

March 14, 2023

At the special meeting of the Board of Supervisors of Prince Edward County, held at the Court House, thereof, on Tuesday, the 14<sup>th</sup> day of March, 2023; at 5:30 p.m., there were present:

Pattie Cooper-Jones  
J. David Emert  
Llew W. Gilliam, Jr.  
Victor "Bill" Jenkins  
E. Harrison Jones  
Odessa H. Pride  
Jerry R. Townsend  
Cannon Watson

Also present: Douglas P. Stanley, County Administrator; Cheryl Stimpson, Director of Finance; and Crystal Baker, Finance Manager.

Chairman Gilliam called the reconvened meeting to order.

In Re: FY 2023-2024 Revenue Estimates

Mr. Douglas Stanley, County Administrator, presented a brief overview of the revised Budget Meeting Schedule; he stated that due to the General Assembly delay, the School Budget presentation is not ready. He said the County is going to prepare the budget and move forward and keep on schedule, and if necessary, will readjust the budget if needed.. He said he is basing the County's budget numbers on the House Budget for Education, which is likely in the middle of the Senate and Governor's proposals. Mr. Stanley said the Superintendent of Schools, Barbara Johnson, will present the School budget at the meeting scheduled for March 28. He said it may be mid-April before the General Assembly reconvenes. He reviewed future budget meeting dates.

Mr. Stanley reviewed Revenue Estimates; he stated the County budgeted \$8,750,000 in Real Estate [taxes], and as of March 13, the County collected \$8,318,197. He said last month the County collected \$213,000, which is close to 95% collected. He added that the number includes delinquent [accounts] from previous years. He expects to collect just under \$8.7 million this year.

Mr. Stanley said the Public Service Corporation include power lines, substations, and cell towers; they pay taxes through the State Corporation Commission. As of March 10, the County collected \$614,000. In Personal Property [taxes] last year, there was an increase in value last year; the County gave back by increasing the PPTRA

rate. The County received just over \$5.9 million. He said the biggest tax increase for the County is Sales Tax, with a collection of approximately \$3,650,000. He said updates on these categories will continue throughout this process.

Mr. Stanley said that overall, it was estimated at \$28,183,826 in Revenue, and currently, based on current projections, that number will be \$27,986,000. He said the first year he estimated the County budget, the local General Fund Revenue originally was projected at \$15,526,286, and collections amounted to \$15,560,842, which is a difference of \$34,556 (0.2%). He said the projections this year shouldn't be too far off.

#### In Re: Presentation of County Administrator's Budget

Mr. Stanley reviewed the upcoming Budget Schedule, followed by a review of the budget goals and revenue cost drivers, and proposed funding changes.

Mr. Stanley stated goals include the following:

- Maintain or improve current levels of service
- Stay competitive with staff salaries – address compression
- Continue financial planning process for capital improvement projects, including:
  - Sandy River Water System
  - Elementary School Renovation
  - Animal Shelter
  - Public Safety Radio System Improvements
- Promote economic development – invest in the Community
- Maintain low real estate tax rates

Mr. Stanley reviewed budget cost drivers:

- Anticipated flat revenue
- A few personnel priorities – Full-time IT Director, salary increases
- State School Shortfall/Salary increases
- CIP items
- Public Safety pressures:
  - Volunteer Fire Departments – increased insurance costs
  - Sheriff Department budget
  - Communications system

Mr. Stanley stated Budget Revenue increases consist of:

- Real Estate Stable - \$8,750,000 (Billed \$8,630,896 in FY23)
- Personal Property Down - \$6,562,500 to \$6,250,000 (Decreased values)
- Sales Tax up from \$3,500,000 to \$3,000,000
- Added TOT - \$20,000 to \$75,000
- Added Meals Tax - \$200,000
- A number of other categories up slightly
- FY24 includes last Library project payment of \$226,299
- Personal Property values projected to be down – will look to return to actual PPTRA amount

Mr. Stanley reviewed significant funding changes:

Personnel Cost:

