At a special meeting of the Board of Supervisors of Warren County held in the Warren County Government Center on April 12, 2022 at 6:00 PM.

Present: Cheryl L. Cullers, Chair (South River District); Delores R. Oates, Vice Chair (North River District); Jerome K. Butler (Happy Creek District); Vicky L. Cook (Fork District); Walter J. Mabe (Shenandoah District); also present Edwin C. Daley, County Administrator; Taryn G. Logan, Deputy County Administrator; James Bonzano, Chief of Fire and Rescue Services; Mark Butler, Sheriff; Zach Henderson, Finance Administrative Assistant; Todd Jones, Director of Technology; Gerry Maiatico, Fire Marshal; Jon Martz, Director of Social Services; Matt Robertson, Finance Director; Alisa Scott, Deputy Finance Director; Emily Ciarrocchi, Deputy Clerk of the Board; and Roger Bianchini, Royal Examiner

**Closed Meeting – Virginia Freedom of Information Act**

On a motion by Mrs. Oates, seconded by Mr. Mabe, and by the following vote, the Board entered into a closed meeting under the provisions of Section 2.2-3711(A)(5) of the Virginia Freedom of Information Act for discussion concerning a prospective business or industry or expansion of an existing business or industry where no previous announcement has been made of the business' or industry's interest in locating or expanding its facilities in the community, such business or industry proposed to be located in the Shenandoah Magisterial District located both within and outside the limits of the Town of Front Royal:

Mabe, Aye; Cook, Aye; Cullers, Aye; Oates, Aye; Butler, Aye

On a motion by Mrs. Oates, seconded by Mr. Mabe, and by the following vote, the Board certified to the best of each member's knowledge only public business matters lawfully exempted from open meeting requirements under Section 2.2-3711(A)(5) of the Virginia Freedom of Information Act and 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 meeting by the public body:

Butler, Aye; Oates, Aye; Cullers, Aye; Cook, Aye; Mabe, Aye

There were no motions to come out of this closed session.

Prior to the start of the public hearing, Mrs. Cullers reported it was National Public Safety Telecommunicators Week this week and brought forward several Warren County dispatchers to be recognized.

**Public Hearing – Proposed Budget for FY 2022-2023 and Tax Rates for CY 2022 – Matt Robertson/Ed Daley**

Matt Robertson, Finance Director, delivered a presentation to the Board on the proposed FY 2022-2023 budget and 2022 tax rates.

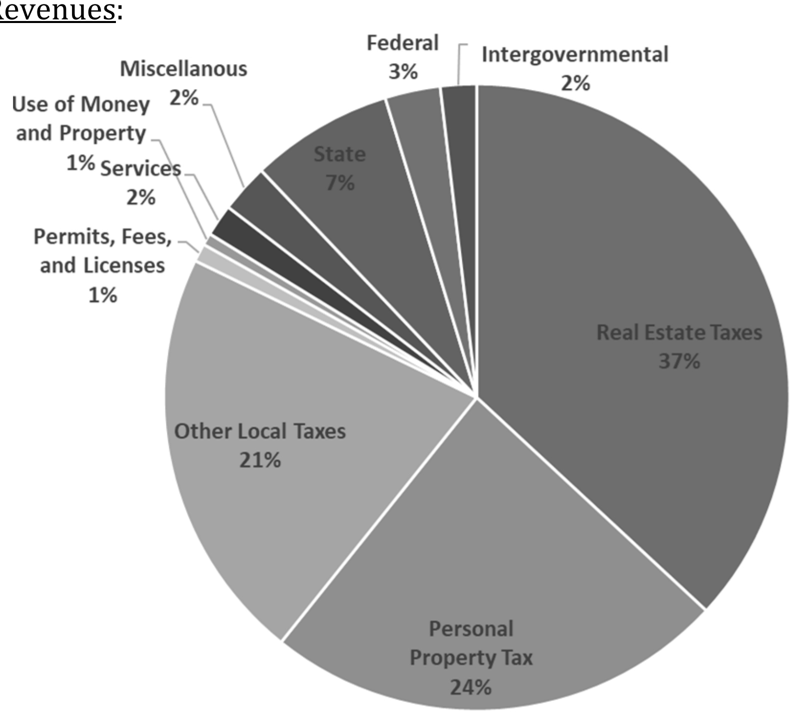
Budget Highlights:

