr. Mowry and Mr. Bazzani about P-Card questions and every question Mr. Mowry had was answered and he was very happy. Ms. Steele stated that an example was what the County was doing with the San Diego Zoo. She explained that the San Diego Zoo is the sponsor for an online training that is required for Animal Control officers.

Mr. Hutson stated that last year or the year before, he went with Mr. Bains and Ms. Steele to Richmond to look at different MRFs (Material Recovery Facilities) for recycling products and they stopped for lunch. He stated that he paid for their lunches because they both were going to pay out of their own pockets even though it was for County business. Mr. Bazzani stated that he remembered the meeting they had, but there were some questionable expenses that were small such as the purchase of sundresses and that there needed to be a process review for how P-Cards are used in the County. Ms. Steele explained that there is a process that is audited and the sundress purchase likely was for the Department of Social Services for a child who did not have clothing. She stated that staff looked at how much time was being spent processing P-Cards versus the rebate that the County gets on them and it was determined that it was taking a lot of staff time, so the County further restricted their use because it made for better operating procedures. She concluded that the rebate was not worth it.

Ms. Calloway made a correction and stated that it was only four years for Utilities and it was 2021 through 2024.

Ms. Calloway stated that there are several different credits that provide exemptions to personal property and real estate taxes. She noted that two of them are for disabled veterans. She continued and stated that the real estate exemption was provided by the state in 2011 and the other was personal property tax back in 2020. Ms. Calloway noted that they were mandatory on the state level which meant that the Board had very little or no leeway in whether or not to adopt them. She stated that the real estate tax exemption provides up to 10 acres and the state only requires one acre. However, she stated, the County has to provide the same amount of acreage exemption to veterans that are provided to the elderly and disabled which was 10 acres.

Mr. Bazzani asked if the veteran had to be alive before the 2022 PACT Act was passed and if a widow could benefit from the exemption. Mr. Wilmot stated that he was not sure. He stated that the benefit for the elderly and disabled is optional and the Board could reduce the acreage that is allowed for the tax exemption. He suggested that the Board consider asking for information as to how much revenue they would garner if they were to decrease the acreage. He noted that he is required by an ordinance to sign off on any tax refund over \$2,500 and he had been signing off on them a lot. Mr. Chriscoe recommended that the Board look at reducing the acreage and see the benefit per acre. Mr. Nicosia asked Mr. Wilmot if it was 100% disabled by Social Security standards or for VA (Veterans Affairs) standards. Mr. Wilmot informed Mr. Nicosia that it was by VA standards.

Mr. Chriscoe stated that reducing the acreage is something the Board needs to look at long-term on a per acre basis. Dr. Orth agreed and stated that he would like to do it before next budget season.

Ms. Calloway showed a slide depicting growing revenue reductions that included disabled veterans, the elderly and disabled, and fire and rescue. She pointed out that after the PACT Act was passed in 2022, there was a large spike in revenue reductions. She did research on the PACT Act and found that legislation opened up a number of conditions that are now considered to be 100% service-connected disabled. She noted that it also included if a person was deployed in specific areas. Ms. Calloway stated that the legislation provided funding for the VA to improve processes for approving veterans as fully disabled. She hypothesized that the jump in tax relief was due to the PACT Act but was unsure of why it was not slowing down. She noted that tax relief was estimated to be \$1.76 million in 2025 which will impact FY26.

Ms. Calloway stated that there is an estimated \$1.5 million in veterans tax relief in 2025 for real estate and personal property. Mr. Wilmot asked if the amount of tax relief pertained to the specific year it was in or if it included past tax relief that was requested for prior years. He noted that he often signs off on refunds for the amount of three years. Ms. Calloway stated that she believes that it is cumulative to the current year. Mr. Wilmot hypothesized that the increase since 2022 is because people are becoming aware of the expansion through the PACT Act and that is why he was now often signing off on refunds for the prior three years.

Mr. Hutson asked for clarification on whether the elderly and disabled only qualified for real estate taxes and not personal property taxes. He asked if there was a limit on the amount of personal property tax relief that disabled veterans get and was told it was an exemption for one vehicle. Ms. Calloway stated that she believed it was for the primary vehicle.

