

Grayson County Board of Supervisors  
Budget Work Session  
April 4, 2023 at 3:00 P.M.

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

Staff attending: Stephen A. Boyer, Mitchell L. Smith, Leesa A. Gayheart and Linda C. Osborne.

IN RE: OPENING BUSINESS

The meeting began at 3:15 p.m. – Supervisor Anderson made the motion to approve the agenda; duly seconded by Supervisor Belton. Motion carried 3-0.

IN RE: PRESENTATIONS

Mr. Jordan Stidham updated the Board on the Opportunity Appalachia Grant that has been awarded to Grayson County and how the process will work:

- Opportunity Appalachia Grant was applied for by Jordan Stidham/Deb Jones (GC Grant Writer) put together a RFQ (Request for Qualification) with the focus to do preliminary feasibility and community engagement on the best use of the Baywood School and received the grant – once approved for the RFQ, it was then sent out for bid – a bid was submitted, and we were selected
- Opportunity Appalachia will contract technical assistance from a team of consulting compies (consulting team) to study the feasibility of converting the vacant Baywood School in Grayson county for adaptive reuse into housing, as well as serving the community needs – will include project Manager Sprout Financial, who will be assisted by experienced developer HOPE, and professional design firm Hill Studio – consulting team will assess feasibility, including public acceptance level, design feasibility of the structure/adjacent lands, estimate/study the project’s financial feasibility for housing/community use – Engineering Firm Hurt and Profit will also be brought in
  - Sprout Financials’ role: overall project management between HOPE, Hill Studio, Grayson County and community citizens; host community forums to discuss/identify the property’s highest/best use, including priority consideration of childcare uses/affordable housing; reporting to, and gathering feedback from, the Board of Supervisors on the community input/project progression
  - HOPE Inc role: development/planning expertise; project costing estimates/research on potential funding sources; grant research/funding partner connections
  - Hill Studio role: existing architectural conditions assessments including preliminary layout measurements (adequate measurements for programming, architectural feasibility/early square-foot cost estimating; assistance to HOPE and Sprout with architectural feasibility study to identify highest/best use for the property, to include priority consideration of childcare uses/affordable housing; participate in community charrette/public forum process to obtain community feedback/buy-in; provide conceptual architectural building plans; provide a site master plan that situates the existing building with recreational

space, future housing, septic needs/addresses parking needs; recommend options for ownership; provide an aerial site perspective drawing

- Goal is to have community meetings for their input; then to the County; adjust draft design if needed; go back to the community and County until a design is agreed upon; once final design is together; then look out how it would be retained (leased, funding, etc); then look at potential grants for funding (state/federal); starting point: downstairs of school – community wellness health area (CPR classes, cardio machines, etc); backside strip of land – child care center; upstairs rooms – convert to a small business incubator (or nonprofit) and could rent those rooms and could partner with Crossroads; small strip of land – picnic shelter, playground and sports areas; backside – develop into housing whether it's townhouses or single homes
- Restarting plans for this facility from scratch and be transparent – discussion regarding upfront concerns took place – this will impact the entire community – goal is to fund as much as possible (state/federal) but we have to know what the community wants, will determine what grants can be applied for - no ask of the county, already funded – report will be out around September 5<sup>th</sup> and a final packet will be presented to the Board and then the Board can decide how/if to move forward – feasibility study will cost approximated \$65,000 – anyone in county is welcome to attend the community meetings in the Baywood gym if possible – briefing the Board today because need to start the process – very important to get the information out to the communities – applying for grant(s) most do not require a match (housing no match required but if federal grant, sometimes a match is required but for the most part they don't require a match) – water is a concern, closet public tie-in is Galax and other options would need to be looked at and could look at CDBG grants as well – there is a lot of possibilities for the Baywood School site
- Board requested Mr. Stidham present the design at the September Board of Supervisors meeting

