

**VIRGINIA:** County of Lee, to-wit:

At the Recessed Meeting of the Lee County Board of Supervisors in the General District Courtroom of the Lee County Courthouse on June 20, 2024 at 6:00 p.m. thereof.

MEMBERS PRESENT: Brian Shoemaker, Vice Chairman  
Josh Flanary  
Mike Kidwell  
Roger Waddell

MEMBERS ABSENT: D.D. Leonard

OTHERS PRESENT: Dane Poe, County Administrator  
Robby Wright, Assistant County Administrator  
Stacy Munsey, County Attorney

OTHERS ABSENT: Angie Thomas, Administrative Assistant

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### **MEETING CALLED TO ORDER**

The meeting was called to order at 6:00 p.m.

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Gary Williams led the invocation.

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Josh Flanary led the Pledge to the Flag.

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### **PUBLIC HEARING NOTICE**

#### **PROPOSED BUDGET FOR FISCAL YEAR 2024-25**

The Lee County Board of Supervisors held a Public Hearing on the proposed County Budget at 6:00 p.m. on June 20, 2024 in the General District Courtroom of the Lee County Courthouse in Jonesville, Virginia. Any citizen of the County was welcome to attend and state their views on this proposed budget.

This summary was prepared and published for information and fiscal planning purposes only. Please be aware that inclusion in the Budget of any item does not constitute an obligation or commitment on the part of the Board of Supervisors of Lee County to appropriate any funds for the item or purpose. A Budget for the Fiscal Year commencing July 1, 2024 will be adopted by the Lee County Board of Supervisors no later than June 30, 2024.

**GENERAL COUNTY FUND**  
**ESTIMATED EXPENDITURE**

GENERAL GOVERNMENTAL  
ADMINISTRATION:

Legislative	103,158
General Property Reassessment	300,000
General/Financial Administration	434,426
Legal Services	23,190
Auditing	114,325
Commissioner of the Revenue	440,276
Treasurer	403,083
Board of Elections	291,556
Central Garage	158,437

JUDICIAL ADMINISTRATION:

Courts	1,120,000
Commonwealth's Attorney	845,583

PUBLIC SAFETY:

Law Enforcement and Jail	5,697,539
Fire and Rescue Services	544,263
Enhanced 911	573,207
Inspections	195,352
Other Protections	203,190

HEALTH AND WELFARE	547,141
EDUCATION-MTN. EMPIRE COMM.	
COLLEGE	20,595
PARKS, RECREATION, AND TOURISM	95,955
LIBRARY	118,839
COMMUNITY DEVELOPMENT AND	
PLANNING	272,708
EXTENSION OFFICE	101,806
MAINTENANCE OF BUILDINGS	294,295
DANIEL BOONE SOIL & WATER/RC&D	
PROGRAM	51,000
MISCELLANEOUS AND CONTINGENCY	25,000
REIMBURSED EXPENSES	456,876

**SUBTOTAL, GENERAL COUNTY FUND**  
**EXPENDITURE**

13,432,130

CAPITAL PROJECTS	1,590,000
SOLID WASTE MANAGEMENT	2,087,460

TRANSFERS:

Debt Service	249,244
Local Share - School Fund	7,669,377

Local Share - Public Assistance/Social Services	1,911,172
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<b>GRAND TOTAL GENERAL COUNTY FUND</b>	26,939,383
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**PUBLIC SERVICES:**

Estimated Social Services Expenditures-State Share	10,242,700
Estimated Headstart Expenditures - Federal	1,764,936
Estimated School Expenditures-Federal, State, & Other	60,870,339

Transfer to General Fund Reserve	1,418,323
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<b>GRAND TOTAL ALL FUND EXPENDITURES</b>	101,235,681
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**GENERAL COUNTY FUND**  
**SOURCE OF REVENUE**

**REAL PROPERTY TAX:**

Current Real Estate Taxes	10,040,000
Delinquent Real Estate Taxes	250,000
Land Redemption	160,000
Mineral Under Development	11,300

<b>PUBLIC SERVICE CORPORATION</b>	862,000
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**PERSONAL PROPERTY TAX:**

