



2022/End of Year Newsletter

The End of Year 2022 Newsletter was created as a handout to accompany the re-start (post COVID) of my bi-annual constituent meetings which began when I was elected in 2008. If you have attended these meetings, you know there is a strong emphasis on budget. My September 2022 meetings were actually called a “Budget Class.” If you missed the meetings, the target date for the next series is March of 2023. As the year progresses, you can visit my Facebook page at **jeffsili2022** or my website **jeffsili.org** to learn the dates and times for the new year, or call my home office at 804-633-9084 to be added to the mailing list.

When a locality has solid fiscal practices, operating in the black with a good credit rating (just like any household) it creates a template and outline for what services can be provided to the citizens and how they can be improved upon. Another term for this is simply, **careful planning**. I am an engineer by trade and careful planning is how I make my living. These practices can be applied to the county budget which is funded by your tax dollars.

It is important to understand how tax dollars are allocated as they affect quality of life in your county. Many times, during budget season there can be considerable drama, especially on social media and large amounts of misinformation on the budget. Many of these “sources” have never attended a board meeting and have little knowledge of how a county budget functions. Learning the meaning of simple terms like “**General Fund, Unencumbered Balance, Capital Projects**” and the amount which the county must save to maintain a good credit rating can easily be likened in layman’s terms to a household budget, and are not difficult to master.

A good understanding of county finances is a way to separate myth from reality and can provide a tool for you to take part in local government when the board begins work on budget in February. The primary source that funds county services are real estate and personal property taxes which are set forth as a main revenue stream by statute in the Virginia General Assembly. The Board of Supervisors sets the tax rate and provides the means of assessment of property by a vendor, but the method is established by state government.

Taxes are billed twice a year in June and December. Currently the tax rate is .77 per hundred of assessed value. **In addition, you often see on social media the county compared to other localities, for example, Spotsylvania.** When you learn the revenue stream for these localities is vastly different, you are learning **facts vs. what sounds smart or catchy.** One cent of real estate in Caroline County brings in \$316,000, while one cent in Spotsylvania brings in 1.7 million. If you have chosen to make your home here, this is a good thing to know about the main revenue stream. **This is a big difference in funding and what it can provide.**

Jeff Sili – The Vision

Caroline is unique in many ways, and is in fact one of the most unique counties in the Commonwealth and the only one that lies in both the Tidewater and the Piedmont, mostly due to our vast size. We are the 11th largest county in the state and have much more in common with the Northern Neck counties along the water, although people somehow think they are in NOVA and should have services like these counties to the north. New folks in the western subdivisions seem surprised that Caroline is made up of mostly rural and agricultural preservation zoning designations, is drained by five rivers, has an economy built on agriculture, and is divided by 77,000 acres of the wilderness that is Ft. A.P. Hill. It can take an hour or more to drive from western Caroline to the river at Port Royal. However, what makes the county even more unique is the slice of I-95 that runs through Caroline's western portion with our primary growth area which gives us the best of both worlds. The county utility system is located in this primary growth area and was created and designated for business and commercial growth. A short discussion of the **County Comprehensive plan** is included in Part II of this document to help citizens understand the importance of this document and debunk a few more myths as well about where business can and cannot locate.

County Government

There are a number of opportunities to stay apprised of issues on the table for County Government. Our board meetings are held on the 2nd and 4th Tuesdays of every “odd month” beginning at 6 o’clock, and the 2nd Tuesday only in even numbered months. Public Comment, for you the citizens begin at 7:30. Our meetings are now available live and are also recorded on the Caroline County Virginia YouTube page. I would however suggest, even if just several times a year, to come to the Community Center in person for meetings so you can get a better understanding of how local government is conducted and the issues on the table. The agenda comes out the Thursday before the Tuesday meeting and is available online at www.caroline.va.us.

Looking back at the Budget

If you read the newspaper, in May of 2018, you know that the county applied for and won it’s first ever AA bond rating, an important fiscal tool, signaling to banks and potential investors of securities in government bonds that sound budget management is a top property in Caroline. This also enables the county to borrow money at a lower interest rate. This kind of careful and responsible budget management also resulted in Caroline’s place (as reported in the Free Lance Star) **in 2018 as among the top ten in the state of localities who most effectively use their tax dollars in providing services to citizens.**

However, to really understand and compare different ways of spending and how far the budget has come into the black, we need to briefly go back to 2008, my first year on the Board of Supervisors. **The budget was and is my top priority—to be careful with your money.**

In 2008, I found the county budget completely in the red.

