

MINUTES
Board of Supervisors
County of Prince George, Virginia

Pre-Budget Work Session
March 2, 2023

County Administration Bldg. Boardroom, Third Floor
6602 Courts Drive, Prince George, Virginia

MEETING CONVENED. Chairman Donald R. Hunter called a regular meeting of the Board of Supervisors of the County of Prince George, Virginia, to order at 5:00 p.m. on February 22, 2023 in the Boardroom, Third Floor, County Administration Building, 6602 Courts Drive, Prince George, Virginia.

ATTENDANCE. The following members responded to Roll Call:

Donald R. Hunter, Chairman	Present
T. J. Webb, Vice-Chairman	Present
Floyd M. Brown, Jr.	Present
Alan R. Carmichael	Present
Marlene J. Waymack	Absent

Also present was: Jeffrey D. Stoke, County Administrator; Betsy Drewry, Deputy County Administrator; and Dan Whitten, County Attorney.

WORK SESSION

General Fund Revenue Discussion. Ms. Betsy Drewry, Deputy County Administrator, Finance, stated that as of June 30, 2022 Ending Fund Balance \$37,849,167 or 32.1% of FY2022 expenditures. This represents 25.69% of budgeted FY2023 expenditures. As of June 30, 2022 fund balance was \$23,104,169 over the 12.5% minimum per the fund balance policy; and \$20,155,169 over 15% of actual FY22 expenditures. It is important to consider actual and possible pledges / commitments of the \$37,849,167 Fund Balance. Ms. Drewry went over the committed projects totaling \$33,871,227.83, including School and County carryovers, grant/donation carryover, donation carryover, Admin Building boiler replacement, Courtroom renovation construction and non-construction costs, flues/stacks for the boiler project, and school buses. The uncommitted fund balance is \$11.7 million more than 15% of FY23 budget expenditures. Real Estate Assessments are complete and have been distributed to Prince George County Real Property Owners. Real Estate Rates apply to Real Estate Taxes, Mobile Home Taxes, and Public Service Taxes. Staff discussed with the Board in November, not equalizing to make needed pay improvements for Public Safety, which took effect January 1, 2023. Staff will seek authority to advertise tax rates, and an effective tax increase due to increase in assessed values on March 16 {work session} following March 14 presentation of Introduced FY2024 budget. The value of \$0.01 is increasing by \$22,000 from \$348,000 to \$370,000. FY23 Adopted Budget: \$28,621,000; FY23 Collections to Date \$15,622,736.15 (54.6% of budgeted amount; collections posted through 2/28/23). They are recommending a \$1,929,000 growth by keeping the real estate rate at \$.82, not equalizing to \$.77. Preliminary Motor Vehicle Assessments are essentially complete; other Personal Property Assessments for FY2023 are in development by Commissioner of Revenue (using 2022 values for FY2024 projections) – target draft book completion date is 3/15/2023. For FY2024 Property Tax budget projections will leave Personal Property Tax Revenues at FY2023 levels (\$12,052,201; \$0 change). There is no recommendation to change PPT rate from \$3.90 for bills due June 5, 2023. In April 2022, PPT rate was lowered from \$4.25 to \$3.90 and the motor vehicle license (decal) fee was eliminated (bills due June 5, 2022). FY23 Adopted Budget: \$12,052,201 [due June 5, 2023]. The current rate is \$3.90 / \$100 of assessed value. Any Board change to rates this spring will impact current year FY2023 revenue [rate adopted in April 2023 impacts bills due June 5, 2023]. For Machinery & Tools Tax, the FY23 adopted budget was \$740,203 due June 5, 2023. Assessments are based on M&T return due on Feb 5 that shows what is owned on January 1 2023 {ability to file an extension until March 7}. Some change is anticipated from industrial expansion {\$176,797}. For Mobile Homes Tax, the FY23 Adopted Budget is \$151,848. The FY24 recommended budget is \$165,000. Tax rate is based on RE Tax Rate – currently \$0.82 {if Board revises RE Tax Rate; this revenue source will be impacted; but not until FY2024}. This is due on June 5 (like PPT). For Public Services Taxes, the FY23 Adopted Budget is \$2,288,372

