

MINUTES
BOARD OF SUPERVISORS
COUNTY OF YORK

Regular Meeting
April 4, 2023

6:00 p.m.

Meeting Convened. A Regular Meeting of the York County Board of Supervisors was called to order at 6:01 p.m., Tuesday, April 4, 2023, in the East Room, York Hall, by Chairman Thomas G. Shepperd, Jr.

Attendance. The following members of the Board of Supervisors were present: Walter C. Zaremba, Sheila S. Noll, W. Chad Green, G. Stephen Roane, Jr., and Thomas G. Shepperd, Jr.

Also in attendance were Neil A. Morgan, County Administrator; Mark L. Bellamy, Jr., Deputy County Administrator; Brian Fuller, Assistant County Administrator; Richard E. Hill, Jr., County Attorney Designee; and Heather L. Schott, Assistant to the County Administrator/Deputy Clerk.

WORK SESSION

PROPOSED FISCAL YEAR 2024 BUDGET

Mr. Neil Morgan provided an overview of the presentations for the meeting related to the FY 2024 Budget, which will cover the following areas:

- Community Services Grants Advisory Committee
 - Dr. Walt Akers, Chairman
- Other Community and Regional Support
 - Theresa Owens and Amy Holland, Department of Finance
- General Fund Expenditures and Revenues
 - Neil Morgan, County Administration; Theresa Owens and Greg Gillette, Department of Finance
- Compensation and Benefits Overview
 - Rose McKinney, Department of Human Resources

COMMUNITY SERVICES GRANTS ADVISORY COMMITTEE RECOMMENDATIONS

Dr. Walt Akers, Community Services Grants Advisory Committee Chair, thanked County staff Sheri Newcomb and Valinda Loudin for their assistance this year with the Committee. He also thanked the Committee Members Gregory Sakimura, District 1; Alexander Payne, District 2; Ellen Thacker, District 4; and David Allen, District 5. He then provided a brief presentation that included the following information:

- There were 16 organizations that applied for grants in FY 2024. The Committee broke the applicants into the following categories of service as follows: one group was placed in the food and meals distribution category; three were placed in a category that focuses on independent living support; two were identified as providing rehabilitation, therapy, and treatment; two were placed in the youth advocacy and development category; three provide emergency and transition shelter; one focuses on the end of life care; one focuses on veteran support; and three applicants that offer other services to the community.
- As in years past, the Committee Members independently reviewed each application to distribute the funds appropriately and to average the individual results.
- The Committee had \$60,000 to distribute among the applicants, which is \$10,000 more than last year.

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- A chart was also provided that illustrates the amount of funding provided by these organizations compared to what is provided by surrounding localities and other funding sources.
- The number of worthwhile agencies who apply yearly always exceeds the available funding.
- Arc of Greater Williamsburg provides wellness programs, recreational therapy, self-advocacy, and life skills training to 139 developmentally disabled adults in York County. The Committee is recommending \$2,500 in funding for this organization, an increase from last year.
- Avalon Center for Women and Children provides shelter for women and children; a 24-hour crisis line; and counseling, education, and training services. In the past year, they directly supported 60 York County residents. Full funding in the amount of \$4,000 is being recommended for this agency.
- Bacon Street Youth and Family Services focus on preventative and rehabilitative services to address the problem of youth alcohol and drug abuse in the community. Their Journey Home Project provides free services for youth ages 10 through 16 and their families struggling with homelessness and substance abuse. Although their primary area is James City County, they provided services for 400 York County residents last year. Funding in the amount of \$4,000 is recommended for this agency, an increase from last year.
- BikeWalk Williamsburg supports the bicycle co-op of Williamsburg, promotes bicycle safety, and provides free bicycle helmets to adults and children. Funding in the amount of \$960 is recommended for this organization, a decrease from last year.
- Colonial Court Appointed Special Advocates provides courtroom and community advocacy for children who are victims of abuse or neglect in our community. In the past year, they supported 30 children in York County. They receive support from surrounding localities, but most funds come from grants and individual donors. A donation of \$2,600 for this organization is recommended this year, an increase from last year.
- Community Brain Injury Services provides life skills training, vocational services, case management, and several other services to County residents that have suffered a brain injury. This group has a reasonably large service area and has effectively secured grants. It is recommended that this organization receive \$2,150 in the upcoming budget, an increase from last year.
- Historic Virginia Land Conservancy protects and preserves significant natural, scenic, agricultural, and historic land in the lower James, York, and Rappahannock Rivers. An allocation of \$1,550 is recommended this year, a decrease from last year.
- Hospice House of Williamsburg provides hospice support and end-of-life care to the terminally ill. They also offer bereavement services and respite support for caregivers. Over the past year, they provided services to 25 residents in York County. The recommended allotment for this organization is \$5,350 this year, an increase from last year.
- Natasha House provides transitional housing, skill workshops, tutoring, and counseling to women and children in York County and other localities on the Peninsula. The funding requested this year is primarily to support their Seed to Table Program, which produces additional revenue streams to support their services. Funding in the amount of \$8,250 is recommended for the agency this year, an increase from last year.
- Transitions Family Violence Services provides emergency shelter, hotline support, and advocacy services to women and children who are victims of domestic violence. Their service area covers the southern Peninsula, and they receive funds from surrounding localities. An allocation of \$6,100 is recommended for this year, an increase from last year.
- Veterans of Foreign Wars Post 960 (New Agency Request) provides aid to veterans, including needy and disabled, to obtain rehabilitation, housing assistance, clothing, and

equipment. An allocation of \$5,000 is recommended for the agency this year and is a new request.

