

Grayson County Board of Supervisors  
Budget Work Session – GCHS Auditorium  
May 26, 2022

Members attending in person: Michael S. Hash, John S. Fant, Kenneth R. Belton, R. Brantley Ivey, and Tracy A. Anderson.

Staff attending in person: William L. Shepley, Mitchell L. Smith, Leesa A. Gayheart, Linda C. Osborne, and David Gottschamer.

#### IN RE: OPENING BUSINESS

Supervisor Fant made the motion to approve the agenda/consent agenda; duly seconded by Supervisor Anderson. Roll call vote as follows: Tracy A. Anderson – yes; John S. Fant – aye; R. Brantley Ivey – aye; Kenneth R. Belton – aye; Michael S. Hash – aye. Motion carried 5-0.

#### IN RE: NEW BUSINESS

- Resolution – To Extend the Deadlines for Payment of Certain Local Taxes

Mr. Shepley read the resolution (listed below). Supervisor Anderson made a motion to entertain the resolution along with a 25% refund back to the citizens – with no second the motion died. Supervisor Fant made a motion to accept the resolution and look at a proposed levy adjustment at a later date; duly seconded Supervisor Belton. Supervisor Anderson noted that the motion he put forth was to refund the money to the citizens and Supervisor Fant noted that the motion is to accept the resolution so we can meet the deadline and because we don't know the level of expenses the county may be facing down the road (budget increase requests, etc.) and am open to the idea of discussing in the budget work session. Supervisor Ivey in full support of figuring out how to help the citizens in the county – approve the resolution and then figure out how to get some tax relief for our citizens. Supervisor Belton noted he's in agreement as no one knew the values would increase so much. After more discussion, Supervisor Fant restated his motion to accept the resolution as presented and no intention not to discuss tax relief and when we come to the budget work session section we can further discuss, make motions, etc. Roll call vote as follows: Tracy A. Anderson – aye; John S. Fant – aye; R. Brantley Ivey – aye; Kenneth R. Belton – aye; Michael S. Hash – aye. Motion carried 5-0.

**RESOLUTION**  
**OF THE GRAYSON COUNTY BOARD OF SUPERVISORS**  
**TO EXTEND THE DEADLINES FOR PAYMENT OF CERTAIN LOCAL TAXES**

**WHEREAS**, Commonwealth of Virginia has not yet adopted a current budget governing the upcoming fiscal year; and,

**WHEREAS**, the Board of Supervisors of Grayson County, Virginia recognizes the hardships imposed on the citizens of the County as a result of the lingering effects of the COVID-19 pandemic, supply chain disruptions, high levels of inflation and unprecedented high valuation in the market for used vehicles; and,

**WHEREAS**, in light of the foregoing, the Board of Supervisors desires to provide the public with additional time for payment of certain local taxes and hereby finds that good cause to do so exists, in accordance with Va. Code § 58.1-3916, which permits deadlines for collection of local taxes to be extended for up to ninety (90) days;

**NOW, THEREFORE, BE IT RESOLVED, BY THE BOARD OF SUPERVISORS OF THE COUNTY OF GRAYSON, VIRGINIA THAT:**

1. The deadline for payment of tangible personal property taxes imposed by the County of Grayson is hereby postponed for a term of eighty-nine (89) days, from the 5th day of June 2022 to the 2<sup>nd</sup> day of September 2022.
2. All payment for tangible property taxes made during the extended deadline period shall constitute payments made on time, and no penalty or interest shall be applicable to payments received during the extension period.
3. The Clerk of the Board is hereby directed to provide a copy of this resolution to the Treasurer and Commissioner of the Revenue.
4. This resolution does not relieve liability nor waive noncompliance by any taxpayer that occurred for previous tax years.

***Adopted by the Grayson County Board of Supervisors, on this 26<sup>th</sup> day of May 2022.***

Effective Date: This resolution shall become effective the date of its adoption.