Current Taxes	2,800,000
Delinquent Taxes	167,000
PPTRA Reimbursement	798,646

**MOBILE HOME TAX:**

Current Taxes	96,000
Delinquent Taxes	7,200

<b>MACHINERY AND TOOLS</b>	345,500
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<b>MERCHANTS CAPITAL</b>	87,500
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<b>BUSINESS PROPERTY</b>	421,000
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<b>COMPUTER EQUIPMENT</b>	
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<b>PENALTY AND INTEREST</b>	297,500
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<b>SALES TAX</b>	2,012,671
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<b>UTILITY TAX</b>	436,000
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<b>STATE TELECOMMUNICATIONS TAX</b>	299,000
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<b>BANK FRANCHISE</b>	38,000
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<b>MOTOR VEHICLE TAX</b>	704,000
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<b>TAX ON WILLS</b>	2,500
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<b>AMUSEMENT TAX</b>	100
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<b>TRANSIENT OCCUPANCY TAX</b>	12,500
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<b>MEALS TAX</b>	215,000
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<b>OIL AND GAS SEVERANCE TAX</b>	2,000
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<b>ANIMAL LICENSES</b>	950
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TRANSFER FEES	900
BUILDING PERMITS	48,500
COURT FINES-LOCAL	5,000
RENT-BUILDING	75,980
INTEREST AND EARNINGS	85,000
COMMONWEALTH'S ATTORNEY FEES	36,500
SHERIFF'S FEES	4,650
COURTHOUSE MAINTENANCE FEES	3,300
COURTHOUSE SECURITY FEES	44,000
SALE OF MAPS, SURVEYS	100
ZONING FEES	6,250
CONTRACTOR'S LICENSE FEES	16,000
MISCELLANEOUS REVENUES	184,025
PAYMENT IN LIEU OF TAXES	212,000
MOBILE HOMES TITLING	125,000
ROLLING STOCK	105,000
COMMONWEALTH'S ATTORNEY EXP.	633,775
SHERIFF EXP.	1,959,768
VICTIM/WITNESS ADVOCATE GRANT	94,891
DOMESTIC VIOLENCE GRANT	50,000
SCHOOL RESOURCE OFFICER FUNDING	41,112
OTHER SHERIFF GRANTS & REIMBURSEMENTS	66,928
REGISTRAR EXP.	77,224
COMMISSIONER OF REVENUE EXP.	181,244
TREASURER EXP.	168,916
ELECTORAL BOARD	5,560
CLERK EXPENSES	510,506
EMERGENCY SERVICES	108,000
CLERK'S FEES	111,000
RENTAL TAX	5,900
OTHER CATEGORICAL AID	120,000
TIPPING FEES	195,000
REIMBURSEMENTS	911,983
MISCELLANEOUS GRANTS	40,027
REGIONAL IMPROVEMENT COMMISSION	675,000
<b>TOTAL GENERAL FUND REVENUE</b>	<b>26,977,706</b>
 PUBLIC ASSISTANCE-SOCIAL SERVICES	 10,242,700
SCHOOL FUND REVENUES (FEDERAL,STATE,OTHER)	60,870,339
HEADSTART	1,764,936
CAPITAL PROJECT GRANTS	1,380,000
 <b>GRAND TOTAL ALL REVENUES</b>	 <b>101,235,681</b>

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The Chairman opened the floor for public comment and advised that each speaker would be limited to a three-minute time-period for individuals, and 5-minute time-period for a group.

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Shannon Steffey, Regional Library Director, expressed concerns for her staff and stated with the budget cuts as it stands now she will be forced to reduce hours or lay-off employees. She stated the State Aid for 2024-25 is \$650,000 and is shared between 9 branches and advised Lee County along with the other branches will lose their share of that funding if the Board cuts their local funding in half. She added along with reading and entertainment the library is a place of education and learning and asked the Board to reconsider cutting their funding.

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Brian Dean, Lee County School Superintendant, stated they have sent the approved School Board budget and asked the Board to pass it as proposed. He stated years ago the state did not allow funds to be carried over but that has changed. He gave an update on completed projects on the school buildings with more projects needed. He stated all buildings need upkeep along with keeping employee salaries competitive. He stated education is the future.

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Debbie Artrip, Keokee, stated to ask for a raise in these times is uncalled for and irresponsible.

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Mr. Shoemaker asked which Public Hearing Ms. Artrip was speaking on.

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She stated all of them.

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Mr. Shoemaker asked Ms. Artrip to hold her comments until the end of the Public Hearings.

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There was no further public comment.

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The Chairman closed the public hearing.