(1) In 2008, the county made payroll, paid the light bill and covered daily operations with a line of credit, essentially mirroring what it would be like if your household was living on a credit card. The county receives revenue twice a year when taxes are collected. The **General Fund**, or main operating account had been so depleted by 2008, that it became necessary to operate on a line of credit between tax collections.

- (2) Millions of dollars in borrowing had taken place for things that should have been covered by the operations budget, however there was essentially no operations from which to draw.
- (3) Creative financing had occurred like interdepartmental loans which had never been presented to the public and were hidden on what is called the **Consent Agenda** at board meetings. These loans were never publicly discussed or repaid.
- (4) Loans for larger expenditures like infrastructure were in shambles with county vehicles financed and refinanced repeatedly until 2029, vehicles which were already old and inoperable. Some of the loans were interest only at huge rates and no attempt had been made to retire debt service.
- (5) While localities are urged as a best practice to keep between 12 and 17 per cent of their total budget in what I will call the rainy-day fund, this too had been depleted. This fund is also called the **Unencumbered Balance** because they are funds which are not designated to be used for operations and can be used for cash flow emergencies. Long story short, Caroline had no fund for emergencies.
- (6) By 2010, Caroline received a letter from the state informing us that we would no longer be allowed us to participate in state assembled borrowing packages with other localities. We were simply too much in debt.

My goal then in the early years of my tenure was to right the budget and bring the county back to fiscal solvency. In 2011-12 we added several new supervisors to the board and a new county administrator. In 2015, two new board members joined the board. The spending philosophy began to change, but Caroline still had a long way to go. A good year to look at to get a feel for the high-water mark on debt and then the turnaround toward solvency is 2014.

Understanding the budget

The budget is divided into several major categories. The **General Fund** is the primary fund for most county operations. The **School** and **Utility** funds are kept separately. Capital Projects such as borrowing for major infrastructure improvements, building renovations, water and sewer projects, vehicles for school and the county use are kept within these categories and are reflected in the overall total debt number.

A Look at 2014/Unfunded Mandates and a Budget still in Recovery

2014 is a great line in the sand mark to show just how far we have come in 2022, and also to explain what is meant by Unfunded Mandates. **Unfunded Mandates** are things a county is ordered to do by another entity, but no funding is offered to help offset the cost. There are three types of unfunded mandates.

- (1) Those passed into legislation by the Virginia General Assembly**
- (2) Those passed into legislation by the Federal Government**
- (3) Those dictated by citizen voters when they affirm a project via referendum on a ballot**

In 2014, the budget reflects two **Unfunded Mandates**. The Federal Government mandated a completely new public safety radio system without providing the funding. The year before, in 2013, the voters in Caroline at an all-time high of 80 per cent majority, approved a 25-million-dollar renovation to the schools. The tax rate that year went up 11 cents to cover both of those mandates. Below are the basic numbers from 2014's budget, but the most important number to pay attention to is the last one, **the total debt figure for Caroline County Virginia is \$210 million.**

Dept	2014
General Fund	\$43,850,481
Utilities	\$91,146,504
School	\$75,051,030
Total	\$210,048 015

Moving forward to 2017

By 2017 better practices had not only resulted in a reduction of overall debt, but the saving of 12 per cent of the budget in the Rainy-Day fund/**Unencumbered Balance** which would be used the following year to obtain a Bond Rating. As you can see the overall debt is dropping, while the **Unencumbered Balance** is rising. To obtain and maintain a bond rating, the county must set aside between 12 and 17 per cent of its budget unspent.

