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Hanover County Board of Supervisors - Special Budget Meeting, Wednesday, February 18, 2026

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[00:04:09] Good afternoon and welcome to the February 18, 2026 Hanover County Board of Supervisors meeting. As is customary, we'll open with an invocation led by Mr. Herzberg and the Pledge of Allegiance led by Supervisor Pritchard. Mr. Herzberg. Let us pray. Heavenly Father, we thank you for this day that you have made.

[00:04:31] We thank you for all the good in Hanover County. We ask you to be with us and to bless our time. Please give us wisdom and discernment and ears to hear. We pray for love, joy, peace, patience, goodness, kindness, gentleness, faithfulness, and self-control.

[00:04:55] Help us to follow the example that you sent. In Jesus' name, amen. Please rise if you're able for the Pledge of Allegiance. I pledge allegiance to the flag of the United States of America and to the republic for which it stands, one nation, under God, indivisible, with liberty and justice for all.

[00:05:20] Thank you, Mr. Herzberg. Thank you, Mr. Pritchard. The next item on the agenda is consideration of amendments. Do any board members have any amendments to the agenda? Mr. Vice Chairman. Seeing there's no amendments to the agenda, move that we...

[00:05:37] Affirm. Affirm. Very well. No amendments. The next item on the agenda is comment period. Are there any comments from board members? Mr. Herzberg. Well, thank you, Mr. Chairman. I'd like to take the time to say congratulations to Randy Hardman, our director of public works and our county traffic engineer Joe Vidunas on behalf of the transportation committee Congratulations for being selected as the winter the winner of the 2026 a PWA

[00:06:14] Mid-Atlantic chapters project of the year award for all of the great work that they did on the Lee Davis 360 road widening project Congratulations guys great job. Thank you. Mr. Herzberg There are many distinguished folks in the audience today We're going to hear from our superintendent and of course our sheriff and a number of different folks But I did notice in the room colonel Stewart Cook former sheriff colonel. Thank you for being here Chief Tom Clark. I saw chief here. Good to see you chief. Thank you for being here And mr

[00:06:51] Trey Hayden with the economic development authority. Thank you for being here. Mr. Hayden with that I'll turn it over mr County administrator. Thank you. Mr. Chairman. I'll just be brief today You'll hear enough from me here shortly on the budget presentation But I want to keep the theme that Mr. Herzberg started today and just recognize just this morning Lieutenant Brian Grimes From our Hanover Fire and EMS was the recipient of the governor's Virginia Fire Services Award for Career Firefighter of the Year Brian has served us for many years He in his lieutenant capacity his leadership mentoring and efforts to always improve our department makes us the department that we are

[00:07:30] I want to congratulate Brian for his efforts and thank the the governor's office for recognition well-deserved congratulations to Brian Also like to briefly recognize in the audience today is one of our newest members of our senior leadership Joe powers Joe powers is our new deputy fire chief Joe. Welcome to the team. We recognize it Mr. Chair, that's all I have today. Thank you. Mr. County administrator The next item on the agenda is citizens time citizens time is a time where anyone who wishes to address the board

[00:08:08] on any matter within the board's authority is welcome to come forward. While we do not allow presentations, you're certainly allowed to bring any supporting material. Dr. Brown will be down here and we'll take those. We'll make sure that they're given to the board and made part of the public record. We ask that you do state your name, the district that you live, or the entity that you represent.

[00:08:27] You are not required to fill out a card. However, it does help us to communicate with board members within their district or county staff to help you with an individual issue that may come up during citizen's time. Right now, we only have one person who's signed up. Is there anybody else? Mr. Walter, Mr. Walt Bennett.

[00:08:44] Mr. Bennett, are you here? Please come forward. Thank you for being with us, sir. I'm 81. Hopefully, I'll be 82 in a couple months.

[00:09:01] But anyway, I've lived in Virginia for 50 years. I've been a resident of Beaverdam District, a little over six now. I was here two months ago, the meeting. I didn't sign up to say anything, but I was very disturbed by a couple things that were said early on.

[00:09:21] I am retired Air Force Master Sergeant. I spent 20 years in the Air Force specifically so that, guess what, we don't speak Russian anymore over here. But the big thing is that I did that so that everyone in this country can have the same rights under the Constitution.

[00:09:41] Everyone can have those rights, and they're being violated today. More than that, though, what I'm deeply disturbed about is the absolute death of truth and fact. And again, one of the first speakers that two months ago brought something, a couple things out that really got me.

[00:10:05] First off, I want to say one thing. I was an elections officer in Prince William County for 10 years. Anyone that claims that any election was stolen or they have been, you know, manipulated somehow does not understand a bit about how they are conducted.

[00:10:22] You've got dozens of volunteers in this county alone that are dedicated, volunteered, and very lightly paid to make sure that the elections are taken care of and conducted equitably and fairly. Saying anything about something being stolen is completely disingenuous to them. It's not true. It's not a truth. I've also been a volunteer in Virginia's maximum

[00:10:53] security prisons for 35 years. 35 years. I've been one-on-one with multiple thousands of felons convicted of every kind of crime you can think of, murder, rape, fraud, you name it, drunken driving evening. I've interacted with them for 35 years, many on a weekly basis. In that time,

[00:11:23] I have only interacted with maybe a hundred illegal immigrants. Of those, not even a half dozen were convicted of violent crimes, and typically they were against other immigrants. Someone saying the fuck. Immigrant crime is rampant, is buying into a lie that's being told by politicians to get votes, to get money, to get influence. It's not true. Just look at the statistics for white

[00:11:57] males. That's where the crime really is. I hate to say it, I'm one of them, but I'm not in prison at least. Again, this sort of thing is shameful. Using fear and lies to sway people's votes or whatever is just not what this country should be about thank you for your time is there anyone else who wishes to speak at citizens time seeing none we will close citizens time the next item on the

[00:12:34] agenda is a consent agenda have all board members had an opportunity to review the consent agenda and is there anything that any board member desires to pull off of the consent agenda to be conserved separately seeing none is there a motion to approve the consent agenda i move that we approve the consent agenda second motion by mr stoneman second by miss pritchard is there any discussion. All those in favor, please indicate by saying aye. Aye. Any opposed? Motion carries.

[00:12:58] Item number six, presentation of the county administrator's proposed budget by county administrator Mr. John Badesky. Mr. Badesky. Good afternoon. Mr. Chair, on behalf of county

[00:13:37] administration and the county employees, my name is John Badesky. I have the honor to serve as your county administrator and today I also have the honor to introduce the recommended FY27 budget. I always want to make sure that I begin with recognition of the team we have.

[00:13:55] And when I talk about team, I talk about our community coming together to work with us. Our community lets us know what their needs are and their interests are. Our internal team, when we look at our constitutional officers, our departments, the professional financial management that we have here, all collectively working towards one goal, and that's ultimately serving the citizens of Hanover County the best we can.

[00:14:17] I want to recognize our financial management team, Shelly Wright, Lauren Null, Mark Highfield, our budget analysts, our full team there, our work that we do with our Commissioner of

Revenue and Treasurer, and our collective team here. That's what brings us to these recommendations today.

[00:14:34] This is highly influenced by our citizens, and I'm grateful for the turnout here today. I always get a little nervous when Dr. Wheeler's here because my son, I always wonder if you've got something to report to me about my son. but he only has four months to go, sir. So we'll see if he makes it. But actually, I do appreciate the interest here because this process, and this is a process, today is just the beginning of the formal budget process that we're going to talk about here a little bit. Today's going to be a little bit different. So those that are standing in the back, I'll warn you now, this is going to be a little bit longer than normal. And there's plenty of seats up here in the front if you'd

[00:15:09] like to join us. But this year's budget, I think it's extremely important for us to spend a little bit of time talking about how did we get here today? Where are we as a board and community as we've met the needs of this community? What have we responded to? What were the results that we saw for those investments? Talk about the financial conditions in which we are approaching this budget this year. It's very different than just recent past years. The needs and challenges, just like you and our residents at home, everyone, there's always more needs than resources. We're going to talk about that here today collectively. And then I will introduce the recommended fiscal year 27

[00:15:45] budget. I think, as I say, this is a process. We hear from our citizens every day and want to make sure that folks realize that even though that there is a required budget public hearing that we will hold in April, we listen to our citizens during our citizens time. We get emails all day, calls. We run into folks everywhere. That feedback feeds this budget process. So even though I say this is the formal process and we begin the staff process in October, we're learning every day on what should influence the recommendations we have for our citizens, but we want to continue to hear from our citizens, are we going into the right direction, are we meeting their needs, and that's

[00:16:22] always a balance, there's always the meeting the needs that our citizens want and making sure that we balance that financial burden. I want to make sure that, you know, there's other opportunities, board members throughout the year hold citizens down, you hear that feedback, you share that with us, we take that feedback and we use that to reach the recommendations that we're here to provide you today on the on the screens now are the list of the upcoming meetings they're all public meetings they're all in being held in this room there are a number of opportunities for individuals to come again not just during that budget public hearing but at any time providing that feedback and then we look towards the middle of april there on april 8th for the board's consideration on what becomes

[00:17:02] the board's adopted budget which will ultimately serve this community for the fiscal year beginning July 1, 2026 through June 30, 2027. I want to talk a little bit about our budget. So while we are here talking about the fiscal year 27 budget that we're looking to recommend and introduce to you here today, we really look at planning horizons well beyond one year, and it's important to do that.

[00:17:25] Why? When we're looking at those recommendations, we want to make sure that we're not recommending things to you that cannot be sustained due to funding projections and resources and forecasting. We also want to make sure that we look at staffing plans. as we recommend a position to you we want to make sure is it sustainable can we sustain that through five years but we also look beyond that we look at the 10-year horizon as we're doing debt service planning so as we're looking at the projects that we've done to date plus the next five years that we'll go over here today we want to make sure that we're

balancing our debt not only with our fiscal policies with within the means that we have projected and then we do and i believe we're

[00:18:04] now one of three counties in the commonwealth we actually do 25-year long-term capital planning and yes if i knew exactly what was going to happen in 25 years i might be serving a community in a different capacity but it's our job to also project those needs and understand what are those needs so as we're planning our communities and considering projects understanding where we're going to need our next school where are we going to need our next public safety facility and so on That's a critical part of our overall planning for our community.

[00:18:37] But I want to step actually back right now and talk a little bit about what we've done collectively over the past five years. I think we all know that in the past five years we've been in a climate where property values have grown. That growth has also, while we've maintained our property rate, it does mean that some residents that had property growth and assessments have paid more over the years.

[00:18:59] And I've had folks come up to me over the past couple of years and say, well, what did I get for my increase in taxes? And I think we really need to step back and understand where did we make those investments? Because there were periods of time, and we'll talk about it today, that we were unable to make those investments. So let's talk a little bit about that.

[00:19:16] And today's budget, I think it's critical just to remind everybody, local governments have two primary services that we do for our community. And that's public education and public safety. Obviously, we provide human services and quality of life services and those kinds of things. But locally, charged localities have those two primary sources.

[00:19:35] So I'm going to actually start with public education today. We are extremely proud of our public educators in this community and should be for many reasons. Today, you will hear from our superintendent about the outcomes they were able to again achieve and moving into the next year.

[00:19:50] We should be extremely proud. We have one of the highest quality education systems, not only in the Richmond region, but in the Commonwealth. but we've had to make investments to be able to assure we could do that. In the past five years, we've made deliberate investments in our public school facilities.

[00:20:08] As you're aware, we opened Ashland Elementary, Battlefield Park and Beaver Dam. We'll be opening this fall, Washington and Henry. We have a groundbreaking coming up here in the months to come. And the Center for Trades and Technology, we took that project on last year.

[00:20:23] It was one of those projects that we came together on and said, hey, while it wasn't in plan, It's a need for our community and we're gonna step up and do what we can. We made investments of \$182 million just in the past five years to meet the needs of these schools. That would have equated to about 17 cents of debt payments on those particular buildings.

[00:20:45] And why did we do that? We did that because look at the years of those facilities and just give you a little bit of context. The average planned lifespan for a new school facility is about 50 years. The schools we have replaced in this plan, 93 plus years old, 90 years old, 96 years old, 88 years old.

[00:21:05] This community has seen the value of those investments over the time. We've gotten our lifespans out of those buildings. But at some point, there becomes a decision point that we have to make.

Does it make sense to continue to renovate and invest in old facilities and keep up with, you know, even though they've been added on to over the years, the cost of maintenance starts to outweigh what the value is of building a new facility.

[00:21:28] and we made those decisions here and I'm going to talk about a few more that we have in the years to come. Buildings and quality environments are great components of public education and are critical to that success but at the end of the day it's the people. It's the people that are in those buildings making a difference in the lives of our children each day and that is our number one resource when we talk about the county and when I talk about the county it's not the schools and or the county we're collectively in this together to assure that success. We've had to invest in our people. The past five years, the market for many positions,

[00:22:07] and you'll see throughout this presentation, has changed dramatically. The competitiveness for the talent that local governments use every day has grown increasingly. Some positions have been undervalued over time and are finally catching up to the market value. And so we, this board, our school board working together, have made critical investments into teacher pay scales to bring us up from on the lower end to where we're at in the mid-range and continue those investments as we move forward. There have been positions that have been put in place. All of these kinds of things working together have made these investments, but if you look at it, this is where some of those

[00:22:45] dollars have gone over the past few years. I'm not going to spoil the superintendent's presentation. She has some wonderful results to share with you, but think about it. We are not 95% at the rate of 95% of graduation because we don't take this serious we take it serious we invest in the teachers the support staff and everyone that helps achieve student success in our community our salaries have made a difference and we need to continue that focus we put increased supports into our school systems this board working with our school board recognized the growing need for trades

[00:23:21] in our community and the expansion that we're about to undertake will allow us to expand our diesel equipment repair and welding program and also making sure that our teachers and their opportunities to learn and grow are addressed in the Professional Learning Center to continue to support the students in our community. We have made deliberate investments and you're seeing those results each year and certainly we're proud of the full accreditation that our schools enjoy but has been dearly earned. I want to talk about public safety.

[00:23:53] Obviously, on the county side, public safety. And I want to talk about what that umbrella is for us. Obviously, it's our sheriff's office, our fire and EMS system. It's our first responders, which are our 911 communications officers. It's our animal protection officers. It's our building officials.

[00:24:09] And we look at the collective efforts that we do in public safety to support our community each day. We've also made capital investments in our public safety infrastructure. As you're aware, over in the Henry District, we opened Station 17 last year.

[00:24:25] serving that community well, reducing response times. Station four is underway now. We will be moving forward into station eight replacement this year. And this board committed to a new public safety building and training facility that will serve the collective needs of the administrations for both fire and EMS and the sheriff's office for many years to come, and a portion of that's to be built on this campus.

[00:24:49] And so I also want to point out on this slide that some folks are like, you guys have reserves every year and you know is that a slush fund or what is that? Reserves for us are deliberate planned use of funds not only to meet our financial policies but also to allow us to cash fund projects. When we don't need to borrow debt we try not to borrow debt.