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## **PROPOSED INCREASE IN 2024 REAL PROPERTY TAX RATE**

The Lee County Board of Supervisors held a Public Hearing on a proposed tax rate increase for Real Property for the 2024 tax year on June 20, 2024 at 6:15 p.m. in the General District Courtroom of the Lee County Courthouse in Jonesville, Virginia. The purpose of the Public Hearing is to provide citizens an opportunity to state their views on the proposed rate increase. The current rate of tax on real property is \$.6187 per \$100 of assessed value. The proposed rate of tax is \$.75 per \$100 of assessed value.

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The Chairman opened the floor for public comment and advised that each speaker would be limited to a three-minute time-period for individuals, and 5-minute time-period for a group.

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David Laws, Pennington Gap, stated not everyone in Lee County owns property and it isn't fair that only property owners are getting hit with the increase. He recommends a consumption tax to be fair to all citizens.

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Gale Washburn, Jonesville, stated he moved to Lee County to get away from high property taxes. He is disabled and stated economically he can afford to live here on \$18,000 a year. He knows people in this County going hungry to feed their kids and added this is not a good time to raise taxes.

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There was no further public comment.

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The Chairman closed the public hearing.

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## **PROPOSED INCREASE IN 2024 PERSONAL PROPERTY TAX RATE**

The Lee County Board of Supervisors held a Public Hearing on a proposed tax rate increase for Personal Property for the 2024 tax year on June 20, 2024 at 6:30p.m. in the General District Courtroom of the Lee County Courthouse in Jonesville, Virginia. The purpose of the Public Hearing is to provide citizens an opportunity to state their views on the proposed rate increase. The current rate of tax on personal property is \$1.90 per \$100 of assessed value. The proposed rate of tax is \$2.00 per \$100 of assessed value.

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The Chairman opened the floor for public comment and advised that each speaker would be limited to a three-minute time-period for individuals, and 5-minute time-period for a group.

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David Laws, owner of Timberland Resources, stated he has been in business for 22 years and last year paid over \$10,000 in business taxes. He stated for the last 5-10 years his revenue has decreased due to the economy and he has 8 employees that depend on him to support their families. He stated none of the timber he cuts in Lee County stays here due to the local sawmills being put out of business. He expressed concerns about increasing taxes on small businesses that are already struggling. He stated Lee County has a lot of government jobs but everyone can't work for the government. He stated what he produces comes from a raw material that actually creates dollars as it goes along. He stated we can't tax our way into prosperity.

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Regina Egan, Seminary, stated she lives on Slemo Road which is a state maintained road but isn't maintained in the winter like the main roads. She asked what amenities she is receiving from the County for her tax dollars. She stated at a meeting about four-years ago she was informed that none of her tax dollars go toward the roads.

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Chad Stidham, Dryden, stated small businesses are taxed to death. He stated 3 or 4 businesses tried to come to the Dryden area but everyone in the district bucked against them. If more businesses were in the County we wouldn't have to take so much from everyone and would be spread out through the County.

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Mike Parsons, Stone Creek, stated he feels the same way concerning his return on paying his taxes. He stated 421 the main road going to Kentucky is in terrible shape and there are a lot of hidden driveways that need to be mowed. He heard a rumor that the County is struggling and that is why they want to raise the tax rate. He stated if that is true we need to figure out why there is a problem with the tax budget and where the money is going and who is responsible and hold them accountable.

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Debbie Artrip, Keokee, stated in response to speaking to one topic at a time, her opinion is this is all one topic it's all taxes that we can't pay. She stated personal property

tax and Real Estate tax goes up and it all goes into the budget. She stated everyone walked into these jobs open eyed and everyone knew the County is losing money. She spoke to Todd Pillions office and asked what to do about it. They explained in great detail about mandates for raises concerning the School Board, State offices and local police officers. She recommended looking at the people that aren't working and people on fixed income and make decisions about how to work together to pay the taxes. She stated the School system will have to give some and the County is going to have to give some.

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There was no further public comment.

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The Chairman closed the public hearing.

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Mr. Kidwell asked Mr. Poe to speak on the budget.

