A regular meeting of the Board of Supervisors of Albemarle County, Virginia, was held on April 30, 2025, at 6:00 p.m. in Lane Auditorium, Second Floor, Albemarle County Office Building, 401 McIntire Road, Charlottesville, Virginia, 22902.

PRESENT: Mr. Jim H. Andrews, Mr. Ned Gallaway, Ms. Beatrice (Bea) J.S. LaPisto-Kirtley, Ms. Ann H. Mallek, Ms. Diantha H. McKeel, and Mr. Mike O. D. Pruitt.

ABSENT: none.

OFFICERS PRESENT: County Executive, Jeffrey B. Richardson; County Attorney, Andy Herrick; Clerk, Claudette K. Borgersen; and Senior Deputy Clerk, Travis O. Morris.

Agenda Item No. 1. Call to Order. The meeting was called to order at 6:00 p.m., by the Chair, Mr. Jim Andrews.

Mr. Andrews introduced the Albemarle County Police Department Officers present to provide their services at the meeting, Lauren Daly and Angela Jamerson.

Agenda Item No. 2. **Public Hearing: Calendar Year 2025 Real Property Tax Rates.** To receive comments public comment on the proposed real property tax rates for Calendar Year 2025

a. Assessment Increase: Total assessed value of real property, excluding additional assessments due to new construction or improvements to property, exceeds last calendar year's total assessed value of real property by 5.1 percent.
b. Lowered Rate Necessary to Offset Increased Assessment: The tax rate which would levy the same amount of real estate tax as last calendar year, when multiplied by the new total assessed value of real estate with the exclusions mentioned above, would be $0.813 per $100 of assessed value. This rate will be known as the "lowered tax rate."
c. The County of Albemarle proposes to adopt a tax rate of $0.894 per $100 of assessed value for calendar year 2025. The difference between the lowered tax rate and the proposed tax rate would be $0.081 per $100, or 9.96 percent. This difference will be known as the "effective tax rate increase.".
d. Proposed Total Budget Increase: Based on the proposed real property tax rate and changes in other revenues, including borrowed funds, the total budget of the County of Albemarle will be greater than last fiscal year's by 0.2 percent

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Mr. Andy Bowman, Assistant Chief Financial Officer, clarified that there was no action requested from the Board tonight. The action on tax rate changes would be made on May 7, 2025. He said that the budget was a single package. There were two public hearings scheduled for tonight, one concerning real property tax rates and the other concerning personal property tax rates. He said that he would now return the floor to the Chair.

Mr. Andrews opened the public hearing on the Calendar Year 2025 Real Property Tax Rates.

Mr. Gary Grant, Rio District, stated that he was back again due to the $0.04 real estate tax rate increase, combined with an average 5.1% real estate assessment increase. He said that his assessment, however, increased by 15% on his 47-year-old house with no improvements. He said that he was aware that the Board’s unanimous party vote on the $0.894 tax rate, as well as some colleagues' desire for an even higher rate, which led to his attendance at this hearing.

Mr. Grant said that he was not sure why he was there waiting for the red light to glare in three minutes. He said that he was certainly not deeply professional like their Scottsville Supervisor had boasted about their party and their workers. He asked what the point was of public hearings, given that Supervisor from Rivanna claimed that she and most of the other Supervisors already knew how they would vote by the time they arrived.

Mr. Grant asked how they could cut the unanimous $0.04 tax rate increase when the Rio Supervisor failed to leap back as promised and scolded him when he was questioned. He said that perhaps with as a 2.5% Social Security level cost of living adjustment (COLA) instead of the budgeted 3.5% raise for workers, or by cutting a penny from the $0.04 tax rate hike, reducing the $40 million General Fund increase by just 0.8%, or by cutting $0.03 from the tax rate hike for free and reduced housing taken from the landowners who paid for their own housing responsibly and personally, rather than through a faux-governmental right to housing. He apologized for his presence and lack of impact. He said that he was not deeply professional enough, looped in enough, nor all-knowing enough in their business. However, the County would still receive his higher tax check, because he preferred to keep living in what he chose and paid for every year.

