

AT A MEETING OF THE MIDDLESEX COUNTY BOARD OF SUPERVISORS HELD
ON THURSDAY, APRIL 28, 2022, IN THE BOARD ROOM OF THE HISTORIC
COURTHOUSE, SALUDA, VIRGINIA:

Present: Wayne H. Jessie, Sr., Jamaica District
Don R. Harris, Saluda District
John B. Koontz, Jr., Hartfield District
Reginald A. Williams, Sr., Harmony Village District
Lud H. Kimbrough, III, Pinetop District

Matthew L. Walker, County Administrator
Ann Marie Ricardi, Assistant County Administrator
Heather W. Lewis, County Attorney
Susan C. Traner, Deputy Clerk
Tammy-Lynn Gilbert, Deputy Clerk

CALL TO ORDER

Chairman Kimbrough called the meeting to order at 7:00 p.m. for the purpose of conducting the FY2023 tax rate public hearing and budget deliberation and adoption.

ROLL CALL

Attendance was taken by Ms. Ricardi with the following roll call: Supervisor Williams – Present; Supervisor Koontz – Present; Supervisor Harris – Present; Supervisor Jessie – Present; and Chairman Kimbrough – Present. There was a quorum.

TAX RATE PUBLIC HEARING

Mr. Walker gave a presentation on the proposed FY2023 tax rates and budget consideration and adoption for the FY2023 budget. He proposes a tax rate of \$0.61 per 100 assessed value be adopted but he added that this isn't a one-cent decrease from the current \$0.60 rate but an increase of six-cents. He explained further that the new assessed value exceeded the previous assessed value by 12% in total valuation which explains why the one-cent decrease is in fact a six-cent increase.

Mr. Walker also discussed the proposed personal property tax rate for boats over five tons being increased to \$0.98 per 100 assessed value from the current \$0.62 which is an increase of \$0.36 per 100 assessed value. He did reiterate this only applied to boats over five tons and all other personal property classification rates would remain the same.

Mr. Walker gave a breakdown of how revenue's fund the County and similar to other rural communities, Middlesex County is dependent on general property tax, real estate tax, personal property tax and taxes on corporate holdings such as the Virginia power telephone companies. Mr. Walker pointed out that compared to neighboring counties

tax rates, Middlesex County still comes in close to the bottom, just above Lancaster County.

Mr. Walker discussed steps the County was taking to keep costs low and offset new costs. He mentioned that the County is actively pursuing selling or converting unused property back onto the tax rolls; adding that Middlesex County owns substantial tracts of land and if there isn't a use or need for them, the land should be sold or converted to the EDA to be used for economic development purposes; helping attract businesses which helps to expand the tax base. Mr. Walker is also very impressed with the Cigarette Tax which is doing better than anticipated. The numbers are continuing to come in strong, with an estimated amount of approximately \$200,000 per year.

Mr. Walker stated they are focusing on investing in infrastructure, improving property values, which will broaden the tax base by making certain properties more valuable and encouraging better development. He added the county continues to work with and facilitate the expansion of existing businesses like both Grey's Point and Beth Page Campgrounds as well as attract new business growth such as Tractor Supply. Mr. Walker is optimistic that as a result of the County's earnest efforts in working with Tractor Supply, this will be a successful venture.

Mr. Walker commended all County employees and is proud of the Middlesex County work environment.

PUBLIC HEARING COMMENTS

Chairman Kimbrough opened the public hearing comment period at 7:16 p.m.

Mr. Lee Roberts proposes that a 55% tax rate should be in place. He mentioned how the average household must figure out ways to stretch the dollar. There are people retiring or already on fixed incomes and this is all a strain on the household. However, a boat is a luxury. If you can afford a boat, you should be able to afford the tax.

Mr. Andy Anderson is the current owner of Bridge Marina and Port Marina in Urbanna. He mentioned a report describing the success of the marine industry; however, he wanted to bring to the Boards attention, he knows that his marina and several others in the area, are not fully booked even though their rates are lower than neighboring counties. He believes the other counties are having more success because there is relatively zero tax and it is hurting the marine industry in this County.

Mr. Jim Knott wants to see more investment into the schools. Even the proposed increase, leaves teachers in this county lagging behind pay compared to other counties. This must be done to retain good teachers and recruit good teachers.

Ms. Laura Longtan just wanted the Board to be aware that she never received any notifications that assessments were done. She really would like to receive her assessment and wants to know why she hasn't received it yet.

Mr. Dan Pringle stated that he is the owner of Regatta Point, formerly Dozers Marina. He has been the owner since 2019. He mentioned discrepancies between what the marina is worth versus what the assessed value is and that he is required to pay taxes on the assessed value and not the amount he paid. The boat tax is putting these marinas in a situation where they are unable to compete with neighboring counties. He wants to hire more people and help support the community, but he just can't. They rely on summers to survive and if boaters leave, businesses suffer. Mr. Pringle really hopes the Board will work with them to help make the community a success.

Mr. John Farenthold spoke about the marine industry not just being about the marinas but its about the boat yards servicing the boats, the watermen and other services that work with the marine industry. He stated this increase will have a negative impact on the marine industry. He asked the Board for their help and support and not increase the boat tax so that they can continue to work at building up the industry.

Ms. Smith stated that she has been a resident of Middlesex County for nearly 50 years; she came here with her husband and became involved in the boating industry. Ms. Smith said that Middlesex County was at one time, number three in the entire Commonwealth of Virginia in boat registration; however, over the years it has changed, declining 17% in boat registration since 2007. She mentioned that the people who are buying boats are smart and will move their boats to locations where they will not have to pay \$1,000's in taxes. All these boat owners leaving the County will start negatively impacting every industry here. Ms. Smith doesn't just want the tax lowered; she requests the tax be abolished all together.

