

HALIFAX COUNTY BOARD OF SUPERVISORS
BUDGET WORK SESSION
County Administration Building
Board of Supervisors Meeting Room
1050 Mary Bethune Street
Halifax, Virginia
February 6, 2023 / 3:30 PM

CALL TO ORDER

Vice Chairman Ricketts called the meeting to order at 3:32 p.m.

ATTENDANCE

Board members attending were: Vice Chairman G. Ricketts, Supervisor L. Roller, Supervisor D. Throckmorton, Supervisor R. Duffey (arriving at 4:05 p.m.), Supervisor H. Pannell (arriving at 4:05 p.m.), and Supervisor S. Brandon (arriving at 4:05 p.m.).

Board members absent were: Chairman R. Short and Supervisor W.B. Claiborne.

Staff members attending were: Scott Simpson, County Administrator; Stephanie Jackson, Director of Finance; Otis Vaughan, Director of Buildings & Grounds; and Charlene Hendricks, Executive Administrative Assistant.

Guest attending: Matt McLearen, Robinson, Farmer, Cox Associates, PLLC.

News reporters attending: Victoria Thompson, The News & Record; and Miranda Baines, The Gazette Virginian.

Presentation of the FY2022 Audit Report by Robinson, Farmer, Cox Associates, PLLC

Matt McLearen of Robinson, Farmer, Cox reviewed required information between the auditor and governing body, followed by the financial statements found within the audit. He explained the audit and all of its associated filings were completed in a timely fashion with no obstacles in the process. He stated the County received a "clean" audit and there were no significant deficiencies or material weaknesses.

Mr. Simpson asked if Mrs. Jackson could provide a brief update regarding the growth of the General Fund balance because there are funds included in the \$11 million, which will carry forward and be expended. Mrs. Jackson said the majority of the carry forward funds are ARPA funds. She explained those funds have been received over the last two fiscal years and until those are expended, they will go into the fund balance for next year. She said approximately \$7 million is ARPA revenue, which was received and unexpended at June 30, 2022.

Vice Chairman Ricketts thanked Mr. McLearen for his presentation and turned the budget session over to Mrs. Jackson.

Review of the FY2022 Budget Requests

Mrs. Jackson provided the proposed FY2024 budget along with a pie chart for the General Fund Revenues and Expenditures, and a prioritization list to the Board Members. She discussed the prioritization list first and asked the Board members to complete and return it to her by the end of the work session. She stated that she would have the ranking available at the March presentation of the staff recommended budget.

Mrs. Jackson referred to the pie chart containing information on General Fund Revenues and General Fund Expenditures. She said the chart is a general overview detailing where revenues come from and where they go. She noted Real Estate Taxes makeup up 37 percent of our annual revenues, followed by 16 percent in Personal Property Taxes, funding by the State is 12 percent, Special School Sales Tax and reserves are 11 percent, Local Sales and Use Taxes are 8 percent, the Waste Disposal Fees are 2 percent, 1 percent in Penalty and Interest, 3 percent for Machinery and Tools, and other Miscellaneous Local Taxes and Fees are 10 percent of the budget. She commented the majority of the revenue is generated from the Real Estate Tax.

Mrs. Jackson stated the expenditures are broken up according to the Audit Report. She noted the report presented by Mr. McLearn is posted on the County's website. She said the Schools receive 30 percent of the expenditures from the General Fund and Debt Service is 24 percent, which does include the New Debt Service for the high school project. Public Safety, including the Sheriff's Department, Animal Control, and 911 is 19 percent. Social Services is 4 percent, Agriculture makes up about 1 percent, Maintenance and Refuse is 8 percent, Volunteer Fire Departments and the Rescues are 2 percent, the Courts and Judicial System are 3 percent, Administration is 6 percent, the IDA is 1 percent, all other agencies are 1 percent, and the Capital Fund is 1 percent.

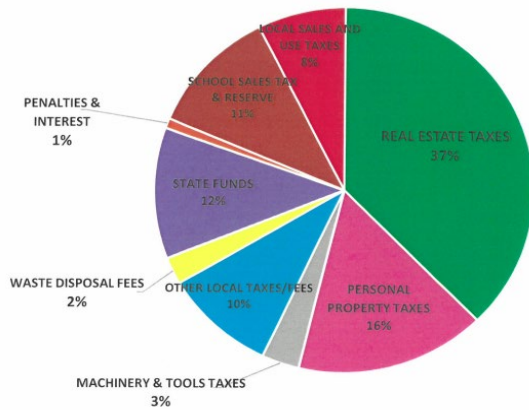
Mrs. Jackson commented the chart shows how the revenues are separated out by the major categories, which are also on the ranking sheet. The summary on the right side of the page shows how the County collects approximately \$20 million in Real Estate tax.