Mr. Rob Myers said that to reiterate some of Mr. Grant's points, albeit with a bit of different perspective, his own real estate assessment had increased by 10%, and he had also noticed a personal property tax proposal of 8% increase. He said that he would like to mention a couple of things. He said that according to recent statistics he read from a comment, the Yale University’s Budget Lab expected the average American household was facing an additional $3,800 in expenses this year due to tariffs, on top of the already 2.25% inflation rate. The Federal Reserve reported that Americans had a total of $1.21 trillion in credit card debt, with many individuals struggling to keep up with payments.

Mr. Myers said that the use of Buy Now, Pay Later (BNPL) services was becoming increasingly popular. He noted that 25% of BNPL users had resorted to using them to pay for groceries, with one-third of Generation Z users doing the same. He said that this was unsustainable, as 41% of BNPL users had made late payments on their loans in the past year. Considering the rising costs of inflation, tariffs, and existing taxes, it was unclear how individuals would sustain double-digit increases in real estate taxes, personal property taxes, and everyday expenses, especially when they were already struggling with credit card debt and late payments. He said that he had included the figures and audited numbers, which he hoped would be taken into account by the Board of Supervisors.

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Mr. Andrews closed the public hearing and said the matter rested with the Board.

Ms. Mallek said that she had no comments on the budget at this time, as she assumed they would have a more in-depth discussion next week. However, their current situation made her feel like she was reliving the struggles of 2008, 2009, and 2010 again. She agreed that the pain was very real for many people, but if they allowed themselves to fall into the same patterns they did during the Great Recession, it could create a vicious cycle of lacking capital and services. She acknowledged the pain that came with increased costs, and it was an unfortunately a perfect storm of factors contributing to the situation.

Mr. Gallaway thanked Mr. Grant and Mr. Myers for giving comments tonight.

Mr. Pruitt said that before he was elected, he recalled attending one of these hearings, where Mr. Andrews had made a concise and effective statement, which was that the budget drives the tax rate, and they had already agreed on the budget and the items within it, and therefore he supported the tax rate. He said that he found this statement to be a clear summary of the issue.

Mr. Pruitt said that he would also like to reference Mr. Grant's comments, which highlighted specific policy choices in the budget that could be interpreted as tax cuts. He said that these policy choices were indeed ones that the Board had seriously considered. One of the concerns he had was the impact of a less compensated workforce on their ability to stay competitive with peers. He said that in his view, the tax rate was a culmination of these policy decisions, representing their stance on the items in the budget, and he stood by these beliefs.

Mr. Andrews said that he concurred; the Board had had their 33 hours of meetings with public comments and a significant amount of informal feedback, as well as numerous emails regarding additional items to be included in the budget and concerns about the proposed tax rate increase. While increasing the tax rate was painful, it was a necessary step driven by the budget, so they would always have to discuss these matters together and ultimately make a decision. He stated that they would formally act on this matter on May 7.

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Agenda Item No. 3. **Public Hearing: <u>Calendar Year 2025 Personal Property Tax Rates.</u>** To receive public comment on a proposed increase in the tax rate from $3.96 per $100 of assessed value to $4.28 per $100 of assessed value, on all classes of property subject to taxation by the County pursuant to Chapter 15, Article 8 of the County Code, including tangible personal property; tangible personal property employed in a trade or business that is not otherwise classified as machinery and tools; merchants' capital; short-term rental property, with an original cost of less than $500; and machinery and tools, as enabled by Title 58.1, Chapter 35 of the Code of Virginia (1950), as amended, to be effective on and after January 1, 2025.

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Mr. Andrews opened the public hearing. Seeing no speakers, he closed the public hearing and the matter rested with the Board.

Ms. McKeel asked if Mr. Bowman or Mr. Sumner could briefly explain the history behind the proposed increases to the personal property tax rate. She said that she had noticed emails referencing this topic, and she would appreciate a brief overview of why they were at this point and how the current rate came to be.