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Mr. Poe stated the last tax increase was in 2008, the fund balance reserve was critically low and the County was looking at borrowing funds to get through the summer months. He stated the County started deficit spending in approximately 2004. After September 11, 2001 the State Budget took a hard hit and the economy crashed and funding from the state was reduced to localities. He stated the County started doing some modest deficit budgets about that time. He stated reoccurring expense repeated year after year creates a problem. In 2008 there was a tax increase on Real Estate, personal property, machinery and tools and vehicle registration fees. In 2010 there was a scheduled reassessment of Real Estate and at that time tax rates were lowered to off-set some of the increases in taxes. In

2013 the County started back down the path of budgeting a deficit that continued to increase each year and in the current year the projected deficit is \$2.7 million therefore our fund reserve has been dropping. In 2020, due to Covid, the federal government began pumping out a lot of federal money and the first round had to be used for Covid related issues. On the second round of federal funding the guidelines were loosened-up and we were allowed a one-time exemption and could be used for other purposes. A portion of the last pot of funds was used to supplement costs on three ongoing water projects due to price increases and about \$750,000 was used to purchase new air pack equipment for the Fire Departments in the County. He stated at the present time about \$1.5million of those funds remain in cash reserve and will be used to help cover operating expenses for FY2024-25. He stated Virginia Counties are required by the State to hold reassessments at least every 6 years. The County had a reassessment done 2 years ago that was poorly done and was set aside. The County hired another company to do a reassessment which will push us out 8 years on a reassessment. He stated the State increased school funding which increased the Counties local match by \$2.1million along with an increase in local match for Social Services.



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Mr. Kidwell asked if the tax rate is increased to \$.75 how much will the next year's deficit be.

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Mr. Poe stated budget discussion would begin with around a \$2.2million deficit.

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### **SCHOOL SUPPLEMENTAL APPROPRIATION**

It was moved by Mr. Kidwell, seconded by Mr. Flanary, to adopt the following Resolution. Upon the question being put the vote was as follows.

VOTING AYE: Mr. Flanary, Mr. Kidwell, Mr. Shoemaker, Mr. Waddell

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### **RESOLUTION**

**24-006**

### **LEE COUNTY SCHOOL BOARD SUPPLEMENTAL APPROPRIATION**

**WHEREAS**, the Lee County School Board has determined that higher student enrollment on March 31, 2024 than budgeted requires additional local funding in the amount of \$175,036.00 in order to meet the state mandated Required Local Effort as established by the Virginia Department of Education; and

**NOW, THEREFORE, BE IT RESOLVED**, the Lee County Board of Supervisors grants a supplemental appropriation to the 2023-24 School Budget in the amount of \$175,036.00;

**BE IT FURTHER RESOLVED**, that the revised total Lee County School Board appropriation for the 2023-24 fiscal year be increased from Sixty Four Million, Two Hundred Forty Three Thousand, Six Hundred Forty Two Dollars and Twelve Cents (\$64,243,642.12) to Sixty Four Million, Four Hundred Eighteen Thousand, Six Hundred Seventy Eight Dollars and Twelve Cents (\$64,418,678.12).

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Mr. Kidwell stated none of the Board Members are pointing fingers at the school system he added it's just a horrible situation.

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Mr. Dean, Lee County School Superintendant, stated he was asked by Mr. Kidwell at a previous meeting what the school system can do to help with the budget and he initially told him nothing but after speaking with the State Superintendant he was informed of a technology cost with the local match being \$62,000. He and Ms. Belcher pulled the budget bill and stated if being under .20 local deposit index the State Superintendant has the ability to do away with that local match upon receiving a drafted letter from the school system. He advised the school system is trying to help.

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Mr. Kidwell stated this is a bad time and there is no easy fix for the budget.

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Mr. Dean stated he knows the Board doesn't have an easy job but in his position he has to look at it from the school system to have one of the best School Divisions in Virginia. He stated after seeing progress he doesn't want to go backwards and stated that this is the first time since the sixty's school enrolment has went up.

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Mr. Kidwell stated to balance the budget the tax rate would have to increase to \$1.16 per \$100 and that can't happen.

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### **PENNINGTON GAP BYPASS RESOLUTION**

There was a discussion about the proposed construction of the route 58 Pennington Gap bypass.

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It was moved by Mr. Waddell, seconded by Mr. Shoemaker, to approve the following Resolution. Upon the question being put the vote was as follows.