[½ due Dec 5; ½ June 5, 2023] – assessments prepared by Division of Public Service Taxation; collections to date \$1,206,681.14; 52.7%. Tax based on RE Tax Rate; currently \$0.82. Comfortable FY2024 estimate based on \$0.82 is \$2,300,000. May adjust prior to 3/14 – Large Solar property values to be determined. Business, Profession and Occupational License Tax was due by March 1, 2023. Prior year collections and trends indicate we can increased budgeted revenues by \$194,000; we will examine current year actual collections shortly after March 1, 2023 and adjust FY2024 budget estimates accordingly (prior to budget adoption). For Consumer Utility Taxes, Electric Utility Tax (312201) and Gas Utility Tax (312203) are received monthly from electric and gas companies [one-month revenue accrual]. Prior year collections and trends indicate there will be no / limited change in our FY2024 budget for these revenues. Sales Tax is right at \$4.3 million and that is where we recommend staying. Interest on Investments have recovered and they are recommended to budget \$450,000. Preliminary estimates have been made for FY2024 revenues for Permit and Planning Fees using a conservative approach (3 year averages) due to variance in number and nature of permits and projects addressed annually; Estimating at least a \$108,400 increase over FY2023 budget. For Recreation fees, they are recommending a change for FY2024 for Football and Cheerleading. At the request of the parents, the Recreation Director is recommending a Registration Fee increase for Football and Cheerleading from \$30 to \$125. This will include all required attire and equipment (take home jerseys, pants, cheerleading attire) –approximate cost of take home attire \$95 will be registrant’s to keep {currently, participants must purchase pants separately and must return jerseys at the end of the season}. Helmets are not included and will be returned after the season. Recreation requested a \$40,000 increase in Athletic Supplies (0100-0504-46048); reflecting an increase in Revenues - Registration Fees; Special Activities; Gym Memberships totaling \$49,500. Mr. Carmichael asked if they are going to allow those that cannot afford \$125 to pay \$30 and return their equipment. Ms. Drewry stated that Mr. Rotzoll can address that at the March 7 budget work session. For Credit Card Convenience Fees, the Board authorized movement to Tyler Payments as the Credit Card Processor on July 12, 2023. The fee is 3%. We were removed as “the middle man” with the transition to Tyler Payments from Elavon. We are no longer receiving the fee, then remitting to the third party payment processor. For FY2024 we are recommending a reduction in Credit Card Convenience Fees of (\$129,500). Corresponding Reduction in Credit Card Convenience Fee Expenditure in Treasurer’s Budget (\$129,500) with a net \$0 impact on budget. Ms. Drewry reported on other General Fund Revenues. Administrative Costs (311604) - \$70,000 Increase. Lodging Tax (312010) - \$62,857 Increase – General Fund Portion. In-House Medical Transport (316406) - \$10,000 Increase. HB 599 Police Funds (324103) - \$53,044 Increase (basing on FY2023 Award of \$1,070,832); Adopted FY23 revenue \$1,017,788. Wireless PSAP Payments (32) - \$35,000 Increase (from \$145,000 FY23 to \$180,000 FY24). She reported on General Fund Grant Revenues. School Resource Officer Grant (330184) - \$103,389 (New Harrison SRO Grant received in FY2023); leaving in existing Grant that funds 3 SROs– hopeful funding will be renewed (\$159,789) – Total SRO Revenue FY2024 = \$263,178. Operation Ceasefire Grant (324107)– New Grant Received by Commonwealth’s Attorney in FY2023 – Recommend Including \$123,855 in FY2024 Adopted Revenues; Corresponding Expenditure of \$123,855. Victim Witness Grant – Reduction in Federal Award (\$12,171) – Statewide VOCA reduction – FY24 \$63,904 from FY23 \$76,075. Drug Court Treatment Grant (326212) – Leaving at \$90,000 (no change). LEMPG (332061) – Leaving at \$25,231 (no change). Compensation Board Revenues will not be available until May 1, 2023. Preliminary estimates have been made based on increase in anticipated 7% pay increase for state-supported (Comp Board) positions in the Constitutional Offices. The amount of Federal/State Department of Social Services Revenue varies with the employee compensation option approved by the Board and providing no less than a 7% increase to these state-supported employees, and whether requested new positions are funded. Welfare Administration (333504) Adopted FY2023 Revenues Budget is \$1,865,430. Ms. Drewry went of the cost of requested additional Department of Social Services positions. The Children Services Act (CSA) Expenditures is expected to increase by \$101,157 [\$2,458,094 FY2023 to \$2,559,251 in FY2024]. Non-Education Related (\$152,874) Decrease. Education Related Expenditures \$254,031 Increase. This is funded by state increase of \$188,374 [CSA State Revenue 326017; FY2023 Budget = \$1,412,438; would increase to \$1,600,812 for FY2024]. There will be a Local Match reduction of (\$87,217) and increase in Transfer from School of \$95,860 [for education related increase].

Discussion of Large Expenditure Changes and Budget Assumptions. Ms. Drewry went over FY24 General Fund Expenditure Requests. The School increase requested is \$1,827,502; 9.85% [FY2023 Adopted Budget Transfer \$18,553,165 {\$18,363,970 to Operating Fund and \$189,195