Mr. Hutson stated that currently, the number of veterans real estate credits was twice that of the elderly and disabled. He pointed out that in 2024, veterans real estate and personal property tax relief was \$1.2 million versus the elderly and

disabled real estate tax relief of \$189,000 and questioned why that was the case. Mr. Wilmot stated that it was due to personal property tax relief but could be due to the elderly and disabled being unaware of it existing. Mr. Chriscoe stated that the elderly have a lot more hoops to jump through which makes it more difficult to qualify.

Ms. Calloway informed the Board that the Commissioner of Revenue's Office has to track the personal property tax exemptions manually and although the personal property tax relief for veterans went into effect in 2022, it was not independently tracked until 2024, so the chart did not include that information until 2024. She stated that she had wondered if the amounts were due to number of exemptions or due to expensive property and that she found that the number of veterans real estate tax credits went up 42% since 2023.

Mr. Hutson stated that he would like staff to look at what boat taxes would do next year. Mr. Chriscoe stated that they cannot unless they reimplement it. Mr. Hutson noted that Virginia Beach just put it back in place. He requested that staff look at the economic impact for Gloucester. Ms. Steele stated that she checked with the Hampton Roads Planning District Commission (HRPDC) to see if they were planning on doing anything and they stated that the question comes up routinely but no one is contracted to do it. Ms. Steele noted that she thought it would be great to do for the entire region because Gloucester County would not lose as many boats if every locality was doing it. Mr. Smith stated that the Commissioner of Revenue gave \$750,000 as the figure for reimplementing the boat tax if the County were to put in place the previous amount. Ms. Steele noted that she did not know if that subtracted the work boats because they have been exempted in the past.

Mr. Gibson stated that the Board is trying their best to serve the County and the citizens because they love the County and all it has to offer. He stated that they all share the goals of making Gloucester a great place to live, raise a family, get an education, and to ultimately retire. He noted that all of the wonderful things about Gloucester's community have a cost. Mr. Gibson stated that the challenge to the cost is that inflation has hit everyone and explained that rising healthcare costs, tax relief is almost \$2 million, and there has been pressure to make sure County employees stay and don't leave to other localities for better pay.

Mr. Gibson stressed that he did not want to raise taxes because, in many respects, citizens are overtaxed. He stated that he worked at the federal and state levels and saw waste, but he has not see waste at the local government level. He informed the Board and citizens that out of the 15 Hampton Roads communities, Gloucester has the 13th lowest tax rate and it has been very low and pretty steady for a long time while financial pressures continue to go up which is when services and infrastructure start to suffer. Mr. Gibson stated that the County has aging schools, schools that need to be renovated, there is a need for a new fire station, Abingdon needs a new bunkhouse, and Utilities have been neglected for a long time. He reminded citizens of the catastrophe that happened in Richmond where most of the

metropolitan area did not have water for a week and many places shut down. He noted that in California, whole communities burned down because the water system was dysfunctional and over 100 people lost their lives. He then stated that he believed that Gloucester is approaching a crisis with Utilities, and if it is not addressed, the County is risking having a catastrophe. Mr. Gibson urged the Board to address Utilities.

Mr. Gibson stated that it is important to note what is not funded in the budget which includes over \$1.6 million in requested needs from the School Board, almost \$1 million in vital building projects, over 41% of the County's ongoing maintenance budget, and there was no subsidy for the Utilities fund. He noted that the budget is lean and they have to address revenue in some modest fashion. He stated that he believed the budget and rates presented can help the County move in the right direction.

Dr. Orth stated that he looked at the budget line item by line item trying to figure out how to keep Gloucester a viable community. He stated that the Board has the responsibility to do what is best for the community and to make it a place where people want to come. He noted that they have a task ahead of them on how to manage the growth that occurs when the toll comes off.