- Virginia Peninsula Food Bank provides a centralized repository for distributing food to needy individuals on the Peninsula. They have a very large service area and provide meals and support to 4,805 residents in York County. The Committee's recommendation for this organization is full funding at \$5,000.
- Washington-Rochambeau Revolutionary Route (New Agency Request) funds support the W3R-US Route in commemorating the path of the French and Continental armies to the Siege of Yorktown. An allocation of \$1,350 is recommended for the agency this year and is a new request.
- Williamsburg Faith in Action is an organization that promotes independent living such as transportation services, visits, well checks, and help with chores to 43 York County residents over the past year. An allocation of \$2,840 is recommended for the agency this year, an increase from last year.
- Williamsburg Area Meals on Wheels provides two categories of services: provision of hot meals to the sick and elderly, but also support for independent living by providing daily check-ins for people who otherwise could not live at home. In the past year, they provided services to 145 York County residents, and funding in the amount of \$2,800 is recommended this year, an increase from last year.
- York County Meals on Wheels provides hot meals to needy individuals and supports independent living exclusively for York County residents. In the past year, they provided services to 545 individuals and funding in the amount of \$5,550 is recommended this year, an increase from last year.

Dr. Akers closed, stating that providing food and shelter for the citizens in need has remained the highest priority for the Committee this year. He pointed out that the Committee received requests for funding in the amount of \$109,275 this year, and the full amount of \$60,000 was recommended across all the applying organizations. Throughout the process, the Committee tried to ensure that groups with similar activities received similar funding with some variation based on their respective service area and the number of individuals they serve.

In response to Dr. Akers' presentation, the Board asked the following questions:

Mr. Roane stated during Dr. Akers' presentation that some agencies did not submit a funding request for this fiscal year but had in the past. He asked whether there was a reason they did not submit a request.

Dr. Akers explained that the Community Services Grants Advisory Committee thought it was strange that the funding requests had yet to be received. He noted that the County staff had contacted the agencies several times but had not received anything. Additionally, Dr. Akers reached out to them as well but has yet to receive a funding request. The County and Committee had given the agency multiple opportunities, even waiting until after the deadline had passed.

Chairman Shepperd asked what the agencies were that did not apply.

Dr. Akers stated the United Way and American Red Cross. He explained that the Committee had also received two new requests this year.

Mr. Green asked Dr. Akers to explain the importance of the agencies receiving external funding outside of the funding received from the County.

Dr. Akers explained that going out in the community and soliciting funding from other areas the agency works in shows good faith. Additionally, some organizations apply for different types of grant funding for financial support.

Discussion followed on the importance of diversification of the agencies soliciting funds from other areas in addition to County support.

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Mr. Roane asked for more clarification on how the Historic Virginia Land Conservancy protects and preserves land in its service area.

Dr. Akers stated he believed the agency primarily focused on land acquisition around the historic areas and preserving it from purchase or donation. He noted that the information was online for the Board's and the public's inspection.

Mrs. Noll asked why additional funding was given to Transitions Family Violence Services since it primarily supports other areas.

Dr. Akers stated that the Committee had additional funding that was provided, and a number of the organization's amounts were raised in addition to providing funding for the two new agencies requesting funding.

Chairman Shepperd asked about the Washington-Rochambeau Revolutionary Route. He stated this reminded him of the route that goes through Yorktown, New York, in which the County was approached recently to provide a proclamation.

Dr. Akers felt that it might be related and that similar organizations exist within other states to bring awareness to the Route and events surrounding the American Revolution War. A few years ago, he referenced the event around Yorktown Day, where an individual walked the Route in colonial clothing.

Mr. Roane asked if the agency's purpose was to mark the Route or bring general awareness.

Dr. Akers felt it was to raise awareness and market the Route, which would bring better funding to mark the area. He noted it was a new application this year and felt it was a good investment for the community.

Mr. Roane spoke regarding the new request from the Veterans of Foreign Wars (VFW). He stated it looked as though all of the funding was coming from York County. Mr. Roane asked where the VFW Post was in the County.

Mr. Morgan stated that it was located on Sycamore Lane.

Chairman Shepperd stated that the VFW Post's present location was for sale.

Mr. Zaremba asked whether membership in the Veterans of Foreign Wars was related to all veterans who served in a foreign conflict and if there was a specific definition for who qualifies.

Dr. Akers stated he believed that Mr. Zaremba was correct, which applied to all veterans who had served in a foreign conflict.

Mr. Roane provided Mr. Zaremba with the qualification listed on the VFW website, which states that an individual is eligible if you are a *"veteran who has honorably served overseas in an area of foreign conflict."*

Discussion followed on the relationship between the two Meals on Wheels programs (Williamsburg and York County) that provides services to the residents. Specifically on whether they collaborate with one another to provide assistance to the residents and their specific organizational structure.

Chairman Shepperd commended Dr. Akers and the Committee for their work. He also stated that the presentation was very well done and provided the best analysis that he has seen concerning how the County spends funds on the various organizations.

Mrs. Noll echoed Chairman Shepperd's comments regarding the work and presentation.

OTHER COMMUNITY AND REGIONAL SUPPORT

Mr. Morgan stated that the next part of the presentation would contain other community and regional support items that the Board of Supervisors historically takes a direct interest in. He noted that the state requires some items due to significant regional partnerships and agreements; some are more discretionary.

Mrs. Amy Holland, Budget Analyst II, began the presentation by stating that the community support items are framed around the Board's Strategic Priorities. She noted an approximate seven percent increase in funding over what was adopted for Fiscal Year 2023. After the budget was released, staff received updates from the Virginia Peninsula Regional Jail, the County's contribution to Social Services, and a slight increase to the Peninsula Health District. Ms. Holland explained that the real difference is an increase of \$129,400 over the proposed amounts, with \$116,815 just for the Regional Jail, adding that the County's focus remains on public safety and educational opportunities.