[00:25:07] We use cash prudently to make sure that we're reducing that debt burden on our citizens our community in general but there are times that it makes sense to use debt but when we can use cash we do that and that's because the board has set those policies and has been prudent about putting money aside. Again, I go back to the people though. At the end of the day, the facilities are great. We want safe environments for our employees to live and work out of, but we also need to make sure we got the individuals that can respond to the needs in our community. And that's always a balance as we look to grow staffing in our community. We look at the initiatives the board has had with both fire and EMS and our sheriff's office and so on. We've made deliberate investments into different

[00:25:46] positions throughout the county. And over the past five years, we added 72 positions to our public safety teams. So when someone asks, what did we do for you in the past five years? We reduced response times because we got folks closer to your home. And the sheriff's going to share with you the statistics of his office, the incredible work of the men and women of Hanover's sheriff's office is delivering results that no others are seeing in this region. And we should be extremely proud of that. But it's due to the men and women that serve this community each day out there working hard and working to deliver for our residents. And that had been made possible because

[00:26:20] this board took that opportunity when investments were growing in our community to deliberately put that into the facilities and staffing that we couldn't take care of in years past. So just like we did with our teachers, public safety had a pay, public safety pay plan put in place. If you include the recruit rank and fire and EMS and go up to the current starting pay, we changed pay by almost \$19,000 starting pay in the past five years. And that's because we wanted to make sure that our men and women were also paid competitively with their peers in this region and will continue to make those investments we

[00:26:58] also wanted to make sure that I don't know it wasn't that long ago I believe it was just about three years ago the market changed overnight on 9-1-1 operators if you remember I made a call to all of you and said look I need three-quarters of a million dollars tomorrow to make sure we treat the folks that are here properly and stay competitive and this board stepped up and we did what it was right to take care of it but the employees also stepped up. At that time, we had some turnover. The men and women that were working there agreed to work extra shifts, and not a single call was missed. Again, it's the people that do this work that makes a difference for our residents. So what did you see? If you didn't call 911, you may not have

[00:27:35] seen, and if you didn't have a student in the schools, you may not have seen a difference. But I tell you what, because the schools perform at the level that they do, and our sheriff's office and other public safety providers provide at the level they do, we're helping sustain that most valuable asset that all of us have. If we have a home that we own, we have helped sustain that value for our residents. And that gets lost in some of this equation. And that's why we're continuing to grow with the values of our home in the Richmond region. We also were deliberate in some other areas. This board worked hard with our sheriff's office to make sure that we had

[00:28:10] a sheriff's deputy in every one of our schools. That was a goal that we were able to achieve over the past five years. We are also able to, while we added fire and EMS personnel, reduce response times. Adding 17 served us in a strategic location. We added a part-time ambulance during that time that also is helping us reduce call response times. We continue to make, you know, a lot of times folks forget that our animals are parts of our families too. We made investments in our animal shelter and we're continuing, as you have in this year's budget, to start looking at what will be the future needs of that animal shelter and how can we address the the

[00:28:47] needs of our pets in our community moving forward one of the things you don't think about too often but the communication systems that our public safety folks rely on each day to be able to respond properly we made investments there and we're continuing to do that with the region and and certainly something we're proud of as being one of the most safe communities in this region I mentioned earlier that public education and public safety are our top two functional areas but right behind that is human services and the folks that meet the human services needs of our community are extremely valuable to the success that we've collectively had. But we've also had to make investments here as well. Over the past

[00:29:26] five years, we've added 19 professionals across an array of our human services to support those areas and those areas of need. They've been able to make major strides in our community and supporting those most in need in our community. I'm extremely proud of the folks that serve in these departments. You know, like our public safety providers, they're seeing some folks in our community at the worst moments of their lives. And they are making a difference and providing the support that's necessary and working towards independence with everyone that comes across them.

[00:29:56] We've been able to make sure that we've had specialized transportation. The DASH program that you support and is also supported with a grant has been a lifesaver for many of our families in our community. You continue to make these investments. We continue to make sure that the children and adults in our community are protected. But that doesn't go without investment. We've taken the opioid settlement funds working with our public school system and our community, implemented programs there that are also saving lives and it's making a difference in our community.

[00:30:23] The remaining strategic priority areas, and I sort of neglected to talk about this, we do our work intentionally. Everything I just shared with you has been planned. It has been executed trying to make sure that we're bettering the services for our community. And so as I talk about engagement and stewardship and community and economic development, we've seen results here too but this is across the board we have 1400 county employees that collectively meet the balance of these needs and as we've made investments in making sure our fleet is safer and has skilled folks there our capital projects we're making major investments in capital I just shared those with you that we have professionals managing and leading those projects the community

[00:31:01] development we've worked extremely hard with our community on in our comprehensive land use plan We're doing small area plans. We're listening to our residents. We're responding, trying to make sure that we're doing what they feel is best, making sure that our teams are trained and educated to better serve our citizens next year better than they could this year.

[00:31:20] And this is all done in partnership also with our community. You see that we were able to bring on the Montpelier Recreation Center, library there, our partnerships with the libraries that we have here

with the Pamunkey Regional Library System. All of this work is to create that better quality of life for our residents, our residents are asking for these services. We've invested in broadband as you know that we have a major broadband project we announced last week we were just about a thousand connections and we're going to keep working until the last person that wants broadband gets broadband in our community.

[00:31:51] We've had to make adjustments here just like other areas human services we've needed to make investments in to maintain regional competitiveness funding the operations the Montpelier Center other projects again some many of these were able to make quality of life improvements we used our ARPA funds to be able to make parks and rec investments. We're doing things dog parks, dog lighting, pickleball court lighting, and making improvements for the quality of life kinds of things that our residents are asking us for. We talk about engagement and stewardship, and it feels like it was yesterday, but I remember meeting as I interviewed for this position. The board wanted

[00:32:29] us to be very deliberate about making sure our citizens knew what we were doing, were engaged, had a say in the process. We established our communications department. I'm extremely proud of the work that Kristen and her full team are doing to make sure that our residents are aware of the services that we're providing, aware of the challenges, aware of the information. A better informed citizenry is what we're always trying to achieve and the work that we're doing in different mediums that we're trying to reach out and provide that information in is making a difference but we always can keep raising the bar on how we're getting that information out. We had a citizen just today talk about elections

[00:33:06] management. I think our partnership there with Terry and her office and that team and the folks that work with them each year work really hard to make sure that we have sound elections in our community. I'm a little bit biased, but I'm extremely proud of our team. We're one of four jurisdictions in the nation that has a quadruple triple A broaden rating, and we're the only region in the nation that has multiple counties with quad triple A bond ratings, including ourselves, our partners in Henrico and Chesterfield County. That's something our residents should be proud of, And what's that mean? It means at the end of the day, we have extremely strong financial management in place.

[00:33:41] It also means that when we go to borrow debt for our schools and fire stations and other needs, we're borrowing at the lowest possible interest rate, saving our taxpayers money. And that's work that we take extremely serious. And those policies guide our decision making. You know, things get forgotten. And what we do that folks just think is just part of the business.

[00:34:03] But our Commissioner Revenue Office offers the DMV select services. Not all do. Our clerk of court added the passport services last year. Not all do. Trying to reach out and make sure that we're offering the services as close to the public as we can and as easy as we can.

[00:34:20] I'm proud to share, and this is new news, but we were just reselected in Richmond Times Dispatch as the best place to work in this region. But we were also selected by Virginia Business as one of the best places to work in the Commonwealth. and so that those are rated by our employees and while it's nice to get the award and recognition it's also we learn from our employees and we keep trying to to address those needs and focus on what we can do to make sure we are an employer of choice we've made investments in our community I talked about the capital the facilities but let's think about all the fire trucks and ambulances and all those equipment that we buy each year that cost millions

[00:34:59] of dollars we need to make sure that our responders have the equipment to Respond when 9-1-1 is called and that they're delivering that in a highly trained safe environment with the proper equipment

to respond We've invested in our parks and rec the facility the festivals that we offer I know everyone's proud of our tomato festival the winter and the green has become a go-to event the history and hops Was it has been an addition, but the day-to-day program that parks and recs provide I can't tell you almost every day I hear from someone that has benefited either when their kids were young or still going to dance classes in their upper years and they're still loving the

[00:35:36] value that those programs bring to our community we need to make sure you know we're one of the few communities that doesn't charge a penny to our residents for our convenience centers there are many that pass on those feats I'm going to share with you here in a second about the roadway improvements we've been able to with our work with the Central Virginia Transportation Authority make major investments in our community on our transportation network and making sure that, you know, we do respond and listen to our community. Economic development, and just last year, you know, we introduced, and actually it was this fiscal year, our tourism initiative. In April, you're going to hear from Rachel, and she's going to share with you a major role out of our tourism

[00:36:15] initiative for the upcoming year. We've been working hard to collect that data and be prepared to share that, and folks are excited for that, but that's been intentional. Folks are like, oh, you're taking my tax dollars and building a tourism office. I want to be clear. The way that's paid for, is through the taxes that people pay that stay in our hotels.

[00:36:34] It's not coming out of the general fund dollar. But I have heard folks say, well, you're taking my tax dollars and paying for that. No, we're taking the tax dollars that folks stay in our hotel and doing that. The small area plans have been intentional. We did the first one on Route 33 in Miss Dibbles District.

[00:36:50] And ironically, the second one's underway in Miss Dibbles District as well on Route 1. And that collective area up through Lake Ridge Parkway. We're doing that work as we speak. We have a strong partnership with our community. Our Economic Development Authority is a key partner.

[00:37:07] Trey Hayden's with us, our chair of the Economic Development Authority. That partnership has strengthened our work there, and certainly our partnership with the Chamber. We launched the Hanover Business Awards in the past year. The Museum of History and Culture continues to highlight segments of our community. And these are the things that we're hearing from our residents, but we're also trying to do them without adding burden to our residents from the tax side.

[00:37:29] Just in the past five years, and let me give you a little bit of context here. Prior to this five years, we were putting about a million dollars of general fund money into transportation improvements a year. And we were trying to leverage state and federal funds with very little funds. Because of the Central Virginia Transportation Authority, we've moved projects that would have been 10-plus years up, and some of them are already done.

[00:37:52] We've made \$144 million of investments using no general fund dollars. These were out of the Central Virginia Transportation Fund. And admittedly, if you're buying gas anywhere in the Richmond region, you're paying it to pump. But those funds come back to us that we can invest in our road network.

[00:38:09] We didn't have this available to us just five years ago, and we're making major investments. Someone came up to me and said, you know, you're wasting money putting sidewalks in the courthouse area. We're not. That's a grant. Those were competitive funds we applied for. We're doing that project because we were able to leverage grant funds.

[00:38:27] If I had to come to you and say, hey, would you mind giving me a million bucks for sidewalks, You would have thought I was nuts. We didn't do that. We leveraged grant funds to be able to come to you with that project. Every once in a while, I get to brag a little bit. Our team is delivering.

[00:38:44] You have teams that are being recognized not only in the region, in the Commonwealth, but in the nation for the excellence and best practice that their departments deliver. This is because you've invested in high quality of talent across the board on both the general government side and our public schools. We're seeing a difference.

[00:39:00] These investments have made a difference for our community, and we've been intentional about it. It's been planned. You've developed a strategic plan. You have stuck to it, and we continue to do that as we move forward. Just in summary, if you just look at this one slide, these are where many of the investments went.

[00:39:18] You can look across this and see where we've made investments from infrastructure to people and roads, but I think the next chart may show you even better. Every one of these icons corresponds to a capital investment or road project that we made in our community in the past five years.

[00:39:36] We have touched every district, every side of our community with investments from a capital nature. On top of that, we've had the staffing that goes to support those kinds of initiatives. But we've touched, this doesn't even include what you're going to see in today's five-year recommendations. But we've been investing intentionally in our community to provide these amenities and resources.

[00:39:58] So let's talk a little bit, because many folks, you know, on one hand, somebody will come up, why didn't you replace Ashland 15 years ago? Why are you doing it all now? Why did you wait? Because this chart in particular tells that story. Many of us remember 2008, right?

[00:40:16] The housing market crashed. And so from 2008 until you get to almost 2019, 2018 timeframe, this county had seen drops in values and assessments. And there's some folks that come up to me and say, John, you should equalize the tax rate each year.

[00:40:32] If I would have equalized the tax rate in 2012, we would have been going to our taxpayers and say, in the worst of times possible, because we've equalized the tax rate, your rate has to go up 10 cents. That wouldn't have been very popular, right? But no, we didn't do that. We rode these times out, kept our rate flat, and didn't ask our residents to pay another dime during that period of time.

[00:40:53] But what we did, we had to tighten our belts, just like our residents do when they're in lean times, too. And we put off these projects. Many of these projects were supposed to have been done in 2008, 2009, and early teens. We had to put them off until we were back into a financial position to where we can make strategic investments.

[00:41:11] And that started to happen in 2019 and 20 and up to today. That's when we were able to start replacing 90-year-old schools and also making sure that we're providing for safe and healthy environments for our employees. That's when we started to make those investments.

[00:41:28] So yes, when your property value goes up and your assessment goes up, no one likes to see that. But I want to make sure that folks know that we didn't make those investments during that time. This is when we have been deliberate about making those investments, and it's always a balance. Let's talk about the financial conditions that we're walking into this year.

[00:41:48] This is a very, very different year than any of the budgets that I've presented to you up to this date. As we look at the financial conditions that we're walking into, there's uncertainty for everybody, right? But we walk into a budget each year with fixed costs. What are the salaries and benefits?

[00:42:05] Even if we had no additional staff or no merit, what debt did we take on that we have to meet our obligations? What are our insurance policies and utilities? We also look at those collective needs. You know, we did Parks and Rec Master Plan. Do we want to implement it? Where do we make those investments?

[00:42:21] What positions are needed in the community? The community makes requests of us, too. Not-for-profits in our community and others submit requests for us. Quite often, you know, we have a fair number of citizens, and rightly so, are worried about tax burden, but they'll come in and say, you know, I want a tax reduction, but will you add X, or will you do this?

[00:42:42] And we're always balancing that burden of tax on our folks, but the service needs that are also requested. There are a fair amount of uncertainties that we're facing. Just as we stand here today, what's going on at the General Assembly could cost us millions of dollars, that we have no, you know, real say in other than our advocacy and those kinds of things, but different projects outside of our control can have impacts.

[00:43:06] It wasn't that long ago in November where we were telling our residents that we may have needed to stop our DASH program and that SNAP benefits weren't going to be placed because there was a shutdown. This board agreed for that month to bridge funds for folks so they weren't out waiting for government to make their decisions.

[00:43:22] But we're still in that climate. We're still there today, and there are uncertainties as it meets that. And I want to say this because financial stability is still key. We still have the reserves in place. We still manage under best practices. The budget that I'm introducing to you today is consistent with our financial projections.

[00:43:41] We're not in dire straits. We're just in the same position that everybody else is and tighten their belt to do the best that you can with what resources you have, and I'll be sharing that with you in today's budget. I also need to just remind folks, when we develop a budget here, we need to make sure our biggest competitors for staffing, our biggest competitors for business, often is Henrico and Chesterfield County.

[00:44:08] And when we're creating our budget to deliver service levels for our citizens, we have to look at what resources do we have and tools in our toolbox to pay for those services. But when we have the lowest rate in the region, our BPOL tax, we don't have a BPOL as an additive, but our business personal property tax right around the median.

[00:44:28] Machinery and tools is at 10%. We don't have a meals tax. We have the lowest contractor's license in the region, lowest vehicle registration fee. And so once you start looking at that, many of our competitors have these fees and taxes on their residents. We do not have them, so it does mean there's less revenue to meet the demands of our services. Reserves. I had someone share with me, and we have strong reserves, and we intentionally have strong reserves because, one, we want to use cash when we can. We have debt policies that we've committed to to make sure that we're maintaining best practices. But someone said, well, you get to pull out of those reserves anytime you want and spend any way you want. You don't give me that

[00:45:07] authority. Those decisions come back to you. And we do that within best practices. They're all daylighted. They're publicly made. We look at ways that we can use cash when we don't need to use debt. I mentioned that earlier. And there's just some of the projects up there. But we're deliberate with reserves. It's intentional. When we look at, you get quarterly budget updates. We start to tell you what our projections are. We look at our year end. We're back to you four or five times throughout the year talking to you about where are we tracking year to date. All consistent with practices. But reserves are planned and intentional. There is that budget uncertainty, and as we enter our budget

[00:45:46] and make recommendations to you, we need to know that things could change on us. You know, there's different programs that we're being asked to provide projected costs. Some are hundreds of thousands. Some could be in the millions if they're implemented, and we have to respond to that if the General Assembly adopts something or the federal government causes an impact. We're blessed in Hanover County not to have as much reliance on federal government as some of our peer localities have and that that's sort of a little bit of a blessing and a curse because that means the programs that we do have we do have a fair amount of dependence on I can't tell you I haven't talked to someone that didn't

[00:46:22] open their Dominion bill in the past month that didn't almost have a heart attack I was worried about 9-1-1 getting called some of those bills have doubled over the past and heating and cooling and lighting our facilities we get those same bills. And so as we're seeing those increases come across, we have to make sure that we're planning for those as well. We do school projections, but when those projections are not spot on and you lose money, that's a cost per student that we have to absorb and plan for. You can lose 50 students or 100 students a year in a school system our size. That doesn't mean they were all in one classroom. Across the district, that doesn't mean your expenses reduced because you just lost a

[00:47:02] number of students. You still have to provide the services across the district. That is an impact though that we have to plan for um you know there we you know one of the issues that our community's talking about now is is programs that were funded by grants we were reliant on grants for certain programs and when the state pulls the funding for those grants the first question we got to ask is okay who's going to fund it now um and that's a challenge that we're always facing uh when we lose either that state or federal funding more and more people are asking us for parks and recommendities and those kinds of things i would love to tell you that we funded everything so much to the point that I can recommend to you a splash pad this year.