to Textbook Fund}; FY2024 Request \$20,380,667 {\$20,191,472 to Operating Fund and \$189,195 to Textbook Fund}. Dr. Pennycuff will share a presentation that outlines \$5,082,690 in new initiatives and prior commitments. Loss of one-time state funding for capital improvements is netted against increases. The Superintendent's Proposed FY2024 Budget was presented on February 16. Based on Governor Youngkin's FY2024 revenue estimates, Health Insurance Renewal was pending on February 23 (estimated at 5%, \$309,911; employer absorbed). A significant difference in Senate and House budgeted revenues – and both versions call for a 7% pay increase and no retention bonus. The School Budget Public Hearing was held February 27. There is a decrease expected for Riverside Regional Jail (RRJ) is (\$339,258); 12.66% [decrease from \$2,679,258 in FY2023 to \$2,340,000 for FY2024]. Census is down in jail, and Prince George Census has dropped in FY2023. We are using higher internal estimate; \$97,323 more than communicated following a 2/23/23 RRJ Board meeting per diem going from \$51.50 to \$52. Ms. Drewry talked about requested County contribution increases. Appomattox Regional Library - \$25,825; 4%. Crater Youth Care Commission Increase \$9,320. Crater Criminal Justice Training Academy increase of \$17,680. District 19 Community Services Board – requested increase of \$15,514. Health Department – no Request to Date for FY2024. Within the Department of Social Services Budget, Hopewell PG Healthy Families requested \$25,000; recommend level funding at \$20,000. There was a small increase for James House - \$300 (from \$3,200 to \$3,500). Level Funding for Senior Navigator - \$2,500. Crater Area Agency on Aging – no FY2024 request and no response from Point of Contact (\$9,000 awarded in FY2023) – (\$9,000 reduction). Small increases from Chesterfield Med Flight \$2,200; CVWMA \$96; James River Soil & Water Conservation District \$1,000; Cooperative Extension \$4,330. Some recommendations for elimination are RC&D – (\$3,000) – no FY2024 request and no known point of contact; they have not invoiced us for FY2023. Requested, but no funding recommended for 4H - \$5,000 {we support a summer camp intern}; Swift Creek Theatre - \$1,000 {education, not County}. Ms. Drewry talked about Employee Compensation Improvement Requests and Mandates. They recommend adding to baseline funding the need to support Board actions taken during FY2023 (largest – Police and Fire increases that were effective 1/1/2023) - \$988,238. Public Safety & Non-Public Safety Step Increases to bring to 6/30/2023 experience - \$692,058 {\$564,413 without state-supported costs and recoveries}. They recommend they make mandated increases in State Supported local employees (7%) – Comp Board & DSS (\$22,459) {Revenues Exceed Increased Expenditures}. In addition, they recommend requested Market Regrades for Non-Public Safety Positions below Market - \$701,694 {Includes needed adjustment for Part-Time and Overtime wages; General Fund Cost: Baseline Adjustment \$988,238. Higher of Step Increase or State Supported Increase \$636,744 (net of state revenue increases); add Recommended Market Regrades \$701,694 for a total \$2,326,676 [recommendation]. This includes the cost of a one-time bonus for employees who would receives less than a 2% increase since 7/1/22. Ms. Drewry talked about employee benefit rates. The VRS Rate remains at 16.44% {2 year rates}. Group Life Insurance Rate remains at 1.34% {2 year rates}. No increase anticipated for Health Insurance– renewal to Board late March / early April. Worker's Compensation – FY2024 minimal impact on rates and reduction in experience modification incorporated. Non-salary inflation increases include Vehicle Fuel - \$57,500; Utilities (Electrical & Heating) - \$53,550; Vehicle Supplies - \$35,745 (Mainly FEMS); Maintenance Contracts (Janitorial & Lawn Care) - \$21,184; Postage - \$7,832; and Supplies / Data Processing & Other small increases & Decreases - \$26,794. Contractual obligations include Board Swagit - \$38,000; E-911 AT&T Service - \$52,050 {Loss of VDEM E-911 Delta Funding}; Police - \$13,975 (Leads Online & Power DMS); Assessor - \$12,300 (Software); and Registrar - \$3,070 (Leased Voting Equipment & Services). Increases mandated by Ordinance include Estimated Value of \$0.01 of RE Taxes is increasing from \$348,000 to \$370,000 {leaving RE tax rate at \$0.82}; General Fund Transfer to Apparatus Account would increase by \$43,400 {from \$223,525 to \$266,925} Value of \$.02 less Apparatus debt payment per §74-4 {\$740,000 – \$473,075 apparatus debt payment = \$266,925}; and General Fund Transfer to FEMS Equipment Account would increase by \$21,749 {from \$263,802 to \$285,551} Value of \$0.01 less SCBA debt payment per §74-6 {\$370,000 – \$84,449 SCBA debt payment = \$285,551}. In addition increases in RCJA Contribution estimated at \$69,671 {from \$141,967 to \$211,638}. Reduced reliance on RCJA Fund Balance (\$90,000 to \$25,000) and pay Increases for state-supported employees and market regrades. For County vehicles and school buses, they recommend continued “cash funding” of County vehicles and school buses for FY2024 *rather than borrowing* \$993,374. School Buses (4) - \$543,374 (Updated schedule provided by schools in November 2022); FY2023 Adopted \$437,091 – Board approved \$66,033 amendment to purchases buses with A/C and to address cost increases {FY2023 Amended Transfer for Buses \$503,124}; increase over adopted FY2023 is \$106,283. County / Public Safety Vehicles -

