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Albemarle County Board of Supervisors Budget Work Session #5 - Proposed Budget & Tax Rates, Wednesday, March 27, 2024

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- Official agenda: https://albemarle.granicus.com/AgendaViewer.php?view_id=1&clip_id=969

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[00:00:01] I'm pleased to call the order this special meeting as the Alamo County Board of Supervisors. I found the budget on this 27th of March at 3:00 PM in room 241 in the McClure Building. I'd like to note the supervisor is present here, supervisor Dan and Alec of the Whitehall District, Supervisor Nathan McKeel of Jack Fruitt District, Supervisor Peter Peterson Furtley of the Renanah District, Supervisor Mike Fruitt of the Scottsville District, myself, Jim Andrews, representing the Samuel Miller District.

[00:00:27] And let me understand that Supervisor Ned Galloway will join us as soon as he can for another meeting, but the forum is present. We're also joined here by our County Executive, Mr. Jeff Richardson, our County Attorney, Mr. Steve Rosenberg, our Clerk, Ms. Claudette Forkerson, and Senior Deputy Clerk, Mr. Jarvis Morris.

[00:00:44] Also, let me please welcome Elmallow County Police Officers present, Lieutenant Angel Jamerson, and Senior Police Officer Ronald Hedder. We thank you for your service today and every day. I don't know if you have the security of this county. Thank you. A reminder to everyone, as I said this last time, if you have the floor, talk to the ceiling. That's where the microphones are. And we will jump right into it, led off by Mr. Andy Bowman, Assistant Chief Financial

[00:01:19] Officer. Thank you, Chair Andrews, for the introduction. Good afternoon to the board. today is work session number five of the board of supervisors just to look ahead as we usually do with the calendar for the remainder of the process today the board will be asked to take action to propose a budget and tax rates for republicans this is obviously not the final action because we are taking action this is really the next milestone in the process where we turn the county executive's recommended budget into the board's proposed budget leading to the adoption of the budget in there as we can see on the calendar in april there is much community engagement that

[00:01:56] will continue building on what has taken place in march with additional public hearings and continuing down the halls looking at the agenda specifically for today's work session the staff would like to begin with continuing kind of the updates and discussions from prior work sessions we spent a significant amount of time on monday working through some options with the board on revenues and expenditures and we'll bring that back together for the board's continued refinement and action then we will move into the official uh motions and actions for the board to take on the

[00:02:29] tax rates and the proposed budget. To begin with a very recap, a quick recap of March 25th for anyone who's listening and may have missed that. Staff and the board completed the review of the 25 recommended budget and the CIP as well as all the board Q&A that has been going on. There are still pending questions we have from the board that are continuing to come forward and we're posting those on the website for transparency to the public and see that work as well. We spend also a substantial amount of time looking at a group of expenditure changes the board considered and a group of revenue options to put those together and take a look at how we could really

[00:03:05] narrow some options down to come back today and continue that conversation that's really the purpose of today so as we look at these updates from prior sessions we're going to do this in a few sections the first of which will be the general fund that's where we'll spend most of our time but after the general fund we'll pause for some more discussion and then we'll talk about the impact of the school fund the capital budget and the cip so to really frame before we go into content this is a slide that was from the county executives recommended budget presentation all the way back on february 21st now i'm using this because it really speaks to the fact that we

[00:03:42] budget annually but the decisions that we make in one year impact subsequent years and that's a large story as there are decisions that were made last year um in prior years where we are meeting obligations and requirements this year and that will continue into fiscal year 26. a really good example of this took place about a year ago when fiscal year 24 shown kind of the bottom left part of the slide the board supervisors took about five million dollars of ongoing revenue and rather than put that into ongoing operating expenditures at that time it was invested into the cip to move those projects forward knowing that at time it would be available in fiscal year 25 to fund

[00:04:18] operations for all of the items that are included in the county executive budget this is just it was a very important strategy because it's provided some flexibility that has taken place in this budget that wouldn't otherwise be possible this also speaks to the board's commitment to financial planning and long-range considerations that you all consider on a regular basis throughout the year.

[00:04:37] So I bring this back today because as we consider the the options for the board many of them start mid-year fiscal year 25. So when they begin fiscal year 26 the cost of those will potentially be greater than it will be in 25. So it's just an important strategy to keep in mind looking across multi-year financial

planning. So moving to the general fund this is a summary of the revenue options that the board talked about on Monday. So what this shows is a consideration of increasing

[00:05:11] the transit occupancy tax by 1% from 8% to 9%. And then that's just what the city of Charlottesville is contemplating right now. It includes a increase to the personal property machinery tools rates of 54 cents. That has a basis that we'll talk in more detail, but that was a scenario shared with the board. And we've also included what we call some non-shared revenues that are related to the HART's team or HART team and Department of Human and Social Services. So we can see that the second column, the total revenues in the general fund would total 5.4 million. And we can see across the right in terms of capital and debt, public schools and county government, how those are

[00:05:46] accounted for. One thing that is not shown on these revenues in the general fund is any revenue with a FEMA grant. That's done for two reasons. One, grant expenditures are accounted for separate from the general fund. Also, if the grant were to be awarded, we would not appropriate that grant until the fall, which has been our practice with other FEMA safe agreements. We'll have in the budget the local match not covered by the grant, but the actual grant and related expenditures will come up in the year. So in summary, there's about \$5.4 million in revenue, about a little over half million to capital and debt, \$2.9 million to public schools, and about \$1.9 million to county