[00:47:41] Spoiler alert, there are no splash pads in this year's budget recommendation. There are other competing needs that are not allowing us to take on those additional amenity requests. All of the folks in our business community that have health insurance are seeing the phenomenon that health insurance costs are going up and premiums are going up.

[00:47:58] And so how do we compete with that? We also have unfunded mandates that we're required to take care of. The Children's Services Act for us in next year's budget alone is projected to go up with local funds by 1.1 million dollars. As that program goes up in cost that's less funds we have available to take care of other needs that we have in our community and that's basically an unfunded mandate that we're required to meet those demands for our community. So before I can spend the dollar on recommendations to you we've got a plan for that. We've got a plan for rising utility costs. We have to plan for the debt that we've prepared to take on and that's all of those considerations in our planning. We talked about

[00:48:35] school funding here. This is another issue that we've had to confront. If you see there, starting in 2024, that was the first year we were almost at a, you know, 50-50 state local. But the past few years, we've had to take on a growing burden to where the localities expenses in public education has grown by 23 percent, but the Commonwealth's commitment only grew by 10 percent.

[00:48:57] That formula, public education, state has a major responsibility here. However, that's been shifted to the localities, and it becomes our responsibility to take care of these needs and fund them to the best of our ability as well. Federal funding, I did mention this a little bit earlier, we're only 4% of our overall budget, of our all funds budget dependent on these programs.

[00:49:21] However, if you're someone receiving a benefit within that 4%, it's a lifeline. It's what you rely on. And if that is food services or transportation, it's extremely critical. So as we watch those programs, what's it mean as there's uncertainty in both state and federal operations for both the county operations and the school operations?

[00:49:43] So we have to monitor this. There are some governments that are substantially more dependent on federal funding, which creates a lot more uncertainty. Over the years, we have not relied as much on the federal government. By the way, we will take any checks that they'd like to send. But when you have that reliance, it also puts you in that uncertainty when you have times of cuts.

[00:50:05] You know, I started with our residents earlier today and talked about that feedback, but I think, you know, it is important. We get requests from our volunteers and our fire services. We get requests from our residents. We get requests every day, and most of those requests are for something new.

[00:50:21] I will tell you in the past year, and while certainly people have come up to me and said, hey, what can you do to reduce my tax rate? No one has come up to me and said, do you mind closing your libraries? Do you mind reducing this service? Do you mind getting rid of this parks and rec program? But everyone wants a lesser tax burden, and I respect that.

[00:50:40] We have folks on fixed incomes. Anytime \$1.01 goes up, that's \$1.00 less they have to take care of themselves, and we take that serious. But most of our requests are for increases in services. But I'd be fooling myself in not being honest if we didn't be honest with what we're hearing.

[00:50:57] Our residents are struggling too. Utility bills, as I mentioned, are growing, medication, medical costs, groceries are growing. I can't tell you the last time we went to the grocery store for a few items and got out of there under \$100. it's a challenge for everybody in our community property and home values have grown and it's great if you're about to sell your home and you want a higher value but when you have those tax pressures it makes it tough for some of our residents and certainly as I said those on the fixed income it's even tougher and then certainly we hear generally the request to lower our tax burden and and that certainly drives our decision-making and part of that equation is we try to balance the recommended expenditures and the burdens

[00:51:35] we pass on to our residents I want to talk about tax assistance programs because this is also one of those things that we're intentional about by code there are certain parcels in our community that are exempt from taxes and you see that's about 17 million tax deferral programs these are our land use programs we're intentional about that program we want to make sure that certain areas of our community is kept for agricultural uses and we don't want to see it built out so we offer a program to offer tax

reductions for some of those folks tax relief for elderly and disabled and disabled veterans and surviving spouses, the tax is there as well.

[00:52:14] That works out roughly to be about just shy of \$29 million of funds we don't have available to us to pay for the other services. I'm not complaining about that. We're intentional about what we do here, but it does mean you have less to take care of your services. And so what's that mean? Right now, that's about 12 and a half cents of tax value that we don't have to apply.

[00:52:34] But that's just a reality we work within. This board, as always, has an ability throughout the budget cycle to revisit any of these tax relief programs. And that could be part of your discussions as we move forward. The tax relief for elderly and disabled program alone, based on who we believe will be eligible in the next fiscal year, that weren't eligible in the current year, under the current program criteria, will grow by another half million dollars.

[00:52:58] So what's that mean? It means we're trying to support that program the best we can. So as that program grows, that's a half million dollars less revenue that you have for other services. And that's a trade-off that we make trying to make sure that we're supporting the most in need in our community. But it does impact what we can invest in.

[00:53:16] Resource limitations. We all have them, right? We're always trying to, Mr. Davis, you use the roof analogy. How many more years can I get out of my roof? We do that with almost everything we do because there's years that no one could ever just fund a roof tomorrow. You plan for it. You think through it and try to do that.

[00:53:32] But when we develop a budget, with the constitutional officers, with our school partners, with all the county departments, we have professionals that work for us. I tell them, bring me a budget based on what you think the needs are of your department to best serve our community and what you're hearing from our residents. I don't accept wish lists.

[00:53:49] Bring what you think the needs are for your community. And this year alone, \$26 million more than the budget I'm about to recommend to you were requested between the upcoming fiscal year and the next five years. We cut \$26 million out of requests to bring you what is a balanced budget today.

[00:54:07] And we are required to bring you a balanced budget. Unlike the federal government, we can't do that. And so where was that? We cut about \$14.4 million out of requests that were capital improvements. And there's just some of the kinds of projects that we've had to reduce in our recommendation.

[00:54:26] New positions. I will tell you today, my budget includes three full-time positions for next year and a part-time position. And public safety alone, just shy of 50 positions were requested in the five-year plan.

[00:54:43] Our sheriff's office has been working with us because they've had vacancies. I guarantee if I went to the sheriff's, his number would be even higher based on the collective need. Non-public safety positions, another 48. We had over 100 requests for positions to support our community from our departments and constitutional officers.

[00:54:59] Today, I'm recommending three. That means there's just not enough resources to go around to meet the demands that we're hearing across our departments. We cut \$9 million out of physician requests

in this recommended budget. There's always other operating expenses.

[00:55:16] We cut another additional 2.6 out of the budget request to bring you a balanced budget here today. Talk about sustaining our success. We started today with the success. I hope folks see where we've made our investments and the success we're having.

[00:55:33] But our success is not by accident. We start with our community. We always end with our community. It's thoughtful, it's intentional, it's well executed. We try to create efficiencies when we can. We try to make sure that we're doing the best we can at the least cost we can for our residents each day.

[00:55:50] But we're driven by people. Our school system is driven by people. That's where we make our investments. The talent that we have here is what's making a difference in the lives of our citizens each day. Just proud to be able to share some of the men and women that you see on the screen. They're showing up and they're working as hard as they can each day to try to be able to do the best we can for our residents, consistent with this board's strategic plan and vision you have for the community, but we're making a difference.

[00:56:17] We're coming together with our citizens. We're blessed to have a community where we have a faith community, that we have a not-for-profit community, that we have parents engaged in our schools and throughout our community and volunteers and food banks and so on that make a difference on things that we don't have to spend tax dollars on.

[00:56:34] And we shouldn't take that for granted. Coming together with them allows us to keep that tax rate as low as we possibly can and best serve our collective community. As I introduce today's budget to you, I don't want to forget at any point the folks that step up in our community.

[00:56:49] You see bottom left there, Mr. Sam Zieden, came to us last year after a life save in Polgreen Park and said, hey, how can I help you with AEDs? And originally we thought we were asking for a lot and said, hey, you know, Sam, these things cost like five grand apiece.

[00:57:06] And Sam came back and said, you know what, I want to save more than one life in one place. And he stepped up with \$50,000 to invest in our community. We have Sam Zidans and families like that throughout our community. They're making a difference. They're not putting the burden on local tax bases.

[00:57:23] Folks coming together are making that difference. Let's talk about how we build a budget, because I think that this is an extremely important part of how I get to the recommendations working with our collective teams. Before we even start talking about next year's needs, you have to start with your fixed costs.

[00:57:42] What do you have to pay for no matter what you do? You got your debt service, the utilities, the agreements that we've made commitments to, our tax relief programs, the cost of incarceration, the human services programs that we have required matches and so on and those other contracts.

[00:57:58] We start right there, so we've got to prepare to pay for those. If I don't start the budget by cutting programs or services, another 65% of the budget is already accounted for just to maintain the current salaries at the current level.

[00:58:15] So before, again, we're talking about the next year's budget, we're still here. We also make about 5% of our budget in the ongoing capital replacement, the fire trucks, the ambulance, the patrol

vehicles, those kinds of things. And, yes, can in tight years we cut back those vehicles, but we always pay for it when we do because we get our vehicle replacement cycles behind.

[00:58:34] So when you're looking at this budget, before we even start talking about next year, we're at 92% of the funds that are already accounted for. So when we go in to develop a budget, we got 3% of this budget for both county and schools dedicated to our personnel, and the remaining 5% for our operating costs and regional partnership and agreements.

[00:58:57] We got about 8% discretion in what we're bringing to you, and I guess you could add that 5, but we've always paid for it whenever we've tapped into that 5. So your budget, if you're not walking in saying, all right, let's close our libraries tomorrow, let's close this service and reduce the first dollar, you're already up into the 90 percentile of what is accounted for year to year. And where do those funds go? It should go where I told you when I started. The majority of our funds go to public education and public safety. Debt service and human services are closed second and third. And then everything else, the remaining 17 percent

[00:59:33] is where you see parks and rec, financial administration, and so on is accounted for, And that's that 17%. General fund side of our budget, which is the local taxes people pay, is projected to be at \$427 million. This slide here gives you a little bit of an idea of where this collective budget is being recommended and where.

[00:59:54] It's important to note just under the school capital improvement, we had some cash payments that we did last year. So that's why it looks a little less this year. But this budget is recommended at 3.3% over prior year. Roughly \$13.8 million over prior year of general fund expenditures.

[01:00:12] Our projections last year was between 3% and 4% growth year over year, and today we bring you 3.3%. So where does that money go? You just saw that chart on how you develop a budget. So as we start to look at our expenses, we walk into the year with commitments that we've already made of debt service of about \$12.4 million.

[01:00:30] You have your operating costs, your utilities, those kinds of things at 5.6. And so when we go to look at the collective needs that our school partners bring to us and the local government side of things and try to look at how do we take care of the employees that work for us and stay competitive, you really are looking at that 7.1 and that 5.6 as your areas that you have the most discretion in.

[01:00:54] And I'm going to talk a little bit more about that. So the positions that I'm recommending to you today, there's three positions. There's three admin positions, two on public safety side, one in general services, and a part-time position in the Public Works Operations Center.

[01:01:10] That is, out of the 100-plus positions that were requested in the budget cycle, we're recommending 3.6. There's been a lot of discussion in our community about school-based mental health. And if you recall, we're having that discussion because the state took a grant away from us that supported that program.

[01:01:28] Our school partners are getting these questions. We're getting these questions. On the county side, we worked hard. We've always funded two positions in the county's base budget. We went and worked with CSB and reassigned in other positions. We're funding three in the base budget, and there's an additional grant that we announced last week.

[01:01:46] So that program had seven people in it. Right now, we're proposing moving forward in FY27 with four of those seven positions. And so the question remains, what happens to the other three employees? We have promised that all of those individuals will maintain their employment in the CSB.

[01:02:03] No one is being laid off, even though the state pulled their funding. And so I know that'll be an area of discussion for the boards in the weeks and months to come. But that program currently stands at seven full-time equivalents, and it's being recommended at four in this budget. So where's the money going?

[01:02:22] We're recommending a 3% merit. As I've talked to folks in the region, 3% appears at this time to be about the median merit that's being recommended in our region. If we don't fund the merit and slide behind in regional competitiveness, we've dug ourselves out.

[01:02:38] This board has made investments over the past few years to make sure we've gotten competitive and maintain our talent. And we've seen major strides in retention and those kinds of things, but it still continues to be a competitive market for our employees. Operating costs, we're in the process of closing on the purchase of the Barrett Center just down the road.

[01:03:02] And at this time, at the last JEC meeting, this board has agreed to not, at this time, do any demolition at Battlefield Park. So we've budgeted for both of those buildings operating costs as we move into the next year. We have small area plans that we've continued to fund we're doing two of those a year I mentioned that 1.1 million that we have to fund in the children's services act the positions I've already shared we are not funding any new requests for community support in this budget and in fact we've actually reduced two of our regional partnerships funding both at Richmond region tourism and greater Richmond partnership and those funds are coming back to the local budgets for

[01:03:40] for commitments here locally tourism we continue to grow that department with those tax dollars and make investments in in our own community with those tax returns from hotel motel taxes so here's where the revenue streams are coming from you can see where general property taxes most counties in in the commonwealth general property taxes are their primary resource and then certainly the non-property taxes and personal property and those kinds of things and and then everything else is sort of far behind it when you look at sales tax and other kinds of things. But this is where you could see the budget is recommended to go up 3.3%, roughly \$13.8

[01:04:19] million year over year. You know, we always tout the lowest tax rate. And I've said already that if your home goes up in value, yes, you pay more. But let me give you a little bit more context of what it means on this rate. Yes, again, we're maintaining our tax rate, probably the longest in the region at 81 cents in this budget recommendation. This chart is where I want to call your attention to. As you think about growth in a community and growth in value and the projects that have come up, I can't tell you how many times that someone says, well, I don't want to be like so-and-so. I

[01:04:54] don't want our community to look like so-and-so. We compete against them, but we don't want to look like them. And that's fine because we want to be our own Hanover and we want it to look like what we think Hanover should look like. But this is what we're competing with. In that same period of time, when you start looking about the 2021 timeframe all the way up to 2025, the growth in assessed value in Chesterfield went up 77% and Ryko County 64%, Hanover 48%. So yes, does it, when your values go up, is it a concern? It is. It went up even further in the competing counties, which mean they had more resources to either lower rates or spend on services.

[01:05:32] We've had to grow, we've grown much smarter on, smaller on assessed value. The other piece of this is, and in local government best financial management practices, there's a balance, and we have it even in our own strategic plan, that we want to make sure that commercial growth ultimately covers about 30% of the overall budget expenditures and residential about 70%.

[01:05:55] And that's a goal that we keep working on. And so as we think about projects moving forward and investments in our community, we want to always reduce the burden on our residents. And so it does take other investments through our business community and commercial to offset that. And so right now we have 82% reliance on our residents for services where the competing counties, as you can see, Henrico, almost 30% and Chesterfield, 22%.

[01:06:19] So as we're talking about competitiveness, this isn't the same sandbox. We have different streams of revenues that we're using to balance services that some of the others aren't. And I shared with you earlier some of the fees and taxes that they charge that we don't either. But the service level expectations are the same.

[01:06:37] School funding in this budget, we're recommending an increase of 5.6 million, 4.3% over prior year. You'll hear from Dr. Pennycuff about where those funds are being invested on the school side. Just like we had on the county side, there's a lot more need for both our school system and the local government side than we're able to recommend to you.

[01:06:56] But it's our job to recommend to you those priorities within a resource allocation that we think is best and as fair as it possibly can be. And so today's recommendation that Dr. Pentecuff will talk to you about is a school operating fund of about \$272.4 million.

[01:07:14] Public utilities. Boy, it wasn't that long ago. It was just over a year ago. We were talking about trying to make sure that we were creating water resiliency for Hanover County. And at your March 25th meeting, we will be presenting to you a report on long-term water resiliency.

[01:07:31] And we need to start thinking about long-term water resiliency and making sure we can make the investments in meeting those demands and projects. We always try to make sure that when we implement rates, we don't do rate shock on our residents, and we've been able to maintain 5%. But as we move forward and build those resilient systems, we are identifying a need to look at an increase here in water and sewer rates, and this year we're recommending 6.5%.

[01:07:59] So it would be about a \$28 biannual or annual impact to our residents on average bill use. So the all funds budget, which is the general fund plus all the other revenues that come into our system, we're approaching \$797 million with this recommendation to you here today.

[01:08:19] This budget, the size of our employees and teams, we exceed some extremely large corporations in our annual budget that we manage on behalf of the county. That takes a lot of talent, skill, and ability to make sure that we're deploying those funds appropriately.

[01:08:34] I can think of no business that has as many eyes on it as your local government. 99.9% of the work that we do is public. It's all public information. It's all publicly available. And we're here to serve the public in that way, and we sign up for that.