- 5.0% - (\$356,438) Partly covered by Comp Board
- Extra 2% included in pay raise reserve
- 5.0% Health Insurance Increase budgeted
- Handful of merit increases

Additional Positions:

- COR – Full time Deputy Position (Still open and budgeted)
- Planning – Part-time receptionist (Still open and budgeted)
- IT (Full-time in FY24)
- Part-time Registrar position

Included Funding:

- Prince Edward Sheriff's Office:
  - Overtime Increase from \$120,000 to \$175,800
  - Equipment Maintenance from \$85,000 to \$95,000
  - Vehicle Maintenance from \$54,000 to \$75,000
  - Vehicle Purchase from \$180,000 to \$315,200
- Fire and Rescue:
  - Increase in VFD contributions - \$74,700 to \$85,000
  - Fuel from \$35,000 to \$40,000
- IT Department – Full-time \$40,000+
- Planning – Professional Services \$50,000) for Comp Plan update
- Reassessment Increase to go to 4-Year Cycle (\$75,000 to \$150,000)
- Legal Services (\$50,000 to \$75,000)
- Regional Economic Development Initiative (\$25,000)
- School CIP Funding (\$250,000 to \$500,000)
- School CIP Funding (Meals Tax) (\$200,000)
- Solid Waste
- Paving (\$45,000)
- New Scale House (\$26,000)
- Construction Vehicles (\$20,000) + (\$100,224 – Debt for Loader)
- CIP (\$608,708)
- Sandy River
  - Engineering (\$185,000 to \$200,000)
  - Legal (\$17,500)
  - Debt Service (\$200,000)
- Contingency Funding (\$189,838 to \$217,262) Closer to 0.5% Finance Policy Requirement
- Estimated State Revenue included in budget
- School budget increases – Federal/State/Local (Operating), Used House Estimate (\$556,907 - \$10,096,371) Operating \$515,415 Debt Service
- Outside Agency increases – County Administrator recommendations included in budget
- 7% Increase – 5% included, 2% in Pay Raise Reserve

Mr. Stanley said the downside is there is currently a funding gap of \$2,096,853. He said he will bring a list of items to cut or trim. He said he will add in any additional State Revenue and will continue to evaluate the local revenue; he said he may recommend use of the Fund Balance for one-time purchases.

Mr. Stanley said that on Monday, he will be going to speak with the Virginia Resource Authority Board; he said to do the Sandy River project, they don't want to add it to the general pool with the other bonds. He said the County is not on the spring or summer schedule, it will be a stand-alone issuance and not on a predetermined schedule.

Discussion followed on the tax rate. Mr. Stanley said prior to the latest reassessment, the tax rate was \$0.51 per \$100. To equalize the rate, it would have been rolled back to \$0.43, but it was set at \$0.47. Most of that went into the Capital Improvement Project (CIP) line. Chairman Gilliam agreed, stating there has to be a "rainy day fund."

Mr. Stanley said Prince Edward County is in sound financial shape; discussion followed.

Supervisor Townsend said the majority of the fire departments are [staffed by] volunteers, unlike the EMS. He said Prince Edward County is blessed to have these volunteers willing to go out and protect the citizens. He said a new truck costs over \$1 million fully fitted; the majority of our fire departments do not have a contingency plan or savings. Pamplin saved some funding toward the new truck they just purchased but the other departments do not. They will come to the County to provide what they need to protect the citizens. Supervisor Townsend suggested consideration of setting funds aside for that need so it will not be such a significant hit. He said these volunteers are committed to what they do, and the County has to provide the equipment for them to do the job.

Supervisor Pride asked if other Board members had the opportunity to speak with the School Board member from their district. Discussion followed.

On motion of Supervisor Emert, seconded by Supervisor Watson, and adopted by the following vote:

Aye:	Pattie Cooper-Jones	Nay: None
	J. David Emert	
	Llew W. Gilliam, Jr.	
	Victor "Bill" Jenkins	
	E. Harrison Jones	
	Odessa H. Pride	
	Jerry R. Townsend	
	Cannon Watson	

the meeting was adjourned at 6:29 p.m.