[00:06:21] government. So I'm going to drill down next to take that \$1.9 million at the very bottom right on county government and look at some expenditure and revenue options. So this is just a summary slide where staff has taken the direction from march 29th and put together an option for the board's consideration that balances fiscal year 25 and considers fiscal year 26. so we can see in the first column that 1.953 million that's exactly again that bottom number on the slide from before and there's uh total revenues in the first line total expenditures and the remaining balance

[00:06:57] three main takeaways from this summary that i want to share with the board the first of which is this option which we'll see in more detail is balanced in fiscal year 25 so that that will meet what is required fiscal year 26 uh you may note highlighted in yellow is a the cost without a fema safer grant so in preparing a option for fiscal year 26 staff has put together what is the highest possible local cost in fiscal year 26. so this assumes that anything started mid-year in 25 is picked up for full year fiscal year 26 it assumes that uh kind of the worst case scenario if the

[00:07:35] county did not get a fema safer grant um what would the impact of that be knowing that fiscal year 26 both north garden and workmar would be intended to be run 24 7 with their staffing request so hopefully the grant will come through and that cost will not be as high however even if it does not in this scenario staff is put together there is more revenue than avail than needed in fiscal year 26 that's okay we don't need to balance fiscal year 26 we'll refine these numbers a year from now and we know just as we saw in the previous slide a few times ago we think of the obligations whether they be you know continuing to open the general district court for a full year

[00:08:12] continuing to pick up the safer grants what does transit look like once the micro cap pilot is complete what does the county's compensation strategy keep up with market what does that begin to look like there's a whole host of options that will each of which will cost more than 377 thousand dollars but this is just to provide some some just level that position the board a little bit better a year from now heading into fiscal year 26. so those are the really main three takeaways but under the board we want to

see what is actually included in that those two options how we work through this so now shifting versus the revenue side um looking at 1.9 million in both

[00:08:49] years and taking that which makes up that that again is there is non-shared revenue with department of human and social services that's included in both years the transit occupants tax and the personal property tax staff does project in fiscal year 26 that car values will probably continue to decline so that's why that revenue trails off a little bit in fiscal year 26 but just looking at this one package of revenues they're about 1.9 million in each year's for simplicity there are a couple of things that i do not have on this slide and i want to acknowledge those the board does not have to decide those today but um just want to make sure we're clear in terms of what's

[00:09:28] in what it's not what other options may be the first of which is you know the board uh be aware that the personal property tax rate is effective for a calendar year so when that happens it will be effective for the bills that are received in june and so of the total 4.5 million that would be collected from that tax in fiscal year 25 there's almost 2 million that the county would receive fiscal year 24 that is one-time money that can be available for the board's discretion staff would recommend not taking any action what would happen it was on march 15th the county staff would bring forward the third quarter financial report for how fiscal year 24 is performing

[00:10:06] May 15th? May 15th. Sorry, what did I say? March. March. Thank you. Good set. Got executives present and listening. So on May 15th, we're scheduled to bring the third quarter report. And then we can say, just view on those revenues. How do all the revenues, how do all the expenditures, what do those look like in total? And that's customary for the board to take a look and say, at that time are there investments we could make in terms of one time to capital or housing or economic development or something else so that's just to acknowledge it's not forgotten about but

[00:10:43] it's not part of the fiscal year 25 proposed budget for that reason the other item that is again just for simplicity down on this slide we talked there's some one-time funding options available to the board one of which is the 1.9 million in the cip for advanced and strategic your priorities reserve. That is not included right now, though it could be. And that can be also available if it's not anything in this package, but it could be also added at a later date or even in fiscal year 24. It's already appropriated if the board wanted to do something with that. And the same is also true for that \$250,000 for John. So there are one-time options

[00:11:19] out there, but right now the intent of this exercise is really to solve an ongoing budget question more than a one-time one. So there are still options for the board that don't need to be resolved today with those sources but it would acknowledge the board they are out there and the board's got benefits so that's the revenue side let's take a look to what this looks like on the expenditure side and before we dive down and look at the numbers i'm going to focus on the top to remind the board and anyone who may just be tuning in what's included in these expenditures this is where we heard a consensus from the majority of the board to continue to include

[00:11:54] staffing for north guard and brookbar ambulance that's a total of 16 fdes across those two items and that would provide 24 7 coverage at both locations as part of that staff would be pursuing the fema grant for north garden and again we have the footnote on the table that's not shown here because of the grant funding and that would be a supplemental appropriation rather than included an adoption there's an expansion of the heart team that would include three ftes one in human services one fire rescue and one

in police there's an additional fte for the sheriff and additional fte for the police department to be a police officer so all of those costs one time and ongoing

[00:12:32] are in the top two rows of what's included in fiscal year 5 and fiscal year 26. what we also talked about on monday was an option around ongoing service reductions and this would be something that we'll speak to in just a moment but the idea in this approach is that you know we could step in as a blend of a combination of funding these items to step in that at a level of 250 000 in fiscal year 25 increasing to 500 000 in fiscal year 26. and uh but before i'll I'll ask the county executive to weigh in on that as I'm done with my comments.