[01:08:51] That's why we do this work. But it does mean that we've got to be on the top of our game and answer the question. I always tell people if you're going to say something or give someone an answer, don't

just give them a yes-no. Tell them why it's yes-no. And I hope our team's exceeding expectations the best they can when we're supporting our public.

[01:09:07] But this is where the budget, overall, the all funds budget is only up 1.9% from prior year. And consistent with our priorities, you can see that 51% are dedicated to education and public safety. I shared with you earlier the elementary schools and current technical investments that we made.

[01:09:24] But in the upcoming five-year budget and just beyond that horizon, we have three additional schools that are planned to be replaced. In fiscal year '28, we plan to replace Mechanicsville Elementary. I do want to call your attention to something. Back when we talked about Ashland Elementary, Ms. Pritchard, I believe Ashland was originally projected around \$35 million.

[01:09:46] Pearson's Corner in 2033, \$66 million. Every year we have waited to make investments in capital projects, the cost of these projects have continued to go up. And we made prudent decisions on why we didn't do them sooner, but we also have to make investments in them before they continue to grow in cost.

[01:10:05] And we have committed to three additional in the recommended budget to you. I shared with you about \$150 million worth of road projects in the prior five years. The next five years, we have planned about \$180 million worth of road projects. And you can see all of those projects up there.

[01:10:22] There's 12 additional smaller projects, but they add up to almost \$40 million on top of the ones that we're showing you on the side. Again, zero general fund dollars here. This is all through CVTA and our leveraging of state and federal funds. Parks and Recreation. Every project you see on this slide is cash-funded, and so we have projects throughout our community, investments of about \$7.3 million in our parks and recreational facilities throughout our community.

[01:10:50] Call your attention to this slide, because I told you right off the bat that we plan long-term. We're one of three counties that's doing a 25-year capital improvement plan, and why do we do that? It's important, as you think about your tax rate today, you're not just thinking about fiscal year 27. You need to think long-term about what do rate impacts mean for long-term needs of a community.

[01:11:10] And we've projected right now that you have about \$775 million worth of capital needs. And again, this board will discuss all of those over time. Let's just say you think that \$200 million of those projects aren't needed. You still have a major burden that's facing us in the next 25 years.

[01:11:28] We have requests to this day, and yes, we did buy property for Mechanicsville and Bell Creek's replacement. We do not have those two schools funded in the five-year capital improvement plan. Patrick Henry and Liberty also need replaced. They're not funded either. You saw the price of one elementary school.

[01:11:45] Wait till you see the sticker shock on a middle high school campus nowadays. They're north of \$250-plus million. And so as we start looking at what's it cost to replace those kinds of facilities, we need to think now about projects and investments that we're making five, ten-plus years from now.

[01:12:02] We also have, in this 25-year plan, another \$575 million worth of road projects and utility projects. Today, it's \$83 million. It's going to be higher after you hear the resiliency report in March. Again, when we're trying to diversify that income and you're thinking about the revenue streams that we have to

tap, we need to think about what are those long-term needs and how do we compete when we're trying to fund those.

[01:12:26] I want to talk about the property tax rate because this is probably one of the questions that I get all the time. Equalize the tax rate. And just so we're clear, those competing jurisdictions that I mentioned, Henrico and Chesterfield, they don't equalize their tax rate.

[01:12:41] However, we all, by law, are required and always have and always do have a public hearing on what the equalized tax rate would be. This year, it would be a little over four cents if we were to recommend the equalized tax rate as your rate for the year.

[01:12:59] And so we are in full compliance with the law. It's not a requirement to equalize, but it is a requirement to make sure that you notice what that equalized rate would be, have a public hearing on it, and in full disclosure, understand what that means for your community. So let's talk about what that would mean for Hanover County.

[01:13:16] I just shared with you that we recommended a budget a little over \$13 million. If we equalized the tax rate, you'd have to cut about \$11.5 million out of the FY27 recommended budget to you. That means we would be eliminating both positions and merits and costs of health care and those kinds of things and delaying significant capital projects moving forward.

[01:13:39] And that certainly is a choice that this board can always make. My recommendation is to maintain the current rate in order to meet those needs. Let me tell you what those break out to be a little bit. When we're starting to look at this, just 1% merit for the county and school employees is \$3.3 million.

[01:13:58] If we'd equalize the rate, you'd have \$2.3 million to spend. For all of your debt obligations, your operational debt obligations, personnel wouldn't even be discussed in that equation. What's it mean for the average assessed property?

[01:14:15] And we're using the median sales price, purchase price in this example. So what's it mean for folks? Yes, it does mean an increase year over year. If we were not to equalize, even at the unequalized rate with the growth, folks would pay about \$32 more per year.

[01:14:32] At the average rate of assessment of 7.64, folks would pay about \$215 more year over year for the services that they receive in the county. If you're like me, I received, I believe it was a 17 plus percent assessment increase year over year.

[01:14:50] Other residents have received less than seven, some more than seven, and obviously it equates percentage-wise with what your actual increase is, what your actual payment would be. This is just on the average. So as I wrap up here today, and thank you all for your patience, I'm sorry everyone's standing so long, our investments are in our people, they're in our facilities, they're making sure that we can sustain the services that we've invested in.

[01:15:16] You've invested deliberately and intentionally in the services we talked about here today. Sustaining them is success. Continuing to invest in them maintains that value in people's most precious resources of their home and their properties and those kinds of investments.

[01:15:33] We also make sure that we're taking care of the people that are taking care of us and our employees that are delivering those results for our community each day. And with your continued

support, I know we're going to dive into this budget that I'm going to recommend to you in the weeks and months to come. Before we get to that, I want to remind everybody there are means to reach out to us.

[01:15:53] Everything I just shared on the screen, including the full budget detail, this presentation that is being recorded, including the school superintendent's budget, will all be available on the county website. In fact, it's available right now. And so if folks want this presentation and the full detail, they can dive on in.

[01:16:13] We welcome that feedback and look forward to the months to come as we deliberate this budget. We welcome our citizens' participations at each of these meetings and certainly the public hearing, the emails, the calls, those things. And so, Mr. Chairman, I appreciate the opportunity to share the fiscal year 27 budget with the board.

[01:16:32] Appreciate the work of all of our departments and efforts that have gone into getting this here to you today. And I stand ready to answer any questions you may have. Thank you, Mr. Badesky. I will now open it up to board members. Anyone? Mr. Herzberg. Thank you, Mr. Chairman. Thank you very much for your presentation, Mr. Badesky.

[01:16:50] I did want to point out one simple thing. you know you mentioned the tomato festival which is very popular you mentioned winter on the green which is very possible just want to point out that we also held the spooky fun festival at pole green park this year and i believe we had more than 4 000 people show up for that and that's just a great family fun event that we that we've done a couple years now i see our director here mr reed miller thank you for all the great work on that sir and it's great for family fun event You know, not everybody has a lot of money to take four or five kids out somewhere and spend a lot of money on tickets, but it is open to the community and is one of the great

[01:17:30] things that our parks and recs provides as a community service. Mr. Badeski, you mentioned the tax rates, and as you pointed out, we do here in Hanover have the lowest real estate tax rate.

[01:17:46] Some other localities are higher. And so why is that so important that our citizens know this and understand? How does that affect our ability to compete with other localities for people? Thank you, sir. You know, I think tax rate is a part of an equation for folks when you're thinking about where you want to stay living or where do you want to move, where do you want to invest in your business.

[01:18:07] You look at what is that quality of life that's available in a community. You look at the cost of living in a community. I know when we meet with our business community and folks that are looking to relocate here from other communities, that's one of the first things they look at, what's going to be the burden on us as we work with our economic development authority, making sure that we have not only a tax rate that's competitive and low to tout, but also what are our services? Do we offer our services as efficiently as we can? Can people move through the building process as quickly as possible? What are the burdens to development? So it's part of a bigger picture. The tax rate is

[01:18:43] part of that equation for our residents. And certainly, as I look to bring a recommendation to you. I think about that resident that called me that's on a fixed income and trying to pay for medicine that's going up in price. What's it mean for them if I recommend an increased rate or even maintaining the rate? It's still an impact. So we take that feedback extremely serious.

[01:19:06] And can you talk a little bit about how we have to compete for personnel, fire, EMS, teachers, bus drivers, and such, as far as salaries? Thank you, sir. Just yesterday, I got a chance to welcome our

newest employees, and I do that twice a month, and we're intentional about it. Every one of those lunches I can make with the newest employees, the first thing I start out saying is, thank you. You could have gone to any other jurisdiction in this region. Not only did we choose you, and we're selective in our hiring, but you could have gone to work anywhere else. And when we hire you, we take that obligation

[01:19:42] serious. And so as we do that, that means we need to provide a competitive compensation package, competitive benefits package, provide a quality of life, and I'm biased, but I think we provide a high quality of life to the employees that work for us. We expect hard work for their 40 hours, many more than that, but I hope that they're doing it in an environment that they see that they're fostered, supported to grow while they're here, and that is a resource that I don't take lightly, because we can't do this alone, and the talent that we have here is second to none.

[01:20:16] Thank you, Mr. Badesky. And the final question I have is in reference to the quadruple AAA bond rating that you mentioned that we received last year. How many other localities in the entire country have a quadruple AAA bond rating? Check with the team, but I think it's four.

[01:20:36] It's four, sir. Four. So would it be fair to say that we're in a top four localities in the entire country on bond rating? Yes, sir. And what does that mean? I know you said it earlier, but just to bring a little more attention to this. Can you explain what that means?

[01:20:53] It means a number of things. First, it's a representation of this board's commitment to financial excellence on maintaining policies that set you aside from other localities. And those are the reserve policies, the debt per capita policies, the processes we use to budget and plan, looking at our debt capacities moving forward, the burden on our residents.

[01:21:17] Those are all things that are looked upon. work that our economic development authority is doing to make sure we can attract a diversified investment base in our community and so that's one part of the equation the other part is certainly the debt obligation it's look if you think about it just as yourself if you think about your credit rating um you know if the higher credit rating you have the the better you can buy a vehicle or or even a home at the lowest possible rate as we have that quadruple bond rating it allows us to borrow funds at the lowest possible rates for the residents of Hanover, reducing that burden.

[01:21:53] And in some cases, just on a single school, we could save multimillion dollars over a 15 to 20 year bond because of our bond rating. Well, thank you, Mr. Padesky. Thank you, Mr. Chairman. Thank you, Mr. Herzberg. Anything further? Mr. Hudson. Thank you, Mr. Chair. Mr. Padesky, more just comments to our constituents in the room, those that may be watching online. I don't mind saying that I don't like this budget. I wish there was more to work with, particularly when it comes to mental health that hits very close to home for me. And I know that Mr. Podesky would

[01:22:31] agree not only with all of our colleagues, but him and I just bouncing back so many ideas and methods to find dollars and debating and just going over with our school administration colleagues to how can we get there? How can we get there? Because we feel the weight. When I was elected and got to the board, I ran on working to further diversify the tax base. And for example, last year, we had a project that came before our authority. And to credit to my

[01:23:08] colleagues, they absolutely stepped up like no board that anyone knew of in Hanover history to attract this project. Clean, high paying jobs, little to no burden on our services and would really help set

our trajectory for further balancing that tax base. And we stepped up and they walked and everyone on this board and in our administration felt like we had been kicked in the

[01:23:39] gut because we worked very hard to do that. And so you need to be assured that your board, Collectively, we are working every day as hard and as fast as we can to remove the burden from the single family primary resident. And when I hear from constituents and they have ideas and they're valid ideas, as board members, we've had ideas of ways that maybe we can further do that.

[01:24:11] Well, here comes Mr. County Attorney with going, you can't do that. But what do you mean you can't do that. State code won't allow you. So while it seems that we can do anything we want, there is a brick wall in so many places. So Mr. Podeski, I just want to say that this has been an uncomfortable, this is I guess my now my third budget that I've reviewed, and it's uncomfortable. It doesn't feel good for any of us. I don't mean to speak for my colleagues, but our school partners, but we have

[01:24:47] to face the reality of the situation. So thank you all. Thank you to my colleagues for all of their work. I think particularly this year for me, I mean, we have all been digging and scratching trying to find ways for multiple areas of funding. But one of the things that I do, I listen to the scanner a lot. It's my thing. And when I can hear the results of the investments that we've made in public safety, in response times, in the ambulances that are marked up during peak times, we're doing the right thing. So thank you for your time, Mr. Chair. Thank you, Mr. Hudson. Anything further?

[01:25:28] Mr. Badescu, I have a few questions. I want to start by saying, you know, thank you for your recognition of the tax burden on the citizens. I know the board has spoken about that quite a bit. Ms. Purchard and I traveled downtown to speak against a bill on taxing services for individuals within the Commonwealth, and I would say it was rather successful.

[01:25:51] They didn't kill it. They just passed it by, and that's a win that we would take at that point. But it was important. It was important that I think we speak on it because we do recognize that. Let me ask you, if you were talking about real estate tax, How much of the real estate tax that's levied here in Hanover County, how much does the state pay on real estate owned in the county on their property?

[01:26:16] The state is exempt from paying taxes on their property. They're exempt, okay. How much money from what we levy on the citizens goes to the state for our real estate tax? I believe most of that money stays here unless we're offsetting the state-funded services, sir.

[01:26:33] Unless we're offsetting that, and we'll get to that in a second. So 100% of the money stays here in Hanover County to serve their residents. Okay. Let me ask you a question about this equalization thing. So they get no money from that. So it would not cause a state budget impact when we equalize our rate.

[01:26:53] Is that correct? Correct, sir. Okay. All right. Thank you. So let me ask you this. When a candy bar or a television or some other item like that, when that price increases, What does a state do to equalize the state sales tax rate?

[01:27:11] Do you know what's their equalization? What's the law on that? I don't believe that they reduce it, sir. They don't reduce that? So what about when wages drop or increase? What do they do to equalize the state income tax?

[01:27:27] What's their equalization? I was looking for it. Mr. Walters tried to help me over the years. What do they do there? That's unchanged during that scenario, sir. Nothing changes. Is that why it wasn't

in your budget? We don't rely on that. we don't rely on it okay so in the state when the lci local composite index for the school when that goes down the state pays less when they lower that what mandates do they take out when they lower the money coming back to the locality in recent years none sir so they don't equalize the things they ask us to pay for when they reduce our money all right i'm just trying

[01:28:06] to get my facts straight really quick here so on b poll we don't have a b b poll because we want to maintain competitiveness. And that's one of the things that Ms. Pritchett and I talked about is, you know, when taxes get in place, they stay. And by the way, if you haven't caught the theme, these are rhetorical questions. So we recognize that placing a burden on the citizens means that it's likely not to go away. And my final question is, you're familiar with BPOL. You know how it works. Hanover doesn't have it. We try to maintain that competitiveness. I see Mr. Hayden smiling because he certainly supports being the chair of the EDA and not having a B poll.

[01:28:47] What was the money, the B poll came into place, what was that money initially used for? Do we know? Sir, I believe you have a great explanation for that about a particular war. Yeah, it was the War of 1812. So B poll came in to fund the war, and I want to be on record, I'm happy we won.

[01:29:06] So I think the reality is this, and this is one last question, I'm not going to ask you to answer this, But is there any chance that when they reduce the funding in localities, things they certainly don't pay for or increase the cost to the localities and areas, that they take that money and put it into their surplus and then say that they have a surplus?

[01:29:32] I guess my thing of it is, do you think they're aware that they're doing that? Don't answer, Mr. Podeski. Thank you. It'll hurt our relations at the General Assembly. Those are the frustrations, obviously, that we have. And it's important for folks to know that because the citizens, they see it as well.

[01:29:50] They see it as well. And I understand that. Thank you for your presentation. I do commend you because I know some of the things you said were very difficult talking about fixed cost insurance. I think sometimes citizens don't realize that we don't have the negotiating power that some people may think that we have that they think that we should have when it comes to negotiating with insurance companies.

[01:30:16] We don't get to call Dominion and negotiate there. But there are things in this budget that are going to be funded ultimately if the board approves it and it becomes a Hanover County budget. But you very diplomatically handled some of the areas of non-funding.

[01:30:35] And we recognize that some of our partners in this room put in substantial requests. And I don't believe they were wish lists. You have set that standard in the administration that they don't get to send you a wish list and the board doesn't accept wish lists from you. So those were well thought out needs.

[01:30:53] And so thank you for putting that in there. So folks understand that our constitutional officers and our department heads and all of the folks who are serving our joint constituency are doing their very best. But sometimes the answer is no.