- Real estate and personal property tax rates remain flat
- Limited the General Fund increase to 1.57%
    - School Operating Fund Budget increases by 11.02%
- New, detailed Capital Improvement Plan
- Creation of an Asset Replacement Fund
- Funding for the Information Technology Department
- Significant investment into Public Safety personnel
- Funding for the creation of a Drug Recovery Program

**TAX RATES PER $100 OF ASSESSED VALUE**

| | Approved Calendar Year 2021 | Proposed Calendar Year 2022 |
|---|---|---|
| Real Estate | $0.655 | $0.655 |
| Manufactured Homes | $0.655 | $0.655 |
| Tangible Personal Property | $4.00 | $4.00 |
| Tangible Personal Property Business Furniture and Fixtures/ Equipment | $4.00 | $4.00 |
| Tangible Personal Property Volunteer Fire and Rescue Squad Members | $2.00 | $2.00 |
| Tangible Personal Property Aircraft | $0.75 | $0.75 |
| Machinery and Tools | $2.05 | $2.05 |
| Contract Carrier | $2.05 | $2.05 |

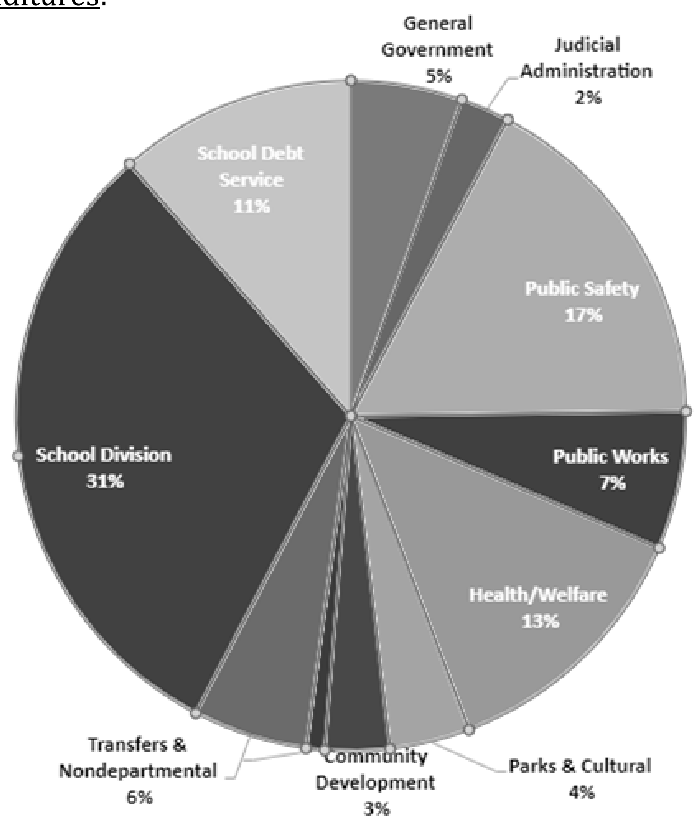
General Fund Revenues:



Revenue Changes:

- Staff is currently reviewing personal property tax rates and revenues from general property taxes are expected to adjust accordingly
- Decrease of about $200,000 in Revenue from Use of Money and Property due to declining interest rates
- Loss of State Revenue is due to Revenue Sharing Projects being moved to Capital Improvement Fund
- Use of Fund Balance decreasing from $1.5 million to $1.1 million

General Fund Expenditures:




Personnel:

- A total of 14 additional (FTE) are proposed in the County budget
    - 6 new FTE in Fire and Rescue
    - 5 new FTE in Sheriff's Office
    - 1 new FTE in Information Technology
    - 1 new FTE in Airport
    - 0.5 new FTE in Children's Services Act (CSA) Office
    - 0.5 new FTE in Commonwealth Attorney
- A total of 24.5 additional FTE are proposed in the School Division budget
- COLA increases for staff are also proposed, subject to State budget approval
    - 5% COLA for County Staff
    - 5% COLA for School staff, plus a step upgrade for year of experience and a $752 bonus
- VRS and Health Insurance increases are projected at about $500,000 for the County

Capital Improvement Plan:

- A total of $14,839,853 is proposed in FY 22-23
  - $18.4 million was proposed in the School Capital Improvement Fund
    - This includes $8.1 million in grant funding, $2.2 million in Special Projects, $1 million from carryover, and $7.1 million from General Fund dollars; the County will look at debt financing and potential carryover funding for the $7.1 million share remaining outside of already identified funds
  - $1.2 million in Parks and Recreation projects
    - This includes $930,000 in grant funding, $58,000 in Special Projects Funding, and $174,000 in General Funds
  - $1.7 million in Public Works projects
    - This includes $25,000 in grant funding, $1.05 million in Special Projects Funding, and $645,000 in General Funds
  - $3.4 million in Fire and Rescue projects
    - This includes $3 million in debt funding and $400,000 in General Funds