[00:13:06] But the last thing I want to make before I do so is this very last line of one-time reserve contingencies of \$831,000. This is really replicating the strategy that the board chose last year to take some ongoing funding and apply it to a one-time use so that when the next fiscal year rolls around, the board is able to move forward to meet all of the partial year or be prepared, the FEMA safer grant does not come through, and so on.

[00:13:31] So that \$831,000 is also, it doesn't need not to be decided today. It does not need to be decided on May 1st when the board appropriates that budget. This gives flexibility to the board to be nimble anytime between now and through fiscal year 25 to address any one-time priorities they may have on their mind.

[00:13:47] And knowing by doing so and not committing that \$830,000 to ongoing expenses, if that were to take place, it would create a deficit into fiscal year 26. So before I open it to board and questions and any comments around this package, I'll ask the county executive if you would elaborate on anything that I've said or a little bit more on perhaps the service reductions in particular.

[00:14:08] Andy, thank you for the opportunity. Board, I'll focus my comments really on the red numbers, and that would be the \$250,000 for next year with an earmark for what we've called ongoing service reductions. And really, board, it's a combination of things.

[00:14:24] And we went through six budgets together and six annual performance reviews. And when we look back over the budgets that we've done together, as well as the annual performance reviews, this board has been complimentary of the staff's work and the work with the board to guide and move together and make decisions.

[00:14:45] But you've also emphasized that as we make investments in our systems and we update our systems and we modernize our processes and we cross-departmentalize systems that make it easier for the citizen to come in and go through our organization to get where he or she needs.

[00:15:04] You've put an emphasis on systems modernization, efficiencies, and saving money. And so really, that's really what that is. That's us easing into that in fiscal year 25. And the chief finance officer, and I've met as recently as today, the chief operating officer with her team and performance and strategic planning, we've met.

[00:15:24] And we think this is the right time to do this board. So I would urge the board to support this. As Mr. Bowman said, this is not a budget balancing strategy at this point. But our organization, I believe, is ready to look through fiscal year 25 with an eye on efficiencies, scalability.

[00:15:48] There's a part of the high-performance government, when you go through UVA, that talks about the fact that you should spend your time looking at where are we spending money that's least impactful. Where could we look at stop doing things?

[00:16:04] And if we did, what would be the impact to the citizen, the customer, to the organization and the people in our organization? So I think that the investments in our people and in our systems are noted. and it's time for us to ease into this and we will need this money as we go into FY26.

[00:16:24] So even though that this is no longer if the board uh supports your your revenue strategies uh we will not need this to to balance in 25 but this is a good exercise for this organization to take on at this time and and and keep the board uh in close conversation with us through next year on how that's going. So I'll be happy to answer questions and uh and I know the board has a the broader scope of things you're considering today, but I wanted to take a second to hone in on that.

[00:16:55] So thank you. - This would be a good time to turn it back to the board for any questions or commentary. It's really for this package, if the board is agreeable to them, this would be incorporated into the proposed budget, or if the board wanted to, they could modify that, and that could be incorporated in the proposed budget.

[00:17:12] - Thank you. We'll go through our orders. - Thank you very much, and excellent review. And I don't have, I'm not puzzling with any of these, But I did have raised in a concern in your earlier meeting, in support of the effort on the core modernization and the need, perhaps, for that staff person who is not included at the moment to push that through.

[00:17:37] So I'll just re-mention that so that that can be on your radar to make sure that we have the staff available to carry on with the daily work, but also to make sure that this modernization is most successful. Thank you. Supervisor Brooks.

[00:17:55] Yes. So I'm broadly supportive of the option that is presented to us here. I would also really like to thank staff for the thoroughness they've shown and the responsiveness to our numerous requests that have come from this board.

[00:18:15] I do want to just, for the record, note my continued kind of position that I don't believe that the Sheriff 1FDE is fully necessitated at this time due to the ongoing lack or the lack of any interruptions in court services.

[00:18:32] And I would be interested to see whether or not any of the interventions, either from the heart expansion or from the state, actually impact the overall number of TDOs that are being processed by the sheriff. So I'm still not convinced that's a necessity.

[00:18:48] And also just, we were just talking about, we just heard from the county executive that this is an expression of our own emphasis, our own policy decisions and how we choose to allocate our funding.

[00:19:04] Things like our response times are policy decisions. Technically, if we want to look at the Constitution, the existence of fire and rescue services are a policy decision. They're not necessitated. And I want us to just be able to be comfortable in owning everything we're looking at as a policy decision.

[00:19:26] And that comes with the decision of what is not included. Every single thing that we are asking added to this budget comes with it the implication that there are things that we have left on the cutting room table that we all agree this is more important i don't fully agree and i just want to say that for the

record so i would just say you know for the record i think every single dollar that is being spent for uh the additional ddo share could be better spent uh through direct and i've emphasized several times how i believe that that is a disproportionately impactful way

[00:20:04] THAT WE COULD BE SPENDING OUR DOLLARS IN THE EMERGENCY RELIEF WITH THAT. EXCELLENT. I LOVE THE WAY YOU PRESENTED EVERYTHING BEFORE AND NOW. I THINK YOU'VE DONE AN AMAZING JOB AFTER FIVE YEARS NOW, ALMOST FIVE YEARS, OF PRESENTING THE BUDGET SO IT'S UNDERSTANDABLE.