[01:31:08] And there's a reason behind that. So we have to prioritize. thank you for putting that in there. If there are no further questions, I'm going to ask that the board take a brief recess. We'll take no more than five minutes. Thank you

[01:31:20] again, Mr. Badesky. We are in recess. Where's the sheriff? Where's the sheriff? Where's

[01:41:14] the sheriff? Board is back in session. Board is back in session. It's now our pleasure to ask Colonel David R. Hines, if it'd be his pleasure, to come and present his annual budget. Sheriff of Hanover County, Colonel David R. Hines. Thank you for being with the sheriff. Mr. Dennis Walter. You know, I'd never like to come up here and not at least

[01:41:49] comment on a couple of things. First is, I think we have one of the finest county attorneys around. I want you to know that his office, I just don't, I think they're second to none. And I can assure you that you have one of the finest county administrators around. It's always been my pleasure to work with Mr. Bedetsky. I want you to know that Mr. Stanley would be completely beside himself at the length of Mr. Bedetsky's presentation. But I did tell Mr. Bedetsky it was

[01:42:24] a great presentation, and it truly was. You know, I'm so fortunate to have a partnership with each of you, collectively, with Mr. Bedetsky and the entire administration. We're so fortunate to share that partnership with our community. And I'd also just like to take just a moment and thank the community and each of you for your partnerships throughout the years. It's been tremendous. I'd also like to just recognize the men and women of the sheriff's office that are here today

[01:43:00] and those that are on the road that are still protecting us. I'd also like to thank my wife for being here. Pat's in the back. Mr. Davis, you didn't need to send me a text to remind me to recognize my wife. I appreciate that. But Mr. Chairman, for the record, my name is David Arheims, sheriff of Hanover County, and I assure you I'm going to be brief. And And again, I want to thank this board and the administration and the community for all the trust and support you've shown your sheriff's office throughout our time working together.

[01:43:37] And that partnership matters. It truly matters. And it has made this community a much safer place because of those partnerships. As you know, I'll be retiring effective March 31st of this year, just not quite a month from now.

[01:43:56] I do so and I'm proud of the organization that I'm leaving here. I'm proud of the partnerships that we've shared and I just want you to understand I'm proud of the undersheriff that's going to take over and I want you to understand that I'm so confident in the future that the sheriff's office is going to continue to have and it will all be because of its willingness and hopefully y'all's continued willingness to partner together for the benefits of this community. So today, you'll hear

[01:44:32] about Sheriff's Office budget requests for this fiscal year of 2022. But by the time you can vote on it, well, I will have been retired. And there will be new leadership here. And I think it's only appropriate that Under Sheriff Greg Six present the budget that he will have to work with. So So, Mr. Chairman, if you will bear with me, I'd like to bring up Under Sheriff Six.

[01:44:59] Thank you, Colonel Hines. Mr. Chairman, members of the board, good afternoon. Before I talk numbers, I want to say something plainly.

[01:45:17] Over the last decade plus, Colonel Hines has led this agency as sheriff with consistency and discipline. The culture you see today in your sheriff's office, that of high expectations, strong partnerships, the steady performance didn't happen by accident. It happened because Colonel Hines insisted on doing things the right way, year after year.

[01:45:38] And if Colonel Hines was sharing this presentation, he'd tell you this culture goes back more than three decades, beginning under the leadership of former Sheriff Stuart Cook. Being asked to carry

that forward is a personal honor, but it's also a serious responsibility.

[01:45:55] I understand what this role represents to this community, and I understand what you expect, professional service, transparency, and good stewardship of taxpayer dollars. With that in mind, our FY27 request is built around two priorities, protecting frontline capacity and using our resources efficiently. When people think sheriff's office, they think a patrol car, but what this board funds is a complete public safety system. Our patrol division represents the core of our purpose as law enforcement, responding to the calls

[01:46:31] for service, crashes, and emergency situations, while also providing the visibility that prevents crime before it starts. Our investigative division turns complex incidents into arrests and prosecutions. Our court services division keeps the courts functioning safely and efficiently.

[01:46:48] Our administrative division provides the infrastructure that keeps all of it moving. The reason I start here is simple. Budgets don't fund slogans. They fund capacity. And capacity is what determines response time, officer readiness, the quality of service that citizens receive, and ultimately, the safety of our community.

[01:47:12] To give you context for this request, it's helpful to look at the operational reality behind it. Last year, the Sheriff's Office responded to 36,712 calls for service and improved our priority response time to 7 minutes and 25 seconds. Deputies responded to 1,266 motor vehicle crashes, spent 2,934 hours on temporary detention orders, completed 4,513 incident-based

[01:47:44] reports, and conducted 1,495 prisoner transports. Those are not abstract numbers. They represent time, staffing, vehicles, equipment, training, and the demand that our county generates for law enforcement services. The point is not that we're busy. The point is that we must stay efficient as the demand is steady and our community's expectations are high. The partnerships that exist between the sheriff's office and our community play a significant role in keeping

[01:48:18] Hanover safe. Community partnerships allow us to identify concerns early and address them proactively, which helps prevent small issues from becoming larger ones. When we show up consistently at community events, in schools, and in the places where people live and work, we reduce the space where crime can take hold. We will continue to support these proven and meaningful partnerships. National Night Out, Worship Watch, and our youth outreach efforts are just a few examples of the many partnerships that play an important role in how Hanover

[01:48:55] sustains a low crime rate, and our crime rate last year was particularly noteworthy. Hanover County's crime rate can be tracked as far back as 1975. That's the earliest reliable historical baseline available. In 2025, Hanover County had a crime rate of 763.6 offenses per 100,000 residents, the lowest crime rate in our recorded history. That outcome reflects consistent strategy, strong partnerships, professional policing, and a culture that expects professionalism every day.

[01:49:34] It also reflects leadership, because sustained results over time come from sustained expectations over time. Colonel Hines' vision for the Sheriff's Office was to make Hanover County an environment where crime cannot flourish. It is evident to me that with his leadership and the support of both you and our community, this vision was achieved.

[01:49:57] As we look at what is behind that crime rate, you will see that reported incidents were down in six of the eight index crime categories last year. Aggravated assault, arson, burglary, larceny, and motor

vehicle theft all decreased and the number of homicides returned to zero. Two categories experienced an increase in reported incidents, rape and robbery. It is important to note that in each rape incident, the offender was known to the victim. We don't minimize that. We focus on it through thorough investigations, victim support,

[01:50:35] targeted enforcement, and close coordination with our Commonwealth Attorney's Office. In total, there were 892 reported index crime offenses, and 60% of those cases were cleared. Expanding beyond the index crimes, there were 3,106 total criminal offenses reported in 2025, and we achieved an overall clearance rate of 63%.

[01:51:01] All of these metrics are an improvement over 2024 and are a testament to the men and women of the Sheriff's Office who are committed to both deterring crime and holding offenders accountable. It is these men and women of the Sheriff's Office that we all depend on.

[01:51:21] And this brings me to the status of our sworn law enforcement staffing. On paper, there are currently 21 full-time sworn vacancies. However, operationally, we have 10 part-time sworn deputies actively filling some of these roles, leaving an effective vacancy rate of 11 deputies.

[01:51:40] That distinction matters because it reflects how we manage risk while continuing our recruiting efforts. Part-time staffing is a valuable tool that you have provided us with, which has helped maintain service levels and preserved experience in our agency.

[01:51:58] With 11 effective vacancies, our proposed five-year personnel plan is an example of stewardship, not just planning. Last year's plan reflected new law enforcement positions in FY29 and FY30. However, after reviewing projected demand on our staffing realities, our proposal today pushes those new positions back by one year.

[01:52:19] Proper planning includes adjusting when conditions change, and as good financial stewards, we will not ask you to fund positions until the need exists. For FY27, our law enforcement budget request represents a 5.1% increase over FY26.

[01:52:39] This includes a 5.1% increase in the personnel category, mostly due to the merit raise, and a 4.5% increase in the operating category. The approximately \$221,000 increase in our operating budget is primarily attributable to an increased software cost of \$158,000 related to the purchase of a new records management system, with the remaining \$63,000 representing the increase in all other operating costs required to maintain our current level of service to the community.

[01:53:15] As it represents most of our operating increase, I would like to take the time to update you on the status of the transition to a modern RMS system, which has been a multi-year effort. Since funded in FY23, the Sheriff's Office and Emergency Communications have worked together on a combined CAD-RMS replacement project.

[01:53:39] We reviewed workflows, developed an RFP, and evaluated multiple vendors through demonstrations and hands-on testing. That process led us to the determination that the Central Square Enterprise System was the best overall solution for Hanover County.

[01:54:01] In this evaluation, a cloud-hosted model proved to be the most cost-effective approach. It reduced upfront capital costs, eliminated the need for future server replacements, and is expected to leave approximately \$1.5 million in the CIP for savings.

[01:54:20] The tradeoff is a higher annual subscription cost, which is what you see reflected in the FY27 operating budget. We'll now shift our attention to the court services budget request. Our proposed five-year personnel plan adds one new position in FY27, which was not previously in plan.

[01:54:40] This represents our need for one additional administrative assistant. As you know, the Department of Forensic Science is relocating from Richmond to Hanover with completion expected in June. That move will significantly increase the administrative workload related to the documentation and coordination of legal processes.

[01:55:02] At the same time, we have historically supplemented our current administrative assistant with volunteers who donate their time assisting with process entry and administrative tasks. Those volunteer hours are declining and that responsibility has increasingly shifted to sworn bailiffs after court hours.

[01:55:24] Approving this request would increase our staffing from one administrative assistant to two and give us the ability to handle the increased workload associated with the Department of Forensic Science while also allowing us to refocus our bailiffs' time back to their primary law enforcement duties.

[01:55:43] Our court services budget request represents a 6% increase in the personnel category and a 9.8 percent increase in our operating category. This operating increase of approximately \$29,000 is due in large part to an increase of close to \$23,000 related to vehicle insurance, maintenance, and fuel, with all other categories represented in the remaining \$6,000 or 2.1 percent increase. For FY27, our CIP request includes \$2.31 million for replacement law enforcement

[01:56:21] vehicles, \$330,000 for court services vehicles, and \$450,000 for range facility improvements, all of which are in-plan, pre-existing projects. Our fleet replacement is a frontline requirement.

[01:56:39] A lot is demanded from a law enforcement vehicle, and to have reliable, safe transportation with manageable downtime and maintenance costs, we must keep vehicle replacement on a disciplined cycle. The range facility project is intended to improve security at our training facility and will include items such as proximity card readers and additional security measures throughout the site to protect the critical equipment stored at the facility.

[01:57:11] The budget request shared with you today was built to maintain what Hanover depends on, fast response, safe court operations, professional investigations, and the infrastructure that allows the Sheriff's Office to keep delivering results year after year.

[01:57:26] As we move forward, the values that guide this organization will remain unchanged. The Sheriff's Office will continue to place a high value on strong partnerships with the community, and we will remain grounded in our core values of commitment, professionalism, compassion, honor, and accountability.

[01:57:48] Earlier, Sheriff Hines acknowledged his retirement. It's well-deserved and thoroughly earned. I would also like to recognize Lieutenant Colonel Tom Woody today, who at the end of this month will retire after 38 years of service to the citizens of Hanover and to the men and women of the Sheriff's Office.

[01:58:07] The commitment of these two men to public safety in Hanover has helped shape the Sheriff's Office into what it is today. This year may represent a leadership transition, but the responsibility of this office remains the same. The work continues, the expectations remain high, and our community's reliance on this organization does not change.

[01:58:29] Mr. Chairman, members of the board, thank you. I think I was a little bit shorter than Mr. Badeski. I'll remain at the podium to answer any questions you may have and also invite Sheriff Hines back down. Thank you, Under Sheriff. Are there any questions from board members?

[01:58:47] Mr. Herzberg. Thank you very much, Mr. Chairman. Thank you very much for your presentation, sir. My question has to do with law enforcement assigned to public schools. Sheriff, I'll tell you, I ask about this every year. So where does the department stand on the number of law enforcement to the number of public schools?

[01:59:09] Mr. Herzberg, you remember, I think, maybe five, six years ago now, this board made it a priority to fund a deputy in every school. And that was a gradual process that was supposed to occur over five years, give or take. And with our part-time program that we have going on as of today, we have a deputy assigned to every school.

[01:59:30] Well, that's great news. It's great to hear. And as Sheriff Hines has so eloquently stated, when school is in session, that is our highest concentration of citizens. And those kids, students, and all of the school staff, they deserve protection.

[01:59:48] So thank you very much. The other question, or the other comment I have, just a short, brief comment is, you mentioned the lower crime rate. And there's lots of reasons for that. Y'all are the experts, not me. But one thing that I want to comment on is that the Sheriff's Office takes crime seriously in Hanover County.

[02:00:10] And so does our Commonwealth Attorney's Office. and I think as long as that continues to send the message to people that we're not going to tolerate this type of crime I think that that is just a great thing and I hope that continues I believe it will thank you very much sir thank you thank you mr. Herzberg anything further miss pressure thank you under sheriff six um I think there are going to be lots of opportunities to heap lots of accolades on the sheriff and I look forward to doing that but but one of the things I'd like to say about your presentation. My very first time of hearing the

[02:00:48] Sheriff's budget at this desk, the Sheriff said, we sometimes have vacancies because you can train people to do the work, but you can't train people to have character. And we wait until we get the right people. And I have believed in that every day that he and I were here together. And I look forward, I hear that in your presentation, and I look forward to seeing that from your office as Thanks, thank you under sheriff. Thank you. I am it is a change to see you at the podium given a presentation and To miss Pritchard's point there will be time to heap accolades on the sheriff and well-deserved

[02:01:27] I couldn't help but think that this would be your last budget presentation while you were here And I kept thinking about the partnerships that you've talked about and the partnership start with the community and Colonel Hines has never wavered from that, that the first partnership is with the people of Hanover County.

[02:01:44] I've had an opportunity to work with you, Lieutenant Colonel Six, from your time in many divisions, in many divisions, and I've always said, and you and I know this, the toughest place to serve is in your promotion environment. If you could be transferred somewhere else, you walk in and it's like, oh, there's a new sheriff in town, and here folks remember you from different areas, but you've had a stellar career I've worked with you in budget and patrol a lot of other areas for a number of years and so I look forward to working with you I think the sheriff and the

[02:02:20] leadership team there have done very well over the years but you're also blessed because you've got some of the finest people that I've ever met that are that are going to report to you but you that you work with and I know you know that you've talked about that constantly so it's important to know you've been here what close to 30 years is that correct 29 next week 29 next week and then you started in you started 9-1-1 didn't you I did you started in 9-1-1 I know you worked a number of different things industrial accidents and a number of those types of things and Lieutenant

[02:02:56] Gardner and Captain Sullivan have accused me of having preferential treatment towards people sometimes i think it's unfounded but prior to your service at hanover county did you have any public service prior to coming into public service in hanover county i did what was that organization i was in the united states marine corps that is an interesting thing i want to make note of that i just wanted to make note of that under sheriff it's been a pleasure to serve with you in the capacity that you've had your leadership is well known and i look forward to serving with you in

[02:03:30] the future. Thank you. Colonel Hines. Oh, you got something nice to say about it? I do. I do. I wanted to just hit on one statistic that I think I'm most proud of throughout the years, and it's something that was instilled in me by Stuart Cook, former sheriff, and that's about how we hire people, and Ms. Pritchard hit on it. You know, we hire based on character. You've heard me say that. We don't have time to teach character at this point. We can enhance it, but we can't teach it. We can train you to be a police officer. And there's different effects that that has. But here's one of the major

[02:04:10] effects that it has. In the last five years, we had 1.3 million contacts with citizens in Hanover County. Some may have been visitors, some may have been residents. And of those contacts, we had over 4,232 letters of commendation for excellent police service. And we had three founded citizen complaints, three out of those contacts over a five-year period. Now, my good friend Bob Bailey

[02:04:46] is here. He's been a very successful businessman. He's here with his wife, his dear friend. But I'm not sure Mr. Bailey's businesses could have done this. And when I say that, I need you to understand that we deal with individuals at their worst times, and normally when we leave, there's at least one individual that's not happy with us. And for any agency or any business to get those kind of figures, but particularly a law enforcement agency, it goes to the character of the men and women that

[02:05:25] serve here, and I've told you over and over again, we have, and when I say we, I'm talking collectively as a agency, as a community. We have the finest men and women in law enforcement here today serving. And I want to thank you all for how hard you worked to help maintain our salaries for that competitiveness that is throughout this region. So thank you.