Mr. Hutson asked Ms. Calloway to explain how the proposed windfall was not going to be in the budget and Ms. Calloway stated that it would still be there, but not as much as originally estimated. She stated that real estate has a better collection rate and personal property historically has a much lower collection rate in the initial several months. She noted that the Treasurer is wonderful with collections but generally the personal property tax collection rate for the first few months after the bill is due is around 62%. She noted that they eventually get collected. Ms. Calloway explained that shifting and reducing the amount of tax revenue coming from real estate and using personal property instead will reduce the additional amount of revenue seen in FY25 which is the windfall. She stated that originally they had \$1,055,000 when it was a 4.3 cent tax increase that was all real estate. Now, she explained that 3.1 pennies for real estate and 15 pennies on personal property tax, the County would be looking at \$976,282 in additional revenue estimated in FY25. Mr. Hutson asked how close they would be at getting back to 16% with the proposed funding given to schools for funding meals. Ms. Calloway stated that with the \$450,000 appropriated to the schools, the County would need an additional \$999,504 to restore the fund balance back to 16%.

Mr. Hutson asked Dr. Vladu, Superintendent of Gloucester County Public Schools, how the \$450,000 was calculated. Dr. Vladu stated that it was an estimate based on how much money is lost per meal as the basis of the calculation and they lose approximately 70 cents per meal currently for all Gloucester County public schools. He stated that the schools have 42% of students that used to claim free or reduced lunch.

Dr. Orth asked Dr. Vladu for clarification on whether all students were receiving free lunches currently. Mr. Hartley, Deputy Superintendent at Gloucester County Public Schools, stated that all students in FY25 were receiving free breakfast and lunch. He stated that the reimbursement rate is calculated based on a formula created by USDA and any families that are recipients of other government programs go into the calculation. He stated that it is about 65% of Gloucester's students and the schools get a reimbursement rate of \$4.45 per lunch for that 65%. Mr. Hartley stated that the cost comes in because the reimbursement rate for the other 35% of students is 44 cents per lunch. He noted that the cost is actually about \$600,000 and they are covering the difference internally. Dr. Orth asked what the conditions were pre-COVID. Mr. Hartley stated that they did not pay for all of the meals pre-COVID. Dr. Orth clarified that all meals started with COVID and continued since then.

Mr. Bazzani asked if they could extrapolate the information going forward of which students received free meals and which did not if the schools were to means test. He stated that it is unfair for citizens with no students to have to pay for free lunches when some families can afford to pay. Dr. Orth stated that it would be good to look at the numbers pre-COVID and compare them to now.

Mr. Nicosia stated that some parents are unable to read or write. He asked if the schools could work on streamlining the qualifying process, if they went back to some paying for lunches, so that it is easier for constituents. Mr. Hartley stated that the schools have a direct certification where the schools get the bulk of students who qualify for free or reduced lunch, which largely comes from families who receive other benefits, but it is not inclusive of all students who qualify. He stated that they track information on lunch charges and they will always feed children regardless if they have money or not. He noted that they would make an effort to get ahold of parents to see if they qualify, but there may be families they would be unable to reach. Mr. Nicosia asked if the schools had a mechanism to find out what lunches would cost per student if they transition back to students paying and Mr. Hartley stated that they had begun those calculations. Mr. Hutson asked if the schools still give out packets at the beginning of the year to be filled out and Mr. Hartley stated that they send out an electronic version and that they do anything they can to get the lunch application completed by families who qualify.

Dr. Orth stated that he found it interesting that the tax relief pennies are equal to the amount that was proposed and that he hoped citizens would see that. He thanked Ms. Calloway and Ms. Steele for all of their hard work on the budget.

Mr. Chriscoe pointed out that he believed there would be a change made in appropriations. Mr. Hutson stated that he thought that the County would have money to put towards Utilities with the money going into the general fund to make it back to 16%. He stated that he was alright with giving the schools the \$450,000 because it is one-time funds coming out of the unassigned fund balance. He believed

that Utilities was going to be short-changed because the County needs roughly \$20,000 to bring the unassigned fund balance back to 16%. He noted that it will be 3.1 cents just for tax relief for veterans and the elderly and he knew the County was adding 15 cents to the personal property rate, but it puts the County in the same position and the County is not doing anything to help Utilities.