Asset Replacement Plan:

- A total of $2,792,150 is proposed in FY 22-23
  - $163,550 in General Administration
  - $100,000 in Public Works/Refuse
  - $410,000 in Information Technology
  - $86,000 in Parks and Recreation
  - $1,263,100 in Sheriff's Office
  - $800,000 in Fire and Rescue
- Of the $2.8 million, approximately $1 million will be funded through Special Projects Funds

Debt Service:

- The Proposed FY 22-23 budget necessitates the creation of a Debt Service department to separate it from Capital Improvement funding
- Debt payments of approximately $11.1 million are expected
  - Principal - $7.8 million
  - Interest - $3.3 million
- Debt service accounts for approximately 12.6% of the FY 22-23 Proposed Budget
  - School related debt - $10.3 million
  - County related debt - $0.8 million

Mrs. Cullers opened the public hearing.

Mark Egger, 102 E 4th Street, read the following prepared statement: "I'm here to talk about the largest portion of the County budget - the school system. You should give this school system exactly zero dollars for this year's budget. You heard me right - zero dollars. This is a school system that continues teaching lies to the children. I spoke before the School Board last July about these lies, but at their next meeting they voted to teach lies anyway. They are teaching the children that a boy can become a girl and a girl can become a boy.

"I'm not going to use the nonsensical term 'transgender'. 'Gender' is a grammatical term. Nouns in some foreign languages have a 'gender'. Humans do not have a 'gender', they have a 'sex', and it is either male or female. This is simple science, simple biology. But our school system refuses to teach the truth to the children and continues to teach the lie. I'm not going to get into who or what is behind this "gender agenda", or whether the School Board, administrators, and teachers actually believe the lie they are teaching to the children. Maybe some of them do. If so, they are completely incompetent, and their employment should be terminated. Maybe some of them are going along with the lies because they are afraid of losing their jobs if they speak the truth. Imagine a teacher being fired for teaching science!

"Would you fund this school system if they were teaching that the earth is flat, or that the moon is made of green cheese? You would not give them a penny. But this lie is much more dangerous than that. It is destroying the minds, bodies, souls, and spirits of the children, and it must be stopped. This board has the ability to stop it, and you should stop it now. Do not give this school system one penny until they stop teaching this insanity to the children."

Michael Williams, 1405 Jefferson Avenue, said he has witnessed the unacceptable treatment of E. Wilson Morrison Elementary School (EWM) students in budget discussions and the lack of parity between EWM and other publicly funded schools in the County. Some improvements have occurred over the years, which is encouraging, but EWM is the only elementary school in the County without a true gymnasium. There is inadequate teaching space, an archaic elevator, and an auditorium that has not been renovated since its construction in the 1920s. He does not want to see the students of EWM continued to be treated as the redheaded stepchildren; he encouraged the Board to set politics aside and finally provide the long-awaited and much-needed improvements to EWM.

Melissa Chappell-White, 140 Dogwood Farm Road, read the following prepared statement: "The Agenda posted for tonight's Public Hearing for the FY 2022-2023 Warren County Proposed Budget does not contain sufficient information for the Shenandoah Farms Sanitary District. There appear to be no figures stated for revenues - which should be comprised of several categories. There should be around $1 million in sanitary district fees, plus significant amounts for equipment rental, lot fee delinquency sales, and other revenue categories. There appear to be no figures for expenditures, either. Thus, there is no way Shenandoah Farms Sanitary District resident taxpayers can evaluate that part of the Proposed Budget.

"Page 4 of the agenda states a figure of $810,093 for "contract payments for road maintenance, snow removal, VDOT revenue sharing project, maintenance of community common areas, VMA-VACo payment, and administration and miscellaneous expenses." But there is no line-item breakdown for any of these expenditures, nor any mention of amounts paid to, or on behalf of, POSF Inc., a private corporation which owns many properties within the Shenandoah Farms Sanitary District, and also serves as the SFSD advisory board (at least until termination of its contract effective 6/30/22).