This measure was adopted upon the following vote of the Board:

Member	Vote
Michael S. Hash	_____
Tracey A. Anderson	_____
John S. Fant	_____
Kenneth R. Belton	_____
R. Brantley Ivey	_____

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Clerk, Grayson County Board  
Of Supervisors

## IN RE: PUBLIC HEARING – PROPOSED REAL PROPERTY TAX INCREASE

Supervisor Fant made the motion open the public hearing; duly seconded by Supervisor Ivey. Roll call vote as follows: Tracy A. Anderson – aye; John S. Fant – aye; R. Brantley Ivey – aye; Kenneth R. Belton – aye; Michael S. Hash – aye. Motion carried 5-0.

Mr. Larry Bolt, Commissioner of Revenue addressed the Board and gave an update: real estate– on 6yr cycle – last reassessment completed in 2016 with the next one in 2022 – 14% overall increases county wide – houses increased 33% based on sales – last year’s levy was .59 – to be within 1% of last year's monies, overall the levy would need to come down to .52 to be revenue neutral – advertised for .56 which is more than 1%, thus the reason for the public hearing tonight. Person Property – vehicles are valued by the NADA (JD Power now) on January 1 of each year – values are based on how cars are selling/demand/supply – auto plants shut down during COVID along with auto parts factories which hurt the supply chain and drives prices up. New values came in higher but at the same rate which increased the tax bills – we do have a lot of out of county/state vehicles that we don’t get to collect from.

- Dennis Hines, Fries, Va. – asking to lower personal property and real estate levies – request refunds; live stream all meetings so citizens can be informed
- Wanda Pinion, Elk Creek, Va. – good to extend personal property; requested real estate property be decreased; tax trees; petition going around to stop the Baywood Project
- Elizabeth Kafka, Independence, Va. – tax trees – explore options that would put money back into the county budget – harmful effects on county, air, water; requested tax dollars not go to support trees; refund on personal property – affects all in communities
- Eddie Sutherland, Elk Creek, Va. – asked where the \$25 for the county sticker is going; look at trees – water in county is being affected due to the spray they spray the trees with
- Susan Cowen, Fries, Va. – Baywood Project concerns – who approved it – relying on personal property to help with Baywood; make more visible to citizens of the county; every person deserves a voice
- Jonathan Warren, Independence, Va. – need to look out for the citizens in the county; 20+% tax increase unethical – with inflation, ridiculous to impose a tax increase; Baywood – leaders are out of touch with citizens of the county – 2% of current levy going to Baywood; tax trees
- James Kofink, Mouth of Wilson, Va. – RV values increased drastically – take a step back and reevaluate – 25% refund would be great – citizens need relief: good idea to tax trees
- Bob Heise, Independence, Va. – increase in value but no benefit in land unless you sell; crazy to raise budget on top of tax increase – the Board serves the citizens – hurting citizens of the county
- Mitchell Cornett, Independence, Va. – voiced concerns on increases which will put a burden on the county; no transparency regarding the Baywood Project; tax

increase affects all in county; good idea for the Board to release more facts – it's the citizens tax dollars.

- Ann Rose, Independence, Va. – spoke about Baywood Project – against it; health facility in Whitetop not being used; Grant Clinic open 1 year; spend money on public safety – replace fire/rescue radios
- Pam Carpenter, Independence, Va. – noted Governor Youngkin signed HB-1239 on March 28, 2022, to lower tax rates and quoted press release from the Governor's office; Board had opportunity to help the citizens and failed
- Roger Billings, Independence, Va. – all citizens have a voice; rate is the problem, not the value; Baywood Project – against it.

Supervisor Fant made the motion to close the public hearing; duly seconded by Roll call vote as follows: Tracy A. Anderson – yes; John S. Fant – aye; R. Brantley Ivey – aye; Kenneth R. Belton – aye; Michael S. Hash – aye. Motion carried 5-0.

Chair called for a break at 7:25 p.m. Meeting resumed at 7:45 p.m.