[00:20:30] AND I REALLY APPRECIATE THAT. I HEAR WHAT SUPERVISOR PREWITT IS SAYING REGARDING THE one tdo i'm not convinced either that that is absolutely necessary i'm not really against it i just don't know i don't know the data especially with the courts coming online is that something we could fund mid-year if necessary i mean if we could fund it mid-year once a quarter when the courts open i would like to get more data to see whether or not that is something that really does

[00:21:05] affect the heart expansion i'm in favor of the heart expansion um i'm just like i said worried on the on the share of tdo i could go either way on that um my other question was for if necessary regarding regarding the work more ambulance i think i brought this up before you guys have PROBABLY ANSWERED IT, AND MY MOM HAD BRAIN FOG, BUT ASKING FOR, IF WE COULDN'T FUND

[00:21:38] BERKMAR AMBULANCE 24/7, WHAT WOULD BE THE OPTIMAL TIME, YOU KNOW, COULD WE FUND IT FOR ONE SHIFT, OR MAYBE TWO SHIFTS, IF WE DON'T GET THE SAFER GRANTS, I MEAN, I KNOW THE ELEVANT IN THE ROOM IS WE'RE GOING DOWN THIS PATH OF FULLY FUNDING FIRE AS VOLUNTEERS, AS THAT DECLINES, HOPEFULLY NOT FOR A LONG TIME IF THAT'S WHAT HAPPENS. SO I'M JUST -- THAT IS A QUESTION I'M POSING AS TO WHETHER OR NOT IF THE SAFER GRANTS ARE NOT AVAILABLE. IF THEY ARE AVAILABLE, FINE.

[00:22:12] YES, AND THANK YOU, BECAUSE I DECLICTED TO MENTION THAT IN MY COMMENTS EARLIER. THIS WAS PART OF MR. DAVID'S COMMENTS ON MONDAY. SO TO BE CLEAR ON SORT OF THE PLAN, at fema safer were to not be received the plan would be to reduce the 24 7 coverage at burkmar to weekday daytime right now a split of calls is i think a hair in the direction nights and weekends however it would be challenging to hire staff for only nights and weekends so the intent would be to mid-year make that a weekday daytime ambulance but under this option that would allow in fiscal

[00:22:48] year 26 for that and north garden to vote b247 so that answers that question and regarding the the share of tdo um is that something that could be funded in january for mid-year could take that option uh to start the date really at any point in the fiscal year the four-year cost could be covered in fiscal year 26. the board does not need to kind of pick that time now it's really it's part of the proposed budget and if they needed to adjust that that could be happened between now and may 1st i'll just ask if there's any particular follow-ups we can take back to the sheriff that may help the board with that decision um the safer grants would

[00:23:27] affect that correct no it would not know the sheriff would be outside of the future yes that's correct that's correct would not affect that i'm just wondering if we would if the board would consider waiting until mid-year just to see if it's in fact necessary if it is or if there's a definite answer now. So that's one thing. Your one-time reserve for contingency is totally in

[00:23:57] favor of, and I think the fact that having, if I can make myself clear, having one-time reserve contingencies for modernization for efficiencies, would that include hiring perhaps of additional people that would help with the efficiencies. And I'm thinking specifically of maybe, I know we've done a great job moving permits for housing. If you're building an individual home, it's gone down to what, four and six weeks of approval. If we can do that for developers, my reasoning is

[00:24:37] the faster they get it up, the faster we start getting tax dollars. And so there's an efficiency there. That's what I've been told. I don't know if that's true or not. And certainly other efficiencies you have regarding modernization IT. I'm totally in favor. I've always had been.

[00:24:58] And what you all seem to come up with are really good rational efficiencies to move the organization forward. I don't want it. Let's not delay. Let's move forward. Continue to move forward because And we're really helping our communities by having more.

[00:25:16] That's what they see. That's what they see. Okay, so that's one there. And, of course, I think that was it from you. Thank you very much. But excellent job, frankly. I'm supportive of what I see on the screen.

[00:25:35] I think you all worked really hard, and I really appreciate it. I am especially appreciative that you have figured out a way to cover we don't get the FEMA grant. I think we will, but I hope it's not a plan.

[00:25:52] And you all have a plan, and I really appreciate that. That was the fire department and the budget team working hand in glove to try to bring something back that pragmatically made sense from a timing standpoint, that it made sense budgetarily.

[00:26:08] But that was Andy's team and David's team working hand in glove and in the county exec's office being pretty excited about hearing that there was a good way to get that. Yeah, and it's really getting out of silos and working together. It's really very appreciative of that.