Mr. Bazzani stated that he spoke with Ms. Legg, Director of Public Utilities, and she stated that Utilities will do their first borrowing during the summer. Ms. Legg informed the Board that the process had not officially started yet, but they have met with Davenport to run through the timeline and numbers. She noted that it is based on the capital plan and all of the information that has been presented to the Board over the past several months. She stated that the rate increase is just to help Utilities operate and does not account for any capital projects. Ms. Legg noted that if the money was borrowed now, the County does not make payments until FY27. She stated that the plan is to come back to the Board in the summer for fall borrowing of roughly \$2.2 million. Mr. Hutson asked how much was needed and Ms. Legg estimated it would be about \$66 million worth of projects over ten years.

Mr. Gibson stated that subtracting the 42% of students that are projected to qualify for free or reduced lunch from the \$450,000 would leave \$261,000 that could be applied to Utilities. Mr. Hutson stated that the fund balance for the cafeteria plan is in dire straits, so they need the money. He stated that he had heard there were a couple of times that cafeteria staff almost would not have been paid based on the money the school had. Dr. Vladu stated that the school meets payroll and they would get paid regardless. Mr. Hutson asked if the money in the cafeteria fund was sufficient to cover it. Dr. Vladu replied and stated that the fund is in the positive and he has never heard of an issue. Ms. Steele stated that she believed the issue was the timing of reimbursements, so there were a couple of months of cash flow problems. She stated that whether the schools do the free lunches or not, the funds would reestablish the school's fund balance.

Mr. Hutson asked when the shortage began and why it had not been mentioned before. Mr. Hartley informed the Board that when the schools were in full reimbursement mode post-pandemic, the school built up reserves. He then stated that when the schools were coming out of the full reimbursement, the schools started CEP (Community Eligibility Provision) with five smaller schools. He stated that it was still costing about \$300,000, but the money was in reserves and they did it for two years. He noted that at the start of FY25, the schools had about \$600,000 in reserves and that is roughly what they spent on CEP.

Mr. Chriscoe stated that to get back to the 16%, the County needs \$999,504. He asked Ms. Calloway what percentage the County needs to be at to make payments and she stated 15% minimum. Mr. Chriscoe asked what it would be if the County were to add \$488,000 to the fund balance and Ms. Calloway showed that it would be 15.6%. He recommended adding half of the excess revenue to getting the fund

balance back to 16% and giving the other half to Utilities. He suggested that next year they focus on getting the fund balance back to 16% because he did not feel comfortable removing the \$450,000 from the schools. Ms. Steele reminded the Board that after June 30th, the budget will not be zero and revenue may come in a little bit higher, so the County will be above 16%. Mr. Hutson stated that he wanted to make sure that some money goes to capital for Utilities and is not sure the \$488,000 will be enough. Ms. Steele stated that where it would make the difference is if more was borrowed. She stated that instead of taking \$500,000 which will not pay for a lot of projects, they could use the money to make payments on borrowing. She noted that borrowing \$1 million is about a \$100,000 payment. She explained that if the Board included the money for payments on borrowing in the resolution now, it would facilitate that being able to occur at the fall borrowing. Mr. Hutson stated that with fall borrowing, the County would not have payback until FY27. He noted that the money could build Utilities' reserves that are depleted.

Ms. Legg stated that she had to pause all capital projects this year because revenue did not meet its goals so Utilities had to use fund balance to operate the department. She noted that the rate increase that was approved would hopefully cover operating costs. She stated the borrowing would be strictly for capital projects. Ms. Legg informed the Board that she just received two invoices for \$70,000 for repairs that needed to be made.

Dr. Orth asked Ms. Legg where the County was on AMIs (Advanced Metering Infrastructure) because he remembered that there may be some savings once they are fully implemented. Ms. Legg stated that they are not sure yet but have about 90% installed. She stated they are still working on some hiccups in the software and do not have an accurate picture of revenue will be.

Mr. Hutson asked Ms. Calloway if there was a different spot in the budget that would be better suited for the \$488,000 to make it easier for Ms. Legg's borrowing. Mr. Chriscoe stated that he did not think that needed to be decided at the current meeting. Mr. Wilmot explained that it should not be part of the budget because it is unanticipated, possible revenues. He stated he did not disagree with Mr. Hutson's concept to better fund Utilities, but it should not be done at the current meeting.