Mr. Morgan stated that there is \$130,000 more spending based on data received after the estimates were received from outside agencies.

Mr. Zaremba asked for a definition of value-driven economic development.

Mr. Morgan stated that the slides would reflect the programs and services, which could fit into multiple categories. Staff attempts to align them with the six strategic priorities to organize the groups.

Mr. Roane asked who received the funding under the educational opportunities portion and whether it was the School Division.

Mrs. Owens stated that it was for the Williamsburg Regional Library and that none of this funding was related to the School Division.

Mrs. Holland covered the agencies required by the state, which included:

- Colonial Community Corrections
- Social Services

Mr. Roane asked how much funding is funded by the state.

Mrs. Owens stated that the federal and state provide most of the funding for Social Services.

Mr. Morgan stated that the City of Poquoson also pays a portion of Social Services.

Chairman Shepperd also referenced unfunded mandates as well.

Additionally, Mrs. Holland covered the significant regional partnerships with whom we have partnerships or agreements, which included:

- Child Development Resources
- Colonial Behavioral Health - has a proposed 8 percent proposed increase over FY 2023
- Colonial Juvenile Services Commissions
- Hampton Roads Alliance
- Hampton Roads Military and Federal Facilities Alliance
- Hampton Roads Planning District
- Hampton Roads Workforce Council
- Heritage Humane Society
- Jamestown-Yorktown Foundation - Year 9 of a 10-year commitment in FY 2024
- Middle Peninsula Juvenile Detention (Merrimac Center)
- Peninsula Emergency Medical Services (PEMS)
- Peninsula Health District
- Peninsula Regional Animal Shelter
- Virginia Peninsula Mayors and Chairs on Homelessness
- Virginia Peninsula Regional Jail
- Williamsburg Area Transit Authority (WATA)
- Williamsburg Regional Library
- YMCA

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Mrs. Holland covered the discretionary budget items listed under Community Service, Economic Development, and Tourism related. She noted that these items are relatively small and have remained mostly the same.

Agency	FY2023 Adopted	FY2024 Requested	FY2024 Proposed	Updated as of 04/04/2023
Colonial Soil & Water	\$3,500	\$6,500	\$5,000	\$5,000
Comte de Grasse	\$9,000	\$9,400	\$9,400	\$9,400
Lackey Free Clinic	\$25,000	\$30,000	\$30,000	\$30,000
Launchpad Regional Incubator	\$34,500	\$34,500	\$34,500	\$34,500
Peninsula Alcohol Safety Action Program (PASAP)	\$15,000	\$25,000	\$25,000	\$25,000
Small Business Development Center	\$7,000	\$10,000	\$10,000	\$10,000
START Peninsula	\$7,005	\$7,005	\$7,005	\$7,005
Virginia Air & Space Science Center	\$10,000	\$10,000	\$10,000	\$10,000
Virginia Peninsula Community College (PKA TNCC)	\$143,060	\$143,060	\$143,060	\$143,060
Virginia Peninsula Chamber of Commerce	\$10,000	\$15,000	\$12,500	\$12,500
Waterman's Museum	\$30,000	\$36,000	\$33,000	\$33,000
Williamsburg Area Medical Assist Corp (Olde Towne)	\$116,755	\$120,255	\$120,255	\$120,255
York County Arts Commission	\$70,000	\$70,000	\$70,000	\$70,000
York County Chamber of Commerce	\$20,000	\$20,000	\$20,000	\$20,000
York County Historical Committee	0	\$12,600	\$12,600	\$12,600
York County Historical Museum	\$5,000	0	\$5,000	\$5,000
Yorktown Foundation-Administrative Support	\$3,500	\$3,500	\$3,500	\$3,500
Yorktown Foundation-Celebrate Yorktown/Symphony	\$5,000	\$5,000	\$5,000	\$5,000
Yorktown Foundation-Tall Ships Committee	\$10,000	\$15,000	\$15,000	\$15,000
TOTAL -	\$524,320	\$572,820	\$570,820	\$570,820

Mr. Roane asked about the Virginia Peninsula Community College allocation as he felt it was primarily funded by tuition costs. He then asked what they did with the County's funding.

Mr. Morgan reminded the Board that the College had recently sent out its annual report, which covers the funding in some detail. For as long as he can remember, most Virginia Peninsula localities have contributed, although there is no legal requirement to do so. Additionally, the college received funding from the state. However, tuition is the college's number one funding mechanism. One of their current focus items is workforce development, while some local funding enhances the programs. Mr. Morgan also added a 20-year commitment to build the Local Workforce Development Center. However, the note paid off, and while they didn't ask for an increase, they did ask if the County would hold the funding amount the same as before. The funding is also being used for college sports programs, among other things. Mr. Morgan then cited challenges with enrollment issues.

Mr. Roane referenced the quality investment at the York County Chamber of Commerce building. He stated that the new facility and plans to promote small businesses were impressive and could pay big dividends in the long run.

Mr. Green also reminded the members of the two local York County representatives that serve on the Virginia Peninsula Community College Board, which was a great asset. He asked that at a Board's future meeting, to invite either the President, Public Affairs Officer, or Board Members who may be able to provide the Board with an update on activities at the College.

Mr. Morgan felt they would be happy to provide the Board with an update and referenced a presentation that both he and Chairman Shepperd heard at a recent Peninsula Mayors and Chairs Meeting.

