

AT A MEETING OF THE MIDDLESEX COUNTY BOARD OF SUPERVISORS HELD
ON TUESDAY, FEBRUARY 6, 2024, IN THE BOARD ROOM OF THE HISTORIC
COURTHOUSE, SALUDA, VIRGINIA:

Present: Wayne H. Jessie, Sr., Jamaica District
Don R. Harris, Saluda District
William A. Harris, Hartfield District
Reginald A. Williams, Sr., Harmony Village District
Randy Crittenden, Pinetop District

Matthew L. Walker, County Administrator
Heather W. Lewis, County Attorney
Ann Marie Ricardi, Assistant County Administrator
Shanae Hammond, Executive Assistant/ Deputy Clerk

CALL TO ORDER

Chairman Don Harris called the meeting to order at 9:10 a.m. for the purpose of conducting a budget work session.

ROLL CALL

Attendance was taken by Mrs. Hammond with the following roll call: Supervisor Williams – Present; Supervisor Bill Harris – Present; Supervisor Crittenden – Present; Supervisor Jessie – Present; and Chairman Don Harris – Present. There was a quorum.

BUDGET REQUESTS PRESENTATION

<u>AGENCY</u>	<u>PRESENTER</u>
Commonwealth Attorney	Mike Hurd
Information Technology	Kevin Gentry

BREAK

The Board took a 21-minute break.

PRELIMINARY BUDGET ALIGNMENT REQUESTS

Mr. Walker asked the Board to provide their feedback on the agencies' budget presentations from the February 2 meeting.

There was some discussion about the School Board's budget request which has not been submitted yet. Mr. Walker informed the Board that there will be a joint Board of Supervisors and School Board meeting scheduled for February 13, where the School Board will present their budget request.

Chairman Don Harris opened the floor for the Board members to ask questions.

Supervisor Williams asked about the adjustments made to the bank stock tax. Mr. Walker stated that it was complicated because there was some confusion with the banks regarding which bank to submit the bank stock tax estimates to. He stated that it was his understanding that one of the estimates went to the Town of Urbanna and the County will keep the estimated amount of \$151,000.00 that was adjusted.

Supervisor Jessie asked how the invested amount of \$12 million is included in the overall operating budget. Mr. Walker stated that it is in revenue, under *use of money and property* category. He stated that the amount invested was increased from last year's amount of \$528,990.00 to \$610,000.00 and that the current interest rate is 5%, but he did not want to overestimate revenue, so he is using a 4% interest rate just in case interest rates go down.

Supervisor Bill Harris asked if the 1% that is not being budgeted stays in the Fund balance. Mr. Walker responded yes and added that any money that is not spent goes into the Fund balance.

Supervisor Williams asked two questions. 1) Why is more money not being invested if the current Fund balance shows \$16.7 million dollars? 2) Is the County able to project our yearly finances? For example, Mr. Williams stated there was a request in the amount of \$75,000.00 that was asked for 6 months after the budget had been approved. He feels that we should maximize more of the money we have available in the Fund balance and use the money that is available in investment for emergencies. Mr. Walker responded that he, Mrs. Wright, Treasurer, and Ms. Ricardi have been working together on trying to maximize the investments and have access to the Local Government Investment Pool (LGIP). Mr. Walker stated that the County missed the opportunity for the 7% locked in rate for six to seven months a year ago. However, the County was able to get the 5% interest rate which is not a locked rate, and it gives the County the opportunity to pull money from it within a one-day notice. He stated that Mrs. Wright has a good eye on the cash flows, looking at what the schools need and what the County needs and what is being spent every month to keep that invested amount maximized. With some of the big projects going on, if the money invested is needed, Mrs. Wright will have the ability to pull that money to help cover costs within a day's notice.

Supervisor Bill Harris stated that he feels whatever money the Fund balance is earning should be put in the General Fund.

Chairman Don Harris addressed two things that has changed with the Board such as: **1)** Investing money from the General Fund for additional interest and **2)** with so many projects going on there is a question of where the money is coming from and how we are going to pay for it. Chairman Don Harris stated that is a big issue right now because everything has come at one time. It is important for the Board to look at what we are doing, how we are doing it, what we are funding, how much the County owes and when the debt services will be paid off.

Chairman Don Harris asked to see the detailed spreadsheet showing the department increases and decreases. After much discussion between the Board and the staff, Mr. Walker stated that some comments and questions he would like to ask the Board will have to wait until the February 13 meeting when the school is present.

Mr. Walker asked the Board for their thoughts on the 1% COLA for County staff. He asked if they would like to match the schools and add a 1% increase in the budget. Ms. Ricardi asked Mr. Walker to clarify what the Governor's request was.

Mr. Walker responded that it is a 1% increase. He reviewed how the state budgeting process works in regard to the schools, Compensation Board, and the County staff. He stated that the County would get reimbursed by the Compensation Board for the Constitutional positions and by the Department of Education for state supported, Standards of Quality (SOQ) funded positions. Mr. Walker suggested the Board wait and see what the state does. He stated there would be no tax increase needed for a 1% County staff increase if the Board chose to do that. The increase could be funded from the Fund Balance. Mr. Walker informed the Board that they can wait until June to decide.

Chairman Don Harris asked if the school's budget with the 1% already added is predicated on assuming that the state will approve the minimum COLA increase. Mr. Walker responded yes.

Supervisor Williams asked if the department requests already include raises. Mr. Walker responded that the department requests did not, except for the Sheriff's Department, where Sheriff Bushey submitted his department payment plan.

Chairman Don Harris asked the Board if there were any questions about the 1% and if they would like to take action or wait. The Board responded to wait.

Chairman Don Harris stated that there were no other matters at this time and reminded the Board of the next meeting starting later that day at 3:00 p.m. and asked for a motion to adjourn.

ADJOURNMENT

A motion to adjourn the meeting was made by Supervisor Jessie and seconded by Supervisor Williams and it was carried by the following roll call: Supervisor Bill Harris – Aye; Supervisor Crittenden – Aye; Supervisor Jessie – Aye; Supervisor Williams – Aye and Chairman Don Harris – Aye. The meeting ended at 12:20 p.m.