#### IN RE: FINANCIAL FORECAST

Mr. Corbin Stone of Robinson, farmer, Cox Associates, presented the financial forecast draft (on file in the County Administration Office). Mr. Stone noted the following:

- this has been the most difficult budget year due to inflation
- hard to forecast once wage inflation hits, you can't go back
- low debt burden (2700/person)
- healthy fund balance (estimated at 11.7M which included 3M in ARPA – will help today but not down the road)
- per Weldon Cooper – population is relatively flat
- highlighted page 5/10/11 of 13 of the financial forecast draft
- inflation won't go away – tax revenues has to catch up
- healthy balance of 11.7M at end of 2023 – close to 20% currently which is good – need 10% in reserve minimum to be responsible - 15%-18% is ideal – don't need to drop to 10% or below; losing 1% over 1 year is not overly concerning
- if fund balance is decreased, ramifications would be you'd have to raise taxes to build back
- tax revenues will have to catch up with inflation – can't hold off forever
- Mrs. Gayheart noted this is a draft and is based on .54; could do .56 as well

Mrs. Gayheart then noted the objectives for this meeting sheet she handed out which are things that must be covered in tonight's meeting – some requiring a vote and some requiring direction from the Board otherwise the approval of the budget could be delayed.

- Emergency Services – Allen Faulkner, Fries Fire/Rescue addressed the Board and thanked the Board for their support. A committee was formed and we've worked closely with the Emergency Services Coordinator. A budget was

compiled and presented to the Board – costs have increased – volunteers have gone down – and emergency services now needs help – training takes time/money – fundraisers take time/volunteers – budget would take a little stress off the agencies. QRV (Quick Response Vehicle) and would be an ALS responder, it would help - it's not about taking someone's area, it's about getting the quickest response/help to the person in need – expected response from 911, you expect 911 to come – this won't fix all the problems – cost effective to the county and giving the best care as soon as possible – Fries call volume last year was almost 600 dispatches – Galax does back up but they are short staffed – 244 calls not responded to – don't have county-wide numbers. Mr. Phillip Adams noted the QRV – purpose is to better emergency services with the least impact to the county and the volunteer agencies – it would help supplement agencies and doing something now is better than doing nothing. Paid ALS and QRV would need to become an organization like OMD – Operating Medical Director which would be state regulated, or put under an agency, then the agency would establish a commission which could then decide who to take the lead. Supervisor Fant noted concern over the creation of another government agency – retaining volunteer organizations, having a county organization might do more harm to the volunteer agencies. Mr. Adams noted that if something is not done soon, then some of the doors for the volunteer agencies would close. The 30 minutes response time is set by themselves and not met every call even though it's standard time – QRV could help the response time – minimize the time to get there – resources is the key. Supervisor Ivey noted that the commission voted unanimously for the budget proposal but some didn't necessarily agree – whether paid or volunteer, huge struggle, if no people to drive QRV, not much good having one – need to focus on recruitment and retention – volunteer and paid – each agency has their own issues and individual needs which needs to be addressed – appreciates the report – recruitment/retention is a nationwide issue – in support of EMS. Mr. Adams noted the possible individual needs and possibly the commission needs to break it down and help each other out. Supervisor Anderson noted he wasn't aware that some agencies were a little disgruntled – ALS (Advanced Life Support) requested 3 – understood that they would contribute to the recruitment and retention and have other duties during their down time. Mr. Faulkner noted that person would be looking for grants among other things – found out 2 weeks ago regarding the concerns and during the last 2 meetings, their concerns were not brought forward – hard to fix any issues if we're not aware of any. Supervisor Fant – help remove whatever administrative burdens there are – if the goal is to maintain/strengthen community we need to do it in incremental steps – do it for the benefit of the community, not because you have to pay expenses. Mr. Adams noted that there are 3 agencies that have paid staff, Independence/Baywood/Elk Creek, because they don't have volunteers. Supervisor Hash noted that the recommendation from the Board to the Commission is to work toward the best resolution. Supervisor Belton noted he's in support of all first responders – 3 has been requested, would 1 work for

the time being? Mr. Faulkner noted they'd be willing to try and then reassess in a year. All volunteers have a heart for the community. Supervisor Anderson noted they are willing to work with 1 if that's all that can be gotten; 2 would better fit the plan based on rotation – in favor of 3 but also in favor of 2 – public safety is number 1 – appreciate what you do. Mr. Faulkner noted that fire is also involved – presented about the trucks and ambulances – Baywood's newest one is a 1996. Mr. Gary Hash, Independence Volunteer Fire, noted that each department is in the same boat – trucks/tankers age quickly – newest pumper is a 2003 and backup truck is 31 years old – regarding retention of members, starting in high school and would like to add an EMS/Firefighter 1 class in high school – ladder truck would be nice to have – closest one is Hillsville, and they are safer. Mr. Smith noted that Mr. Hoyle has had positive response for offering class in high school – instructor would be needed.