\$450,000; no increase from FY2023. For Capital Requests, County Administration recommends an Information Technology upgrade to Office 365 - \$64,800 {County Admin Recommends} – Recurring / Annual Subscription. Human Resources - NeoGov Learn – County-wide Online Training Platform - \$15,000 {County Admin Recommends} - Recurring / Annual. Board - BoardDocs - \$8,225 {County Admin Recommends} - Recurring / Annual portion \$7,225. County Administration recommend alternate path or holding off on the following requests: Information Technology – Expanded Network Storage Needs - \$96,000 {working to at least partially fund in FY2023 with other FY23 budget savings}; General Services – Used Bucket Truck - \$80,000 (will consider ability to fund with \$450,000 vehicle cash funding); General Services – Requested Increase in Repairs & Maintenance - \$42,000 from \$258,000 to \$300,000 (only recommending a \$2,000 increase; awaiting plan for annual preventive maintenance with costs and a determination of what currently budgeted amount is available for rotating one-time projects); and Recreation - \$16,935 to redo CWC Gym Floor {working to fund in FY23 from available funds}. Ms. Drewry talked about County Contribution to Debt Fund for Debt Obligations and Debt Reserves for Future Projects. In FY2021, the Board committed to continuing a General Fund Contribution to the Debt Fund of \$8,330,740 to fund Annual County & School Debt Obligations / Payments Fund a Reserve for Future Projects. FY2023 Adopted Contribution is \$8,330,740, and \$7,959,727 is used to meet debt obligations, the remaining \$371,013 is contributed to reserves for future projects. The audited FY2022 debt fund, fund balance is \$3,074,676; expected FY2023 debt fund, fund balance would increase to \$3,445,689. FY2024 County and School Debt Obligations are \$7,716,059, and under current commitment \$614,681 would be contributed to reserves for future projects {to total \$8,330,740}. The FY2021 Davenport calculation included rolling stock in the formula (County Vehicles and School Buses); the vehicles and buses are now cash funded. Staff recommends reducing debt reserve contribution by \$175,000* for FY2024 to meet staffing and operating requests (Value of annual debt payment of \$812,000 over 5 years – used in Davenport FY2021 calculation); transfer to debt reserves would be \$439,681 (instead of \$614,681) and total General Fund contribution to the debt fund would be \$8,155,740 instead of \$8,330,740. Some contracted increases include L3Harris Radio System Maintenance – Annual Cost \$566,639; Current Contract with RCV \$138,525; Increase / Budget Impact \$428,114. Based on Contract Amendment 4 approved February 28, 2023 recommend not budgeting \$566,639 in ECC contracted services for FY2024, BUT including the following one-time requests totaling \$614,702. General Fund Transfer to CIP for Fuel Focus system - \$314,502 {excludes \$100,000 that will be covered by federal LATCF}. Comprehensive Plan Update and Ordinance Revisions – Planning - \$115,000 {mandated every 5 years}. Phase II of Organizational Review and Staffing Level Study - \$77,700. First phase of Department Strategic Plans - \$100,000 {needed for at least 3 years}. Laptops & Equipment for Board Members (transition to BoardDocs) - \$7,500. The County Administrator recommends reduction of General Fund Contingency to adopted levels in prior years. Adopted FY2023 General Fund Contingency was \$725,143; \$608,395 has been used to date. Largely used for mid-year operating increases {position reclassifications; conversions of part-time staff to full-time; and January 1, 2023 public safety pay increases}. The recommendation to reduce to FY2020 or FY2019 levels {\$100,000 to \$150,000} to increase resources for operating needs (to assist in funding 1/1/2023 public safety salary increase and other baseline adjustments), and to curtail mid-year operating requests. Fund Balance is available for one-time emergencies (exceed policy requirements). Many new positions and some reclassifications are being requested and will be discussed in detail on March 7. Market Regrades would address most reclassification requests & FEMS is requesting reclassifications that net in a savings / reduction in budget. Twenty-four General Fund positions are requested from multiple departments; cost \$1,665,307 with current grade structure; \$1,709,450 if Market Regrades are approved. Eleven General Fund Position Reclassifications (re-grades; Career Development Increases CO) requested; General Fund cost is \$20,567* (includes benefits) with current grade structure; (\$26,590*) General Fund Reduction if Market Regrades are approved {Most costs encompassed in Market Regrade pay increase costs – market study shows need to increase}. Managing Results provided the Board with an update on February 23 – showed recommendation for the addition of 28.5 Positions in FY2024 (26.4 General Fund) \$2,413,014* with current grade structure and \$2,551,941 if Market Regrades are approved. Ms. Drewry went over the budget principals in the proposed budget. They included not equalizing the Real Estate Tax Rate, no change in Personal Property Tax Rate, balance resources with mandated and requested pay increases that will assist in attracting and retaining qualified and talented employees, address inflation, and address workload strain in departments. In addition, meet current and upcoming operating and capital needs for existing functions and programs, continued dedication of 3¢ RE Tax Revenue for Fire/EMS Apparatus (2¢ - \$740,000) and Fire/EMS Equipment “Capital Fund / Account” (1¢ - \$370,000); those dollar

amounts will grow if the value of 1¢ grows {Debt Payment + Transfer to Capital Accounts}, and a plan for implementation of Strategic Plan [FY2024] initiatives, and a continued contribution to debt reserves {Reducing for Impact of Cash Funding of Rolling Stock – County Vehicles and Buses}.

Local Transfer to Schools (Revenue Sharing Calculation). Ms. Drewry stated that the baseline percentage transfer of 43.07% as determined in FY2007 is adjusted annually by a 5-year rolling average of School Fall Enrollment to County Population {methodology used since FY2007}. In the last 5 years (FY2019 to FY2023), County population has increased by 6,083 (16.35%); and the School Fall Enrollment has dropped by 288 (4.62%). A large increase in County Population, combined with a reduction in school enrollment has led to drop in percentage of General Fund Transfer to Schools again for FY2024. 40.17% for FY2023 to 38.55% for FY2024 (41.88% in FY2022). If FY2024 shared revenues remained at FY2023 levels, reduction in school transfer of (\$748,223). With Projected shared revenues as estimated this evening, and increase in General Fund transfer to Fire and EMS apparatus and equipment, calculated FY2024 General Fund transfer to schools would be \$18,521,201 {\$18,332,006 to Operating Fund; \$189,195 to Textbook Fund}, (\$31,964) less than FY2023 Adopted Transfer of \$18,553,165 {\$18,363,970 to Operating Fund; \$189,195 to Textbook Fund}. GAP Request to Calculation = \$1,859,466 [Request - \$20,380,667 {\$20,191,472 Operating; \$189,195 Textbook; \$1,827,502 increase}; Calculation \$18,521,201]. Mr. Brown asked if we are still anticipating that the debt policy would be out of compliance. Ms. Drewry stated that it is likely since the debt service for the new elementary school was financed for over 30 years. She confirmed for Mr. Brown, that they do not plan to take on any new debt until 2027.