Mr. Hutson asked if the Board should add to the resolution and Mr. Wilmot stated that it can be but should not be at the current meeting. He recommended approving the resolutions presented and then at a later date, when there is a firmer grasp on additional revenues, they should be diverted to the Public Utilities Department. Mr. Hutson stated that Ms. Steele stated it would make it easier for borrowing. Ms. Steele stated that a compromise without a resolution is instructions to staff to bring back a proposal on utilizing excess funds. She stated Ms. Legg can come back and make a presentation at a later meeting of what difference it would make.

b. Budget Adoption

1. **Resolution Approving the Fiscal Year 2026 Budget**

Dr. Orth moved, seconded by Mr. Gibson, to approve the resolution for the fiscal year 2026 budget. The motion carried and was approved by the following roll call vote: Mr. Chriscoe, Mr. Gibson, Mr. Hutson, Mr. Nicosia, Dr. Orth and Mr. Smith - yes, Mr. Bazzani - no.

**A RESOLUTION APPROVING THE FISCAL YEAR BUDGET
BEGINNING JULY 1, 2025, AND ENDING JUNE 30, 2026
FOR GLOUCESTER COUNTY, VIRGINIA**

WHEREAS, Section 15.2-2503 of the 1950 Code of Virginia, as amended, provides that the governing body of the County shall prepare and approve an annual budget; and

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, 2025, and ending June 30, 2026, as required by State Code section 15.2-1541; and

WHEREAS, a brief synopsis of the budget was published, and a public hearing was held on April 14, 2025, all as required by the provisions of Section 15.2-2506 of the State Code; and

WHEREAS, the recommendation regarding the educational budget for FY 2026 contains estimated availability of funding from the Federal government in the amount of \$245,651; from the state government in the amount of \$43,346,837; from the local appropriations in the amount of \$30,874,128; and from other local revenue in the amount of \$114,000; and

WHEREAS, the Board has reviewed citizen comments, analyzed, deliberated, and made necessary revisions to create a budget.

NOW, THEREFORE, BE IT RESOLVED by the Gloucester County Board of Supervisors this 30th day of April 2025, that there is hereby approved for informative and fiscal planning purposes only, the annual budget for the FY 2026 as submitted and amended by the Board and briefly summarized below:

General Administration	9,128,249
Judicial Administration	2,451,497
Public Safety	21,927,548
Public Works	3,442,745
Health and Welfare	847,201
Education	945,456
Parks, Recreation, and Cultural	3,221,933
Community Development	1,879,720
Contributions	524,471
Contingency/Pay Matters	1,831,780
School Operating Fund	74,130,616
Cafeteria Fund	4,286,107
Regional Special Education Fund	1,275,920
Social Services Fund	6,902,761
Children’s Services Fund	1,994,385
American Rescue Plan Act Fund	911,522
Capital Projects Fund	31,691,594

School Construction Fund	5,071,046
School Grant Fund	3,526,472
Opioid Abatement Fund	610,773
County Grant Fund	2,462,926
Debt Service Fund	9,194,134
School Sales Tax revenues in accordance with Virginia Code sections 58.1-605.1 and 58.1-606.1	1,869,111
Gloucester Sanitary District #1 Fund	28,623
Gloucester Point Sanitary District Fund	32,540
Utility Fund	10,218,454
Mosquito Control Fund	129,562

BE IT FURTHER RESOLVED that the FY 2026 annual budget of the Gloucester County School Board for school operations in the amount of \$74,130,616 be, and it is hereby approved, subject to and contingent upon the availability of funds from the sources indicated in the preamble hereto.

2. Ordinance Setting Tax Levies for Calendar Year 2025

Dr. Orth moved, seconded by Mr. Hutson, to approve the ordinance setting tax levies for calendar year 2025. The motion carried and was approved by the following roll call vote: Mr. Bazzani, Mr. Chriscoe, Mr. Gibson, Mr. Hutson, Mr. Nicosia, Dr. Orth and Mr. Smith - yes.