VOTING AYE: Mr. Flanary, Mr. Kidwell, Mr. Shoemaker, Mr. Waddell

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### **RESOLUTION REQUESTING THE COMMONWEALTH TRANSPORTATION BOARD (CTB) TO RESCIND THE RESOLUTION**

**APPROVING OF THE PROPOSED CONSTRUCTION OF THE ROUTE 58  
PENNINGTON GAP BYPASS**

**24-005**

**WHEREAS**, the County of Lee, Virginia, hereinafter referred to as "the County," is committed to the well-being and prosperity of its residents and community; and

**WHEREAS**, the CTB, by resolution dated December 14, 2000, approved the construction of the RTE 58 (PENNINGTON GAP BYPASS) referred to as State Highway Project 6058-052-E32,R201 UPC 15163, located from 1.7 kilometers west WCL Pennington Gap to 0.7 kilometers east ECL Pennington Gap, as part of the Route 58 Corridor Program; and

**WHEREAS**, the County recognizes the potential impacts that such construction may have on the environment, community infrastructure, and quality of life for its residents; and

**WHEREAS** after careful consideration and deliberation, the Board of Supervisors has determined that the proposed bypass construction is not in the best interest of the Town and County and its residents; and

**WHEREAS**, the project has reached 20 years since the property has been purchased, and no action from the state has been taken, causing the loss of tax revenue for the Town and the County, and the loss of housing opportunities;

**NOW, THEREFORE, BE IT RESOLVED** by the Lee County Board of Supervisors as follows:

1. The Board of Supervisors hereby requests the CTB to rescind its December 14, 2000, resolution, approving the construction of the proposed bypass in Pennington Gap, Virginia, as described in the RTE 58( PENNINGTON GAP BYPASS)-State Highway Project 6058-052-E32,R201 (UPC 15163), and authorize the release of those properties acquired for the construction of the aforesaid project.
2. The Board of Supervisors directs the Clerk of the Board to transmit a copy of this resolution to the appropriate officials at the Virginia Department of Transportation and to all relevant stakeholders.
3. The Board of Supervisors reserves the right to take further action as necessary to protect the interests and well-being of the Town and County and its residents.

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**REPORTS AND RECOMMENDATIONS OF THE BOARD**

Mr. Kidwell requested consensus of the Board for the County Attorney to send a letter to the Attorney General concerning Department of Social Services and Child Services Act regarding renting of office space, new director salary, use of the Lee County credit card and budget over spending.

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It was consensus of the Board for the County Attorney to send a letter to the Attorney General.

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### **CLOSED SESSION**

It was moved by Mr. Shoemaker, seconded by Mr. Kidwell, to enter Closed Session pursuant to 2.2-3711 A.1. Discussion, consideration or interviews of prospective candidates for employment; assignment, appointment, promotion, performance, demotion, salaries, disciplining or resignation of specific public officers, appointees or employees of any public body. Upon the question being put the vote was as follows.

VOTING AYE: Mr. Flanary, Mr. Kidwell, Mr. Shoemaker, Mr. Waddell

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It was moved by Mr. Shoemaker, seconded by Mr. Kidwell, to exit Closed Session. Upon the question being put the vote was as follows.

VOTING AYE: Mr. Flanary, Mr. Kidwell, Mr. Shoemaker, Mr. Waddell

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### **CERTIFICATE OF CLOSED SESSION**

It was unanimously agreed as follows.

**WHEREAS**, the Lee County Board of Supervisors has convened a Closed Meeting on this date pursuant to an affirmative recorded vote and in accordance with the provision of the Virginia Freedom of Information Act; and

**WHEREAS**, Section 2.2-3711 of the Code of Virginia requires a Certification by this Lee County Board of Supervisors that such Closed Meeting was conducted within Virginia law;

**NOW, THEREFORE, BE IT RESOLVED**, that the Lee County Board of Supervisors hereby certified that, to the best of each member's knowledge, (i) only public business matters lawfully exempted from Closed Meeting in which this Certification Resolution applies and (ii) only such public business matters as were identified in the Motion convening the Closed Meeting were heard, discussed or considered by the Lee County Board of Supervisors.

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### **SCHOOL SYSYEM FUNDING**

Mr. Kidwell stated Todd Pillion said the County does not have to match all the School System funds.

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Ms. Munsey stated she would have to look at that more.

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Mr. Poe gave a breakdown of the funding pools and what requires local match.

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There was a discussion about school system funding and raises for employees.

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### **LIBRARY FUNDING**

There was a discussion about library funding and possible increase in hours and programs at Rose Hill Library.

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There was a discussion about the budget and adopting the budget.

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It was moved by Mr. Shoemaker, seconded by Mr. Flanary, to recess to June 25, 2024 at 5:00 p.m. Upon the question being put the vote was as follows.

VOTING AYE: Mr. Flanary, Mr. Kidwell, Mr. Shoemaker, Mr. Waddell