[00:26:24] The sheriff asked for four positions. We're offering our funding suggested to fund one. I think she needs the help. And waiting, I'm perfectly willing to wait to see how the hearts team, the new hearts team. But having said that, I think one position is a fair compromise. I think that will help her. And then we can wait and see on the other three. And I don't think we're going to need a total of four. I'm expecting that we'll be able to follow that new hearts team rollout

[00:26:58] pretty carefully, but I do think that giving her one position is not unreasonable, especially given she couldn't even make the last meeting that we had because she was called away. And her deputy designee that she was hoping to participate in this meeting or the meeting the previous was called away as well. I think one position is not unreasonable. But I really do, and I really appreciate the ongoing service reductions. I have a comfort level that you all feel comfortable with those service reductions, and you'll be helping us understand how they play out over the next

[00:27:37] budget cycle. The one thing that we always are asked when those of us at this table are up for re-election is, what have you gone back and looked at to save money from the taxpayer? And that's exactly what you all are doing. And our systems modernization has allowed us to do that. Good investment, and I really appreciate it. So I'm happy with what I see up here is, I guess, the bottom line. Thank you. Thank you. I'm also happy with what I see up here, including the one FTE federal sheriff. It was four and a half that was requested, and I appreciate that we will have

[00:28:17] to revisit this. We'll see how the HARTS team works out and see where it goes. I don't think it's unreasonable to start with having that position in certain circumstances. Do you have ongoing service reductions, I guess I really would like to see that relabeled. Somehow, you know, efficiency and modernization savings.

[00:28:43] Because that's what I heard you say, I guess, when you were describing it was that we do anticipate that the amounts of investment for modernization will provide dividends that will help reduce our expenses and not reduce our services I think I think uh chair injuries I think that what you're saying is is actually a much more accurate description you're broadening it because it's uh it's efficiencies it's re-engineering it's uh looking at duplication of effort um it's it's visiting uh as I said earlier maybe work that is not as impactful as it was maybe 10 or 15 years

[00:29:22] ago legacy types of systems and such so we can do that and and again and again broaden that the reason that i said it when i said it and i did two budget work sessions ago was because our organization is 75 percent of the budget is our people and when positions become vacant it is incumbent upon us to revisit the position's duties while it's vacant and how it fits into the broader system as an organization of over 800 people but what does what that doesn't mean is just reducing

[00:29:58] head count in a draconian way or to freeze positions and sacrifice our our service delivery and so we're going to do that with a with with some refined thought and again I want to emphasize that our performance division led by Ms. Shifflett that we've been preparing for this for several budgets. And the board has seen your recent quarterly report. It's the Spears report.

[00:30:27] We'll continue to bring that forward and that's going to help inform some of our thought as well. So it will be a more refined and careful way of thinking and not to look at things and be mindful of, you know, what's the impact to the citizen. So it is a broader concept than just service reductions and i appreciate you clarifying that thank you um and i apologize for not following i really feel deficient here but we we have uh in the previous slides described the revenues and we come up with the 1.953 and they're coming from clearer sources i understand that

[00:31:07] but then we go to the next slide and the expenditures there's a one-time expenditure ongoing expenditure i get that service reductions how does where is the one-time reserve for contingency is what we're setting aside them additional for expenditures yes that is an expenditure as well it's it's not something that will be spent on until the board says it's spent or allocated to it but that is uh the expenditure the plant expenditure that makes up uh the full 1.9 million so but at one point we have described the possibility of using some contingencies for

[00:31:45] some one-time expenses yes the board has multiple options there they could use that 800 000 to do something one time in nature they could use the almost 1.9 million of the capital event that's the strategic priorities reserve there's also that 250 000 in one time funding from john so between those sources there are significant and also the fiscal year 24 um depending on the third quarter financial report that has options too um so this is not the only way the board can move forward to the strategic plan. There are options to make those one-time investments.

[00:32:18] Those are not on the slide today because they don't necessarily need to be part of the proposed budget. The board can take action on those at a later date. Thank you for clarifying. It makes sense. I'm supportive of this. I'm supportive of this as a way to go forward with Dr. A.

[00:32:34] saying on budget, knowing that, oh, it's still subject to the public hearings and then the the budget will be always divisive with us as you. And thank you for clarifying, because the sheriff did ask for four and a half. I was rounding in just saying four.

[00:32:50] Four and a half. So that's a good point. Or do we have any additional questions? Yeah, piggybacking on what Supervisor Andrews has said regarding the contingencies.

[00:33:10] At one point, you said we don't have to take any action now. said at a later date are we talking later date prior to the end of the fiscal year or into the new fiscal year that could be made at really any point in time okay there's really no limitation or urgency to that other than the biggest the benefit of waiting is you allow time to come up with perhaps the best option the benefit or the downside of waiting as you may have an opportunity right now you could apply that one fund into it's related to board's discretion i personally like the fact that you know we can wait to see what else comes up because sometimes you never even know what's going to come up until it comes up so i i like the fact that you're you're planning for

[00:33:50] that and um personal property tax increase that's from the current to the what we're proposing the 396 correct yes that is correct and you said something and clarify or once again you said something about \$2 million extra for \$24 million? Yeah, that is correct. So there's about, to go up \$0.54 in that rate for personal property and machinery tools. In fiscal year 25, that will add about an extra \$4.5 million. Because that calendar year, because that tax rate is affected on a calendar year basis, it will impact the bills that are sent out in May and due in June. And county

[00:34:29] staff project we'd collect about \$2 million. In addition to the fiscal year 25, \$2 million would be received in June. Okay, so we get \$2 million in June and then \$2 million in January? \$2 million in June and then \$4.5 million over the collections in December and then the following June in fiscal year 25. Got it. Okay, that's right. That's why I need to clarify. Yes, and thank you, Mr. Davidson, to clarify. That is \$2 million in total. The county government split of that would be around \$700,000. Capital would be around \$200,000 and schools would be the difference. We can certainly bring back that in more detail as part of the third court financial report is the board has options