**AN ORDINANCE TO IMPOSE TAX LEVIES UPON REAL ESTATE, FOR
AND TANGIBLE PERSONAL PROPERTY, AND BOATS AND
WATERCRAFT FOR THE CALENDAR YEAR 2025**

WHEREAS, it is necessary for the Board of Supervisors to establish real estate and other tax levies for Gloucester County for calendar year 2025 beginning January 1, 2025, and ending December 31, 2025; and

WHEREAS, the Board has duly advertised and held a public hearing on the subject tax levies;

NOW, THEREFORE, BE IT ORDAINED by the Gloucester County Board of Supervisors this the 30th day of April, 2025, that the following County tax levies be, and they hereby are, imposed for the calendar year 2025:

Class of Property	Rate Per \$100 of Assessed Valuation
Real Estate	\$0.614
Vehicles without motive power, used or designed to be used as manufactured homes as defined in Section 36-85.3 of the Code of Virginia.	\$0.614
Public Service Corporation Property	\$0.614
Tangible Personal Property not otherwise exempt or set out	\$3.10
One Motor Vehicle owned or leased by a member of a volunteer fire department as per State Code § 58.1-3506 (A) (16)	\$0.0000000000000001
Boats or watercraft (weighing less than five tons), not used for business purposes only	\$0.0000000000000001
Boats or watercraft (weighing less than five tons), used for business purposes only	\$0.0000000000000001
Boats or watercraft (weighing five tons or more), not used for business purposes only	\$0.0000000000000001
Boats or watercraft (weighing five tons or more), used	\$0.0000000000000001

for business purposes only	
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An additional Ad Valorem tax is hereby levied on real estate located in each of the special service districts as follows:

	Rate Per \$100 of Assessed Valuation
Sanitary District No. 1	\$0.01
Gloucester Point Sanitary District	\$0.01
York Mosquito Control District	\$0.01
Chiskiake Village, York River Pines and York Shores Mosquito Control District	\$0.01
Powhatan Chimney Mosquito Control District	\$0.01
Dunlap Woods Mosquito Control District	\$0.01
Abingdon Mosquito Control District	\$0.01

This ordinance shall be effective on adoption.

3. Resolution Appropriating Funds for Fiscal Year 2026

Dr. Orth moved, seconded by Mr. Hutson, to approve the resolution appropriating funds for fiscal year 2026. The motion carried and was approved by the following roll call vote: Mr. Bazzani, Mr. Chriscoe, Mr. Gibson, Mr. Hutson, Mr. Nicosia, Dr. Orth and Mr. Smith - yes.

A RESOLUTION APPROPRIATING FUNDS FOR THE FISCAL YEAR BUDGET BEGINNING JULY 1, 2025, AND ENDING JUNE 30, 2026 FOR GLOUCESTER COUNTY, VIRGINIA

WHEREAS, upon notice duly published in the newspaper, a public hearing was held on April 14, 2025, concerning the adoption of the annual budget for Gloucester County for the fiscal year beginning July 1, 2025 and ending June 30, 2026; and

WHEREAS, the Board has held budget work sessions at which members have reviewed citizen comments, analyzed, deliberated, and made necessary revisions to create a budget; and

WHEREAS, the Board of Supervisors of Gloucester County, Virginia, approved said budget on April 30, 2025; and

WHEREAS, it is now necessary to appropriate certain funds to implement the FY 2026 budget.

NOW, THEREFORE, BE IT RESOLVED by the Board of Supervisors of Gloucester County, Virginia that the following appropriations are made for FY 2026 for the following functions:

General Administration	9,128,249
Judicial Administration	2,451,497
Public Safety	21,927,548
Public Works	3,442,745
Health and Welfare	847,201
Education	945,456
Parks, Recreation, and Cultural	3,221,933
Community Development	1,879,720
Contributions	524,471

Contingency/Pay Matters	1,831,780
Transfers to School Fund	30,424,128
Transfers to Food Services Fund	450,000
Transfers to Social Services Fund	2,434,100
Transfers to Children's Services Fund	788,154
Transfers to Capital Fund	4,086,460
Transfers to Debt Service Fund	4,127,183
Transfers to County Grant Fund	396,418

BE IT FURTHER RESOLVED that an appropriation of County funds to the School Operating Fund in the amount of \$30,424,128 is hereby approved.