Mrs. Jackson said this year the School Sales Tax and a reserve amount of approximately \$5.9 million are included in the budget. She said this is a total revenue of almost \$26 million and when you look at the Contribution to Schools proposed right now in the requested document, it is \$16.3 million. The School Debt Service for next year is \$10.6 million so the total amount for those two items is almost \$27 million. She stated looking at the Total Debt Service of \$13.2 million, the schools represent 80 percent of that debt service.

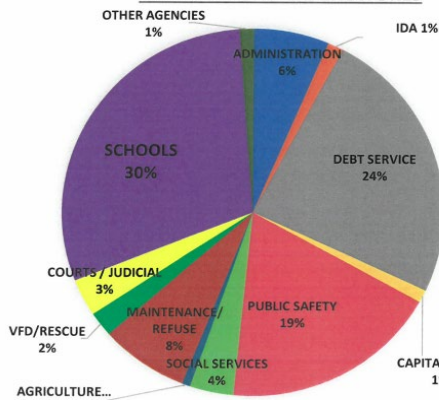
Mrs. Jackson stated the percentage of the General Fund School Contributions is 30 percent for the schools and there is another 22 percent for the debt for a combined total of 52 percent. Real Estate Taxes only generate 37 percent of the budget. She stated the information is a general overview of the revenues and expenses for the General Fund and asked if there were any questions from the Board members.

Supervisor Throckmorton wanted to know how much of an increase is being seen on the school debt from last year. The Sales Tax and reserve funding, which is anticipated in next year's proposed budget, make up \$6 million of the \$13.2 million Debt Service Revenues, and the new School Debt has leveled out at \$3 million more than the current year. She referred to the School Sales Tax that take up 11 percent of the pie chart and stated those items can be seen in more detail while working through the budget process.

GENERAL FUND REVENUES



GENERAL FUND EXPENDITURES



Annual RE Tax Revenue	20,000,000
School Sales Tax and Reserve	5,937,036
	<u>25,937,036</u>
Contribution to Schools	16,302,306
School Debt Service	10,584,378
	<u>26,886,684</u>
Total Debt Service	13,241,727
School Debt Service	10,584,378
% of Debt Service for Schools	79.9%
Total % of General Fund School Contributions:	
Schools	30%
School Debt	22%
	<u>52%</u>
RE Tax % of Total Budget	37%

Mrs. Jackson referred the Board members to page 1 of the proposed FY2024 Budget and noted it is a summary of all of the funds. She proceeded to page 2, which is where the revenue for the General Fund starts. She discussed the Personal Property Tax line item and said in October 2022, the Board members voted to give more revenue to the Personal Property Tax Relief due to assessments coming in much higher and generating more revenue than what was originally budgeted in the current year. She stated while it is anticipated that trend will continue, the assessments most likely will not be as high. The placeholder for the Personal Property Taxes for next year is \$8 million. The original number used for 2023 was \$7.5 million, but the Board members agreed to take \$1 million and allocate it to the Capital Fund and the remainder was used to increase the tax relief to taxpayers for their 2022 Personal Property Tax bills.

Mrs. Jackson said we should continue to see collections to be strong with comparison from previous years. She commented we are where we should be at this point in the fiscal year, and there is an increase in the penalties as well as the interest collected on taxes, which is due to the delinquent tax collections. She said several years ago, the treasurer began utilizing the land sales, and the revenue is projected in the FY2024 budget. She stated the Sales Tax does continue to grow and looking at the projections for next year, there is a possibility it can be increased, but it is anticipated the Sales Tax will be approximately \$4 million for next year. There is a steady increase in Business License Taxes and the line item shows an increase of \$50,000 from the current year. She commented it is due to the solar farms coming into the area and getting business licenses in order to build those farms, but she noted some of the increase is just new businesses coming into the community. She discussed the line item for Motor Vehicle Licenses and said there is an increase from the collectability of decals as well as the number of vehicles in the County.

Mrs. Jackson stated there has been an increase in taxes for Records and Wills at the Circuit Court, and it is projected to be an \$80,000 increase. She said the Meals Tax revenue has continued to be a strong performer, and it is projected to show an increase of \$25,000. She stated now that the pandemic has

calmed down and people are traveling again, there is an increase in the Transient Lodging Tax. She noted some of the increase in the Transient Lodging Tax was due to the Blue Ridge Rock Festival, which was held in the fall.

Mrs. Jackson continued highlighting items she felt were important to bring to the Board's attention without going line-by-line through the budget.