Mr. Zaremba commented on the Launchpad, a regional incubator in the upper County, and requested an update on how the program was going.

From an administration standpoint, Mr. Morgan noted that for the two medical clinics, Lackey Free Clinic and Old Towne, the care they provide is gigantic, so whenever they ask for an increase, the County generally tries to accommodate. He also noted that of the smaller committees, the Tall Ships Committee, has the best return on investment, citing its positive effects on tourism.

Mr. Roane verified that the funding is allocated to the ships that come in.

Mr. Morgan confirmed that was correct.

Mr. Roane referenced the good job the staff does on attracting ships to Yorktown from other areas, both locally and within the United States.

Mr. Morgan noted that staff tried to allocate the discretionary funding appropriately but asked the Board whether they wanted to make any changes.

Chairman Shepperd commented that the Board had given staff guidance on proceeding with this portion of the budget. He asked the Board members whether they had any items they wanted to change or if they were fine as submitted. He was impressed with the funding as it was presented, as it strikes a balance and helps others within our community. He then stated he was fine as it was submitted.

Mr. Roane echoed Chairman Shepperd's comments.

Mrs. Noll also noted that it was wise that the County created the Community Services Grants Advisory Committee, which Dr. Akers had presented earlier in the evening. She wanted to increase their budget by \$5,000 due to the cost of living increase.

Mr. Green asked whether the increase was for this year or next year.

Mrs. Noll confirmed she would like to see the increase this year.

Mr. Morgan stated that staff had already increased the Committee's budget this year by \$10,000, or a two-year inflation adjustment.

Mr. Green favored adding additional funding to next year's budget.

Mrs. Noll stated that due to the amount of work that the Committee does and the people they serve, that would be good.

Mr. Green also referenced comments made by Mr. Roane regarding the new office space.

Mr. Roane stated it was a good investment to help grow a small business to enterprise people, and it will give people the first step on running and getting a business started.

Mr. Green acknowledged that the new location was in the Mid-Atlantic building next to Andrea's Restaurant.

Mr. Roane then asked Mrs. Owens to look at next year's inflationary increase to ensure the Board was meeting the demands.

Chairman Shepperd reminded the Board that there are a couple of areas to look at for next year with the funding, including the need, inflationary increase, and whether it fits within the Board's Strategic Priorities.

GENERAL FUND EXPENDITURES AND REVENUES

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Mrs. Owens began the presentation by stating that the staff wanted to provide a deeper dive into some of the revenues and expenditures, specifically concentrating on the General Fund. She reminded the Board of the FY 2024 Proposed Budget:

Millions	Fund
\$174.7	General Fund
\$28.6	Enterprise Funds
\$15.2	Capital Projects Funds
\$67.0	Other Funds
(41.4)	Less: Transfers Between Funds
\$244.1	Total County Budget

Mrs. Owens noted that the Capital Projects Funds were smaller this year because the Law Enforcement Building was not in the amount. Overall, the General Fund is higher, but the total budget is smaller.

Mr. Morgan added that there seemed to be a little confusion with this area because the first-year CIP appropriations are added to your total budget. He noted that the County included the appropriation for the Law Enforcement Building. In Fiscal Year 2024, while the County has capital appropriations, there is nothing of that scale. The overall budget is smaller simply because the first year of the Capital Budget is smaller. He noted that this conversation was different from how much the General Fund will go up.

Chairman Shepperd stated that the General Fund shows areas like the County's spending on public safety, such as firefighters, law enforcement, and 911 services, while also including the amount of funding provided to the County's great education system. He noted that when looking at the budget, he also watches those areas.

Mr. Zaremba asked where Chairman Shepperd had obtained his information on School Division.

Chairman Shepperd cited several websites, such as the Virginia Department of Education, which contained data related to the rating of the School Division. Additionally, the York County School Division had Tabb Elementary School as having been awarded a Blue Ribbon School in 2022; and previously, Grafton Bethel Elementary School had been awarded the same designation.

Both Chairman Shepperd and Mr. Zaremba continued a brief discussion of facts related to the School Division within York County

Mrs. Owens covered the expenditure priorities for the County, including Employee Compensation, School Support, and Cash Capital. She stated that employee compensation was the largest growth area in the budget and noted the tight labor market. Mrs. Owens stated that for Fiscal Year 2024, the recommended increase was five percent and an annualized \$750 to qualified employees. She noted that back in November, the County implemented public safety initiatives for paramedics for both education pay and critical specialty teams pay as an adjacent locality had done something similar. Mrs. Owens stated that this amount of \$620,000 needed to be incorporated into the budget for this upcoming year. Employees also received a supplemental raise of \$750 in January 2023, which needed to be included in the budget. She noted the increase in health insurance of \$575,000, consistent with national trends.

Mr. Roane asked what the percentage of the increase was of \$3.6 million.

Mr. Morgan stated that it ranged from seven and a half percent for the lowest-paid employees to just over five percent or so for the higher-paid employee.

Mr. Roane confirmed that the driver for the increase was to compensate employees fairly, or they would go to other localities or industries. He then asked how the County is performing in that area, or does it make us comparable.

Mr. Morgan cited that other localities will be releasing their budget around the same time, and at that time, they may make adjustments as he understood from other colleagues and the media that the other localities are doing something similar as proposed in the Fiscal Year 2024 Budget. James City County is proposing a five percent increase in the upcoming Fiscal Year and an

additional \$1,500 payable on April 1, or one and a half percent more than the County. He cited that one of the advantages that York County has is that it is a central location from Williamsburg, Gloucester, Newport News, and Hampton, and the location also provides a better commute to work every day.