Mr. Bowman explained that provided in his presentation was a five-year history of the personal property tax rate. Approximately 87% of this revenue came from the values of personal vehicles. He said that since the 1990s until 2021, the rebate amount remained at $4.28. After the onset of the pandemic, there was a significant change in the price of vehicles, particularly used vehicles, due to supply chain disruptions and other factors.

Mr. Bowman stated that as a result, the Board decided to lower the tax rate by about 20%, or $0.86, to $3.42. The reduction remained for two years, and over those last two years, it had been phased back to the prior rate of $4.28. He noted that while individual experiences may vary based on the value of the vehicle he owned, overall, this trend reflected the market and resulted in the proposed rate.

Ms. Mallek said that she was grateful for the staff person who conceived the idea of identifying the significant market imbalance that led to the reduction. She was aware that many communities did not reduce their tax rates for vehicles that were subsequently 40% more expensive. She expressed her appreciation for the efforts that facilitated the reduction at the right time.

Ms. LaPisto-Kirtley stated that their community, as expressed by County Executive Mr. Richardson, demanded a lot. She explained that they expected a wide range of services, and with those services came a significant price tag. They wanted the best people, the best Fire Department, the best Police Department, the best schools, and the best Parks and Recreation facilities. She noted that some constituents had requested her to consider charging even higher taxes than proposed in order to better fund the schools; however, the Board did not opt for that approach this year.

Ms. LaPisto-Kirtley stated that people had a high expectation that the County would provide these services, and for the most part, she had responded to the concerns of her constituents, acknowledging there was an expectation that the Board would do what was best for the community. She emphasized that this Board was indeed very professional and transparent in their decision-making process.

Ms. LaPisto-Kirtley clarified that she did not always know how individual members would vote until the moment of the vote, and they had all been willing to revisit their positions if necessary. She emphasized that as a wealthy community, there were high expectations, and she believed the Board was meeting those expectations. Unfortunately, that meant they may need to raise taxes to meet the expectations of Albemarle County.

Mr. Gallaway said that he believed the second speaker should note the tariffs on new cars, as it was something they should watch this year. The tariffs were not necessarily the same factor that drove up values during the pandemic, when supply issues with new cars led to a surge in demand for used cars, along with the spike in federal funding, which provided cash infusions to people that could be used as down payments that the car industry was not prepared for, further exacerbated the situation.

Mr. Gallaway said that as a result, used cars became scarce, and prices skyrocketed. He believed that it was essential to monitor the situation over the next 12 months, as the tariff situation was currently very unpredictable. He noted that if the current tariff policy provided reprieve to the new car market, it may help mitigate the trend of people opting for used cars, which could be priced 5% to 15% higher due to the tariffs.

Mr. Gallaway said that he found the average used car listing price to be absurd, currently $25,100. He said that even the used car market was experiencing significant price increases, with the average used car payment ranging from $520, while new car payments exceeded $700. He said that it was crucial that they remain mindful of this trend and continue to watch it, as they had in the past when making adjustments to personal property rates. He appreciated Mr. Myers bringing this aspect to their attention.

Mr. Andrews agreed that tariff uncertainty and numerous uncertainties today were complicating the picture. He said that these uncertainties also complicated the picture of what services may be needed from local governments. He stated that regardless of the tax rates adopted by them on May 7, he was confident that this Board would continue to seek ways to diversify revenue sources, moving beyond a reliance on residential real estate. He said that he was committed to finding efficiencies in how they provided essential services, and this was a priority throughout the year, not just during budget time.

Mr. Bowman stated that they would reconvene next week at the May 7th meeting to adopt the budget, tax rates, and all related actions, thereby concluding the Fiscal Year 26 budget development process. He thanked the Board for their time and attention.

Agenda Item No. 4. From the Board: Committee Reports and Matters Not Listed on the Agenda.

Mr. Andrews stated that one important item to note was a proclamation recognizing “Our Community Salutes,” a ceremony honoring families with military offspring. Although he did not have a physical copy, he believed they had all received it. The proclamation would be read by Supervisor Pruitt at the ceremony this Saturday. He asked for a motion to adopt the proclamation as written.