- Building Permits – There is a substantial increase and continued growth has been seen over the last three years. Mrs. Jackson stated currently more building permits are being completed on a regular basis than what has been seen in the historical trend. She noted the County has already issued about 70 more building permits than last year at this time. Due to rising interest rates and the cost of construction, it was anticipated to see a slow in the trend, but that has not happened yet.
- Interest on Bank Deposits – An increase is being seen as the interest rates continue to grow and more money is being collected. Mrs. Jackson said as the interest rates continue to grow, there is an increase in the interest for monies in the bank and other various institutions.
- Waste Collection/Disposal Fees – There is an increase being seen in the fees.
- Solid Waste Disposal Fee – It is projected to generate approximately \$25,000 more next year than in the current year.
- Delinquent Tax Sales Proceeds – It is projected to be approximately \$100,000 for next year.
- Opioid Settlement Revenue – Mrs. Jackson said a chart has been received detailing how much the County will receive over the next several fiscal years and next year the County is slated to receive \$20,617. She said the money will go into a reserve account to be used for Opioid Recovery expenses the Board deems appropriate.
- Local Sales Tax 1%-Schools – Mrs. Jackson said anticipated growth for next year is expected, and \$3,731,499 is projected for collections. She referenced the Sales Tax Reserve Account line item of \$2.2 million and said the County started collecting taxes 2 fiscal years ago, which was allocated in a reserves account. She said those funds are being used to offset the debt issued in May 2022 for the new high school project. She noted those funds will be used for that debt service until some of the other debt expires in 2026, and this is the amount projected to be needed for next year.
- Reimbursement for SWCD – The County is the fiscal agent for the Soil and Water Conservation District, and the County is reimbursed for the cost of the employee salaries. The amount listed is what is anticipated for next year.
- Reimbursement for WW Moore – Based on the current trend with residents at the WW Moore Facility, a refund is anticipated for next year because there are fewer residents than what is currently being billed for. Mrs. Jackson said a budget is set every year for the County, and based on what the historical usage has been for residents, the per diem rates will be reevaluated for next year.

Mrs. Jackson said there are line items for monies that will flow in from the State, but right now we don't have enough information from the General Assembly to adjust any of those items. She stated she is hopeful some more information will be available before the Staff recommendation come out. She said there have been several proposals for Constitutional Officers and their employees regarding compensation, but right now it is too early in the process to be able to quantify what the impact could be to those line items.

- ARPA Revenue Funds – There are no new ARPA funds for FY2024. Mrs. Jackson noted those funds were received over FY2022 and FY2023.
- Use of Debt Reserves – The Board committed Debt Reserves to cover the 911 project debt service payment. Mrs. Jackson said while reviewing the 911 fund in the budget process, the Board members will be able to see how those debt reserves were transferred to cover the debt service on the project.
- Carryforward ARPA Funds – Mrs. Jackson stated there will be approximately \$6 million left unexpended at the end of this year, which will need to be carried over to complete projects in the next fiscal year.
- Library Rental Payment – Mrs. Jackson said the State Library is requiring the County to show maintenance of effort for Library operations. While space is being provided to the library at no charge, it cannot be included in the calculation. The Library is going to start remitting a monthly rental payment, and then you will see where the County will increase its funding to them. She noted the net effectiveness is zero, but the State Library Board calculation will allow the library to get credit for those rental payments.

Mrs. Jackson noted in the past the County has sent a letter for what is called in-kind services, which included rent, utilities, and janitorial, but the State Library Board will not allow that going forward. She stated this is a mechanism to be sure the library still continues to receive the full amount of State funds.

Mrs. Jackson said the total revenues projected for the General Fund are approximately \$61 million. She asked if there were any questions from the Board members on the General Fund Revenues. Hearing none, she proceeded with the expenditures.

- Board of Supervisors – There is one new line item to increase Board compensation. Under direction from the Board members, County staff has been exploring the compensation of other localities and boards. Mrs. Jackson said in comparison with the other localities and boards, compensation for the Board members is behind. She stated the \$50,380 includes benefits and an increase is being proposed. The increase would raise the Chairman's salary to \$13,000, the Vice Chairman's salary to \$12,000, and all other Board member's salaries to \$11,000.

Mrs. Jackson noted currently the Chairman receives \$7,200 and all other Board members receive \$6,000. She noted last month the Board members gave direction to start a survey for employee salaries and explore options for compensation for Board member salaries and research what some of the other localities are doing. She noted if there is any desire to change the structure of the amounts, the Board members could make other recommendations.

- County Administration – There are no substantial changes. Mrs. Jackson said there is actually a reduction because the fleet vehicle, which was approved in the current year's budget, is not going to be replaced again in next year's budget. She noted it was a one-time capital purchase.
- County Attorney – There are no changes.
- Financial Services – This line item is used for the cost allocation plan as well as the annual audit. Mrs. Jackson stated an RFP was just put out and the numbers are updated for the proposal that has been received from our auditing services and cost allocation plan for the next 3 fiscal years. She noted the County receives proposals for that contract every 3 years.
- Commissioner of Revenue – There are no substantial changes.