Mrs. Owens next covered the School Division’s proposed funding. This year’s increase in funding for the School Division is \$2.35 million. She cited the School Division’s priorities of mental health and security. Mrs. Owens explained that Mr. Morgan and Dr. Shandor discussed the funding request early in the budget process. She also explained that while the County is increasing the school funding, it does include the debt. She noted that the state has also been very good over the last couple of years in providing funding to the schools.

Chairman Shepperd asked for further explanation on the slide, specifically the difference from year to year.

Mrs. Owens explained the difference and provided an overview of the slides, which showed the inflationary adjustments from 2016 forward. While the County has increased the contribution to the school, the overall value of money has gone down.

Chairman Shepperd noted the significance of inflation and its associated impacts.

Mrs. Owens explained that in the last couple of years since 2020, inflation has become a larger problem.

Mr. Roane cited concerns about a steady increase in contributions to the School Division, which eventually becomes unsustainable. He asked whether the staff did any future projections to see when this is anticipated to flatten out.

Mr. Morgan stated that the County’s total General Fund percentage has always contributed something similar to the School Division in the range of 40 percent. It is sustainable as long as the economic base of the County is sustainable. He noted that when looking at the budget, ordinarily, the two biggest increases are public safety and education, with this year’s budget being no different. York County is the lowest tax, major full-service locality to begin with relationally to other localities.

Discussion followed on the associated impacts of inflation within the County.

Mr. Green asked how a full-service locality is defined.

Mr. Morgan explained that the County provides all of the services on a professional basis. For example, York County has a professional, paid fire department, while other localities like Isle of Wight and Hampton depend on volunteers to provide emergency services. It is the largest department in the County.

Mr. Green also stated that the County is compensating Fire and Life Safety staff at an incentive level to take extra classes to further their qualifications and expertise.

Mr. Morgan stated that the County needs to think about the long-term goal, for example, what the community will be like in five or ten years.

Mrs. Owens provided an overview of the Capital Improvement Plan (CIP). She noted that this is pay-go funding that is actually budgeted in the general fund for the Plan’s first year. Surplus funds, debt funding, and County reserves are also used. These items are essential for maintaining a good, sustainable CIP. She noted that the General Fund is paid for by revenue generated from real estate/public service corporations, personal property, and consumer taxes. She provided the General Fund Revenue Summary:

Revenue	Increase (Decrease)
Real Estate	\$2,700,000
Personal Property	1,350,000

Sales Tax	800,000
Historic Triangle Tax	300,000
Lodging Taxes	330,000
Meals Taxes	243,000
BPOL	1,241,000
Use of Money & Property	925,000
State Revenue	238,000
Federal Revenue	(126,490)
Other Revenue Sources	899,490
	\$8,900,000

*Not adjusted for inflation

Chairman Shepperd asked, when combining the two largest funds of public safety and education, what is the percentage of the budget related to those areas.

Mr. Morgan stated about 65 percent.

Mrs. Owens stated the Public Safety funding was \$47 million and education was \$73 million.

Mr. Green asked why the Federal revenues were down.

Mr. Morgan stated that one of the SAFER Grants is coming to an end.

Mr. Zaremba asked about the surplus of funds and the specific cause in Fiscal Year 2022.

Mr. Morgan stated in Fiscal Year 2022, the County had a large surplus. This was due to the underestimation of consumer taxes and the surge in used car prices.

Mr. Zaremba asked what the County has done to minimize this going forward.

Mr. Morgan stated the vast majority was absorbed in Fiscal Year 2023, which included: salary increases, a reduction of one and one half cents real estate tax cut, and paid 3.5 million in rebates on the December 2022 bill. He added it basically has been absorbed by tax cuts, along with additional firefighter and Sheriff's Deputy positions in Fiscal Year 2023. There are ten new public safety positions in this budget.

Next, Mrs. Owens highlighted the proposed \$0.01 reduction in the real estate tax rate, which is a revenue reduction of approximately one million in FY 2024.

Mr. Morgan also reiterated the decrease would mean \$1 million dollars in Fiscal Year 2024 and \$500,000 in the year we are in because the June bill for this year would apply the new rate and count toward this budget year.

Mrs. Owens spoke about how the two-year reassessment in Fiscal Year 2024 will affect the second half of the fiscal year. The County will have an increase in assessments in the upcoming year because of how house values are assessed currently. The Assessor is independent under state law, and she does feel as though the prices are leveling off and sales are slowing down.

Mrs. Noll asked how York County's rate compares to other neighboring localities.

Mr. Morgan stated the County is lower than James City County's rate of \$.83, Chesapeake's rate is \$1.05, Poquoson's is \$1.12, Newport News' rate is \$1.20, and Isle of Wight is \$1.05. He was proposing decreasing the County's rate from .78 to .77.

Mr. Roane stated that the County's Assessor is conservative in the estimates.

Mrs. Owens echoed that statement, stating the Assessor has been conservative over the years.

Mr. Morgan explained the various variables in coming up with the revenue estimate.

Mrs. Owens spoke of the impacts of the closure of the Dominion Energy - Yorktown Power Plant.

The budget does not include the impact of this because County staff was unsure when the last turbine would be demolished. They will not know those numbers until it occurs and the State Corporation Commission provides the numbers to the County.

Mr. Greg Gillette, Senior Budget Analyst, spoke regarding personal property. He reviewed the recommended \$0.10 tax rate reduction, which will reduce the FY 2024 revenue by \$550,000. Mr. Gillette reminded the Board that part of this will affect the FY 2023 revenue due to the reduction being first assessed in June. Staff did not recommend any fee changes as a tax rate cut was felt to be preferable at this time versus a partial fee reduction.