Utility Revenues Discussion (Utility Fund). Mr. Frank Haltom, County Engineer, stated that the FY 23 Adopted Budget is \$ 17,299,621 and the FY 24 Debt Requests are \$ 12,754,024, which is a decrease of (\$4,545,597). The decrease in FY 24 reflects the one-time capital expenditures in FY 23. \$6M paid with ARPA or Utility Fund Balance revenues (“Cash Reserves”). Removing those projects, FY24 is approximately \$1.4M more than FY 23. FY 24 includes \$1,300,000 in capital expenditures that will require grant funding or additional use of Utility Fund Balance. Some Operating Revenue highlights include increased revenues through Service Charges (Fixed Min. + Commodity Charges): 5% Increase in Revenue from Water Service Charges, 5% Increase in Revenue from Sewer Service Charges, expecting reduced revenues due to Rolls Royce closing and water conservation as rates increase, and expected use of Utility Fund Balance as Revenues; up to \$500,000 depending on trend of usage, potential salary adjustments. Capital Revenue highlights include a \$360,000 (67%) decrease in expected Connection Fees, \$2,057,901 (\$300k increase) transfer from utility operations (utility rates) to cover capital expenses, \$134, 912 from Tourism fund for Route 301/Exit 45 infrastructure improvements, and \$1,300,000 of grant funds, Fund Balance, or any remaining ARPA funds assumed for water treatment plant design costs. Operating Expenditure highlights include personnel increases - \$330,100 (pay increase and increase in benefits costs for existing personnel - \$79,800, reclassification of one position -\$3,300, and three new FT positions -\$247,000 salary), and two new vehicles -\$120,000, for new positions. Capital Expenditure highlights include Capital Projects - \$1,300,000 Wastewater Treatment Plan design (first year costs) & \$100,000 for Regional Risk Assessment per strategic plan. Minimum charge for water and sewer service is based on meter size. Residential: Water - 5% increase; Sewer – 5% increase. Commodity Charges are charges for the amount of water consumed. Rate Block is based on meter size. The proposed Sewer Rate: \$9.27/1000 gallons. Connections fees will remain unchanged. In summary, \$451,043 short of expenditures, the second half of FY 23 may show more revenue with cutoffs resuming. This could also reflect in FY 24. Use of Fund Balance will be used to make up difference. Decrease in operating revenues due to reduced consumption with closing of Rolls Royce and likely conservation due to last rate change. Replacement Reserve revenues increased to cover the expenditures for annual contracts. All of the Replacement Reserves are funded by a transfer from operating funds (rate based). Decrease in Capital Fund revenues – less projects without use of ARPA funds or Utility Fund Balance. Although < FY23, Capital Funds revenue requirement is nearly double any of prior 5 years. Capital Fund is funded by connection fees, transfer from operating funds, and/or grant funds and fund balance. Mr. Webb asked, based on the total number of pump stations we have now, where do we stand on rebuilds and the maintenance of the remainder. Mr. Haltom stated that out of 26 pump stations, a couple of which are new and a couple of which have been recently replaced, he would say within the next three to four years, there are probably four more that will need to be replaced or require heavy

maintenance. Mr. Webb asked for an estimated cost for a pump station. Mr. Haltom stated it really depends, for Stations 9 and 10, they are doing a “package station,” and the rehab costs for each of those stations will be roughly \$400,000 to \$500,000 each; for Station 6 including a generator, it was closer to \$1 million to \$1.5 million. None of those are proposed in this budget. He confirmed for Mr. Hunter that not all stations have generators and monitoring, which is why they need to check them every single day. Mr. Webb asked if they have to take a whole station down and revert water from somewhere else during installation. He confirmed for Mr. Webb that they would install a manhole overtop of the gravity line coming in and make that a location where you can put a bypass pump in to shut down the entire station for some major improvements. He also confirmed that they do have the ability on some of the monitored stations to see the temps, but on most of them they are just looking at the levels. With the 5% increase, the average cost increase for a customer in the proposed budget will be about \$9 per bill or \$55 per year. The average use for a household is about 10,000 gallons per billing cycle. Mr. Webb asked if we are getting good readings for the sewer that is transferred from the locality it is transferred to. Mr. Haltom stated that we actually read and maintain those.