- Assessment – Next year is a reassessment year. There is a line item of \$20,000 for printing and binding expenditures as well as the Board of Equalization because those are necessary expenditures to get all of the notices out and to hold the proper meeting for reassessment, which will be effective January 1, 2024.

Mrs. Jackson stated there will be small increases throughout the budget for office supplies, the cost of fuel, and some of the utility line items that have a fuel source. She noted the increases are due to the cost of those products.

- Treasurer – There is a request for increases in postal services, office supplies, and travel. All of the employees, with the exception of one, are Certified Deputy Treasurers, so they will need to attend classes to continue their education to maintain those certifications. The certifications enable the employees to provide a high level of service to our citizens.
- Central Accounting – There are increases in the Maintenance Service Contracts, which include all of the software licensing agreements. Mrs. Jackson noted there are 2 software licenses with increases for the upcoming year.
- Electoral Board – There is a large increase in the line item for Salary and Poll Officials. Mrs. Jackson stated there is a possibility the polls will be needed for 3 different elections. Due to no-excuse absentee voting, the Electoral Board will need to use Officers of Elections well before Election Day to work in the office to be able to handle the extra workload of voters. She commented she is working with the Registrar in order to refine this number because the County will receive reimbursement for some of the elections being held next year. She stated one of the elections will be for the Presidential Primary in February.

Mrs. Jackson said there is an increase of \$9,000. Mrs. Jackson said there are new security standards, which are set by the State, and they will go into effect in 2023. There will not be any reimbursement from the State for the updated security standards. She noted a few of their line items decreased, and the majority of the increase is due to the Salary and Poll Official's line item.

- Registrar – There are a few small increases, but nothing substantial. An increase has been requested for Part-time Salaries and Wages due to the increase in minimum wage, which was effective on January 1, 2023. There are no other changes.
- Circuit Court – There is an \$6,000 increase in the Salaries and Wages line item. The Judge has respectfully requested a salary increase for Administrative Support because of increased duties. The Administrative Support was hired to support one Judge, but currently the Circuit Court is housing 2 Judges. Administrative Support is handling the scheduling as well as working the docket for 2 Judges now. Mrs. Jackson stated there is also a request for an increase in office supplies due to the cost of everything going up.
- General District Court – There is a request for 6 Lateral Files. There is also a request for some additional office furniture, but an estimate is needed for the cost. The Judge has asked for a Local Salary Supplement for employees. Mrs. Jackson noted these employees are State Employees and not County Employees and currently the County does not supplement any Non-County Employees.
- Magistrate – There are no changes.
- Juvenile & Domestic Relations Court – There is a request for increased funds to purchase a new shredder and to cover the increased cost for office supplies.
- Clerk of the Circuit Court – There is a small increase of \$600.

- Courtroom Security – There are no substantial changes. It was noted there were some changes in a calculation for the Group Life Insurance.
- Commonwealth’s Attorney – There is a request for increased funding for Software Purchase and Maintenance in order to be able to purchase a system, which interacts with the body worn camera footage. It will allow the ability to redact and transcribe to get all of the information into a cloud-based format. Mrs. Jackson said currently all information is being burned to CDs, hard drives, or flash drives in order to prepare for Court. The Commonwealth’s Attorney feels this will be a more efficient method to prepare for court cases, and the software will save staff time and attorney’s time to review and produce the transcript due to the redaction being built into the system.
- Drug Prosecutor – There were no substantial changes, but there was a small increase of \$200.
- Sheriff – There is an increase of \$7,000 for office supplies. Mrs. Jackson stated there is also an increase in Vehicle Expense due to the cost of fuel. There is also a request for \$50,000 for in-car and body cameras because the current provider is no longer in business. They were bought out by another provider and the Sheriff is researching other systems to see what the most cost-effective solution will be. It was noted the process will be phased in over the next several years. The anticipated cost for the first year is approximately \$50,000, which will get all of the body cameras. It will not address the in-car cameras until the following year. She emphasized body cameras are one of the most important pieces of equipment that they have in order to protect officers.

Supervisor Pannell stated the body cameras help protect our officers and constituents.

Mrs. Jackson said there is a request to increase Salary Compensation of \$3,000 for each full-time Deputy, and the total cost including benefits is approximately \$145,000. In the current year, the Board members did something similar for this department to acquire more competitive starting salaries with neighboring localities. Neighboring localities have increased their compensation for next year up to \$8,000. The feedback from the survey on all County Employees will provide a better understanding of where the Deputy salaries are and where they need to be.