Dept	2017
General Fund	\$36,785,316
Utilities	\$66,247,163
School	\$79,561,717
Total	\$182,594,197
Unencumbered Bal @ 13%	\$16,978,042

Let's stop now and look at the tools used to balance and bring the budget back in line over a 15-year period

- (1) Cut unnecessary spending and borrowing
- (2) Repaying and closing the line of credit for Operations
- (3) A halt to unwise borrowing and interest only borrowing
- (4) Saving and not spending to repay the rainy-day fund
- (5) By saving we began to pay cash and not finance items like school buses.
- (5) Saving **One Time Money** which we will talk about later, but for now think of this as getting a bonus at your job which will not be repeated and is not part of your regular household income.
- (6) Seeking other revenue streams by attracting business. Income from business is an extra revenue engine over and above taxes paid by citizens which helps to keep county taxes from rising.

During this time, Caroline aggressively pursued a new revenue stream called "Business Growth" in a number of ways, the most innovative of which is called **The 639 Smart Scale Project**. Located off 95 in the Primary Growth Area, this major transportation project created a ready to build area where businesses could locate quickly without major road considerations, making us very competitive in the retention and attraction of prospective businesses. Smart Scale refers to the fact that the state paid for the "Lion's Share" of the project at 21 million, while the county match was considerably less at 6 million, most of which was paid for with cash.

2018-2021

The following table shows the all-important **Unencumbered Balances** for the years 2018-2021 where the county is setting aside unspent a portion of its revenue. This is just like any household savings account. Pay attention to the year 2019 when 1.1 million was spend from the balance throughout that year for items **not budgeted**. The fund dips into the 12 percentile and we already know when it falls below that, the county is in danger of losing the bond rating.

It’s about balance.

Unencumbered Balance	Amount	Percent of Budget
2018	\$17,990,799	13%
2019	\$16,863,905	12%
2020	\$17,080,971	13%
2021	\$22,963,802	17%

One Time Money-Another aspect to consider when looking at the **Unencumbered Balance** is that some portion is likely to be made up of a category known as “**One Time Money**”. This is one of the most important aspects of understanding a county budget, because one time money is NOT a yearly revenue stream. When it is spent it is gone and is not necessarily replaced in an equal amount, if at all. This is like a one-time bonus from your job, which may or may not be repeated the following year.

This is the reason county government cannot, for example hire employees with it or pay for operations because the future funding source may not be there. The best recent example of **One Time Monies** are the COVID monies which came to the county through the federal government in 2020 and 21 to cover those expenses associated with the Pandemic. The county has been able to leverage those funds to pay for example, EMS salaries and other expenses associated with the Pandemic, thus saving monies normally designated to pay those.

To really understand **One Time Money**, look closely at year 2021 where the **Unencumbered Balance** is at 17 per cent. Here the balance increased 5.8 million from the year before, HOWEVER spending actually increased dipping into the

Unencumbered Balance that year by 800K, but was offset by several things; the influx of COVID money, the increase in June 2021 tax payments and the return of other unspent funds. While tax payments represent a recurrent revenue stream, unspent funds from year to year are never the same, and COVID money from the Federal Government is **One Time Money**.

2021 is also a year to note because the county faced yet another **Unfunded Mandate** from the Virginia General Assembly. There, legislation passed giving a 5 percent raise to a classification of teachers (SOQ Standards of Quality) and Comp Board funded constitutional office employees, but not to those teachers and constitutional office workers in general. No consideration was given by the General Assembly to non-SOQ employees and Non-Comp Board Funded positions, despite performing the same job. More importantly for budget concerns was that the 5 percent raise was not fully state funded. The state funded 64%, or 2/3 of the increase and the locality was responsible to match 36%, or 1/3 of the increase. To meet this unfunded mandate and to ensure employees working side by side got equal treatment, the county raised real estate taxes 8 cents per hundred. The tax increase also went toward the increase in pay for our sheriff's office and public safety employees to make the county more competitive in this arena.

Transfers to **Utilities** from the **General Fund** continues to fall helping the **Unencumbered Balance** due to increased connection fees in both residential and commercial growth.

Dept	2021	2022
General fund	\$31,083,695	\$44,048,407
Utilities	\$46,823,522	\$73,450,295
School	\$59,406,644	\$49,416,388
Total	\$137,313,862	\$166,915,090

Does the county have a big surplus at their disposal?