School Proposed FY2024 Budget – Local Request. Dr. Lisa Pennycuff, School Superintendent, stated that all officers and heads of departments, offices, divisions, boards, commissions, and agencies of every locality shall, on or before the first day of April of each year, must prepare and submit to the governing body an estimate of the amount of money needed during the ensuing fiscal year for the department, office, division, board, commission or agency. It shall be the duty of each division superintendent to prepare, with the approval of the school board, the estimate of the amount of money deemed to be needed during the next fiscal year for the support of the public schools of the school division. The estimate shall set up the amount of money deemed to be needed for each major classification prescribed by the Board of Education and such other headings or items as may be necessary. Prince George County Public School’s Vision is to prepare students to navigate an ever-changing world. Their mission is to engage, encourage, and inspire every child, every day. Their Comprehensive Plan priorities are Academic Growth and Engagement, Dedicated and Connected Staff, Operational Excellence and Effectiveness, and having a Caring Culture and Climate. They are building their budget based on Governor Youngkin’s proposed budget with a 5% Salary Increase for SOQ-funded positions, which is only a certain number for them. They have 962 employees with the State helping to fund 578.61. This leaves 439 for the School System to provide with a 1% increase being \$548,000. The Governor has also included a Retention Bonus of \$271,245, which equates to about \$270 - \$300 per person. Employees must have been employed in FY23 and have returned in FY24. Shen went over the FY24 Operating/Regular Fund new revenue: New State Funding (\$2,671,188), VPSA Second Year Funding (\$232,000), eBackpack Learning Technology (\$200,000), Sales of Buses/Equipment (\$127,000), and increased DoD and JROTC Funding (\$127,000) with a total of \$3,255,188. Previous commitments and obligations include Harrison Elementary HVAC (\$744,690), movement of technology salaries to Grant Fund (-\$764,139), Adult Education (\$6,090), Utilities at Middle Road Elementary School (\$79,700), Project Search (\$50,000), Property, Casualty & Liability Insurance (\$45,362), CSA (\$95,860), and eBackpack Learning (\$200,000) with a total of \$457,563. She talked about academic growth and engagement needs of the School Division, including Work-Based Learning Extra Period (\$8,878), Dual Enrollment (\$54,000), Stipend for Dual Enrollment Teachers (\$5,000), and five Elementary Paraprofessionals for Kindergarten (\$179,502) for a total of \$247,380. She talked about dedicated and connected Staff needs of the School Division, including a Compensation Plan (\$3,720,499 – 6% salary increase and support staff adjustment), Retention Bonus (\$271,245), Healthcare Insurance Premium Increase (\$309,911) and a Staff Accountant (\$76,092). They are experiencing critical shortages in teachers in Elementary Education PreK-6, Special Education, Middle Education Grades 6-8, Mathematic Grades 6-12, Secondary Science, and Secondary English. Prince George currently ranks third in starting salaries in Region I teachers, eighth for teacher with 15 years experience, and 10th for teachers with 30 years experience. Prince George is currently \$4,559 less than the 2021 Virginia average. Dr. Pennycuff talked about the impact of the National and State teacher shortage for the children in Prince George in FY23. Prince George County Public Schools (PGCPS) filled approximately 103 teaching positions for the FY23 School Year. International teachers are essential for middle school and high school courses with 11 visiting teachers in Math, 2 Biology, 2 Chemistry, 2 Special Education, 1 English, 1 Spanish, and 1 Technology Education –20 in all. Alternate options are used to augment instruction due to shortages, including: extra periods of pay for teachers picking up classes with no teacher, reduction of some course offerings, combined classes/larger class sizes, use of contracted online services with on-site facilitators, and use of

contracted teachers through private companies. Twenty-seven contractors (a mixture of part-time and full-time) are being used to fill positions that include related special education services, such as Speech & Language, Occupational Therapy, and Vision Services as well as Learning Specialist positions. PGCPS has 42 provisionally licensed teachers currently working on their credentials for full licensure. They are constantly seeking new innovative ways to support teachers seeking endorsements and licensure. After implementing alternate options for 11 various unfilled positions, 22 positions remained vacant for the 2022-2023 school year. An increasing number of substitutes are being used to support unfilled teaching positions. Twenty long-term subs are being used. Subs in positions over 90 days require a state waiver from accreditation – we submitted seven waivers to the state for the first time in PG. They have 32 building-based subs on a daily basis to help with emergency shortages, but two others could not be secured, especially at the secondary level. Their sub pool normally used for emergency or planned absences is over-taxed for vacancies. They have 138 working subs in their sub pool. Statewide, in 2019-20, there were 1,063 unfilled teaching positions in Virginia. In August 2022, there were 2,594 unfilled teaching positions in Virginia. On raising salaries, 70% of teachers reported raising salaries would have a substantial positive impact on their morale and job satisfaction and 90% of Divisions reported that raising salaries would help recruit and retain teachers. On having more teachers, 72 percent of the teachers reported having more teachers would have a substantial positive impact and 76% of Divisions reported that having more teachers to reduce class sizes and teacher workload would improve teacher morale, recruiting, and retention. Based on information available as of February 2, 2022, most area school systems stated they are proposing a 5% increase. Chesterfield is now 6.5% and Henrico is 8%. If all Divisions provide 5%, Prince George would rank second, ninth, and eleventh respectively for starting salary, 15 years, and 30 years. If Prince George provides 6%, they would rank third, eighth and tenth, respectively. Per pupil funding, Prince George County is last in the region and \$2710 below the State average in contributions. Dr. Pennycuff stated that they are thankful for a very good relationship between the School Board and the Prince George County Board of Supervisors, but does this ranking reflect that the MOU is sufficient for the children and families of Prince George. She has counted at least \$3.4 million in revenue and when they got down to what they should get according to the MOU, it was taking \$32,000 away from them. She stated that she cannot believe that this Board thinks that is right. She asked them to rethink that MOU. They are asking for an increase of about \$307 per student. She stated that new developments market their schools. Business is booming and a ton of families and children will be moving to Prince George because of the schools. In summary, the School Division is asking for \$1,827,502 or 1.65% above last year. She stated that this budget has been planned on the ADM calculation of 5,945 students, which lies between the FutureThink “Low” and “Moderate” projections and takes into consideration current construction projects in Prince George. This Presentation uses the Commonwealth’s FY23 Budget that was approved in June 2022 for comparison to the FY24 Proposed Budget. The Original Adopted FY23 Budget was generated based upon the Governor’s Proposed Budget. The “Revised” FY23 Budget in this presentation was approved by the Commonwealth June 21, 2022. This budget provides for a 6% salary increase for all employees and an adjustment for support staff whose positions are ranked in the bottom third for Region I. For the Operating/Regular Fund, this represents a 1.65% increase from the FY23 Revised (State Approved) for the FY24 Proposed Budget. Mr. Carmichael asked what he should tell citizens when they ask where the money came from for the new football field. Dr. Pennycuff stated that stimulus dollars were used.