Vice Chairman Ricketts said there was an increase of \$16,000 for the Telephone Expense. Mrs. Jackson said the increase was due to new equipment that was installed in Deputies’ vehicles, which requires a SIM card. She stated the purchase of additional licenses through Verizon was necessary for the equipment to operate properly.

- Volunteer Fire Department – There is a new line item for Volunteer Fire Department Equipment and Maintenance, and there is a request of \$50,000 for the Testing of Equipment and Maintenance. Mrs. Jackson said over the years, the County has provided \$540,000 to the 12 Volunteer Fire Departments (VFD) to be used as they need for Four for Life and ATL funding. She stated not all the equipment is being tested and maintained uniformly. This \$50,000 will provide funding to test fire hoses, ladder testing, pump testing, and air pack testing for all 12 VFD.

Vice Chairman Ricketts asked if the testing would be done through a contracting service, and Mr. Simpson verified that is correct.

Supervisor Brandon wanted to know who will schedule the testing. Mrs. Jackson said the scheduling would be done through the Emergency Services Coordinator, and he would work with the VFD and their schedules to be sure everybody was going to be available.

- Ambulances and Rescue Services – There is an increase in the Contribution to the Rescue Squad, which is due to the increasing cost of supplies, fuel, insurance, and everyday operating expenses. The Rescue Squad had an increase of approximately \$25,000 in fuel last year.

Contribution to Other Rescue – This line item includes North Halifax and Turbeville. Mrs. Jackson stated Cluster Springs is now able to transport. She noted the increase of \$20,000 will allow Cluster Springs to be able to respond to some of the calls. There are concerns within the communities with the rising volume of calls and delayed responses.

- Forestry Services – There are no changes.
- Corrections – Mrs. Jackson said there is a decrease in this line item. She stated the Regional Jail Authority is not housing as many residents as what was projected from previous years. The rates are driven by utilization and other localities are utilizing the jail more than we are, which will drive the per diem rates down. The \$2.7 million is the best estimate available right now based on the current population, excess funds, and surplus funds. Updates are provided every month and the estimate will be adjusted accordingly.
- Building Inspections – There is an increase in the travel convention and education. Mrs. Jackson said next year is a code change year so additional educational training and books will be required in order to be able to enforce the new codes coming out.
- Animal Control – There is a request of \$40,000 for an additional full-time employee including benefits. Mrs. Jackson stated the position would be for an individual to solely work at the Animal Shelter to help with duties there, and the employee would not be running any calls. Analysis are currently being done, and County staff will provide a recommendation.

Mrs. Jackson said there is also an increase in the Part-time Salaries due to the increase in minimum wages, which was effective January 1, 2023, and the need for additional part-time employees to help cover holidays, weekends, when another employee is out on vacation, or when an employee is out sick for an extended period of time.

There is also a request for body worn cameras for employees who are responding to calls.

- Medical Examiners – Mrs. Jackson noted there is a small increase.

Supervisor Throckmorton wanted to know if the medical examiners are paid per incident, and Mrs. Jackson verified that is correct.

- Emergency Services – There is an increase in Vehicle Expense due to the rising cost of fuel. Mrs. Jackson stated there is also an increase in the Special Ops/Cert line item because tires need to be replaced on a trailer. She noted the replacement of those tires may be done during the current budget, so there is a possibility the line item can be adjusted.
- Public Works – There is a request for increased funding for overtime hours. Mrs. Jackson said Collection Centers are opened 7 days per week, so the trucks are running 7 days per week, and overtime incurs no matter how the driver's schedules are worked. She stated at one point the drivers were only accruing comp time; however, when you accrue comp time, you have to be able to take it off and when the time is taken off, somebody else is accruing comp time. Increasing the overtime budget will allow the comp time balances to be lower as well as not accruing them anymore.

The Part-time Salaries and Wages increased. Mrs. Jackson said the new Collection Center in Scottsburg will be manned since it will be a compactor site, and the cost is anticipated to be approximately \$60,000 yearly. She noted the line item for Minimum Wage increased because attendants at the 11 Collection Centers being manned earn minimum wage. It was noted the

increase for minimum wage is approximately \$30,000, and then the additional \$60,000 for manning the new Collection Center in Scottsburg is why the increase is approximately \$100,000.

Supervisor Brandon asked how the calculations are being done for those numbers. Mrs. Jackson said the calculation is done by 13 hours per day and 7 days per week.

Mrs. Jackson stated the Transportation Contract increased in the amount of \$50,000. She said part of the contract, the County pays for so many gallons of fuel per load, and with the increase in fuel, the cost of hauling and transporting solid waste to the Regional Landfill has increased. She stated it is anticipated the tipping fees will increase approximately \$87,000.

There is a \$20,000 increase for the cost of fuel.

- Buildings and Grounds – Mrs. Jackson said the cost for custodians can be seen in this budget. She stated there is an increase of \$10,000 in the Repairs and Maintenance for the various buildings to replace parts and broken items as necessary.