[00:35:06] thank you so i am very pleased with what you all have done frankly i think you're and i will have to compliment um mr richardson because when i first came on board you immediately started tackling efficiencies and you did that with the hr department which was huge and and you did it with other things so i am i'd like to see that word change frankly to efficiencies i think that will really make the public happy um because it that's what that's what you're doing

[00:35:39] so a big compliment there thank you all yes just to follow up on the sheriff i'm the reason i'm supporting going ahead with july 1st is because it's going to take so long to yes i retired and hire and train in order to have a person on board pathways for the year yeah we need to get that we're good for that oh yeah i believe we have consensus on all of the items And I'm just going to comment, but I looked ahead of the slides, and I think we're still going to discuss some impacts for the schools and capital, which are part of what we're doing here.

[00:36:15] Yes. This was probably the dentist part of today's work session in terms of content, so I wanted to take a break on the funeral fund before we got lost in some of the other . One question. You had mentioned about things being available on the website. Is there, and I should have gone to look for myself, is there right now on the front page budget link so that when this is put together after today's conclusion

that someone will be able to have an easy single click that will take them to the budget documents and they can do their homework before the next set of public hearings.

[00:36:50] Well, we're probably waiting until we made a final decision. I don't mean putting it up there. I want to make sure that the structure is there so that people don't have to search and chase around. After today. Yeah.

[00:37:07] We'll follow up with -- I see a few people leaning in. I'm not the best at reading body language. No one has to say anything, but please step up if you have something. So what we were planning is that by tomorrow morning, that there would be an update out to the community through the newsletter that describes the changes in the proposed budget.

[00:37:34] It takes a little bit of time for the team to get the changes sort of fully documented um all the math that goes into some of the changes that are being proposed um so we would we will have a newsletter out by tomorrow morning um that describes what those changes are so that those are very much in the public sphere or with the budget team to ensure that documents are uploaded as they're available um and then we'll take a look at what the home page looks like um but we do we do know from um the analytics that we track that getting that information out in a newsletter with direct links into pages and documents and such is the most effective way to get that information out

[00:38:13] there so we'll do um we'll do what we can to make sure that that's kind of everyone thank you do you have a follow-up well it's just there are lots and lots of people who don't get the newsletter who would like to have go to the budget and do their own homework but that's the only reason in that scheme all right continue so with uh kind of work consensus on the slide 10 that this would be part of the proposed budget i'm going to move on to the non-county government parts just to remind the board we have technical updates that we covered on monday so as part of the proposed budget we will take the one-time revenue from jaunt and the uh the ongoing revenue from the compensation

[00:38:53] board and the ongoing expenditure change for ran a solid waste authority that will also add funding to the reserve contingencies both one time and one going again that's there there for the board whenever they elect to use moving next to the school fund there's a little bit of information that's new on this slide that i'll take a moment to explain uh this is just to walk through where we are as best we know it today the school board had a requested funding gap of 13.3 million that they were here about on march 11th uh they shared and that's what the school board adopted and communicated the board's supervisors since then based on the state revenue update that we have

[00:39:30] which is not final subject to change we have an asterisk lots of caveats here but based on uh talking to my counterpart maya kumzala director of school budget planning the latest forecast forecast would be if the governor were to approve the budget based on the general assembly they would receive an additional 4.8 million in funding so if that were to pass the school gap would drop to 8.5 million dollars again subject to change that's what we know as of today as part of the revenue update that we started with on the first slide the schools would receive 2.9 million in ongoing revenue as part of their share of the personal property and transit documents that tax

[00:40:08] update so that is ultimately approved that would drop the i would call this a revised preliminary funding gap down to 5.6 million the school board would then need to work through the strategies that dr haas talked about on march 11th when they were here um so as part of the proposed budget we're not including that 4.8 million that would then come in later whatever they're at whatever the

real amount is back on may 1st we just want to give a sense of where the school board is and they continue to work through their budget actually their next work session will be tomorrow and they'll have this information yes they do that's right yes uh final just to recap the capital

[00:40:47] budget this reflects no new information this reflects the technical updates to remove the blue ridge area food bank the update to rswa here this also accelerates earliesville and seminal trail volunteer fire stations from year three to year one that's funded by the increased revenues and capital fund balances made move from year three to one so this just reflects the board's direction and updates from monday one additional slide for consideration for the board that we have not did not talk about on monday was just the reality that the cip is a five-year plan so when we add that half million dollars in fiscal year 25 there's another roughly half million that will

[00:41:24] be added each year from fiscal year 26 through fiscal year 29. so two million dollars across those last four years staff would recommend the board really recommend considering that later because we were really waiting the pending outcome of the bill for the sales tax referendum and so if that were to happen that would be a dramatic change to the cip working through all those steps so rather than focus our energy on that 2 million at this time we'd say it's probably a better use of board and staff's time to consider that revenue update for the cip after we have more certainty from this date and so that recaps really everything we talked about london and these other

[00:42:01] updates around there i'll pause again for board questions and comments before we get to action from the board thank you we will go through our order no questions right now thank you very much for all your work. Supervisor McKeith? No questions, thank you. Supervisor McKeith? No questions, they're concerned. My concern is our supervisor. My comments are going to be very brief leading