Pay Increase Recommendations 7 Salary Study Results (Non-Public Safety Employees).

Ms. Drewry talked about actions taken for Public Safety effective January 1, 2023. For Police, salary comparison was performed and based on comparisons, starting police officer pay was increased to \$53,000, which resulted in a 12.17% scale adjustment to starting pay for all ranks/grades. Full year impact must be budgeted for FY2024 (\$549,160). For Fire and EMS, salary comparison was performed and based on comparisons, starting pay was increased to \$50,000 for a Medic 1. Changes were made to range spread and grade progressions to be more in line with Police scales. These revisions resulted in increases for direct response Fire/EMS personnel of 3.86% to 10.74%; average increase was 7.4%. Full year impact must be budgeted for FY2024 (\$173,290). No action was taken for the Sheriff’s Office based on results of salary comparison – salaries were at market. Other actions that have been taken since the FY23 budget adoption that will impact FY24 include, the conversion of Planning Admin Associate II to Planning and Zoning Technician, conversion of Apparatus Technician to Fleet Supervisor, conversion of Emergency Management Coordinator from part-time to full-time, conversion of Assistant Commonwealth’s Attorney from part-time to full-time, higher Assessor’s salary and

conversion of Appraiser to Senior Appraiser, certification increases and new hire salary in IT, elimination of CDCC transfer of salaries to Stormwater Fund, and other payroll turnover costs/benefit changes which all total \$265,788. Similar to January 1 actions taken for Public Safety, there is a need to review positions for all County employees to bring pay ranges and grades up to date from FY18 study. Human Resources polled same localities as those polled for public safety comparisons for all job titles / positions. Not all localities responded and not all have an equivalent position to our locality; HR will strive to keep this market information updated annually. Each existing Prince George job title compared against similar titles of other localities {HR Director met with many Directors to ensure “apples to apples” position comparisons were made to the extent possible. If enough comparison data existed for a position. Average starting salary compared to Prince George starting salary. Appropriate grade placement determined by average starting salary. Recommended grade changes considered. Maintaining integrity of existing separation of workers, coordinators, managers, deputy equivalent and directors {future years may warrant increased separation of grades of senior leadership}; increases were not recommended for every position that was below average in order to maintain integrity of current structure / similar job responsibilities across departments. Some results led to recommendations for reclassifications of certain positions not requested in Department Budgets. There were 109 positions compared to the neighboring localities. Seventy-three positions were below market by an average of 14% {on average, those non-public safety positions which are below market are more below market than police officers were – 12.17%}. Two positions were at market. Thirty-four positions were above market by an average of 6%. No grade decreases were recommended. As employees vacate positions that are above market, we will review the market at that time to determine if a lower grade is appropriate before advertising vacancy. Below market was the Animal Services Manager (29%), Apparatus Technician (23%), and Utilities Director (20%). At Market – No Regrade; Step Only were Communications Officer, Financial Reporting Accountant, and Coordinator I, Parks Special Activities. Above Market – Step Only, and Consider Reducing Grade when position(s) vacated prior to advertising were Accounting Clerk (22%), Manager V, Utility Office Management (19%), and Human Resources Technician (10%). They are recommending to eliminate grades 305-307 which will make grade 308 the new lowest grade at an hourly rate of \$15.63. This will exceed the minimum wage requirement slated to be in effect for January 2026 and put PG in a good position. There are only four positions currently in grades 305-307. The recommendations in priority order are to provide all employees (both public safety and non-public safety) step increases that will bring their experience through 6/30/23 (and provide 14 police officers with career development increases). In addition, to provide required Constitutional Office (Comp Board Funded positions) and DSS / RCJA State-Supported Pay Increases (estimated at 7%) – MANDATED. Also, to provide any employee receiving less than 2% increase a one-time bonus to bring raise + bonus to 2% of FY23 salary. The COST is \$739,561, incorporating any state revenue increases from required increases for state-supported and Comp Board funded positions (General Fund \$636,744) {INCLUDING PART-TIME WAGE AND OVERTIME RECOMMENDATIONS}. Place positions that are below market (study results) on higher grades to bring to the market average (what was done for public safety on January 1). The cost is an additional \$809,451 (General Fund \$701,694) {INCLUDING PART-TIME WAGE AND OVERTIME RECOMMENDATIONS}. Average pay increase is 9.68% (this makes our salaries competitive, and is more equitable) – average % considers highest % increase (study regrades and state mandated); average still less than what police officers received on 1/1/23 (12.17%). This would reduce onetime bonus cost to \$7,896 (General Fund \$7,693), and reduce number of employees needed one-time bonus to 11 from 26 {15 employees slated to receive bonus if only step increase provided are below market - salary range too low}. Staff recommendation is to provide these increases prior to considering adding any additional staff. We must provide required increases for state-supported local employees (Constitutional Office, Social Services and RCJA). Providing grade increases to employees that are below market makes overall increase more equitable, will assist in recruiting vacant positions at a more competitive salary and retaining employees who could go elsewhere for higher pay, creates differentiation / different grades for Constitutional Office employees who have attained career development, and brings certain Comp Board funded positions to beginning of Comp Board pay ranges. Board Employees are not on a pay range and under contract (County Administrator, County Attorney, Clerk to the Board) – Board must decide what increase to provide these positions. There will be a discussion in closed session of structural recommendations for these employees {Included in costs}. The total cost is \$2,665,741.20.