There is an increase in the Maintenance Service Contracts due to contracts for service on the elevators and sprinklers at the Courthouse, and sprinkler systems in other County buildings.

There is an increase for Contracted Mowing due to maintenance at the Courthouse, the War Memorial, and other locations in the County. Mrs. Jackson said in the past, there were 2 full-time employees dedicated to mowing all of the grass, but when the in-house custodians were hired, one of those employees moved into the custodian position and the other employee retired. Currently, there is one part-time person that mows the grass, and the specialized areas, such as the Courthouse and the War Memorial, are contracted out.

There is an \$18,000 increase in equipment for the cost to replace a mower.

Supervisor Brandon asked what kind of mower is being purchased.

Otis Vaughan, Director of Buildings & Grounds, stated the State Contract is looked at first. He said Toro and John Deere products are usually considered, since the County has always purchased diesel products. He stated currently there is only one mower in operation, and the part-time employee mows grass at all of the various locations. He said if that mower stops working, there is no backup mower available.

Mr. Vaughan stated local businesses are also considered, and he noted the last mower was purchased from Spaulding Equipment.

- Health Department – Mrs. Jackson said this department actually reduced their request, but they have indicated they need more funds. She stated the amount for this budget is still being determined, but the original request in the amount of \$240,000 is included.
- Southside Behavioral Health – There is an increase of \$22,730. Mrs. Jackson said over the last several years, the County has closed the gap between what they are requesting and what is actually able to be provided. She stated consistent increases of \$10,000 each year are being made resulting in a smaller gap this year.
- Area Agency on Aging – There are no changes.
- Community Colleges – Mrs. Jackson said Danville Community College and Southside Community College are driven by the number of students who reside in Halifax County and attend classes at one of those colleges. There is a formula used for students and information is provided to the County for our participation. There is a flat amount contributed to the SVHEC every year for the service they bring to the citizens of Halifax County. Children and adults are able to go and pursue associate degrees, other various welding programs and trade programs,

and it can all be done locally. She stated some of the 4 year colleges are partnering with SVHEC, which allows citizens to attend classes to further their education.

- Recreation – There is a small increase in Salary Contract Services due to the increase in the minimum wage. Mrs. Jackson said there is also an increase in Athletic Equipment due to the cost going up and the current economy. There is a request for a replacement mower to cut all the grass acreage at Edmunds Park. It is estimated the cost of the mower is approximately \$28,000. It was noted the State Contract can be researched first, and the purchase can be made according to the State Code. Mrs. Jackson noted if the purchase amount is over \$5,000, the County will need to issue a formal bid or purchase from State Contract.
- Library – Mrs. Jackson mentioned earlier the Rental Expense paid, and she noted the Library will reimburse it back to the County so the two numbers will zero out. The other increase in their operational budget is to provide a small increase to their full-time employees and to match the minimum wage requirements. It was noted there is also an increase in supplies.
- Planning & Zoning – There are no substantial changes. Mrs. Jackson stated there is a small increase in Board Compensation. In order to treat all of the Boards fairly, the same percentage is being recommended for the Planning Commission, which is being provided to the Board of Supervisors. She noted the additional cost is in the amount of \$11,368.

The Board of Zoning Appeals is paid per meeting, and the same percentage is being proposed for their Board members as well.

Mrs. Jackson stated it is being proposed for all 3 Boards funded by the County to receive the same percentage of increase.

- Industrial Development Authority – There is a request for the Halifax Opportunity Fund Residential Development Funds. Mrs. Jackson said they have people who will be able to qualify for the program, so it is being included in their request. The Enterprise Zone Program is based on the number of businesses that are currently qualified and involved, so the amount of rebate incentives is reflected in next year's request.

Longwood Small Business Center has requested an increase of \$1,000 due to rising costs.

There is also a request in the amount of \$34,500 for a Site Identification Study, which is an analysis of sites within Halifax County to identify potential industrial sites that would be suitable for current and prospective industries for future growth. The Shell Building is now fully occupied, so there is a desire to look at other potential sites.

- Community Action – There is a request in the amount of \$15,000 for their Food Pantry. Mrs. Jackson stated the food pantries are all being identified through the CARES ARPA funds, so that request has been noted as such.
- Tourism – There are no substantial changes. The Museum has requested an additional \$1,500. Local Events Programming is used when the County participates in fireworks with the Town of South Boston each year.
- Southside Planning District – There was a decrease in dues.
- Agricultural Development – The costs are to maintain the building, and it was noted no personnel is currently occupying the building.
- Soil and Water Conservation – Mrs. Jackson previously mentioned the reimbursement for Salaries and Benefits. She said the only request and contribution is the \$30,000 amount, which

was discussed in detail last year. She commented the Soil and Water Conservation offers a number of programs to the community, which engage all age groups.