The Board took a break at 9:04 p.m. The meeting resumed at 9:23 p.m.

#### IN RE: BUDGET WORK SESSION DISCUSSION

- Supervisor Hash noted his proposal for consideration which would give a balanced budget with the use of ARPA funds; come down 2 cents on the levy (from .56 to .54) and recoup for the citizens the personal property tax rate and bring it back level from last year and fund the capital improvement list and the department head requests, with the exception of the Baywood Project (put on hold) – there will probably be some cost associated with ending the contract. Discussions will be entertained regarding any CIP items, agency increases – rec park – sheriff's office – school's RLE.
- Supervisor Ivey – drop levy down from .59 to .54; remove Baywood Project from CIP; everything on the CIP would be funded which includes all on the list Mrs. Gayheart handed out – Mrs. Gayheart noted it would cut into our general fund balance – there is carry over used to balance the budget – fund balance would drop – it would cut out the ARPA money and the carry over is approximately \$1.75M which is used to cover this budget.

Mrs. Gayheart – leaving personal property flat from 2021 – just current year (2022) and/or future or only future 2023. Supervisor Anderson noted there is a net increase each year with citizens adding vehicles and if we went to 25%, we would still see an increase. Supervisor Fant noted that if it's left at \$2.25 where it currently is, then January 2023, it can be readdressed based on values. Supervisor Anderson noted per an email from the county attorney, we can't adjust the \$2.25 rate for the current year, thus a refund. Supervisor Ivey – address actual taxes that are being paid right now – we don't know what will happen next year – using county funds for tax relief this year. Supervisor Anderson noted we would need to do a percentage – we can't adjust the \$2.25 rate this year – then deal with next year after the January values come out. Mr. Smith noted that Mr. Stone recommended we talk to the county attorney regarding PPTRA, that you can do more relief than what that tax it – rate is set by the state, but

the county can do more – can adjust the relief rate that the state sets that the county can add to. Mr. Bolt noted that the state does not set the PPTRA rate – the Board of Supervisors sets the rate – Grayson County receives \$437,000 from the state for car tax relief and the Commissioner’s office calculates the percentage for qualifying vehicles which is on the first \$20,000 in value – need to use the total amount we receive. This year would need to do a credit or a refund – the law that was passed that goes into effect on July 1, 2022, the county can give back surplus money unanticipated revenues back to the citizens – definition of surplus is undetermined – could compare last year to this year – personal property is up approximately 34% - 90 days should be enough time to figure out a way to do it – figure out how much more money the county took in from the personal property where the values increased (vehicles, motorcycles) and then figure out how much to return – percentage would be the fair way as long as we don’t go over the \$437,000 – will have to talk to software company on how this can be done – need to remember than when doing something county wide, some people may still pay more on the vehicle than they did last year – possibility to get something figured out before the 90 days – if they haven’t paid then they would owe a reduced amount and if they’ve already paid, it would show as a credit. Supervisor Fant – establish a percent whether it’s 34% or something different – Commissioner/Treasurer get together then come back before the Board with a proposal and explain how it will be accomplished. Supervisor Fant made the motion to ask County Administration, Commissioner of Revenue and the Treasurer to explore providing tax relief to the taxpayers of Grayson County with a goal of 34% on personal property tax for fy 2021/2022; duly seconded by Supervisor Anderson. Roll call vote as follows: Tracy A. Anderson – yes; John S. Fant – aye; R. Brantley Ivey – aye; Kenneth R. Belton – aye; Michael S. Hash – aye. Motion carried 5-0.