Mr. Roane stated if the \$25.00 fee is removed, the overall tax burden is reduced. He was disappointed that it was not being recommended.

Mr. Morgan stated that the staff had considered that initially, and it was discussed in the Retreat. With the real estate tax rate reduction and personal property tax reduction, these roughly equal the same amount within approximately \$100,000. When looking at what was proposed and felt to be best, the staff felt it was cleaner and simpler to reduce the two rates.

Mr. Roane stated he was suggesting, in addition to the rate reductions, removing the \$25 fee.

Chairman Shepperd confirmed the amount was roughly \$1.6 million. He added, that if this fee is reduced, what would be lost in the proposed budget in terms of expenditures.

Mr. Morgan stated there were three choices, compensation, schools, and the Capital Improvement Plan.

Mrs. Noll noted she was not proposing cutting those three areas.

Mr. Morgan felt that it would be a good option to remove the fee for next year should the Board choose. If the Board was looking at next year's budget for Fiscal Year 2025, it may be wise to compare removing the legacy fee versus reducing the real estate tax.

Discussion followed on removing the \$25.00 fee from the budget this year and its potential budgetary impacts.

Mr. Gillette stated he had provided some vehicle values when he had briefed the Board at their January retreat. Since that time, Mr. Gillette has received updated values. He provided an overview of the personal property tax vehicles adding the Commissioner of the Revenue predicts an average decline in value of approximately four percent, or adjusted with inflation closer to 17 percent. Mr. Gillette provided a forecast of the 60,000 vehicles currently on the tax rolls. In addition, for anything from 2003 and older, the Commissioner assigns a value of \$250.00. JD Power, who bought NADA, does not have values for the 2023 models. The Commissioner assigns the values at 80 percent of their selling price. There are roughly 11,600 vehicles yet to be assessed by JD Power which will go in in the next few weeks. County staff also feels the values will continue to be down roughly four percent as well. He provided a chart that continued the County's actual percentage change from 2021-2023 and one with the inflation-adjusted change.

Mr. Roane verified that the numbers in the slide are what JD Power tells us those vehicles are worth. He stated the County needed to be more innovative on how the values were calculated and not just take JD Power values. He felt the County could use those figures, but the citizens need to be protected against values like what happened in 2022. Mr. Roane felt that people can better estimate and prepare what they have to pay.

Mr. Gillette explained that by law, the Commissioner has to legally use something similar to JD Power to determine the values.

Mrs. Noll confirmed that the values in the presentation did not include any add-on features, but were just the base vehicles.

Mrs. Owens confirmed that was correct, they were base values.

Mr. Morgan stated that under the law, the tax has to follow the nominal value. He reminded the Board that inflation is definitely something that the County has to keep in the back of our minds.

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Mr. Roane reiterated his position that the County needed to do something in order to prevent the anomaly in vehicle values recently, as the citizens were blindsided by the increased fees.

Both Mr. Morgan and Mrs. Owens stated in their career, they had never seen an anomaly such as this in regard to car values.

Mr. Roane stated that it was fine if the Commissioner legally had to use J.D. Power but take the values over five years, averaging them over time, and preventing large spikes in the future. He noted that if the County is unable legally to do this, to let him know.

Mr. Morgan agreed that the staff will look at this at get back to him.

Mrs. Owens reviewed the types of consumer taxes and provided data which include: Sales Tax Revenue, Historic Triangle Tax, Transient Occupancy, and Meals Tax Revenue. She noted that taxes are flat on an inflationary basis.

Mr. Morgan stated he would have proposed more competitive compensation for employees and additional public safety positions if the rate had not already been advertised at the reduced rate. Long term, he believed the County will need more Firefighter/Paramedics and Sheriff's Deputies. If the County had an additional \$1 million, he would have hired six Firefighter/Paramedics and four Sheriff's Deputies.

Mr. Roane asked how the four deputies would have been utilized.

Mr. Morgan stated it translates to one per patrol shift, but didn't have any more additional details since it was not being proposed for this fiscal year.

Mr. Roane asked whether Sheriff Montgomery had given any thought to increasing School Resource Officers.

Mr. Morgan provided an overview of the programs currently in place within the School Division to address security concerns. He also noted the County was applying for six SAFER grant positions.

Mr. Morgan was unsure whether the County will receive the positions, but if it did, the positions would be paid for three years, and then the County will have to pay for year four. Additionally, he noted if the Board chose to have an additional rate reduction, he would look at Capital Funding, school funding, and finally, compensation. However, he cautioned that it is not that hard in the short run, but sets you back looking out two, three, or four years.

Mrs. Owens reminded the Budget Public Hearings are being held on April 18 at 7:00 p.m., with a scheduled adoption on May 2 at 6:00 p.m.

YORK COUNTY WORKFORCE AT A GLANCE

Mrs. Rose McKinney, Director of Human Resources, spoke regarding the County workforce. She began the presentation with a chart revealing the top three counties or cities that County employees resided in, with Gloucester County being fourth. The long, narrow geographic shape of the County, does positively impact the types of employees that are attracted to working here. Next, she provided an overview of the generations working within the County with the average age of the workforce across the four years between 42-43 years old.

Mr. Roane asked later for a study or data on having the younger/newer staff joining the workforce. Additionally, what specific skills or changes are being brought to the County by the younger generation.

Mrs. McKinney referenced the importance of generational training as you further develop the employees entering the organization. She stressed the importance of being marketable and competitive in the workforce. When dealing with the employees for the organization, it is about the total compensation package, not just the annual salary. The culture of the organization, the community, and wanting to be a part of the team is often at the forefront of applicants' decisions on whether to work for the organization. She noted a lot of people come for health insurance, and the County needs to make sure this is marketed. Mrs. McKinney stressed the importance of knowing what type of climate we are in with the effects of inflation, recruitment challenges, and a very tight labor market. That is important to also understand so that the County remains competitive with the surrounding cities and counties.