Review of Resources and Requests – for Board Input on Priorities. The Board will receive a handout to provide input on FY2024 Budget Priorities and balancing requests to resources. They will go over Decision Points on March 7 to provide direction on Introduced Budget that will be presented on March 14.

Discussion of Upcoming Meeting Dates and Budget Milestones. The next work session is March 7. The budget will be presented at the March 14 Board of Supervisors Meeting. Once the budget is presented, there will be four more work sessions on March 16, March 30, April 19, and May 2. The Tax Rate Public Hearing and Adoption will be on April 25 and the budget public hearing will be on May 9. The adoption of the budget will be on May 23.

CLOSED SESSION

E-1. Resolution; Closed Session for (1) Section 2.2-3711.A.1 – Discussion or consideration of the assignment, appointment, promotion, performance, demotion, salaries, disciplining or resignation of a specific public officer, appointee or employee of the public body; I further move that such discussion shall be limited to employees of the Board of Supervisors. Mr. Carmichael made a motion, seconded by Mr. Brown, that the Board convene closed session for (1) Section 2.2-3711.A.1 – Discussion or consideration of the assignment, appointment, promotion, performance, demotion, salaries, disciplining or resignation of a specific public officer, appointee or employee of the public body; I further move that such discussion shall be limited to employees of the Board of Supervisors.

R-23-053

E-1.

RESOLUTION; CLOSED SESSION FOR (1) SECTION 2.2-3711.A.1 – DISCUSSION OR CONSIDERATION OF THE ASSIGNMENT, APPOINTMENT, PROMOTION, PERFORMANCE, DEMOTION, SALARIES, DISCIPLINING OR RESIGNATION OF A SPECIFIC PUBLIC OFFICER, APPOINTEE OR EMPLOYEE OF THE PUBLIC BODY; I FURTHER MOVE THAT SUCH DISCUSSION SHALL BE LIMITED TO EMPLOYEES OF THE BOARD OF SUPERVISORS

BE IT RESOLVED That the Board of Supervisors of the County of Prince George this 2nd day of March, 2023, does hereby vote to enter closed session for (1) Section 2.2-3711.A.1 – Discussion or consideration of the assignment, appointment, promotion, performance, demotion, salaries, disciplining or resignation of a specific public officer, appointee or employee of the public body; I further move that such discussion shall be limited to employees of the Board of Supervisors.

On roll call the vote was:

In favor: (4) Webb, Hunter, Carmichael, Brown

Opposed: (0)

Absent: (1) Waymack

E-2. Resolution; Certification of Closed Session. At 8:31 p.m., Mr. Webb made a motion, seconded by Mr. Brown, that the Board adjourn the closed session and enter open session, certifying that to the best of each Board Members' knowledge (1) only public business lawfully exempted from open meeting requirements were discussed and (2) only matters identified in the convening motion were discussed. Chairman Hunter asked if any Board member knew of any matter discussed during the closed session that was not announced in its convening legislation. Hearing no comment from the Board, the Chairman asked that the roll be called on the motion.

R-23-053A

E-2.

RESOLUTION; CERTIFICATION OF CONTENTS OF CLOSED SESSION PURSUANT TO SEC. 2.2-3711, ET SEQ., CODE OF VIRGINIA (1950, AS AMENDED)

BE IT RESOLVED That the Board of Supervisors of the County of Prince George this 2nd day of March, 2023 does hereby certify that, to the best of each Board Member's knowledge, (1) only public business lawfully exempted from open meeting requirements were discussed, and (2) only matters identified in the convening motion were discussed.

On roll call the vote was:

In favor: (4) Webb, Hunter, Carmichael, Brown

Opposed: (0)

Absent: (1) Waymack

ADJOURNMENT. Mr. Carmichael moved, seconded by Mr. Brown to adjourn. Roll was called on the motion.

On roll call the vote was:

In favor: (4) Hunter, Webb, Brown, Carmichael

Opposed: (0)

Absent: (1) Waymack

The meeting adjourned at 8:32 p.m.

[Draft Minutes prepared March 10, 2023 for consideration on March 14, 2023; adopted by unanimous vote.]

Donald R. Hunter
Chairman, Board of Supervisors

Jeffrey D. Stoke
County Administrator