- CIP – Mrs. Gayheart noted that part of the CIP includes communications will affect the CIP. Supervisor Hash noted that the communications for the radio study and was completed with every agency in Grayson County, every agency in Carroll County as well as the City of Galax – goal is to improve the radio systems, trouble spots in the counties and a system that would address those issues – the localities had a joint meeting – choice of 2 communications systems – P25 was selected; went out for bid; will have a joint meeting again with all localities – projected cost for FY23 is \$5.5M.
- \$3.1M FY23 – possible with ARPA money – preferably yes, if it’s not spent then the federal government will take it back – currently at \$1.6M and still have \$1.6M for other capital projects for ARPA money – use ARPA money for this 1 year to off-set the tax levy, then place in operating budget – vehicles (sheriff/public works) are more of a supply – depreciating asset – can use fund balance money as well – it can be done either way. Mr. Shepley noted that this list didn’t set the county up for recurring costs – this is the exception
- Sheriff’s ask of \$150,000 is his original ask – not related to the feasibility study

Supervisor Fant made the motion to accept the CIP with the minor change of designating the \$150,000 for replacement vehicles and the removal of the Baywood Project which would bring the CIP total to approximately \$1.6M using ARPA funds and

funding the CIP; duly seconded by Supervisor Ivey. Roll call vote as follows: Tracy A. Anderson – yes; John S. Fant – aye; R. Brantley Ivey – aye; Kenneth R. Belton – aye; Michael S. Hash – aye. Motion carried 5-0.

- With the balanced budget as just presented the school budget is at \$1.3M and leaves the county with a balanced budget – the ask for the school is \$1.8M – with .54 as the levy which includes the \$150,000 for the sheriff is in the operating budget’- it's showing in both the CIP and the operating budget and will pull out of the budget for this 1 exception this year. Mrs. Gayheart noted that none of the 1 – 3 first responders with vehicles request is not included – it will be moved to the CIP - \$100,000 for each vehicle and would include the salary for 1 person – everything else the emergency services has asked for is in the budget – the things on the meeting objectives list: IT is in the budget; QRV’s are not in the budget but the salaries for the first responders (3) are; ambulance for 1 agency is in the budget; 1 fire truck is not in there for the first year but is the following year – alternating a vehicle each year; ½ employee for VJCCA is included in the budget; sheriff’s vehicles - \$150K will be moved to the CIP; day report ½ employee is included in the budget; public works vehicles (\$360K – packer & packrat) removed from operating budget and placed in the CIP; Rec Park additional full-time employee - \$50K – included in budget; Sheriff – 2 additional deputies & necessary equipment \$62K each – included in the budget – addition based on feasibility study. Supervisor Fant noted comfortable with the 1 deputy, spoke with Sheriff, deputies get EMT certified but he’s not comfortable with ALS and having another department to maintain but having the deputies recruit/retain – not ready to support ALS – ok with doing what the commission recommended except for the paid ALS and the rapid response vehicles – none on the rapid response vehicle concept – community is what this place is about – can readdress it next year. Supervisor Anderson noted he would like to try it whether it’s 1 or 3 and then next year if it’s not working out we can the idea – too critical to wait till next year. Supervisor Fant noted we’re trying to take the fundraising and buying vehicles off them. Supervisor Belton noted that deputies can do cpr, defibrillator but can’t do things an ALS can do and would like to do 1 and try it.
- Meeting Objectives List
  - IT – additional full-time employee (\$50K) – board consensus
  - EMS – 1 to 3 first responders with vehicles (\$100K each) – board consensus is 1 first responder
  - EMS – ambulance for 1 agency (\$220K) – CIP has ambulance this year and a fire truck next year – already have an ambulance so remove the fire truck so fire truck is off for now
  - EMS – fire truck for 1 agency (\$450K) – not in budget, board consensus