Mr. Roane asked whether that was uniform across the workforce; because Gen Z's tend to focus more on their paychecks versus benefits.

Mrs. McKinney stated the younger generations entering the workforce focus more on wellness programs, flexible scheduling, and areas such as daycare centers within the organization, hybrid work models, promotional opportunities, and professional development opportunities. Mrs. McKinney also explained that the national trend shows the number of open positions in the public sector is up by 45 percent, but the number of candidates applying is down by 56 percent, nationally. She stated York County is not being affected as much, with about 12 percent in open positions and 26 percent down in the number of candidates. Next, she provided a sample of a total compensation package for employees only and employees and families.

Chairman Shepperd asked for clarification on the basic life insurance policy.

Mrs. McKinney confirmed it was a basic life insurance policy which is payable for two times your salary.

Mr. Morgan also stated you can buy additional life insurance as well.

Chairman Shepperd then asked about the short-term and long-term disability policies offered.

Mrs. McKinney stated it depends on how long you have worked here, with 60 percent of the employee's salary paid. After five years, it increases to 80 percent and is only for hybrid employees and not for public safety.

Discussion followed on the different VRS retirement plans and the differences in benefits in plan one, plan two, and the hybrid plan.

Next, Mrs. McKinney provided an overview of the Fiscal Year 2024 Compensation Increase Proposal example, which illustrated how the additional \$750.00 benefits employees at the lower end of the salary scales:

Base Salary	5% + \$750
\$30,000	\$32,250
\$50,000	\$53,250
\$70,000	\$74,250
\$90,000	\$95,250

Mr. Green asked why someone in the \$90,000 range needed a \$750 additional increase.

Mrs. McKinney stated to be consistent across the board with regard to the salary compensation increase.

Mr. Morgan reminded the Board of the employees who were the critical people in the workforce within the range and what the adjacent localities were doing. He noted that it shows employee value, and if you took the amount out completely, salary compression would exist at a higher level.

In response to Mrs. Noll's question earlier, Mrs. McKinney stated the County was in the middle with regard to compensation, but probably a little towards the lower end based on what other localities have preliminarily shared. One of the goals in this year's budget was to tackle inflation to help the employees and to try to retain employees as well as provide a small raise.

Mr. Morgan stated that Greg Grootendorst, Chief Economist, from HRPDC, is projecting inflation rates at 4.5 percent. If that estimate stays the same on Mr. Grootendorst's projection, the County covers the inflation increase and gives the employees a two or three-percent raise if they receive less than \$50,000 per year.

Chairman Shepperd asked what percentage of the County's workforce receives \$50,000 or less per year.

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Mrs. McKinney felt it was pretty close to half; because the median for the data used in the presentation was \$53,795.

Chairman Shepperd stated he was unsure how someone with a family making \$30,000 could live on that salary. He stated the poverty level was \$26,000, which was pretty close.

Mr. Morgan stated the County does have some jobs on the lower end of the salary scale, which is one of the main reasons he tries to push those up.

Mr. Zaremba asked how many single employees the County has.

Mr. Morgan believed that a majority of the employees are married, but the County has a significant number of younger people in the workforce.

Mr. Zaremba stated that a number of individuals in today's economy are forced to have two jobs.

Mr. Morgan stated this is the reason why employees are concerned about daycare.

Mrs. McKinney also echoed this is also why employees are interested in remote working opportunities to prevent wear and tear on vehicles and gas costs. She covered the benefits overview and noted the County was self-insured. This gave the County control over certain plan designs to meet the employee's needs. York County pays to cover both medical and dental claims. She did note if claims are higher than the budgeted amount, the County and employees share in the increases or may result in a plan design change.

Chairman Shepperd asked whether the County is completely self-insured. He noted in certain situations, an employee may become ill with costs exceeding thousands of dollars.

Mrs. McKinney stated the County has stop-loss insurance to cover those situations. She reviewed the current calendar year 2023 health insurance plan options which included:

- Cigna Choice Fund High Deductible Plan with Health Savings Account (HSA)
- Cigna Open Access Plus 1 Plan (OAP1)
- Humana Medicare Advantage Plan (Post-65 Retirees Only)

Chairman Shepperd asked whether they were all under Cigna.

Mrs. McKinney stated two were under Cigna, and one was under Humana. She noted the enrollments were up slightly from last year, with 89 percent of the employees enrolled in the OAP 1 Plan. She also referenced a large number of spouses and children covered in both of the plans.

Chairman Shepperd asked whether the breakout included the whole family or just the spouse; and whether the chart distinguished two parts of the same family.

Mr. Morgan stated they are tracked separately because 40 to 50 people consume half of the dollars just because of the nature of their illness. Some employers do not allow the spouse to be on their program, especially if healthcare is available at the spouse's employer. The County has never taken that position, but some companies do. It is important to track because there are some employers on the Peninsula who allow for their high-cost healthcare people to be on their spouse's insurance.

Mrs. McKinney reviewed the changes made in the calendar year 2023 program, which included:

- Premium rates were increased by 10 percent.
- Deductible increase for certain facility charges and services - \$500 for an individual and \$1,000 for family
- HSA contribution for the employee-only tier increased to \$1,800 annually. A new tier contribution was added for all other tiers of \$2,400 annually.
- The 2023 FSA plan year included a debit card and an allowable rollover of \$570 from 2023 to be used in the 2024 plan year for eligible accounts.
- Omada program, offered through Cigna at no additional cost for employees enrolled in healthcare and their adult dependents who are at risk for type 2 diabetes or heart disease. This program provides tools and support to make lasting, healthier lifestyle changes.