Mr. Pruitt moved that the Board of Supervisors adopt the proclamation Our Community Salutes recognizing new entrants into the military. Ms. LaPisto-Kirtley seconded the motion,

Roll was called and the motion carried by the following recorded vote:

AYES: Mr. Andrews, Mr. Gallaway, Ms. LaPisto-Kirtley, Ms. Mallek, Ms. McKeel, and Mr. Pruitt.
NAYS: None.

PROCLAMATION
OUR COMMUNITY SALUTES

WHEREAS, serving the citizens, community, and the United States of America as a member of a military service is one of our country’s highest callings; and

WHEREAS, serving in the military requires the demonstration of positive attributes such as commitment, integrity, dedication, sacrifice, and patriotism; and

WHEREAS, serving in the military enables individuals to learn lifelong professional and personal skills and to develop expertise that is beneficial to the community and society at large; and

WHEREAS, each year young men and women of our community, with hopeful reassurance from their families, enlist into the Army, Marine Corps, Navy, Air Force, Coast Guard, Space Force, and the respective Reserve and National Guard forces.

NOW, THEREFORE, BE IT PROCLAIMED that we, the Albemarle County Board of Supervisors, celebrate, salute, and support those graduating seniors and other young men and women who have chosen to enter military service; and

BE IT FURTHER PROCLAIMED that we, the Albemarle County Board of Supervisors, express our gratitude to such young recruits for their future service to our great nation.

Signed this 30th day of April, 2025.

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Ms. McKeel cautioned the community to exercise extreme care when disposing of cigarettes, as tossing them out of windows was particularly hazardous in their current dry weather conditions. She said that their fire season continued, and she had been astonished by the number of fire calls their Fire Departments had responded to this year, resulting in significant acreage being burned. She said that the situation was dire, with the entire state facing similar challenges. It was not just their County; the entire state was experiencing severe drought. She said that she was reminded of the devastating fire two years ago, which had overwhelmed their local fire department and required assistance from neighboring communities. She said that she had been deeply concerned about this issue and had wanted to bring it to the attention of the public.

Ms. LaPisto-Kirtley warned the community about the presence of fire ants in the area. She said that it had been reported that they bite and sting repeatedly, and their venom could cause severe allergic reactions in some individuals. She said that the Virginia Department of Agriculture and Consumer Services (VDACS) had recently completed a survey in the northern Albemarle area, specifically near Kohl's on Route 29.

Ms. LaPisto-Kirtley stated that the VDACS survey found 70 mounds in a 60-acre area, including both sides of Route 29, and it was suspected that there may be more. She said that therefore, it was essential that they remain vigilant and keep an eye out for these ants, as they would attack when their mounds were disturbed. She stated that fire ant mounds could appear as flat areas or dirt raised with no visible openings, making them difficult to spot.

Ms. LaPisto-Kirtley said that if fire ants were found in Virginia, it was advised that they should not disturb the mounds, as this could trigger attacks or cause the colony to relocate. She said that instead, they should locate and report ant sightings to the Virginia Department of Agriculture and Consumer Services. She said that she would provide her airport report at the Board’s next meeting.

Mr. Andrews said that he would like to expand on the comment regarding fire safety. He said that they were walking their dogs at 6:00 p.m. in the morning and noticed a wet spot in the mulch, which was actually smoking. He said that upon investigation, they found that someone had carelessly thrown a cigarette, and it was already burning on the ground, quietly smoldering without anyone attending to it at that early hour.

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Agenda Item No. 5. From the County Executive: Report on Matters Not Listed on the Agenda.

There was no report from the County Executive.

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Agenda Item No. 6. Adjourn.

At 6:29 p.m., the Board adjourned its meeting to May 7, 2025, 1:00 p.m. in Lane Auditorium, Albemarle County Office Building, 401 McIntire Road, Charlottesville, VA, 22902. Mr. Andrews said information on how to participate in the meeting would be posted on the Albemarle County website Board of Supervisors home page and on the Albemarle County calendar.

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Chair

Approved by Board
Date: 11/05/2025 Initials: CKB