- Cooperative Extension – It was noted the County funds a third of some of their salaries and 50 percent of others, and based on their salary projections for next year, the budget increased in the amount of \$12,000.
- General Fund Transfer Out – Mrs. Jackson stated these would be addressed within the confines of each individual fund.
- Non-Departmental – There are 2 new requests. The Brain Injury Services of Southwest Virginia has requested \$500, and Legal Aid has submitted a request for \$5,000. Legal Aid has made the same request in the past, and in the past, we have not been able to fund them.
- Fairgrounds – There are no changes.
- Debt Service – There is a new line item for the High School Project, which is the VPSA 2022A. Mrs. Jackson noted it includes principle and interest, which are tied directly to the Sales Tax Revenue, and the transfer from the Sales Tax Funds. The older debt service continues to decline.

Mrs. Jackson said there is a rebate for the 2005 borrowing and each year a certain amount is rebated noting the amount for next year is \$74,411.

Insurance Renewals have not been received yet, but placeholders have been provided. There is a placeholder in the amount of \$100,000 for Health Insurance, and \$80,000 for Property and other insurance.

There is a Salary increase of 7 percent. Mrs. Jackson stated the cost of living index is a little over 8 percent, and all County employees have in fact incurred increased costs. The Consumer Price Index for groceries is 11.4 percent. She noted the 7 percent is an across the board amount for consideration. A Compensation Study is currently being conducted, and \$100,000 has been allocated in order to be able to implement any changes or suggestions.

Supervisor Throckmorton asked if the \$100,000 would be enough funding to handle the changes or suggestions. Mrs. Jackson said it is only an estimate. She noted some of the changes have already been implemented, and it will depend on the results from the report.

- ARPA Expense - There is a carryover in the amount of approximately \$6 million from last year. Mrs. Jackson noted those projects may not be finalized in 2024, but a placeholder is there to represent the available funds.
- Opioid Expense – There is a carryover in the amount of \$20,617 from last year.

Mrs. Jackson said there is a deficit of \$955,491. She asked the Board members if they have any comments or questions about the General Fund. With no questions, she moved on to the remaining funds.

- Social Services Fund – This fund is mandated by certain percentages of contributions and match monies.
- 911 Fund – Funds in the amount of \$854,000 are being transferred from the General Fund into this fund. There is approximately a \$1,000 difference between the current year versus what is being proposed. Mrs. Jackson said working through the process with the new radio system as well as the new microwaves, funds will need to move from one-line item to another as well as recognition of some efficiencies.

Vice Chairman Ricketts asked if there is any reason for the decrease in the contribution from South Boston. Mrs. Jackson said it is based on actual trend and noted South Boston remits their amount of communications tax.

Mrs. Jackson discussed the Grant Funds as follows:

- Crime Victim's Grant – There is a request for a supplement in the amount of \$6,922. Mrs. Jackson stated the grant has been reduced. She noted the request is for the County to pick up the difference, which will allow continued service to victims in the community.
- Supreme Court Drug Grant – The County will not receive any grant monies for FY2024.
- Federal Drug Court Grant – It is anticipated grant funds will be received next year.
- Improvement Council Grant – There is no change.
- Victim Witness – This request includes the County supplement and it was noted there is a 10 percent reduction in the State portion.
- Commission for Arts – The Little Theater and Prizery are included under this line item, and it was noted there are no changes.
- Community Corrections – This program is 100 percent funded through grant funds.
- Drug Court – This includes the contribution of \$30,000 from the General Fund.
- Tobacco Commission – There is a \$1 million grant in addition to the VATI Broadband Grant expenses of \$700,000.
- Airport – The revenue generated by the airport and the cost of the airplane gas purchase has increased.

Mrs. Jackson referenced page 33 of the proposed FY2024 budget, which is for the School Fund. She noted currently the request is \$16,302,306, which is approximately an \$800,000 increase from the current year. There has been communication from the schools that came from the State that the Entitlement Calculator did not properly include some amounts. She noted the schools have only requested required local contribution. It is anticipated the \$16.3 million could decrease by approximately \$300,000 if the House budget is adopted.

Supervisor Duffey stated that he understood there would be a shortfall of \$1.2 million for the County. Mrs. Jackson stated that is a combination of State and Local resources so it is not a shortfall, but it is the projections of revenue for next year. She said those projections were too high, and she noted it is a correction.

Supervisor Pannell asked Mrs. Jackson if she could clarify that information and she said the required local effort could be \$300,000 too high.

Supervisor Brandon wanted to know if the school's request is required local effort and Mrs. Jackson stated that is correct.