Chairman Shepperd asked if, for example, someone was going in for a medical procedure, could they use the debit card associated with the FSA account.

Mrs. McKinney stated whatever amount was put into the HSA account could be withdrawn through the debit card at their local doctor or medical facility. She next covered what was forecast for next year for the health and dental plans and provided a summary of estimated rates:

- Cigna Health Plans: Proposing a forecasted increase of 10 percent for premium rates across the rate tiers for employees, to be effective January 1, 2024
- Delta Dental Plans: Proposing a forecasted increase of 10 percent for premium rates across the rate tiers for employees, to be effective January 1, 2024. Request for Proposal to continue joint account with YCSD for new benefits calendar of 2024.
- Humana Health Plan (Post-65 Retirees Only): Fully insured plan with premiums to be determined following the Centers for Medicare and Medicaid Services (CMS) rate announcement (annually in September). The current rate is \$243 per member per month

Mrs. McKinney covered the two dental plans options for the County, which included:

- Preferred Provider Option (PPO) plus Premier
- Exclusive Provider Option (EPO)

Mr. Morgan cited the value of the dental program and the value of the Premier Plus plan.

Mrs. McKinney stated the School Division wanted to offer the Exclusive Provider Option, but have both plans as an option. She covered the various wellness initiatives for 2023, which offers events all throughout the year. It covers opportunities such as the Walk to Wellness Initiative, Spring Cooking Day, and Healthy Perspective Newsletter in an effort to keep the employees healthy. Additionally, Cigna offers Wellness Dollars to be able to do incentives.

Chairman Shepperd asked whether the imbalance of compensation between the County employees and School Division employees still existed.

Mr. Morgan stated it has equalized. While the total combination of the County's insurance was never completely merged with the School Division due to differences within the workforce. He credited the School Division for raising their employee costs which are now more comparable with the County.

CONSENT CALENDAR

The Consent Calendar was considered and **approved on a vote of 5:0**. A summary of actions taken is below.

Chairman Shepperd asked if a Board member would like to pull any items, ask for clarification or offer comments on any of the consent items. Since there was none, he called for a motion.

Mr. Zaremba moved that the Consent Calendar be approved as submitted, Item Nos. 2 and 3, respectively.

On roll call the vote was:

Yea: (5) Zaremba, Noll, Green, Roane, Shepperd
Nay: (0)

Item No. 2. APPROVAL OF MINUTES

Thereupon, the following minutes were approved and resolutions adopted:

March 7, 2023, Regular Meeting

April 4, 2023

Item No. 3. ELECTRIC POWER EASEMENT TO SUPPLY POWER TO A PUMP STATION ON COUNTY PROPERTY LOCATED AT 500 MERRIMAC TRAIL; Resolution R23-55.

A RESOLUTION AUTHORIZING THE COUNTY ADMINISTRATOR TO EXECUTE AN EASEMENT AGREEMENT WITH VIRGINIA DOMINION ENERGY, FOR AN ELECTRIC POWER EASEMENT TO PROVIDE SERVICE TO A COUNTY-OWNED PUMP STATION LOCATED AT 500 MERRIMAC TRAIL

NEW BUSINESS None

OPEN DISCUSSION

Mr. Roane referenced a project of a waterline on Charles Road. A total of seven homes are on the road. The County staff did the normal process of determining who was interested in extending the waterline down the road. Only four of seven homes were interested in having it extended, and it fell below the targeted percentage needed for a waterline project. Mr. Roane cited concerns of the resident who resided on the road whose well had failed. Additionally, he was concerned about the other residents on the road whose wells may end up failing over time. He asked County staff to look at how we can help the residents out.

Mrs. Noll asked about what the resident with the failed well was doing to address their situation and if the well was contaminated or did not work.

Mr. Roane stated they are not getting water out of it and are waiting for the County's determination on how we can help.

Mr. Zaremba verified that it was one resident short of getting the waterline down the road.

Mr. Roane confirmed that was correct.

Mr. Morgan stated that a couple of the parcels were just lots.

Chairman Shepperd asked if they had obtained the number of signatures needed if it would be in the order of sequence for water projects.

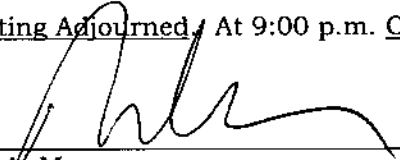
Mr. Morgan confirmed that if the County were to proceed with the project, it would roughly be a three-year process to design, and then staff would work with Newport News Waterworks to build the project out. He was unsure of the homeowner's options on how to proceed, whether that is to put a deep water well in or another option.

Chairman Shepperd asked whether the person needed funding or some type of County grant.

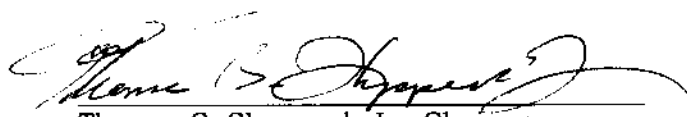
Mr. Roane stated he did not believe that was the situation, but they would wait if a waterline could be run down the roadway.

Discussion followed on the options that may be available to address the concern of the failing well on Charles Road.

Meeting Adjourned. At 9:00 p.m. Chairman Shepperd declared the meeting adjourned sine die.



Neil A. Morgan
County Administrator



Thomas G. Shepperd, Jr., Chairman
York County Board of Supervisors