Mr. Davis Wilson stated that he believes whether you own an RV, Airplane or Boat, if you want to own it, you must pay for it. He explained that he looks at this issue a bit differently than others; he believes that people are leaving because of the limitations and costs of fishing these waters. He stated that RV taxes are \$2.60 per 100; airplane tax is \$2.10 per 100 both are luxury vehicles, and he would like everyone to be treated fairly and tax luxury vehicles the same across the board.

Ms. Linda Muller voiced her concern with raising taxes for increasing teacher pay. The way she figures, teachers are paid close to \$43,200 but if you equate that to a full year instead of only 200 days, it works out to be closer to a salary of \$52,600. She doesn't think a 7% increase, or more is needed. She also said all these unused County properties are owned by the taxpayers of this County and she wants to see something done with them to make the County more profitable by getting the money from these properties and not just letting them sit.

Ms. Katie Carnes said that nobody is pleased with the real estate tax. She went on to state that we need to find ways to increase the residents living in the County, she believes the numbers decreased on the last census. She said that Mr. Walker stated that the County wants people to come here to retire and young families to move here and with most seniors on fixed incomes, they don't want to see increased real estate taxes. Young families can't afford to shop at stores like Kroger and Food Lion, and

instead they end up shopping in stores like Aldi's and go to Walmart for necessities. She also mentioned gas prices doubling. She said the household expenses are going up and now real estate taxes went up 51%.

Ms. Carnes' time was up; however, she stated she'd take time from another public speaker; Chairman Kimbrough reminded Ms. Carnes that as stipulated in the public speaker rules, this practice is not permitted.

Ms. Patricia Taylor said that her assessment on her home went up 23% and she is assuming they never even looked at the property since there hasn't been any improvements to the property in the past 5 years. She mentioned that if you compare her property to the waterfront properties of her neighbors, none of their assessments were marked up to this extreme, in fact most were marked up below 10%. She stated that she would like to know what criteria the assessors use to arrive at the numbers they do.

Ms. Dawn Moore informed the Board about the noise and congestion from the campground. Although community members must put up with this, they are not permitted access to the campground facilities to use. With all the revenue from the campground, you should pay the teachers increase; however, you are going to raise the taxes again. She spoke about her concerns with County property that just sits, and nothing is being done with it. Ms. Moore mentioned she wants to bring her children up in this County; however, she could get better tax breaks in other counties.

Chairman Kimbrough closed the public hearing comment period at 7:51 p.m.

BOARD DISCUSSION/DELIBERATION

Supervisor Williams spoke about the real estate assessments. He also discussed some services and programs offered to the citizens that are provided without any financial assistance from the state so the money for these services and programs must come from somewhere. He also encourages people to be more involved in community meetings.

Supervisor Koontz spoke of his support for the County schools and discussed how the School Board's budget is based on the basic needs just to get by. Mr. Koontz mentioned how the County meets those needs but has never exceeded them. Mr. Koontz stated his support for the \$0.61 real estate tax rate, \$0.61 for boats over five tons and \$0.61 for boats under five tons. He also stated his support for making sure the schools are funded.

Supervisor Harris thanked the citizens who attended and participated in the meeting. He assured everyone that the Board works for them, and the Board members will address citizens' concerns. He mentioned the Board working together and reaching decisions through discussions to achieve the best results for the county.

Supervisor Jessie discussed his tenure with the Board and that he is a lifelong resident of the County. He remembered the booming boating industry but added that with changing times, they need to come up with other ways to improve business. He stated that the Board supports the school and over the years, the schools were given the majority of what they requested. He also said that you can't compare neighboring counties because it's not a fair and accurate comparison. Mr. Jessie discussed the various ongoing projects happening in the County such as water and sewer. He mentioned the Board's continued efforts with the County's smart economic growth.

Chairman Kimbrough discussed a brief history of boating industry in the County and stated that boating is in the DNA of Middlesex County. He stated we needed to do everything to support local business and grow industries, adding this would help alleviate the tax burdens and expand the tax base. Mr. Kimbrough also stated that he feels the School Board has performed responsibly with their budget and the Board is meeting the needs of the School Board. Mr. Kimbrough said that he feels they can achieve a balance budget and recommends leaving the boat tax as it stands now, lower the real estate tax rate to \$0.61 cents and meet the requests of the School Board.

BUDGET ADOPTION

A motion for the tax rate on boats over five tons be set at \$0.98 and the real estate tax rate be set at \$0.61 was made by Supervisor Williams and seconded by Supervisor Jessie and did not pass based on the following roll call: Supervisor Koontz – Nay, Supervisor Harris – Nay, Supervisor Jessie – Aye, Supervisor Williams – Aye, Chairman Kimbrough – Nay.

A motion for the tax rate on boats over five tons to remain at \$0.62 and the real estate tax rate be set at \$0.61 was made by Chairman Kimbrough and seconded by Supervisor Harris and carried by the following roll call: Supervisor Harris – Aye, Supervisor Jessie – Nay, Supervisor Williams – Nay, Supervisor Koontz – Aye, Chairman Kimbrough – Aye.

ADJOURN

A motion to adjourn until the next regular meeting, scheduled for Tuesday, May 3, 2022 at 3:00 p.m., was made by Supervisor Jessie and seconded by Supervisor Williams, and carried by the following roll call: Supervisor Jessie – Aye; Supervisor Williams – Aye; Supervisor Koontz – Aye; Supervisor Harris – Aye; and Chairman Kimbrough – Aye.

Lud H. Kimbrough, III
Chairman, Board of Supervisors