#### Budget Work Session – General Operation Budget – Revenue (Larry Bolt)

- Car values skyrocketed last year – left levy alone – bills went out – 28.5% rebate/refund was given on all vehicles that qualified and extended due date to September 2, 2022
- Used car prices are coming down (1/1/23) – some down around 10-15% - values down approximately 12% from last year to this year
- Personal property (all together) – approximately a 10% reduction from last years values – collection rate of 95-96% and basically leaving everything alone - \$2.25 set for personal property with lower values on vehicles – last year with the big jump, all vehicle values increased; this year with some values decreasing, some will pay the same, some will pay less, and some will pay more than last year - it's based an individual vehicles
- JD Powers (previously NADA) sets the prices/values of the vehicles (used car guide) – some vehicles decreased more than others – clean loan value is used, and most counties usually go with the lower value – Commissioner of Revenue or Board of Supervisors does not set the values, that comes from JD Powers
- 9% decrease last year - approximately \$700K increase from last year – \$3.2M increase in what was collected last year with penalties – collecting approximately \$3.6M from 2 year ago (15% increase)
- Treasurer's office will need all information by April 15 in order for the tax bills to be mailed by May 1, 2023 – does include the \$25 vehicle fee – with personal property due June 1

- Changing the \$2.25 levy would be the cleanest – change in value 1 year to the next about 15% - \$1.75 levy several years ago – usually vehicles has depreciated down, but with supply chain issues during COVID among other things, changed all that - \$2.25 to \$2.20 would bring collection to approximately \$3.3 with \$2.20 levy –\$150K difference – includes machinery/tools and merchants capital, business equipment (included in personal property) -merchants capital is at \$6.70 and is only on 10% value (inventory)
- \$25 vehicle fee is separate – it's based on January 1 values from DMV and they just came in last week – have a shorter window to get the tax bills out since they are due July 1 – code states tax day is January - \$333,500 based on collection rate annualized – based on previous months collection rates – discussion took place regarding the vehicle fee (decal fee)
- Vehicle license fee – no implication other than the revenue side (related to personal property – cars/trucks) doesn't affect the DMV stop through the Treasurer's office
- Discussion on changing the levy from \$2.25 to \$2.20; keeping the levy at \$2.25 and removing the vehicle fee – taking away the vehicle fee would reduce revenue budget by \$333,500 based on the last 12 months; change the levy to \$2.20 would be 3.515M based on 100% bill rate and a collection rate of 95%, about \$150K difference(added \$150K and removed the \$333,500)
- \$940K would need to make up the difference in adjustments remove the vehicle tax and leave the rate at \$2.25 (\$333,500 difference) – eliminating the license fee would simplify the way the bills looks – changing the levy for this current fiscal year would require advertising, public hearings – conversations currently taking place is for next fiscal year (2024 budget) – tax bills due June 5 is with a \$2.25 levy which includes a license fee – removing the license fee this year would change the budget more than 1% and would require advertising and public hearing – more anticipated revenue on vehicles for FY23
- FY24 need to figure out how to close the \$940,311 difference (\$500K more than 22 values) – the 28.5% was on the previous year's budget
- Good with moving forward for this year and removing the vehicle fee in the next budget
- We are setting the collection rate for next June (June 2024)
- Still \$500K more than FY22
- 2023 bills will be going out soon with a levy of \$2.25 and the vehicle fee will be included in the bills
- Real estate: \$9.787M – total expected is \$10.382M which includes penalties/interest/delinquents – trash fee \$1.4M based on collections through the end of March (last 12 months) with \$1.6M on the books with 88% collection rate – tourism incentives (reduction in trash fees)

Next meeting will be the regular Board of Supervisors on April 13 and a budget work session on April 18 with the School to nail down what goes into the CIP \$783,000 with \$375,000 above LRE (\$1M budget line).

EDA – one time amount to EDA – historically our target has been \$200K – with the new EDA they requested 1% last year of operating butoet totals \$290K last year – the Board will need to decide if they want to continue with adding the 1% in the budget – it is currently at \$290K – along with the protocol in loaning the funds out.

Adjourn

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