School – amount above RLE (\$1.1M to \$1.8M) - \$1.8M is the original ask – Supervisor Brantley noted he’s in favor of funding the school to what they need but moving forward there has to be a way for above RLE that has to go into capital improvement

and in a meeting with a couple of the school board members along with Supervisor Fant, we essentially agreed on 1 bus, kitchen items and the \$45K for maintenance with the rest to be placed in a CIP so as things arise, the school will have the money. Supervisor Fant – funding CIP for the school has been hard – need to place the large amount of money they have coming in to a separate fund – tag it FY25 and by that time all their ARPA money will be gone but they'd have money in their CIP funded by us – fund the things they need above RLE at \$373K; \$600K for the co-use facilities at the school and the remainder to be placed in their CIP for FY25 – then the commitment from this Board is to fund the CIP next year and the years following. Supervisor Anderson – will support that; Supervisor Ivey – goodwill effort between both boards – all should want to fund the school; Supervisor Fant – agreement on the co-use facility which is \$600K and needs to be spelled out exactly what that is – field needs to be accessed/used – also a memorandum of agreement needs to be done on the CIP – we are establishing it and from FY25 on we will fund it - needs to be worked on and agreed to by both organizations – that way everyone knows the rules. Mrs. Gayheart noted that currently there is \$330K that needs to be placed; \$1.3M is in the budget so the \$330K could be applied to the school, giving them \$1.63M toward the capital investments. Supervisor Fant – the above LRE that actually goes in the school's budget is \$373K – the other 2 new categories: Grayson County Recreation Facilities at Grayson County Public Schools - \$600K and then the Grayson County Public Schools CIP line FY25 with the balance the remainder that was just agreed to which would be approximately \$700K. Mrs. Gayheart noted: \$200K-transportation; \$45K – Operations/Maintenance; \$127,799K – food services; \$600K – facilities (co-use of facilities); total \$663K investment into funding the school CIP in FY25. Supervisor Anderson made the motion to approve the school budget as presented and discussed; duly seconded by Supervisor Fant. Roll call vote as follows: Tracy A. Anderson – aye; John S. Fant – aye; R. Brantley Ivey – aye; Kenneth R. Belton – aye; Michael S. Hash – aye. Motion carried 5-0.

- VJCCCA – ½ employee (\$20K) – addressed in budget
- Sheriff – vehicles (\$150K) – addressed – move to CIP
- Day Report – ½ employee (\$17K) – addressed in budget
- Public Works –vehicles (\$360K) – removed from budget and placed in CIP
- Sheriff – 2 additional deputies & necessary equipment (\$62K each) – approved 1 additional deputy
- Rec Park – additional full-time employee (\$50K) – included in budget

Levy – proposal is at .54 on real estate and \$2.25 on personal property, machinery/tools remain unchanged as does merchants capital. Supervisor Fant made the motion to approve; duly seconded by Supervisor Anderson. Roll call vote: Tracy A. Anderson – aye; John S. Fant – aye; R. Brantley Ivey – aye; Kenneth R. Belton – aye; Michael S. Hash – aye. Motion carried 5-0.

IN RE: CLOSED SESSION

Supervisor Ivey made the motion to go into closed session pursuant to §2.2-3711(A)(1) of the Code of Virginia to discuss personnel matter; duly seconded by Supervisor Fant. Motion carried 5-0.

Supervisor Ivey made the motion to come out of closed session; duly seconded by Supervisor Fant. Motion carried 5-0.

Whereas, the Grayson County Board of Supervisors has convened a closed session on the 26th day of May 2022, pursuant to an affirmative recorded vote and in accordance with provision of the Virginia Freedom of Information Act; and

Whereas, §2.2-3711 of the Code of Virginia requires a certification by this Board of Supervisors that such closed session was conducted in conformity with Virginia law;

Now, Therefore Be It Resolved that the Board of Supervisors hereby certifies that, to the best of each member's knowledge, (I) only public business matters lawfully exempted from open meeting requirements by Virginia law were discussed in the closed session to which this certification resolution applies, and (II) only such public business matters as were identified in the motion convening the closed session were heard, discussed or considered by the Board of Supervisors with recorded confirmation from members as follows: Tracy A. Anderson – I so certify; John S. Fant – I so certify; R. Brantley Ivey – I so certify; Kenneth R. Belton – I so certify; Michael S. Hash – I so certify.

IN RE: ADJOURN MEETING

Supervisor Fant made the motion to adjourn; duly seconded by Supervisor Belton. Motion carried 5-0.