

At an adjourned meeting of the Board of Supervisors, Alleghany County, Virginia held on Tuesday, June 8, 2021 at 7:00 p.m. in the Alleghany County Governmental Complex, Covington, Virginia, thereof:

PRESENT: G. Matt Garten, Chairman
James M. Griffith, Vice-Chairman
Stephen A. Bennett
Shannon P. Cox
Gregory A. Dodd
Cletus W. Nicely
M. Joan Vannorsdall

and Jonathan A. Lanford, County Administrator
Suzanne T. Adcock, Director of Finance
Melissa A. Munsey, Deputy Clerk to the Board

CALL TO ORDER:

The Chairman called the regular meeting to order. He stated that a Closed Meeting is being added to the end of the agenda on (1) acquisition of real property for a public purpose and the disposition of publicly held real property, and (2) prospective business or industry.

PUBLIC HEARING - AMENDMENTS TO CH. 58 - TAXATION OF THE COUNTY CODE (MEALS TAX):

Public Hearing was held to consider amendments to Chapter 58-Taxation of "The Code of the County of Alleghany, Virginia" in Article XIII-Tax on Certain Food and Beverages Sold in County in Section 58-387(b) to increase the meals tax rate from four percent (4%) to six percent (6%) effective January 1, 2022.

The Chairman announced that this public hearing was advertised in the Virginian Review on Tuesday, May 25, 2021 and Saturday, May 29, 2021 in accordance with the Code of Virginia. He then called the public hearing to order.

Mr. Lanford stated that the General Assembly gave counties that currently have a meals tax the authority to increase the tax from 4% to 6%. He commented that the increase, if approved, would be effective January 1, 2022 to give the Commissioner of Revenue time to advise restaurants, etc. and to make any changes to the system. He mentioned that a half year will generate \$100,000 which is one cent of the real estate tax rate and a full year would generate approximately \$200,000. He commented that even increasing the rate by 2% will still make the County's rate lower than Clifton Forge and Covington and that this increase is not applicable in the towns of Clifton Forge and Iron Gate as they have their own meals tax rate.

There being no one else who wished to speak, the Chairman declared the public hearing closed. He stated that action will be taken at the June 15th adjourned meeting.

PUBLIC HEARING - FY22 SEWER RATES FOR THE TOWN OF CLIFTON FORGE AND THE TOWN OF IRON GATE:

Public Hearing was held to consider, pursuant to Sections 15.2-107 and 15.2-2122 of the Code of Virginia, 1950, as amended, and agreements between the parties, the possible adoption of sewer rates for the Town of Clifton Forge and the Town of Iron Gate as follows:

	<u>FY 2022 Rate</u>
Clifton Forge	\$3.60 / \$1,000 gals.
Iron Gate	\$14,513.18 per month

The Chairman announced that this public hearing was advertised in the Virginian Review on Tuesday, May 25, 2021 and Saturday, May 29, 2021 in accordance with the Code of Virginia. He then called the public hearing to order.

Mr. Lanford stated that there is a memo in the agenda packet. The memo is as follows:

The Bulk Rate for sewer services for the Town of Clifton and the Town of Iron Gate is based on the following: debt service initiation, three year rolling average flows, and O&M costs for the LJRWWTP. Following is the result of these calculations and how the bulk rate will change:

Clifton Forge Sewer Bulk Rate
FY 21-22 \$3.60/1000 gallons

Iron Gate Sewer Bulk Rate
FY 21-22 \$14,513.18/month

He added that Clifton Forge and Iron Gate rates are calculated in accordance with the agreement. He commented

that Clifton Forge's rate is per 1,000 gallons and Iron Gate's rate is calculated differently due to I&I issues they have and the annual cost is divided for a monthly amount with a true-up at the end of the year. He stated that both localities were advised of the proposed bulk sewer rates in March for budgeting purposes.

There being no one else who wished to speak, the Chairman declared the public hearing closed. He stated that action will be taken at the Board's June 15th adjourned meeting.

PUBLIC HEARING - AMENDMENTS TO CH. 62 "WATER, SEWER, AND SEWAGE DISPOSAL" OF THE COUNTY CODE (WATER AND SEWER RATES):

Public Hearing was held to consider amendments to Chapter 62-Water, Sewer and Sewage Disposal of "The Code of the County of Alleghany, Virginia" in Section 62-71 - Rates to increase water and sewer rates effective July 1, 2021. The water rate, sewer rate, and sewer only rate would each increase \$1.00. The overage rate would increase by \$0.50 per 1,000 gallons for water and \$0.25 per 1,000 gallons for sewer. The deposit amounts would also increase for owners and tenants in Sec. 62-140.