[02:05:54] Thank you, Sheriff. I asked Mr. Badesky if he would pull some numbers for us on the number of commendations received for the Board of Supervisors. And he's compiling data. we haven't gotten yet um you know sheriff you and i've worked together in a lot of capacities for a long time and uh it's uh it'll be a change and change is good actually um i think the only thing i can can say is thank you i've expressed my sentiments you have been there uh for citizen

[02:06:31] engagements in which i've asked you to to help provide accurate information um i had a habit early on of scheduling town hall meetings either on your anniversary or your wife's birthday and you did and and you came to him i did and the citizens appreciated and i appreciated it uh why don't we ask pat yeah i'm not sure i'm not sure mrs hines appreciated it but uh but you have you you've been there uh we've

worked together in a lot of areas you know in 2020 you and i spent a lot of weekends together a lot of weekends together um and you've always kept board members

[02:07:10] You've always kept the community informed as to what's going on in that. You've said for years and years and years to the citizens, this is your sheriff's office. And they've seen that through your leadership. So we're a colleague in a sense. We're certainly friends, but I've also considered you a mentor.

[02:07:29] And your presence will be missed, but part of that leadership is making sure that it's in good hands. And you've done that as well. And that's a very, very difficult job. And quite frankly, in public office, it's not one that many people are successful at. And we've had that success here.

[02:07:46] I'll just end with this, and this is really for the undersheriff. So my wife and I have enjoyed that in recent years, the sheriff, Colonel Cook, lives in the Henry District. Colonel Hines lives in the Henry District. Mr. Chalkley lived in the Henry District.

[02:08:04] And I can't pay for a moving van, but I just want to know, what are your plans to move? I'm just a Western Hanover boy. You're just a Western Hanover boy. Well, we appreciate you. Colonel Hines, thank you for everything you've done. Thank you all. Thank you for listening. And I do want to leave with this one comment.

[02:08:21] I've never felt better about the future of this agency than I feel today. And the other thing I want this board to understand, and Mr. Podetsky speaks about it, a legacy started back in 1990. And that legacy was accountability, professionalism.

[02:08:42] But there was also one legacy that went to the budget. And that was, you don't ask for something that you don't need just because you want it. You ask for what you need, and you always remember it's the taxpayer's dollar.

[02:08:59] And that's the budget you got today. And that's the budget that we have brought to this board and its citizens since 1990. So thank you very much. Thank you, Colonel. This board will recess for five minutes.

[02:11:33] This board is back in session.

[02:20:55] I did want to recognize Mr. Tim Boshan, treasurer for Hanover County. Thank you for being with us, Mr. Boshan. Appreciate that. Let's see. Who do we have now? We've got all board members? Very well. The next item on the agenda is a presentation by Dr. Lisa Pennycuff, our superintendent of schools, but I believe Chairwoman Welsh is going to be with us.

[02:21:15] Ms. Welsh, welcome. Thank you for being here, ma'am. Thank you. Good afternoon, Mr. Chairman, Mr. Vice Chair, members of the Board of Supervisors, Mr. Badeski, and staff.

[02:21:32] For the record, I'm Whitney Welsh, chair of the Hanover County School Board. behalf of the school board thank you for the opportunity to share with you our approved fiscal year 2027 budget for your consideration we appreciate your continuous support to invest in our schools and our students we have several family members here today and i i would like to recognize a few of our board members that are here our vice chair from beaver dam greg coleman

[02:22:08] Bob Seifert from Chickahominy, Bill Schroff from Cold Harbor, and Ryan Martin from Mechanicsville. I would like to acknowledge and thank Sheriff Hines and the Hanover County Sheriff's Office for continuing to support the SROs, the school resource officers, in our schools.

[02:22:30] The SROs are a wonderful, welcoming factor to our students, our families, and our staff. We appreciate that this continues to be a priority. As you will see today, even in a challenging budget year, this budget invests in our amazing students and the talented, dedicated, professional faculty and staff who serve them.

[02:22:54] It supports our core instructional mission and improves the future of our school facilities. This budget delicately balances many competing and worthy priorities with our collective fiscal responsibility as we all work together to continue the long-standing tradition of excellence in Hanover County Public Schools. The school board was proud to unanimously approve this budget at our meeting last week. To present it on our behalf, please join me in welcoming Dr. Lisa Pennycuff,

[02:23:31] our superintendent of schools. Thank you, Madam Chair. Dr. Pennycuff, thank you for being with us. Thank you. It's a pleasure to be here with you and I would like to say good afternoon to the members of our Board of Supervisors to Mr. Badesky, to Mr. Walter, and to Ms. McGee. It's my pleasure to present the school board's approved fiscal year 2027 budget, but before I do, I'd like to take a moment to say thank you for our partnership. Mr. Badesky has been a wonderful partner to us as the schools and county administration have been meeting since the fall. We have many members of the Board

[02:24:10] of supervisors who've had concerns from constituents that have come up that have reached out either to our school board members or to me so that we could talk through things with Mr. Badesky and I just want you to know how much it means as your superintendent to be able to have that relationship to work as a team to provide the best that we can with the resources that we have available to us And I think Mr. Hudson said it well when he said, this isn't a year when we can do everything that everybody wanted us to, but we're trying to make the dollars stretch to do the most that we can for everyone to get the best outcomes for our community.

[02:24:50] So with that, I will go ahead and begin. Every day, our educators, our support staff, and our administrators selflessly and passionately serve our students. Together, this remarkable Hanover County Public Schools family makes a meaningful and lasting difference for every child who walks through our doors.

[02:25:13] Each year, the budget is an opportunity to strengthen this important work. I am confident that this budget reflects our priorities for supporting our students and dedicated professionals who serve them with excellence, while also balancing our collective fiscal responsibility.

[02:25:32] This afternoon, we will discuss the following, the budget development process, some of our tremendous accomplishments as a school division over the past year, and the school board's approved fiscal year 2027 operating budget.

[02:25:49] Mrs. Terry Stone will then share with you an overview of our budget, the school nutrition fund, and our proposed five-year capital improvement plan before outlining the next steps in this important process. First, it is important to recognize the steps that brought us to where we are this afternoon.

[02:26:10] This process is an extension of our philosophy of involving our school board members, our faculty and staff, our families, our county funding partners, our broader community, and many other important stakeholders. From the public hearings that were specifically held this fall for the general public to engaging meetings with our school administrators to learn more about the needs in our schools, this has been a meaningful and deliberate development process.

[02:26:41] We are deeply grateful for our internal and our external stakeholders, including our employees, our administrators, our parents, advisory committees, our school board members, and our valued partners in Hanover County government, our community, and many, many others who have been engaged in this process with us from the very beginning.

[02:27:03] I am deeply appreciative of their engagement throughout the process, and together, as the Hanover County Public Schools family, we remain committed to serving the best interests of our students, staff, and our broader school community. Before we dive into the budget, we think it is important to pause and reflect on the past year.

[02:27:26] This past year has been filled with special moments and accomplishments across our school community. And while we are not in this life-changing work of public education for the awards and recognition, we also deeply believe in celebrating our accomplishments and the joy that takes place in our schools every day.

[02:27:47] First, let's rewind to two historic days in March when we broke ground on the replacement of Battlefield Park Elementary School and the replacement of Beaverdam Elementary School. These schools represent the second and third schools constructed in Hanover County since 2008.

[02:28:07] With many of you in attendance, along with our school board, students, families, faculty and staff, state legislators, county and school division officials, and other distinguished guests, we celebrated the groundbreaking of Battlefield Park on March the 18th and Beaverdam Elementary on March 24th.

[02:28:27] I am proud to say that both projects are coming along well and remain on track to open for the upcoming school year. While the construction of new school buildings is certainly intricate, it is not quite rocket science.

[02:28:44] We leave that to our middle schoolers. Last spring, a team of Oak Knoll Middle School students, led by their science teacher, Kara Zetiker, was selected as the best overall middle school team. submission for the Plant the Moon NASA Regional Space Grant Expansion Project.

[02:29:02] The project was a science experiment and research challenge to examine how vegetable crops can grow in lunar soil. This involved more than 420 middle and high school teams from across the world. At the end of June, our team had the opportunity to travel to Florida and go to the Kennedy Space Center for an awards ceremony and immersive experiences.

[02:29:28] This team also won an international award for best in show from the Institute of Competition Sciences. What an amazing recognition and opportunity these students had. The Attlee High School varsity boys basketball team accomplished something in 2025 that no team in the history of Hanover County has achieved, winning a boys basketball state championship.

[02:29:57] Under the leadership of VHSL Class 4 Coach of the Year, Raleigh Axel, the Raiders went 27-1 last school year and won the first Boys Basketball State Championship in both Attlee and Hanover County Public Schools history.

[02:30:13] Among the standout Raiders was senior Will Hopkins, the 2025 VHSL Class 4 Boys Basketball Player of the Year, who finished his high school career with 1,507 career points.

[02:30:30] Congratulations, Attlee. In addition to the historic state championship by the Attlee High School Boys Basketball Team, we had a number of other state champions that we celebrated as a

community and recognized at our school board meetings. From the first boys volleyball state championship in Hanover High's school history, to individual track and field state championships, to the boys indoor track and field state champions at Atlee High School.

[02:30:59] We have so much to be proud of with our student athletes and teams from across the county for their work on our playing fields. As I'm sure you've experienced during your time on the board of supervisors and Mrs. Dibble also on your time on the school board, We have many, many talented students and music educators in our schools, from our elementary schools all the way through high school.

[02:31:24] This includes the work of our students from all of our schools on display at the annual Arts and Science Festival that was held last spring at Hanover High School. And speaking of Hanover High School, our choir students there were invited to perform at the White House this past holiday season.

[02:31:42] While that event was unfortunately canceled, we remain incredibly proud of these Hawks, who have already received an invitation to perform there next year. Also, among our talented students are seven from Atlee High School, who had the opportunity to perform in the Macy's Thanksgiving Day Parade and with the Macy's Great American Marching Band in front of an international audience.

[02:32:08] It is no wonder that for the 13th consecutive year, Hanover County Public Schools was named a Best Community for Music Education by the National Association of Music Merchants. This is a coveted status, and we are one of only 23 school divisions in Virginia to achieve it.

[02:32:27] Well done, Hanover County Public Schools. Hanover County is also home to truly exceptional educators. This is on full display each year through the National Board Certification Teacher Process and through the awarding of the prestigious REB Awards.

[02:32:46] This year, we have had the honor of celebrating nine new National Board Certified Teachers just earlier this week. Earning your National Board Certified Teacher Certification is something only approximately 3% of educators across the nation achieve.

[02:33:03] and Hanover County Public Schools is home to more than 100. This gives us the highest percentage of National Board Certified Teachers in the Richmond region. In addition to the National Board Certified Teaching Certifications, we recognize our outstanding educators through the REB Awards.

[02:33:23] This year, three of our teachers received a combined \$36,500 to travel the world to continue their own learning and bring it back to the classroom to benefit our students. The awards program is a partnership between the Community Foundation for a Greater Richmond and the REB Foundation, and nominations are now open for the 2026 awards.

[02:33:49] Also, as part of the REB awards, we recognize Mrs. Allison Mullins, the principal at Cold Harbor Elementary School, with the REB Award for Distinguished Educational Leadership, giving her a \$10,000 unrestricted cash grant and \$20,000 to be used for school initiatives.

[02:34:09] Congratulations to all of these extraordinary educators for their deep commitment to students and for these remarkable achievements. One of the biggest highlights of this school year has been our division-wide emphasis on kindness.

[02:34:24] As we highlighted at the November school board meeting, all of our schools are providing kindness themes, activities, lessons, and celebrations. While academic growth and achievement remain at

the center of our mission, we know that kindness is at the heart that creates the foundation for safe, supportive, and thriving schools.

[02:34:46] whether it's welcoming a new student, lending a hand to a classmate, or offering a word of encouragement. These simple acts have a profound impact on the lives of others. We've seen this on display through the Be the Eye in Kind social media series that celebrates the students and staff who inspire us all by bringing kindness to life through their words and through their actions.

[02:35:12] Kindness is powerful, and our emphasis has reminded us of the value of empathy and helping reinforce that every member of our Hanover County Public Schools family has the ability to make a positive difference, allowing them to reach their fullest potential.

[02:35:29] As we continue this work, we are proud of the way our students and staff are modeling the type of character that strengthens both our schools and our broader community. Our convocation theme this school year, as many of you know from your own attendance, spoke to the heart of who we are.

[02:35:48] We are family. Our Hanover County Public Schools family is doing the incredibly meaningful work of educating and inspiring our students with excellence, passion, and kindness. From bus drivers to nurses, counselors to teachers, administrators to front office staff, to custodians and every position in between, our faculty and staff show our students how to work hard, how to contribute to something bigger than themselves, and to ignite their curiosity.

[02:36:22] Care is at the core of what we do, and it is at the heart of our Hanover County Public Schools family, and our team demonstrates this in so many ways. Our collective dedication helps to ensure that our students are not only mastering essential academic skills, but are also growing into empowered learners, responsible citizens, globally engaged communicators, and resilient individuals.

[02:36:50] These are the foundation of the Hanover Promise. These are the traits that will carry our students forward in life long after they have graduated from our schools. With your strong support in all areas, including through the budget process, we remain leaders in education in the Richmond region and across the Commonwealth.

[02:37:13] While we have shared this data with you previously, it is again worth celebrating. All of our schools have been designated as fully accredited by the Virginia Department of Education. Seven of our schools, three elementary, one middle, and three high, have earned the distinguished status from VDOE under the Commonwealth's new accreditation system.

[02:37:38] Under this new system, we have the highest percentage of schools in the Metro Richmond region who are designated as distinguished or on track. For the 13th consecutive year, our on-time graduation rate has exceeded 95%, and a higher percentage, nearly two-thirds of our students, graduated with advanced diplomas.

[02:38:01] On SOL tests in 24-25, our students outperformed state averages in reading, math, science, and history, and we continue to lead the metro Richmond region in all content areas. We also, once again, have the highest pass rates among Virginia's 15 largest school divisions in math.

[02:38:23] The remarkable Hanover County Public Schools family makes an extraordinary impact on every child who walks through our doors. Our impact extends far beyond academic achievement, nurturing confidence, character, and a love of learning in our children.

[02:38:39] Our success lies not only in academics, but in the relationships built by our faculty and staff. the kindness they show, and the confidence they instill in the students who walk through our doors. With these achievements and accomplishments in mind, let's now begin to review the school board's approved fiscal year 2027 budget. One of the key factors of each budget year is the state budget.

[02:39:09] The governor's proposed budget informs the development of our proposed budget, and as you are aware, there will likely still be changes to the state budget as the general assembly is still conducting its work. Our team is closely monitoring the legislative session and recognizes the significant impact it is likely to have on our final budget. For now, we know and are basing our budget on the following. This is the first year of the state's biennial two-year budget. The governor's proposed budget reflects the routine re-benchmarking of the costs associated with the

[02:39:45] standards of quality. These adjustments include a recalculation of the local composite index or LCI that Mr. Badesky mentioned for all 131 school divisions of the Commonwealth. The LCI is often referred to as the locality's ability to pay and is based upon the true value of real property, the adjusted gross income of the residents, and the taxable retail sales. For the six consecutive biennium, or 12 years in a row, our LCI has increased, meaning that the state requires the

[02:40:22] locality to pay for a higher portion of the ever-growing needs of the students of Hanover. The impact of the change in LCI for fiscal year 2027 on our operating budget was an estimated loss of \$3.5 million. We are grateful that Hanover County has continuously increased funding in support of local education, and we are deeply grateful for the strong support of our local local funding partners. Overall, in the governor's proposed budget, Hanover County Public Schools

[02:40:57] would receive approximately \$966,737 for its operating fund over the fiscal year 2026 adopted state budget. So I want to be sure that you hear that number as we are going through. That was a reduction of \$3.5 million in state dollars. In addition to monitoring the General Assembly, we continue to closely monitor our enrollment given its important role in shaping our budget.

[02:41:36] As you know, enrollment affects the level of funding that's available to our division, staffing needs within our schools, and how our resources are distributed to support the students' learning. Our enrollment decreased from 16,467 students in the 24-25 school year to 16,212 students for the 25-26 school year. This was a net loss of 255 students.