[00:42:38] to these actions. It's really going to be a review of it's discussed to date. Would the board desire break to give a supervisor gallagher a chance to arrive or i think that's going to see what

[00:42:57] okay go ahead well just a brief recap this is the board action to set the rate for advertisement i'll start no actions needed today on this this is transit occupancy tax where the rate went from eight percent to nine percent effect on july 1st generated about nine hundred thousand dollars no actions were requested today based on what we talked about on monday on the board's consent agenda on april 3rd there will be an action item to schedule the public hearing through the board's usual public hearing and advertising process because this is separate set under a separate ordinance that public hearing would be held the night of april 24th which is coincidentally the other night is the tax rate hearings and then the board would ask me to not

[00:43:36] take action on the 24th but to do so on may 1st as part of the regular budget adoption and in appropriation. The second item is a slide the board has seen before is the board will need as part of their motion to act on real estate property taxes. Currently they are at 0.854 and that would remain the same based on the board's direction from Monday. The overall reassessment was 4.07% compared to calendar 23. One part of the advertisement is what is called as the lowered or effective rate, which is what would the rate be to essentially negate that 4% increase in assessment change. That rate as advertised will be 82.1 cents per \$100 assessed value.

[00:44:18] Personal property, these are another slides the board has seen before, but for anyone who's just tuning in, here's the history of where we've been the last three years of the rates, the rate being dropped in calendar year 22 by 86 cents and car values continuing to fall. On this next slide is the concept that we

reviewed with the board on Monday where there would be a rate increase uh proposed at 54 cents that would add about 4.5 million dollars to the fiscal year 25 budget the basis of that is that returns that revenue to the previous peak or of 36.6 million dollars this rate is the same for personal property machinery and tools and that will be reflected in the motion

[00:44:54] as well so with that that takes us to the motion itself on the slide and i believe it is the county attorney's preference for the motion to be read in full um obviously the board desires a different for a motion on those rates. We can update those numbers, but this is the really leaving where we were on Monday of the real estate at 0.854 and then the personal property machinery and tools at 3.96. Then we will look for a motion. Questions first. Shall I go ahead? Thank you. At some earlier meeting there was a discussion about the adequacy of machinery and tools, especially regarding solar.

[00:45:34] Is this the opportunity once a year to adjust that percentage? So if we don't do something thing now that it's waiting until this time next year that is a tax based on the calendar year basis and so this would be the time um we haven't prepared the analysis but we could probably either i just didn't know about the timing the other critical thing that i've mentioned before but neglected in my comments today is when the board advertises or whatever the board advertises their rates that is a maximum the board can adopt so that the board can adopt that or lower they will not be able to go higher so the board understands that they just want to make sure

[00:46:11] that is a reminder just a case are we going i'm sorry supervisor um sure i um comfortable with the the advertised amount as i as supervisor malik just mentioned i previously alluded to i'm not quite sure i know the policy reason to keep machinery and tools pegged at this time uh because that is not necessarily being captured by the used car value deflation so i don't know why we wouldn't have it just back to its original amount i'm not entirely sure i know why it would have been

[00:46:48] brought down in the first place other than of course but if staff is not prepared to answer that and that's not what the analysis is built around and this is a an inconvenient thing to throw into the cogs then i don't think it is a significant enough change i'll share for perspective for machinery and tools there's i believe roughly in the ballpark of 30 to 40 payers in the county that generates between six and seven hundred six and seven hundred thousand dollars annually so to create a pretty substantial amount of the change it would probably require a pretty significant change in that rate depending on what the board wanted to do with that but

[00:47:24] what we can do from this discussion is as we think about uh really next year's budget process of what are some options what are some other practices in the state how they look what might some revenue generations look like potentially when the solar project was mentioned the other day so that could be one that we can take as an action in the coming year knowing there's board interest in exploring this just as the board has signaled before we'd like to explore tax relief more or tot more or some of these other options if that's if that's the land of the board would that not

[00:47:59] not also include maybe in next year upping the real not the real property tax the personal property tax so i mean that would be an option available to the board as well totally move move that up my only other question is um the transient occupancy tax which i'm in favor of and i understand we're not doing that until may 1st and the only reason i ask this is because if charlott's bill

[00:48:30] does not go up to one percent um that might you know change our thinking not to do that also but i'm just throwing that out but we would have the opportunity i'm sure they're going to go to that BUT

WE DON'T KNOW YET. AND I'M JUST WONDERING IF THAT'S SOMETHING THE BOARD WE WOULD WANT TO DO, BUT WE DON'T HAVE TO MAKE THAT DECISION UNTIL APRIL 24TH OF MAY 1st, CORRECT?

[00:48:54] I BELIEVE THAT WAS A QUESTION FOR THE BOARD OR -- RIGHT. I MEAN, BUT I MEAN, THAT DECISION CAN BE MADE, NOT NOW, BUT -- STAFF CAN FOLLOW WHAT'S HAPPENING IN THE CITY AND WE CAN BRING THAT BACK TO -- THAT'S MY ONLY CONCERN. I WAS JUST CONCERNED ABOUT IF THEY HAVE ONE, WE HAVE ANOTHER ONE. BUT I'M HOPING THEY WILL GO AHEAD, AND I'M PRETTY SURE THEY WILL, AND THAT WE CAN GO AHEAD. THANK YOU.