The Chairman announced that this public hearing was advertised in the Virginian Review on Tuesday, May 25, 2021 and Saturday, May 29, 2021 in accordance with the Code of Virginia. He then called the public hearing to order.

Mr. Lanford stated that beginning around 2015 there has been a \$1.00 increase for water and sewer services per year to cover costs due to inflation and no growth in customers. He commented that with projects possibly occurring in the Commerce Center there may be some growth.

Mr. Bennett asked if there is a time-frame for when the increases would stop occurring. Mr. Lanford replied that there is not a time-frame. He commented that creating an authority would help to maximize the economy of scale.

There was some discussion on water and sewer issues in the entire area; the need to create an authority; that Iron Gate has a permit to pull water from the Cowpasture River but does not use it; etc.

There being no one else who wished to speak, the Chairman declared the public hearing closed. He stated that action will be taken at the Board's June 15th meeting.

PUBLIC HEARING - TAX RATE FOR TAX YEAR 2021:

Public Hearing was held to consider reenacting the existing tax rate of 73 cents per \$100 of assessed value on real property and mobile homes for the tax year 2021 and to reenact at the existing rate the levy of two dollars and ninety-eight cents (\$2.98) per \$100.00 of assessed value on tangible personal property (including machinery and tools segregated by Section 58.1-3507, Code of Virginia) located in the County on January 1, 2021 and the respective levies being also applicable to the real estate and tangible personal property of public service corporations.

The Chairman announced that this public hearing was advertised in the Virginian Review on Saturday, May 29, 2021 in accordance with the Code of Virginia. He then called the public hearing to order.

Mr. Lanford stated that there is no change in the tax rate this year or the personal property rate of \$2.98 which has an effective rate of \$0.89. He commented that it was \$5.95 (15% of assessed value) and was adjusted to \$2.98 (30% of assessed value) a few years ago.

There was some discussion regarding changing the personal property rate to the effective rate of \$0.89 in the future to make the rate look better for potential prospects, etc.

There being no one else who wished to speak, the Chairman declared the public hearing closed. He stated that action will be taken at the Board's June 15th adjourned meeting.

PUBLIC HEARING - FY 2021-22 COUNTY OPERATING BUDGET:

Public Hearing was held to consider the proposed FY 2021-22 budget for the year beginning July 1, 2021.

The Chairman announced that this public hearing was advertised in the Virginian Review on Saturday, May 29, 2021 in accordance with the Code of Virginia. He then called the public hearing to order.

The budget was advertised as follows:

The following budget synopsis was prepared and published for information and fiscal planning purposes only. The inclusion in the budget of items does not constitute an obligation or commitment to appropriate any funds for that item or purpose. The budget has been prepared on the basis of the estimates and requests submitted by the Officers and Department Heads of this County. There are no allocations of any County funds for any purpose until appropriation for that purpose has been made by the Alleghany County Board of Supervisors.

EXPENDITURES

General Operating	\$37,306,344
School Operating	27,739,176
School Textbook	228,615
Governor's School	264,806
School Capital	1,691,546
Medicaid Reimbursement	208,487
New Tech Program	114,638
Joint School System Fund	287,400
VFD-United Fire/Rescue	183,500
Law Library	4,500
Special Law	53,500
Drug Asset Forfeiture - Sheriff	8,500
Courthouse Security	164,545
Drug Asset Forfeiture - Com. Atty.	5,000
Sheriff - Joint Services	5,887,788
Sheriff - County Code Enforcement	57,000
Emergency Home Repair Program	6,636
Capital Improvement Program	1,100,000
Special Welfare	80,000
AHEDC	305,250
Water & Sewer Capital	217,380
Water & Sewer Operating	<u>5,378,458</u>
	\$81,293,069

REVENUES

General Operating:	
Local (66%)	\$24,361,263
State (30%)	11,073,301
Federal (4%)	1,476,440
School Operating	27,739,176
School Textbook	228,615
Governor's School	264,806
School Capital	1,691,546
Medicaid Reimbursement	208,487
New Tech Program	114,638
Joint School System Fund	287,400
VFD-United Fire/Rescue	183,500
Law Library	4,500
Special Law	53,500
Drug Asset Forfeiture - Sheriff	8,500
Courthouse Security	164,545
Drug Asset Forfeiture - Com. Atty.	5,000
Sheriff - Joint Services	5,887,788
Sheriff - County Code Enforcement	57,000
Emergency Home Repair Program	6,636
Capital Improvement Program	1,100,000
Special Welfare	80,000
AHEDC	305,250
Water & Sewer Capital	217,380
Water & Sewer Operating	<u>5,378,458</u>
	\$80,897,729
General Fund Balance	<u>395,340</u>
	\$81,293,069