[02:42:05] While we do not anticipate another noticeable decrease in enrollment for the 26-27 school year, We are projecting 16,205 students for next school year. In subsequent years, our enrollment forecast is expected to remain relatively stable.

[02:42:24] The change in enrollment has led to a loss of \$2.5 million in our operating budget. While enrollment has decreased, we are set to experience savings through lower rates from the Virginia Retirement System. These rates represent the percentage of our payroll that we are required to contribute to the VRS pension plans to fund both retirement payment obligations and the unfunded liabilities.

[02:42:51] This fall, the VRS Board of Trustees unanimously adopted lower rates, resulting in a savings of approximately \$3 million for Hanover County public schools. In addition to savings through VRS, we are once again grateful to have strong local funding partners who are committed to public education and to the success of Hanover County Public Schools.

[02:43:15] We are projected to receive \$5.64 million in additional funding from Hanover County. It's an investment in the children of our county and in those who serve them.

[02:43:24] As we also highlighted at Convocation earlier this year, the collaboration of Team Hanover, which includes the partnership between our school division, our school board, county administration, and the Board of Supervisors, has resulted in historic investments in raising the teacher salary scale, constructing new school buildings, providing additional opportunities for our students through expanding the Health Sciences Specialty Center and the Hanover Center for Trades and Technology.

[02:43:55] Through our partnership, we have upheld our longstanding tradition of excellence and strengthened our county. And as the sheriff and under Sheriff Six shared, it is critical to our schools to remain competitive. Last year, before you helped us make that investment, we were 14th and 15th out of 15 school divisions in Region 1.

[02:44:18] And through that investment, we came closer to the upper middle of the pack. and we appreciate that and so do our teachers. With all of this being said, it's now time to share the details of the school board's approved fiscal year 2027 budget and how it places the highest priority on supporting our students and those who faithfully serve them each and every day. As always, this budget balances many worthy requests with the financial realities that we face this year. While we recognize that there are many important items and initiatives that benefit

[02:44:56] our students and staff, we must allocate our funding responsibly. Admittedly, these are very difficult decisions. Ultimately, our budget must reflect a sustainable balance among many competing priorities that support our students and staff while honoring our responsibility to operate within the resources that are available to us. We believe that this budget advances our mission in a way that stewards our resources in an intentional manner towards teaching and learning.

[02:45:29] As you will see, the budget places a strong emphasis on investing in our amazing team of faculty and staff, while also further investing in instruction and the future of school facilities. The bedrock of our school division's vast success is in the talent of our people, professionalism, and the passion that our faculty and staff provide.

[02:45:55] Through this work, we provide our students with the highest quality public education and empower them to be confident and productive and lifelong learners. We are proud to propose a 3% salary increase for all eligible employees in fiscal year 27 beginning July 1st.

[02:46:16] This salary increase proposal was our top budget priority and recognizes the dedication and commitment of our faculty and staff to their work each day and reflects our commitment to retaining, supporting, and attracting highly skilled and devoted educators and support staff who serve our students with care.

[02:46:38] The budget also includes approximately \$2.6 million to significantly offset the increasing health care costs that our employees would otherwise have encountered this calendar year. reinforcing our belief that investing in our people is essential to the success of our schools and of the division. This funding supports the rates for insurance that began January 1st and end on December 31st. We remain mindful that health care costs continue to increase across the state and country. These costs are anticipated by the school division for health care

[02:47:15] are projected to increase by 10.25 percent compared with our previous budget. Accordingly, We will continue to actively prioritize long-term and more sustainable solutions to this important budget item, and we are continuing to work with the county on that item.

[02:47:34] As you know, fiscal year 2026 budget included an historic investment in elevating the teacher salary scale. We remain grateful for your partnership in this investment, which was part of our multifaceted retention and recruitment efforts to combat the ongoing teacher shortage and to demonstrate to our educators that we recognize their value, whether they are in year one or in year 30.

[02:48:01] In this budget, we are continuing to invest in our teachers and other vital employees, further demonstrating that they are appreciated here in Hanover County. As I shared in our funding outlook, this is a very challenging budget year that has required many difficult decisions.

[02:48:19] Our revenues are projected to increase by a modest 2.4 percent or approximately 6.3 million dollars, which Mrs. Stone will discuss in greater detail soon. These two priorities, the 3 percent salary increase and significantly offsetting health care costs, total 8.6 million dollars.

[02:48:41] For the schools, for each 1 percent salary increase, it costs 2 million dollars. For the 3%, it is \$6 million. So just those two things alone are \$8.65 million, and our budget is only going up \$6.3 million.

[02:49:00] Because of that, we needed to make several adjustments to balance our budget. While we will discuss these adjustments more later in this presentation, it is important to know that we believe that these two priorities are significant and meaningful investments in all who care for our students.

[02:49:23] This budget also includes job family adjustments for occupational therapists, physical therapists, speech-language pathologists, and specific instructional leaders, including assistant principals, curriculum specialists, and senior teachers.

[02:49:38] These hard-to-staff positions require highly specialized expertise and play a critical role in meeting the needs of our students. These salary adjustments are intended to support recruitment and retention efforts and to help ensure that we remain competitive in attracting and retaining these essential professionals.

[02:49:57] We are also excited to propose targeted salary adjustments for administrative support positions, such as office assistants, registrars, and bookkeepers. These staff members are often the first to greet our families, support essential school operations, and ensure that the day-to-day work of our buildings run smoothly.

[02:50:17] As with all job family adjustments, each individual's pay is reviewed to help ensure it remains competitive with comparable positions in the region. As we discussed earlier, we remain a leader in academic achievement in both the Richmond region and the Commonwealth of Virginia.

[02:50:36] We know the important role that math and literacy play in our students' education. This budget begins a multi-year process for targeted investments that will strengthen instruction and expand supports both for our students and for our educators as we continue our successful implementation of the new and more rigorous state standards and expectations.

[02:51:01] Accordingly, this budget includes two math coaches and two literacy coaches for our elementary school. Our school-based instructional coaches are more than mentors. They work side-by-

side with our teachers to strengthen instructional practices. They analyze student data, and they ensure effective, evidence-based strategies are implemented in our classrooms that improve student outcomes.

[02:51:25] The budget also includes funding for the continuation of two elementary special ed senior teachers. Similar to the math and literacy coaches, these positions help us best support our students as we rise to the challenge of these new, more rigorous state standards and expectations.

[02:51:42] So I will share with you, we have shared this with our board of supervisors and with our school board, that there is a now, what was a five-year step up in the rigor and expectations related to SOLs. We're in year one of that five-year plan.

[02:51:59] Over the next four years, those expectations continue to rise, so that is the instructional plan that we're putting in place over the next several years to meet those expectations. We put these special ed senior teacher positions in place mid-year using contingency funds to provide the targeted supports to help meet the needs of our students.

[02:52:21] As we have shared previously, in addition to the number of students with individualized education programs and 504 plans increasing, so too has the complexity of our students' needs. The addition of special education senior teachers in our elementary schools provide advanced knowledge of these intricate processes and the practices that we can put into place to better serve our students. These positions also allow our elementary school principals and assistant principals to more efficiently manage the increasing demands associated with special education by utilizing the advanced expertise of these senior teachers, ultimately improving

[02:53:00] outcomes and supports for students while strengthening the overall school operations. The budget includes using local funds to continue funding a portion of the math and reading intervention tutoring at the elementary middle schools that was previously funded through the Commonwealth's All-In Initiative, which concludes on June 30, 2026.

[02:53:22] These tutors have proven to be invaluable by providing targeted small group and individualized support that helps students strengthen foundational skills, address learning gaps, and build confidence, helping to ensure continued progress in both math and literacy.

[02:53:39] And I do want to point out that we were able to keep about half of the funds for tutoring that we had under the all-in grant. So I want you to know we have gone through our budget with a fine-tooth comb to try to make the most of every resource that we have.

[02:53:55] So we were not able to fully fund that tutoring, but we were able to get about halfway there. We have also included the continued use of EDIA, a supplemental math program that's aligned with the Virginia Standards of Learning. We currently use EDIA at Bell Creek Middle School and at Liberty Middle School, and the teachers use the data from EDIA to create groups and inform instructional decision-making.

[02:54:20] At the elementary level for mathematics, the budget includes funding for ST Math. This is a supplemental math program that is currently in place at all of our elementary schools and is a key component of our math workshop structure. The program is currently funded under the Commonwealth's All-In Initiative that's going away.

[02:54:40] And with its success in helping students strengthen their understanding of math, we believe that it should continue in our elementary schools. I think that you're hearing a theme, that we have grants and some of them are ending, and it has been a tough year to weigh out all of the pieces and pick out the things that are most critical to the mission.

[02:55:04] The budget expands or maintains opportunities with funding for the following, addition of middle school cross-country teams and related coaching stipends. the main cost there is the coaching stipend increased costs associated with access to google for our students and staff and tuition increases at code rba the maggie l walker governor school reynolds community college and saint joseph's villa as we discussed our enrollment affects all aspects of our budget and operations including the staffing that is needed within our schools

[02:55:39] Careful and strategic monitoring of enrollment allows us to align resources responsibly while supporting our students and upholding our long-standing tradition of excellence in Hanover County Public Schools. Due to the decrease in enrollment that we experienced in this current school year, we believe that it is fiscally prudent to propose limited staffing adjustments.

[02:56:03] Specifically, this budget includes a reduction of 10 instructional positions that will be accomplished through normal attrition such as retirements. It is important to note that these adjustments will not result in any employee losing their job.

[02:56:20] Rather, these will be accomplished through natural attrition in the annual staffing process. This allows us to responsibly align staffing with enrollment while minimizing the disruption to our employees and to continue to provide our students with the highest quality education. Again, these These adjustments will not result in any employee losing their job.

[02:56:46] Rather, this will occur through normal attrition, such as retirements. As I shared, these adjustments are enrollment-driven. As we do each winter and spring, we will soon conduct our annual staffing process to ensure that our valuable faculty and staff are appropriately assigned to schools to ensure that our student-to-teacher ratios are effectively maintained.

[02:57:10] The fiscal year 2027 budget also includes a reduction in contractual services from the Hanover County Community Services Board. As you are aware, this school-based program is an extension of the Hanover County Community Services Board and was originally funded through a state grant that is no longer available.

[02:57:31] It is important to note that students will continue to have access to high-quality mental health supports that are provided in our schools. Our school counselors will continue to provide resource information for our students and families about the mental health treatments that are available through the Hanover County Community Service Board when they are needed, as this will remain available in our community.

[02:57:57] We are incredibly appreciative of the work that has been done since the introduction of our proposed budget in January to restore funding for four of these clinicians who provide intake and mental health treatment. I want to make that distinction. In schools, we have supports for mental health. In community, we have mental health treatments. What's happened is we have been fortunate to be able to have people who could provide those treatments in the schools.

[02:58:27] Those services will still be available, they will just not be, they will be available in the community and as the transition plan is able to be rolled out by the community service board for how the four that the board of supervisors and the county administration is currently looking at to fund for the upcoming year.

[02:58:52] This is yet another representation of our strong partnership. On behalf of our schools, thank you for your commitment to our students. We look forward to continuing to work together in the regard of those clinicians to address our students with the greatest areas of need.

[02:59:11] We do want to take this opportunity to share with you an overview of some of the supports that are available to students within Hanover County Public Schools. We have invested for many years in supports for our students, and we exceed what is required of us by the state.

[02:59:28] To that end, the standards of quality prescribed by the Commonwealth have that we are required to have 49.850 counselors, and we have 66 in Hanover County Public Schools. This includes 56 school counselors, we have four substance use intervention counselors, and we have six career counselors.

[02:59:49] Our budgeted positions also include 13 social workers, 12 school psychologists, and we have 13 behavioral support positions in our schools. Additionally, we offer robust professional learning opportunities for our faculty and staff to help equip them in supporting our students beyond academics.

[03:00:08] We are confident that our staff, including our school counselors, that we have on-site at our schools every day, will continue to provide strong support for our students in our schools. and will be able to provide resource information to our students and families about the mental health treatment through the Community Service Board when it is needed.

[03:00:34] This budget supports our students and those who care for them while balancing our collective fiscal responsibility. It has been my privilege to share with you how this budget supports our life-changing work. Again, this budget places a strong emphasis on investing in our amazing team of faculty and staff, while also further investing in instruction and the future of our school facilities, among other things.

[03:01:02] And before I ask Mrs. Stone to come up and share some numbers details, our accountant to come and dive into the details, I wanted to say thank you to our team who helped create and work on this budget. and that would be Ms. Terry Stone, Ms. Angela Melton, senior staff, and our directors and principals, along with our school board and our county administration. So I want to say thank you to all for the work that's been done, because as many have heard, this is a challenging year, and there were many things that people weren't able to have to balance fiscal responsibility.

[03:01:41] And I think that what we're sharing with you today is what rose to the top as our greatest areas of need. So to share more details about our operating budget and provide an overview of the school nutrition fund and discuss how we're proposing to invest in the future of our school facilities, I would like to invite Ms. Terry Stone to the podium. Good afternoon, Mr. Chairman, Mr. Vice Chairman, board members, Mr. Podeski, and Mr. Walter. I think I've got all of you.

[03:02:16] And before I get started, I'd also like to thank Melanie Terrell. She is our budget manager. wave Melanie she does not want to be recognized but she has also been added quite a bit to the production or the development of this budget so we will dive now into the numbers always bring the accountant up for that and first we have for a general fund the revenues by source so you can see all the sources listed there

in a comparison or a change to what the current year budget has you can see we show that the local government is increasing by 5.6 million

[03:02:54] dollars as shared by dr. penny cuff state is going up by just under 1 million dollars or less than 1% if we looked at that in the current year it was an increase of 8 million dollars or 7.7 percent for state funding so what a difference there there's a small decrease in federal funding no change another funding and then that overall increase for the operating fund of six point three million or two point four percent moving forward this shows you the revenue by source again you can see that the local revenue makes up fifty point

[03:03:34] six percent for the operating fund where the state is forty five point two percent last year the state was forty five point nine percent and the local government, 49.7%. We know that I have been around for decades.

[03:03:51] And I believe this is the first year that the local government has exceeded 50%. So we continue to see that push of state funding that's pushing more and more of the cost of a K-12 education to the local government.

[03:04:08] Air expenditures by source, you see that personnel makes up 89.4% of the total general fund budget. and operating 9.8. This makes sense. We're a service industry. You expect that the biggest portion of our expenditure pie would be in personnel. That's your salaries and benefits for all employees. Next, we have the operating fund expenditures by function. You see that instruction is 79.6% of the total operating fund, same amount as last year. And then you see the

[03:04:47] distribution of the other areas, admin and attendance and health, pupil transportation, operations, maintenance, and technology. When we look at our school nutrition fund, the approved budget total for that is just over 10.6 or just at 10.6 million. It does also include a 3% for all school nutrition employees. And you can see here that the school nutrition fund expenditures by type personnel makes up 45 percent and operating 53.1 percent operating includes all

[03:05:25] of your food supplies and other necessary supplies so that that is a very different split for as compared to the general fund but it is expected next we'll move into our cip the capital improvement plan again we went through our typical process of having school board planning meetings we looked at the safety audit that's an annual audit that's provided by the sheriff's office we had meetings with county administration meetings with the joint education committee we also refresh our school bus and technology funding plan each year look at our facility study

[03:06:05] and then update that 10-year model first and foremost as you all know that we are continued to progress on our schools that are currently under construction, that's Beaverdam Elementary School, Battlefield Park, as Dr. Penny Cuff mentioned, both on time, on schedule, and on budget. And if not, I'm hiding somewhere. You won't see me next year, but everything is going quite well. When we look at the highlights of the CIP, you can see that there's the inclusion of the replacement of the Mechanicsville Elementary School at \$50 million.

[03:06:44] That has a targeted school opening date of the school year 2030 and 2031. We also have the second campus-style school at \$50 million out in fiscal year 2030.

[03:07:00] Just last week, our school board approved proposing to your board that that second school be Elmont Elementary with the third school Pearson's Corner so that certainly is coming your way for

consideration at this time it still is not defined in the CIP but I'm sure it will be soon Mrs. Dippel we have the continuation of the Hanover Center for Trades and Technology adding some additional funding to that budget that original 8.5 million we discussed this

[03:07:35] the joint education meeting but an additional 800 000 for the addition that's related to the infrastructure associated with the planned instructional programs of diesel mechanic and welding that has some additional infrastructure requirements and then also additional parking that is required as part of the permitting process looking at the overall highlights for next year you see that there are several field upgrades that includes a baseball field at Mechanicsville High School, a football stadium field upgrade at Mechanicsville High School, weight room renovation

[03:08:14] at Patrick Henry, and then 6.5 million in HVAC projects. Those projects include 2 million replacement at Hanover High, 1 million each at Chickahominy Middle and Polgreen Elementary School, And then an additional investment of about \$1.9 million in HVAC automation.