BE IT FURTHER RESOLVED that an appropriation in the amount of \$43,706,488 is hereby approved subject to and contingent upon the availability of direct funding to Gloucester County Schools from sources other than the County, including the Federal government, the State government, and other local sources.

BE IT STILL FURTHER RESOLVED that an appropriation to the Cafeteria Fund in the amount of \$450,000 is hereby approved and an additional appropriation in the amount of \$3,836,107 is hereby approved subject to and contingent upon the availability of funding from the Federal government in the amount of \$3,226,918, from the state government in the amount of \$102,697, from other local revenues in the amount of \$506,492.

BE IT STILL FURTHER RESOLVED that an appropriation to the Regional Special Education Fund in the amount of \$1,275,920 is hereby approved subject to and contingent upon the availability of funding from the state government in the amount of \$37,500 and from other local revenues in the amount of \$1,238,420.

BE IT STILL FURTHER RESOLVED that an appropriation to the School Grants Fund in the amount of \$3,526,472 is hereby approved subject to and contingent upon the availability of funding from the Federal government in the amount of \$2,875,722, from the state government in the amount of \$600,750, from other local revenues in the amount of \$50,000.

BE IT STILL FURTHER RESOLVED that an appropriation to the Social Services Fund in the amount of \$2,434,100 is hereby approved, and an additional appropriation in the amount of \$4,468,661 is hereby approved subject to and contingent upon the availability of funding from the Federal government in the amount of \$2,681,048 and from the state government in the amount of \$1,787,613.

BE IT STILL FURTHER RESOLVED that an appropriation to the Children’s Services Fund in the amount of \$788,154 is hereby approved, and an additional appropriation in the amount of \$1,206,231 is hereby approved subject to and contingent upon the availability of funding from the Federal government in the amount of \$1,184,511, and from other local revenues in the amount of \$3,720.

BE IT STILL FURTHER RESOLVED that an appropriation to the American Rescue Plan Act (ARPA) Fund in the amount of \$911,522 is hereby approved subject to and contingent upon the availability of funding from Restricted Fund Balance (prior year ARPA receipts) in the amount of \$911,522.

BE IT STILL FURTHER RESOLVED that an appropriation to the Capital Fund in the amount of \$4,086,460 is hereby approved, and an additional appropriation in the amount of \$27,605,134 is hereby approved subject to and contingent upon the availability of funding from bond proceeds in the amount of \$22,359,992, from the Federal government in the amount of \$1,264,681, from the state government in the amount of \$2,912,238, from Committed Fund Balance (Capital Fund) in the amount

of \$976,494, from Committed Fund Balance (Older Adult Facility) of \$7,417, and from other local revenues in the amount of \$84,312.

BE IT STILL FURTHER RESOLVED that an appropriation to the School Construction Fund in the amount of \$5,071,046 is hereby approved subject to and contingent upon the availability of funding from the Restricted Fund Balance (prior year bond proceeds) of \$5,071,046.

BE IT STILL FURTHER RESOLVED that an appropriation to the Opioid Abatement Fund in the amount of \$610,773 is hereby approved subject to and contingent upon the availability of funding from the State government of \$471,027, from other local revenues in the amount of \$133,371, and from Restricted Fund Balance in the amount of \$6,375.

BE IT STILL FURTHER RESOLVED that an appropriation to the Debt Service Fund in the amount of \$4,127,183 is hereby approved, that an additional appropriation in the amount of \$5,066,951 is approved subject to and contingent upon the availability of funding from the Federal government in the amount of \$237,295, from the state government in the amount of \$53,889, and from School Sales Tax revenues in accordance with Virginia Code sections 58.1-605.1 and 58.1-606.1 in the amount of \$4,775,767.

BE IT STILL FURTHER RESOLVED that an appropriation to the School Sales Tax Fund in the amount of \$6,644,878 is hereby approved subject to and contingent upon the availability of funding from School Sales Tax in accordance with State Code sections 58.1-605.1 and 58.1-606.1 in the amount of \$6,153,616 and from other local revenues in the amount of \$491,262.

