



# TOWN COUNCIL WORKSHOP MEETING

April 21, 2022 at 5:00 PM

*Council Chambers – Town Municipal Center*

## AGENDA

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**CALL TO ORDER** – *Mayor Leonard*

**INVOCATION** - *Councilman Savage*

**PLEDGE OF ALLEGIANCE** – *Mayor Leonard*

**PUBLIC COMMENT** – *Mayor Leonard*

**AGENDA ADOPTION** – *Mayor Leonard*

**REVIEW OF FY23 TAX RATES** - *Mr. Tolbert*

1. Council Tax Rate Memo

**CONSIDER APPROVAL OF TENNIS AND PICKLEBALL COURT REHAB PROJECT** - *Mr. Tolbert*

2. Tennis Pickleball Project Memo

**CONSIDER ADDITION OF 2 NEW CPD POSITIONS** - *Mr. Tolbert*

3. CPD New Positions

**DISCUSSION OF DOWNTOWN IMPROVEMENTS** - *Mayor Leonard*

**MAYOR & COUNCIL ANNOUNCEMENTS** – *Mayor Leonard*

**CLOSED MEETING** - *Mayor Leonard*

4. Closed Meeting Motion

**CERTIFY CLOSED MEETING** – *Mayor Leonard*

5. Certification Motion

**ADJOURN**

# Town of Chincoteague, Inc.

Item 1.



TO: Mayor Leonard and Council Members

FROM: Michael Tolbert, Town Manager

DATE: April 21, 2022

SUBJECT: FY23 Tax Rate

The Code of Virginia requires a reassessment of real estate at a maximum of 6-year intervals. Accomack County performs a reassessment of every 2 years. The total 2021 certified real estate value for the Town of Chincoteague was \$961,819,800. The latest County biennial reassessment processed 5,570 Island parcels with a total land value of \$493,677,700 and a building value of \$652,610,000 for a total post assessment value of \$1,146,287,700 This is an average increase of 19.2% to all properties located in the Town of Chincoteague.

The Code of Virginia does not allow a locality to benefit from an increase in its total levy as a result of a reassessment requiring the locality instead to either lower the existing tax rate to maintain its levy to less than a 1% increase or to proceed with the process for a formal increase in tax rates. The excerpt below concerning local reassessments is from the Code of Virginia.

*§ 58.1-3321. Effect on rate when assessment results in tax increase; public hearings.*

*A. When any annual assessment, biennial assessment or general reassessment of real property by a county, city or town would result in an increase of one percent or more in the total real property tax levied, such county, city, or town shall reduce its rate of levy for the forthcoming tax year so as to cause such rate of levy to produce no more than 101 percent of the previous year's real property tax levies, unless subsection B is complied with, which rate shall be determined by multiplying the previous year's total real property tax levies by 101 percent and dividing the product by the forthcoming tax year's total real property assessed value.*

*B. The governing body of a county, city, or town may, after conducting a public hearing, which shall not be held at the same time as the annual budget hearing, increase the rate above the reduced rate required in subsection A if any such increase is deemed to be necessary by such governing body.*

# Town of Chincoteague, Inc.

I would stress that 19.2% is an average increase for the entire Town. Individual property taxes may increase at a percentage greater or less than this percentage. Also, both the County Assessor and the Board of Equalization have the authority to reduce individual assessments.

Calculated Lowered Rate:

Year	Certified Value	Tax Rate	Total Levy		
2021	\$961,819,800	\$.07/\$100	\$673,273.86		
2022	\$1,146,287,700	\$0.059/\$100	\$676,307.74	< 1% increase	

The lowered tax rate of \$0.059 would produce a total levy with less than 1% increase over the previous year keeping the Town within the boundaries set by the Code of Virginia.

Accomack County recently reduced its tax rate from \$0.61 to \$0.595 which is an effective tax increase of \$0.03/\$100 as a result of a county wide reassessment.

An unprecedented event in personal property rates is also taking place this year. Used vehicle values already increased this year approximately 40% by January over 2021 although during the last few months, that year over year number reduced to 35%. This phenomenon is not addressed by the State Code and as such, the Council is under no obligation to reduce personal property tax rates. However, given its rare occurrence, Council may want to consider a temporary reduction. The Town’s current personal property tax rate is \$0.85/\$100.

The County reduced their personal property tax rate on vehicles, passenger trucks and motorcycles from \$3.72 to \$2.99 (20%) to reduce the impact of taxes on the increased values of these types of used vehicles.

Council is advised that although the current higher values are unprecedented, this is expected to be a temporary situation with the used vehicle market eventually returning to an annual depreciation of unit values which would require an increase of personal property tax rates in the future.

**Council is asked to consider and vote on the lowered real estate tax rate.**

**Council is asked to consider the personal property tax rate for FY23.**

# Town of Chincoteague, Inc.



TO: Mayor Leonard and Council Members

FROM: Michael Tolbert, Town Manager

DATE: April 21, 2022

SUBJECT: Tennis and Pickleball Courts

Harvey has obtained firm pricing for the resurfacing of the Memorial Park tennis and basketball courts as well as the pickleball courts and parking lot at the Amrien Gym. The RCEC recommended the project go to the ARPA Committee for funding. The ARPA Committee tabled the request.

Total costs of the project are;

Tennis Courts	\$52,297
Basketball Courts	\$ 9,637
<u>Pickleball and Parking lot</u>	<u>\$34,510</u>
Total Project	\$96,444

Due to the nature of the materials used, this project must be done in moderately warm weather. The RCEC would also like to get the project accomplished prior to the summer season when the facilities get their heaviest use. Immediate funding would come from the Beach/Recreation/Tourism reserve account which could be replaced with any excess FY22 funds.

**Council is asked to consider approval of all three projects for the spring construction.**

# Town of Chincoteague, Inc.



TO: Mayor Leonard and Council  
FROM: Michael Tolbert, Town Manager  
DATE: April 21, 2022  
SUBJECT: Proposed new CPD positions

At the March 8 meeting of the Budget and Personnel Committee, the Committee approved the addition of 2 new CPD patrol officer positions for recommendation to the Council pending review and funding approval by the Public Safety Committee. At its March 9<sup>th</sup> meeting, the Public Safety Committee approved both positions with one position being funded from the Public Safety reserve account. The second position will be funded from the general fund.

The estimated total annual costs are listed below.

	<u>Year One</u>	<u>Year two</u>
Position 1: New officer – No Experience		
a. Salary	\$ 40,081	\$41,288
b. Benefits	\$ 15,567	\$16,956
c. Equipment	\$ 5,000	\$0
d. Training (academy)	\$ 15,000	\$0
Position 2: New Officer – Experienced		
e. Salary	\$ 48,506	\$49,718
f. Benefits	\$ 16,827	\$18,797
g. Equipment	\$ 5,000	\$0
h. Training (Local)	\$ 0	\$0

Total initial cost of new positions..... \$ 145,981  
Total recurrent annual cost.....\$ 126,759

**Council is asked to consider the committees' recommendations.**

**Executive Session Motion:**

**Closed Meeting Motion:**

I will entertain a motion that the Council convene a closed meeting pursuant to Sec. 2.2-3711 A1,5 Code of Virginia for discussion of Specific personnel issues and potential business opportunities.

**Certification Motion:**

In accordance with section 2.2-3712(D) of the Code of Virginia, I will entertain a motion that the Council certify that to the best of each Committee members' knowledge:

1. Only public business lawfully exempted from open meeting requirements was discussed and
2. Only such public business matters as were identified in the motion by which the closed meeting was convened were heard, discussed or considered.

*Ask for a vote by show of hands*