Mr. Simpson stated the original Entitlement Calculator came out about 1 month ago and indicated \$16.3 million as the required local effort. He said over the last few weeks, the State announced there is an error in the numbers. He stated in the current fiscal year Halifax County will have less revenue. He explained there will be less State funds coming resulting in less required local effort. He stated it is anticipated the School System will have less operating monies of approximately \$1.3 million and fortunately the budget has not been established yet based on those numbers.

Supervisor Duffey asked what is the required local effort for the current year. Mrs. Jackson verified the required local effort for FY2023 is \$15,430,112.

Mrs. Jackson said County staff would continue to follow those numbers. She noted the School System is the largest part of the County budget.

The Capital Fund was discussed as follows:

- Broadband System – There is a request in the amount of \$200,000.
- High School Project – There are carryover funds in the amount of \$1.3 million.
- Outdoor Fit Gym – There is a request for an outdoor fit gym at Edmunds Park, which is anticipated to cost approximately \$150,000.
- Public Works – There is a request in the amount of \$60,000 to replace a skid steer.
- Collection Centers – Mrs. Jackson noted \$225,000 has been included for the Collection Centers and will be utilized to serve all of the districts.
- Front Loader – There is a request in the amount of \$250,000 to be used to purchase a front loader.
- Volunteer Fire Departments – There is a request in the amount of \$100,000 for the Volunteer Fire Department Capital Projects.

Mrs. Jackson said in order to fund those requests, \$385,000 is needed from the Capital Investment Plan (CIP). She stated a formal CIP will be available in March and it will show next year and 4 years out. There will be a fund balance in the plan based on the way the year ends. She stated decisions and then be made on projects to fund or defer to future years.

Mrs. Jackson asked if there are any Capital items the Board members would like to see funded next year which is not listed. She encouraged the Board members to reach out to County staff with any recommendations.

Supervisor Brandon asked if there is any information available on the Burn Building. Mr. Simpson said there is a visit scheduled later in the week from the Virginia Department of Fire Programs to look at the existing building. He explained rather than constructing a completely new building, consideration is being given to repurposing portions of the existing building which would allow about 15 years of life out of it. He stated an evaluation will be completed, and the County can proceed with what is determined to be more cost-effective.

Supervisor Brandon wanted to know what was decided on construction with containers. Mr. Simpson stated the evaluation from the Virginia Department of Fire Programs was an alternative method instead of the containers because there was not enough support for the container style facility.

Mrs. Jackson stated the FY2024 budget is short \$955,491. She asked Board members to complete the prioritization list and turn it in at the end of the meeting. She noted the prioritization list will help County staff work through the budget process and prioritize funds appropriately. She asked for any feedback or recommendations to be given to County staff at this time to try to close the gap in the FY2024 budget.

Supervisor Pannell asked Mrs. Jackson what the gap was in the FY2023 budget. Mrs. Jackson stated it was a little over \$1 million.

Supervisor Brandon stated he thought fewer hours could be enforced at the Collection Center. He said some of the Collection Centers don't have attendees on site. He said the compaction will not be ongoing for 13 hours per day the attendee could compact at a certain time. He stated citizens could continue to drop trash into the compactor because there would be no moving parts.

Mrs. Jackson asked if the Board members had any recommendations about adding any new full-time positions at this time. Supervisor Pannell said that based on the information provided in reviewing the proposed budget, he does not foresee any recommendations at this time.

Supervisor Duffey stated he does not support the proposed outdoor fit gym at Edmunds Park and he didn't anticipate it would be utilized. He wanted to know who would maintain it. Mrs. Jackson noted the expense for the gym would come out of the Capital Improvement Fund so it would not have any effect on the General Fund.

Supervisor Pannell wanted to know what fund was the Con-Edison donation allocated. Mrs. Jackson verified the donation is allocated to the Capital Improvement Fund. She noted items that are considered non-recurring typically are allocated to the Capital Improvement Fund.

Supervisor Throckmorton wanted to know why the Recreation Department mows the grass at Edmunds Park. Mr. Vaughan said that the Recreation Department has always taken care of Edmunds Park. He noted the equipment requested in the proposed FY2024 budget is a large mower. He commented the grass at Edmunds Park is a huge amount of grass to cut.

There was additional discussion about the equipment being requested for the Recreation Department and Buildings and Grounds. Mr. Simpson said all of the equipment being used is a commercial grade, which is more expensive. Supervisor Brandon stated County staff is doing an excellent job of keeping cost and personnel to a minimum.

Supervisor Brandon said he recalled funds were allocated in a previous budget to hire more personnel for E&S review. Mrs. Jackson verified those funds are still allocated in the budget.

Hearing no additional questions or discussions at 5:06 p.m., Vice Chairman Ricketts called for the meeting to recess until 6:30 p.m.