[00:49:18] I have no concerns. I appreciate that the amount we're dealing with when we talk about separating out personal property and machinery and tools is not enough.

[00:49:35] I also think we're to say for another day this question of whether we really think that solar is something that we want to have additional taxes when we really need these alternative resources as well. So, not going there today.

[00:49:51] I would definitely support these as our rates. So, we are ready if someone is interested in reading the motion. I do. Okay. Go ahead, Anne. Go ahead. I move that the board advertise the following rates for public hearing for the 2024 tax fee. 0.854 cents per \$100 of assessed value for real estate, public service property, and manufactured homes. \$3.96 per \$100 of assessed value for tangible personal property. \$3.96

[00:50:27] per \$100 of assessed value for miscellaneous and incidental taxable personal property. Sorry? Tangible. Tangible. I don't know what I said. Tangible personal property employed in a trade, or business that is not otherwise classified as machinery and tools, merchant's capital, or short-term renting property. That has an original cost of less than \$500 and \$3.96 per hundred dollars of assessed value for machinery and tools. Second. We have a motion from Supervisor Malek. Second from Supervisor McKeel. Without objection, the clerk will call the roll. Ms. Elkisto-Kirtley?

[00:51:01] Aye. Ms. Malek? Yes. Ms. McKeel? Yes. Mr. Pruitt? Aye. Mr. Andrews? Yes. Thank you, boys. ALL RIGHT. SO THIS NEXT ACTION IS THE PROPOSED BUDGET FOR ADVERTISEMENT. JUST TO RECAP, WE STARTED OUR WORK SESSIONS LOOKING AT THE TOTAL RECOMMENDED BUDGET AT 629.1 MILLION.

[00:51:23] THIS IS THE RECOMMENDED NUMBER. THE BOARD WALKED THROUGH THE GENERAL FUND REVENUES OF 430 MILLION, PROPERTY TAXES AND ALL THE OTHER SOURCES. THE BOARD SPENT CONSIDERABLE TIME WORKING THROUGH GENERAL FUND EXPENDITURES, INCLUDING THE TRANSFER TO SCHOOLS AND THE SCHOOL FUND.

[00:51:38] THESE ARE THE CAPITAL PROJECTS DISCUSSED MONDAY ON -- WE TALKED ABOUT THE TOTAL PLAN, part of the fiscal year 25 proposed budget that would be requested for appropriation on May 1st all these were mentioned on Monday and then that leads us to the budget amendments which are the county executives recommended technical adjustments that were shared earlier and the board recommended adjustments which uh I'll just say for perhaps just clarity back on slide 10 uh the inclusion of a north garden the brook bar hearts the sheriff and the p.d. and the one-time reserve and all of

[00:52:17] this slide is what we will use as our basis in the proposed budget. Just going back to that for clarity. And so with that, that takes this motion to advertise the proposed fiscal year 25 budget.

[00:52:36] I'll make that. I move that the board authorized staff to advertise for public hearing the FY25 proposed budget, which is the same as the county executive's recommended budget, including any staff recommended changes and any additional amendments made by the board of supervisors. Second. We have a motion from Supervisor Lupisto-Curtley, second from Supervisor Malik. If there is any discussion about objection. Ms. Lupisto-Curtley? Aye. Ms. Malik?

[00:53:08] Yes. Ms. Bekeel? Yes. Mr. Pruitt? Aye. Mr. Andrews? Yes. Thank you. That concludes today's work session. In April are the remaining items. Mr. Rosenberg did bring up that there is a work session on the 10th which is to be determined could be canceled there could be a question of the board whether that would be part of next week's meeting or whether the board would ask to take action on that another time but that is one item that's out there as a question um but that can be brought up next week if it's more suitable yeah i i

[00:53:45] um members of the board i think that um if it's your inclination to cancel that meeting on the uh 10th that i'd like the opportunity to prepare a resolution which i have not done which could be included on your april 3rd consent agenda great i think that's appropriate thank you i appreciate that there's still things major shoes left to fall that may impact us one way or the other too that we may learn about in the next week or so it would be nice to have that opportunity to

[00:54:23] to discuss if necessary so we can i can prepare the resolution um and have it we can include it on the consent agenda and it can be pulled if something arises between now and april 3rd that would cause the board to move forward and maintain the april 10 session thank you it makes all that sense yeah sounds good thank you yep and in that i believe this concludes the about 13 hours of budget work sessions thank you to the board and thank you to our team behind me and those in the back who have contributed to and table who've also contributed to all of the things put these

[00:55:00] together. Thank you very much. I appreciate how hard staff worked on this. Board, we do have from the board matters not listed on the agenda. Supervisor Malik. I do not have anything. Supervisor Malik. Supervisor McKeel. Just a big thank you. Same from me and from the county executive yes sir all right then uh well we will adjourn uh to april 3rd 1 m lane auditorium regular meeting opportunities for the public to access and participate in this meeting are posted

[00:55:49] I have locked up all this time, but at least you just earned some free time. Opportunities for the public access and participate is included on the Appalachia County website and on the Appalachia County calendar. Participation will include the opportunity to comment on those matters for which comments from the public will be received.

[00:56:06] Thank you. Thank you.