[03:08:38] So those are all projects for next year. Beyond that, if you look at the highlights for the next five years, you'll see that there are projects across the county and across levels. You see a focus on athletic fields and gym replacements.

[03:08:57] That is an area that we feel has, there's a lot of work that needs to be done. Maybe it's not necessarily been overlooked, but there are areas there that has become a focus in the current year. And so we're trying to address a lot of those issues in the five years.

[03:09:15] Finally, you can see our CIP funding sources by, this is for the entire CIP. Those first three rows represent cash funding. And you can see that that is a significant amount of funding that is there.

[03:09:31] Mr. Badesky spoke about the use of reserves and the use of cash for capital projects. And so this is demonstrating that use. The fourth line or row is the debt associated with the capital projects.

[03:09:48] And over the five years, that totals \$130 million for a total of all funding sources of \$157.9 million. We'll take a look at all of our cash-funded projects. You see this includes school bus replacement, continuation of our technology plan, painting, furniture replacement, school safety, greenhouse repair, and roof replacement.

[03:10:13] All of these items, again, are cash-funded, are not projects that would even qualify for debt funding. Ideally, our school bus replacement would be at 18 buses a year. We're not quite there yet, but we recognize the fact that we need to increase the funding.

[03:10:32] So you see that increasing each year, and when we get to year five, it's up to 15 buses per year based upon estimated costs. So we're making progress in that area. With this proposed capital improvement plan. These are our debt funded projects. They include roof replacements HVAC replacements Bathroom renovation school ground upgrades school building upgrades and school renovation Replacement in our budget document that was referenced earlier

[03:11:05] You can find all of these projects listed by type of the details by type of project and then you can also find projects by school. So you can really drill down, look at a particular school, and see what is planned for that school. Again, the debt-funded projects total \$130 million over the entire five years. This is overall summary that lists the capital improvement funding or proposed projects

[03:11:35] by year with a total of \$157.9 million over those five years. So when we look at all of our funds and the change you see there the first row is the operating fund that 6.3 million dollar increase that we referenced or 2.4 percent school nutrition fund is going up by 300,000 or 2.9 percent which is pretty consistent with the operating fund then you show the change in the capital improvement plan and we look at the sum of all of our funds it's an increase of 8.1 million or

[03:12:15] 2.8 percent looking forward to what the next the next steps in terms of the process as you know your budget public hearing is on April 1st your board is slated for adoption of your budget on April 8th based upon that final adoption and hopefully by then we have a state final budget we would go back to the school board on May 12th for a final adoption and mr. Dr. Penny Cuff will be

[03:12:49] back. Thank you, Mrs. Stone, and to all who helped prepare for today. Members of the Board of Supervisors and Mr. Badeski, thank you for your ongoing support of our schools and for reviewing the proposed budget. We look forward to working with you in the weeks and months ahead to finalize a budget that balances fiscal responsibility with the resources that are necessary to continue to provide exceptional opportunities for our students, staff, and community. We thank you, and at this We'll be happy to answer any questions that you have. Thank you, doctor Starting on my right any questions or comments?

[03:13:28] Mr. Herzberg. Thank you, mr. Chairman. Thank you very much for your presentation Excellent presentation and you did a really good job of listing all the people that make up the team I just would like to add one group the those that prepare the meals for our students You know, they stand on their feet a lot and I know you support them as well Absolutely. Thank you. You know, I'm not really a education expert. I told you that yesterday but I am an expert on a couple things like going into the cafeteria and seeing the kids at lunchtime and what do you think about the level of communications

[03:14:04] you know when the kids are in the cafeteria they do a lot of talking do you think that's a good thing you know I have to tell you when we had cell phones in schools the cafeterias were extremely quiet and when we took the cell phones and out of the schools they started talking with each other again so So I would say yes, it's important for their social interactions and their relationships with others to learn to talk to each other as early as elementary school.

[03:14:33] Yeah, I agree. I think it's great. I do have a question about the boundary adjustment and the redistricting. So last year there was a decision that was made where some students would be relocated to Cold Harbor and then there would be some from Cold Harbor to Battlefield.

[03:14:51] And so I talked with Dr. Strofe a few weeks ago and he mentioned that there was going to be a change. Are you, that's not really a budget question, but it is a resource question. It is. And I think Ms. Stone is better prepared with the details to answer that. So I'll invite her up and we'll answer it now.

[03:15:07] Okay. I'd just like to get an update from the experts so I know the right information. In regards to resource allocation? No, before that. Okay. So there were going to be students that were going to be redistricted from. Correct.

[03:15:23] Cold Harbor to Battlefield. Yes. So there was a portion, as you know, we have some students that are moving from Mechanicsville Elementary to Cold Harbor. And then there was a portion of students that were moving from Cold Harbor to Battlefield Park.

[03:15:40] We did receive an update in our enrollment projection. And as you know, we are down 250 students. And what the consultants do is they go in and look at the live birth and how that moves into a

kindergarten level.

[03:15:57] And when they looked at that, they saw that when they projected out that if we left that movement of about 60 plus, 64 students from Cold Harbor to Battlefield Park, by the end of five years we would be close to capacity at battlefield park and only around 75 77 percent capacity at cold harbor because when we looked at that change in enrollment from projection from last year to this year there was more pressure on battlefield park less on cold harbor

[03:16:33] so based upon that we went with the data to the school board and made a recommendation a staff recommendation that they consider keeping those group of students about 60 at cold harbor as opposed to moving them to battlefield park um that was approved last um at the last meeting last week and then based upon that we have been communicating with all of those families all along we have the opportunity with our data to really drill down to each student that would be impacted. So even before last week's meeting, we had communicated with those families that it would

[03:17:13] be discussed and a decision would be made. What I'll also tell you is that when we go through the staffing process, and Jennifer Greif does that, she does a wonderful job with that, we look at enrollment by school and staff moves with the students. So we ensure that every school based upon the projected enrollment and we monitor kindergarten enrollment throughout the entire process that we are adjusting staff as needed to ensure that our staffing level matches our student enrollment. Okay, you already answered the second part of my question. So I just want to make sure

[03:17:51] I understand there will be no students moving from Cold Harbor to Battlefield. Correct, unless there's a variance request by someone who was going to be impacted and they could make a variance request I understand and then the additional students that will be going to Cold Harbor there will be resources provided to match that absolutely resources will follow all of the students right down to student furniture well that's great you answered that question I had another comment for Dr.

[03:18:21] Pennington thank you very much and I'll add one important part of that for the teachers so the way that we'll do it for the teachers is teachers who might have to move from one building to the next will generally do it by for teachers leaving that building then like if a teacher for example is moving out of state or retiring then we would move the FTE instead of a person so we wouldn't move people unless we didn't have a choice and then we would look for volunteers first so I'm sure the teachers will be interested in that process but it will be an FTE moves before we move people well thank you

[03:18:57] very much yes and the other thing I wanted to mention you know I do have a a third grader and I do get them on the bus in the morning I get them off the bus and every so often I'll talk with one of his teachers my experience with Hanover County Public Schools has just been great just excellent they do a great job at Cold Harbor just thrilled so I want to say that thank you very much thank you I'll let Miss Mullins and her staff know yeah I shared last night at the Hanover Citizens Academy that for me Hanover is like going to Disney World and

[03:19:33] it does not matter which resort you stay in it's just the feel of the one you want you get the disney quality wherever you are and i feel that way about our schools you cannot go wrong with the hanover county public school that's true i heard you say that that's great thank you so much thank you anything further that's still yes thank you mr chair and i could if i could just piggyback on the chatter in the lunchroom we made a concerted effort to purchase round

[03:20:08] tables instead of the long tables to encourage that communication so it really you know again with the cell phones but those round tables also encourage the communication and thank you for recognizing that you're the man so I just want to say that you know there are two factors that people consider when they want to come to Hanneberg County, and that is safety and schools. And we heard a fabulous presentation from a sheriff, and they just do a heck of a job. And I see Chief

[03:20:43] Anderson back there. We are so looking forward to seeing you at this podium. But you guys are the reason that people want to move here. It is. It's safety and our schools. And so it's so important to look at the fact that we're 100% accredited, and I would just ask for curiosity, what might our neighboring localities be like? Do we know their statistics on accreditation?

[03:21:13] Well, you know we look, and theirs is not as good as ours. So, you know, I think that there's two levels that you look at. You look through the accreditation, and then you look at the status that they have assigned to each school and ours is higher than all around us would you maybe add significantly to that sentence I would want to check again but I would say I would say we have a lot to be proud of and we don't want to diminish anyone around us I agree with that but facts are facts and they just are what they are you need to allow the superintendent to be a true testament

[03:21:52] to the work. You need to allow her the opportunity to be diplomatic. She's trying very, very hard to make sure that her next regional superintendent meeting is not uncomfortable. And I appreciate that. Thank you. Thank you for that. But it really is a reflection of all of us in our school system. And, you know, I'm a big, strong proponent of Team Hannah. I believe it.

[03:22:16] I live it every day of my life and could not be more grateful to everybody in our schools. And in the admin team as well. You know, you make a difference and you made a difference in our youngest child's life.

[03:22:32] And I thank you for that. And I also want to thank our Ms. Stone's team, in addition to the school board, for doing the deep dive. We build a budget every year from the ground up and we build it based on need.

[03:22:48] So thank you all for doing the hard work, the heavy lifting, for truly taking the time to understand exactly what those needs are, and for making some of the tough decisions that we had to make today. But I think after hearing from the sheriff and from the schools now that you guys have absolutely positioned yourself to continue to be successful in the future.

[03:23:12] And that is who we are at Teen Hanover. And thank you for all of your work. Thank you, sir. Thank you, Ms. Deville. Dr. Panikoff, I want to express my gratitude as well. This has not been an easy budget year. Mr. Badeski and I had spoken about that. I said, you know, but it hasn't been a horrible budget year compared to what we've seen throughout the Commonwealth in years past and even here in this locality.

[03:23:38] So we were able to meet some of the non-negotiables and put some of those priorities that we feel aren't flexible in a position to be funded. And I think that's probably the best way to put it.

[03:23:54] But through that process and through the process with working with your board and giving your board a proposal, there were a lot of conversations that took place, obviously, in-house, which is the same thing that happens over here with the board of supervisors. But you've made yourself available, your staff was available to every board member, numerous conversations.

[03:24:15] Chair Welsh and I have had numerous late and lengthy conversations just to hang up and a few hours later have a morning meeting over at the schools with myself, Mr. Badesky, Vice Chair. And that partnership is very important as we go forward.

[03:24:33] i know i was i said something uh to miss welsh uh it's this is not an easy process and as soon as you get past this and then get to the point where you're going to execute your budget you're you're working on on the following year budget immediately and so i do want to take uh time to thank you for for all of your help and miss stone i know your every jc meeting and uh your topic of of of discussion from time to time sometimes while you're in the room and sometimes why you're not in the room i'll be honest with you but but one area uh to kind of get down into

[03:25:09] the details and i think it's important you know we have a cip budget you have a cip budget when y'all send your numbers over you give us kind of the top of the line numbers this is what it cost and then uh then the county works with our team uh to add inflation and all of the other types of things we do that for two reasons first and foremost is if we didn't then miss wright would have an absolute conniption fit if we allowed everybody to send some proposals with inflated numbers but what we're looking at in these long-term plans particularly in government work means that there are going to be changes so essentially the same cost of a school if it

[03:25:48] was not to change if the cost itself didn't go up as in the value that doesn't mean that the dollar amount the whole dollar wouldn't go up and so when you have long-term plans it's it's important miss podeski mentioned it it's important to talk about uh things like we've purchased land yet we do not have that that ability to build that school or those schools on that land yet but it is a proposal so uh thank you for that that comprehensive work um you've highlighted again some of the the state funding that is just being stripped and i was at a regional meeting the other day and i've

[03:26:25] told mr stoneman this as well i said yeah it would be bizarre for me to turn around at the end of the month and say, wow, look, there's some leftover money. I've got a surplus. And then Dominion Power cuts my lights off because my surplus was I didn't pay my power bill. Yet, that's what happens quite a bit. And where it's hidden, I think the easiest in the state budget is in education. It's the easiest thing to hide because all you have to do is move something in and out of SOQ, but you can maintain the standard that legislators say, well, we fund everything in

[03:27:01] SOQ but they're able to move things in and out of SOQ we know that or the LCI moves just a bit just a fraction and that comes down to real money so thank you for your hard work and then I want to speak to Chair Welsh this this has not been an easy task to get your budget here I don't know what will happen with the with the county budget but I was kind of quipping to myself I mean you could have just walked up in here and said well I got a 7-0 it's up to you now Davis right But it was tough.

[03:27:33] It was tough. And your proposal coming from your superintendent and then leading your board through many, many different discussions to get to where you were able to present this budget. But I heard you say something the other day, and it takes leadership to say what you said. You say, yeah, we just got this done.

[03:27:50] Next year is going to be a challenge too. And, you know, that's what leaders do is they tell their folks, this is what's on the horizon. You keep your people informed as you make sound and timely decisions. And so thank you for that. And the board's obviously going to take this into consideration.

[03:28:07] And then this starts the public process where people are able to weigh in because we don't really have a school budget or a county budget. We've got a Hanover County combined budget that funds the things that our residents require to be funded. And so there's really not a lot of daylight between the two.

[03:28:27] At the end of the day, we always talk about, well, the county administrator's proposed budget. Once it's voted on and should it pass, it becomes the people of Hanover's budget. And so thank you for your leadership. I know this was not easy. And interestingly enough, your work's not done because our work isn't done. So there will be folks who have questions or want to provide input, and we encourage that.

[03:28:47] So thank you both for being here as we enter into that process as well. Thank you. We appreciate you. Thank you. Thank you, doctor. any comments from board members any announcements at all mr. vice chairman thank you mr. chair um i would like to take this opportunity i've never been to a speed dating event but the speed in which you entered into this meeting tonight because i knew you had a lot on your plate you rolled right through and i missed my comment period at the beginning but i would like to mention to anybody that's still watching uh online any of my beaverdam constituents uh that i am having

[03:29:23] two town halls coming up uh because they're a long district so i've got a east town hall east which is going to be march 2nd here in the boardroom from 6 30 until hopefully we can finish up by 8 30 uh the next one would be march 16th and that's going to be at the dowsville community center and that will be also be from 6 30 to 8 30 on the topics uh we have several significant development projects coming up and so i would like the community input on that and as well as the budget that we've presented tonight so i just want to get that out there and hopefully uh beaver constituents will come out and let me know what they think thank you mr chair a pleasure anything

[03:30:03] further seeing now mr county administrator thank you mr chairman i just wanted to uh just announce that uh i had mentioned it during my presentation earlier but we're going to hear a resiliency report from public utilities as a follow-up um we didn't have a formal meeting on the 25th of march at two o'clock we've kept it in the past as a placeholder in case we had additional budget items but after discussion with the chair earlier we're looking to have a two o'clock session on the 25th of march that you'll get the public utilities resiliency report and be able to learn more about some long-term planning as it relates to utilities and should it be needed we'll have additional time

[03:30:42] there for budget work as well so when i schedule meetings that you don't know about but you're required to attend i have mr bedesky announce them in public you know just like when your kids ask you can their friends stay over in front of you right so y'all don't get too mad but that is mr davis if we're going to have an extra meeting on the 25th somebody better bring me birthday cake and that's what that was my next comment is i'm planning on bringing birthday cake for miss pritchard uh mr county administrator you make a note of that um but that that is an important meeting uh because and it's going to be just one section is going to be two hours as it talks about

[03:31:19] our utility plan as it talks about water resiliency as folks know uh we went through this with uh last year we went through this with a number of our regional partners but now it's time for us to bring back all of the information uh and the plan that the board mandated be brought back to them so now is the time for that i know that there'll be some broad public interest in that so uh you will get that information out but certainly feel free to bring it up in town halls or your your citizen engagements but

plan on that to be a very comprehensive meeting uh and i've scheduled that for that portion just that portion of the meeting for about two hours in that presentation

[03:31:59] so seeing nothing else this time is 5 27 we are adjourned



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