BE IT STILL FURTHER RESOLVED that an appropriation to Gloucester Sanitary District #1 in the amount of \$28,623 is hereby approved.

BE IT STILL FURTHER RESOLVED that an appropriation to Gloucester Point Sanitary District in the amount of \$32,540 is hereby approved.

BE IT STILL FURTHER RESOLVED that an appropriation to the Utility Fund in the amount of \$10,218,454 is hereby approved.

BE IT STILL FURTHER RESOLVED that an appropriation to the Mosquito Control Fund in the amount of \$129,562 is hereby approved.

BE IT STILL FURTHER RESOLVED that the County Administrator is authorized to redistribute appropriations within and among the funds under the control of the Board of Supervisors as may be necessary to meet the needs and interests of Gloucester County.

4. Resolution Establishing the Rate of Personal Property Tax Relief for Qualifying Vehicles

Mr. Chriscoe moved, seconded by Dr. Orth, to approve the resolution establishing the rate of personal property tax relief for qualifying vehicles. The motion carried and was approved by the following roll call vote: Mr. Bazzani, Mr. Chriscoe, Mr. Gibson, Mr. Hutson, Mr. Nicosia, Dr. Orth and Mr. Smith - yes.

A RESOLUTION ESTABLISHING THE RATE OF PERSONAL PROPERTY TAX RELIEF ON QUALIFYING VEHICLES PURSUANT TO THE PERSONAL PROPERTY TAX RELIEF ACT OF 1998 AS AMENDED AND SECTION 16-102.2 OF THE GLOUCESTER COUNTY CODE

WHEREAS, pursuant to the Personal Property Tax Relief Act of 1998, as amended, (Virginia Code Section 58.1-3523, et seq.) the Board of Supervisors of

Gloucester County adopted Gloucester County Code Section 16-102.2 entitled “Vehicle Tax Relief” on December 6, 2005; and

WHEREAS, Section 16-102.2 provides that the Board shall annually, as part of the adoption of the County budget, set the rate of tax relief on qualifying vehicles at a level that is anticipated to fully exhaust tax relief funds provided to the County by the Commonwealth; and

WHEREAS, Section 16-102.2 provides that personal property tax relief shall be applied so as to eliminate personal property taxation on qualifying vehicles with an assessed value of One Thousand Dollars (\$1,000.00) or less; and

WHEREAS, it is necessary for this Board to establish the allocation of tax relief for the first Twenty Thousand Dollars (\$20,000.00) in assessed value of other qualifying vehicles; and

WHEREAS, the Board has been informed that for the 2025 calendar year, the remaining relief funds available will be sufficient to provide a reduction of 22% in the tax bill of such qualifying vehicles valued at greater than \$1,000.

NOW, THEREFORE, BE IT RESOLVED THIS 30th day of April 2025 that for calendar year 2025, qualifying vehicles with assessed values of more than One Thousand Dollars (\$1,000.00) shall have their tax computed by reducing the amount otherwise owed on the first Twenty Thousand Dollars (\$20,000.00) of assessed value of such qualifying vehicle by a dollar amount equal to 22% of the amount otherwise owed.

6. Adjournment

Mr. Hutson thanked Ms. Steele, Ms. Calloway, Mr. Wilmot, and staff for all of their work. Mr. Bazzani stated that Ms. Calloway came to his class this year and she was able to convince five students to major in accounting. Mr. Chriscoe reiterated Mr. Hutson's comments and thanked staff for their hard work and for doing all that was asked of them. He noted that the Board cannot do what they do without the staff and that their work is greatly appreciated. Dr. Orth expressed appreciation to the Board for their civil discourse. Ms. Steele applauded the Board's work in making difficult decisions and for having great discussions.

Mr. Chriscoe moved, seconded by Dr. Orth, to adjourn. The motion carried and the meeting was adjourned at 7:49 p.m. by a unanimous voice vote.

Kevin M. Smith, Chair

Carol E. Steele, County Administrator