Ms. Adcock stated that there have been just a few changes made since the budget work session and numbers were firmed up on the school system budget with revenues and expenditures that offset. She mentioned that the total to be taken from the general fund to balance the budget is \$395,340; however, due to the new software system she is collapsing funds that were not being used and those funds (\$168,000) will be moved to the general fund, which leaves a total of \$227,334 actually coming from the general fund. She commented that there could also be recovery funds that can be used for some

items in the budget which would also decrease the general fund use. She stated that the fund balance has been built up over the last few years and some debt will come off next year. She mentioned that the budget also includes the increase in Board pay to \$7,000 for all members which would be effective January 1, 2022.

Mr. Lanford stated that he has not heard anything from anyone regarding the proposed budget except for the Registrar who had requested an additional full-time Assistant Registrar. He commented that it is our opinion that if the Electoral Board wants to hire one it is at their discretion to do so with their existing allocation.

Ms. Adcock stated that the Registrar's Office budget includes \$41,000 for new poll books and the State has authorized a pay raise for the Registrar around \$20,000-\$25,000 which they pay a portion of, but do not cover completely. She mentioned that an additional \$10,000 was put in their budget for part-time position.

There was some discussion on upcoming proposed fee increases and that the Board would like to see fees reviewed every year or so; the fund balance increased from around \$8 million to \$10 million; debt with middle and elementary schools will come off next year and some of that will be used for radio system debt; some capital items in the budget could be eligible for Recovery Act funding; use of and deadlines on CARES Act funding (first amounts received by December 31, 2021 and second allocations by 2025); etc.

Mr. Bennett expressed concern regarding giving WestRock back \$577,000 in machinery & tools taxes because he feels they previously did not finalize their paperwork on time and are penalizing companies when they only pay the legal weight for wood versus the full value when a truck is overweight on their scale.

Mr. Dodd commented that while out getting signatures that some individuals in Clifton Forge ask why they are double taxed and just get trash service. There was some discussion regarding if Clifton Forge had not reverted to a town then individuals would have been paying more with their tax than with receiving a tax ticket from the County and Clifton Forge; they decided what they wanted to keep during the reversion that they would have to fund (i.e., library, paid rescue, cemetery, police, etc.); if they dropped their charter it would probably have been a special tax district within the County to pay for services they would want to keep that other areas of the County do not have; etc.

There being no one else who wished to speak, the Chairman declared the public hearing closed. He stated that action will be taken at the Board's June 15th adjourned meeting.

CLOSED MEETING:

On motion of Mr. Griffith, seconded by Mr. Bennett, that the Board go into a Closed Meeting under Code of Virginia Sections 2.2-3711(A)(3) and (5) for the purpose of: (1) discuss the acquisition of real property for a public purpose and the disposition of publicly held real property; and (2) prospective business or industry. Unanimously adopted.

On motion of Mr. Bennett, seconded by Mr. Nicely, that the Board come out of the Closed Meeting with the following certification:

CERTIFICATION
SECTION 2.2-3712

To the best of our knowledge (i) only public business matters lawfully exempted from open meeting requirements under this chapter, and (ii) only such public business matters as were identified in the motion by which the Closed Meeting was convened were heard, discussed or considered in the session.

/s/Stephen A. Bennett	Yes
/s/M. Joan Vannorsdall	Yes
/s/G. Matt Garten	Yes
/s/Gregory A. Dodd	Yes
/s/James M. Griffith	Yes
/s/Cletus W. Nicely	Yes
/s/Shannon P. Cox	Yes

SET DATE/TIME TO MEET WITH THE BERKLEY GROUP:

Mr. Lanford stated that Mr. Peter Huber of The Berkley Group will be coming here sometime the last two weeks of the month to meet with staff and also have a team to meet with the Board to work on the County Administrator search. He

suggested either June 23rd or June 28th at 6:00 p.m. for the Board to meet with representative(s) from The Berkley Group.

The Board agreed to meet on June 23, 2021 at 6:00 p.m.

ADJOURNMENT:

On motion of Mr. Nicely, seconded by Mrs. Cox, that the meeting be adjourned at 8:30 p.m. to Tuesday, June 15, 2021 at 6:00 p.m. in the Alleghany County Governmental Complex. Motion carried.

G. Matt Garten
Chairman