"As you know, there are significant issues relating to the termination by POSF Inc. of its contract with the County to serve as the advisory board for the Shenandoah Farms

Sanitary District. One question is whether POSF Inc. has been paying Shenandoah Farms Sanitary District fees for the 70 or so properties POSF Inc. owns (including a 188.87-acre property that is not a common area). Another issue is whether POSF Inc. has been paying real estate taxes on any of its properties, most of which would probably not qualify for nonprofit real estate tax exemption even if POSF Inc. had applied for that on any of its properties, which there is no public evidence that it has. In fact, there is no publicly available evidence that POSF Inc's ownership of those properties is even on file with the Commissioner of Revenue's real estate office. Thus, there is at least a possibility, if not probability, that POSF Inc. owes decades worth of sanitary district fees (for which there is no nonprofit exemption), as well as real estate taxes on at least some of its properties, plus penalties and interest.

"Therefore, this is a written request to the Warren County Board of Supervisors, pursuant to its Rules, that immediate action be taken to:

1. Suspend any further action on the Shenandoah Farms Sanitary District proposed budget, pending public release and public hearing for all significant revenue and expenditure items; and
2. Suspend all involvement of, and payments to, POSF Inc. relating to its April 5, 2011 contract to serve as an advisory board for the Shenandoah Farms Sanitary District, pending completion of investigation, and resolution, of all currently outstanding issues."

Dennis Willingham, Sr., 792 Old Belmont Road, voiced his displeasure that the Board was not considering lowering the personal property tax rates on vehicle despite the value of vehicles increasing. He is on a fixed income, and not only is inflation causing the cost of living to increase, but his bill for his vehicle will too, and the Board does not seem to care. He thinks it is about time that someone stood up and took notice of what is going on.

Leslie Mathews, 143 Mathews Lane, asked the Board to cut the proposed budget by at least the amount that is anticipated to be collected due to the increased valuation of vehicles. Today's economy is no time to add a burden to taxpayers, and the rate of inflation occurring is a huge burden on citizens already. She urged the Board to review the working budget and cut it to the level necessary to operate the County in such a manner that provides all hardworking citizens and families the opportunity to live and thrive here.

Lynda McDonough, 1205 High Top Road, said she is in agreement with all previous speakers, specifically Ms. Chappell-White regarding the properties owned by POSF, Inc.

Wyatt Strickland, 180 Overbrook Lane, introduced himself as the President of Shenandoah Shores Volunteer Fire Department (Station 5). He said Station 5 has no career staffing but still deals with the same issues the other districts deal with. The Station needs to have career staffing 24/7/365 to ensure citizens in the Shenandoah Shores area are safe.

There being no further comments from the public, Mrs. Cullers closed the public hearing.

Dr. Daley reported there are three clouds currently looming over the proposed County budget:

1. The final determination on the Warren County Public Schools (WCPS) budget;
2. The final options, as determined by the State, for personal property tax rates; and
3. The final State budget figures, which will highly impact WCPS, Constitutional Offices, and the Department of Social Services.

He proposes the Board adopt all calendar year 2022 tax rates, with the exception of Personal Property, at its meeting on April 19th so the Commissioner of the Revenue's and Treasurer's Offices can begin the billing process. The Board can come back to finalize the Personal Property tax rates and FY 2022-2023 budget figures after the State legislature has made its decision.

Mrs. Cullers acknowledged the concerns of the speakers regarding the personal property tax rate and vehicle valuations and confirmed the Board is working with the Finance Department and Commissioner of the Revenue's Office on potential solutions.

Dr. Daley then addressed the concerns raised about the lack of a line-item budget for the Shenandoah Farms Sanitary District. When the Public Works Department was managing the sanitary district, it submitted a line-item expenditures request, similar to the ones submitted for other County-managed sanitary districts. However, since the POSF, Inc. Board has requested to terminate the management agreement effective June 30, 2022, they are only required to submit an overall budget request. The Board does not adopt line-item budgets for all sanitary districts, only the ones that have maintenance agreements with the County.

Mrs. Cook asked when staff anticipates receiving final numbers and information from the State, and Dr. Daley said the earliest would be May, but more probably sometime in June. He mentioned as a contingency, all Department Heads and Constitutional Officers were instructed to find 2% to cut from their budgets. Mrs. Cook thinks there are other items that can be cut from the budget instead of asking Department Heads to cut their overall budgets, such as some of the funding that goes to partner agencies.

Mrs. Oates wondered if the Board would need to hold another public hearing if the final budget figures differ drastically from what is currently proposed. Dr. Daley replied that unless the budget increases, the Board would not need to hold another public hearing. He complimented the County Department Heads on doing a good job presenting conservative budget requests.

**Adjournment**

Mrs. Cullers adjourned the meeting at 7:55 PM.