I hear this every so often, again on social media. The answer is **NO** because if we spent our hard-won **Unencumbered Balance**, we lose our bond rating. So, to recap, the county has enough money in the **General Fund** to pay for the operations of the services we provide, fire and rescue, public safety, the landfill, parks and recreation, schools and more and all of the salaries of the people who operate the

services. These things are no longer paid for on credit. Plus, between 12 and 17 percent of the total budget is also available via the **Unencumbered Balance** which assures our ability to borrow at low interest rates should the need arise.

In Conclusion to the Newsletter Part One

This brings us to our 2022 Budget in the table on the right above and a comparison with the overall debt from those in the red years. Remember in 2014 the county was **\$210** million in debt with little to show for it. Today we are **\$167,000,000** in debt with much more to show for our spending in tangible assets over the last 5–10-year period. In Part two, let's look at what the county had been able to do with fiscal responsibility.

2022 End of Year Newsletter Part II

In Part I, we covered the basics in understanding local government budgets. Now let's look at what that really means in terms of services and infrastructure, and conclude with 2022's major happenings and announcements county-wide. You can always view the budget figures on the county website, but rather than show figures with no explanation or point of reference, let's look at the concrete results of sound fiscal management which is happening as the debt numbers actually drop.

A review at what fiscal responsibility generates in Caroline-

In 2018-(1) Caroline makes the top 10 Virginia counties where property taxes are spent most effectively. **(2)** Caroline receives its first AA Bond Rating, enabling the county to borrow money at low interest rates with a good credit rating.

2022-Caroline County receives a GFOA certificate of achievement for excellence in Financial Reporting which is due to the hard work of our County Finance Director, Ms. Tomeka Smith.

Schools-Schools represent the largest single portion of the county budget. The overall appropriation from the county has increased from **20 per cent in 2014 to 51 per cent of the county budget in 2022**. These years include the completion of the renovated High School and Madison Elementary for 25 million, a new gym floor for \$90,000 in the Middle School, \$45,000 in roof maintenance, and the funding of three new additional resource officers. Five new school buses each year have been purchased since 2018,

using cash to avoid interest and other school vehicles are obtained under lease purchase (also saving money on debt service).

In 2021-22, \$806,321 was transferred as an increase to the schools to match the 5 per cent raise proposed by the General Assembly. The Board of Supervisors also provided raises to school staff not covered by the Virginia General Assembly.

Looking at the present budget, the School Capital Improvements Budget for FY 2023 totals \$1,914,509 and consists of \$1,000,000 in matching funds for replacement of the HVAC system (using remaining school operating funds from FY 2021 and FY 2022), another 5 replacement school buses (\$579,509), maintenance and student transport vehicles (\$105,000), maintenance grounds equipment (\$130,000) and staff computers/classroom technology (\$100,000).

Not included in these figures so therefore not counted as a percentage of the total county budget which now goes toward schools are recent extra appropriations from the Board of Supervisors. These include in 2021 renovations for the softball fields (\$114,610) and in 2022 funds to add \$190,352 in lights. Tennis Courts have also been upgraded.

Sparta Fire Station-\$500,000 in funding since 2020. This is of particular interest to the Bowling Green District; however, the station will serve the entire county. This relocation has been my project for a number of years due to the flooding, during heavy storms of the existing station. The land has been purchased, the design completed (see below) and work is scheduled to begin in 2023.

Investment in New Revenue Sources/Infrastructure

The 639 Road Improvement Smart Scale Project/Utility Upgrades-The 639 Transportation project took advantage of the availability of state funds in the amount of **21 million** to create a business ready opportunity in the form of a four-lane expansion in an area off I-95 (Exit 110) already primed for future growth with a county match at **6 million**. Income from Business and Commercial growth is the engine which keep taxes low for citizens. This project has been hugely successful and this road redesign and readiness reduces the waiting period for businesses significantly, making us highly competitive in the realm of attracting new business.

The county also approved in 2021 a \$21,953,000 upgrade to utilities that service this area which were nearing capacity. This project included the pump stations and increased the size of the lines to convey wastewater from the primary growth area to the treatment facility on 207. In 2022, Capital Projects included well development in the primary growth area to support business, residential and commercial development.

New EMS positions and infrastructure for public safety-This past year’s budget, 2022-23 added 19 new full-time positions in the Department of Fire & Rescue. A federal SAFER grant application was submitted to provide partial funding for these positions, but was not approved. Looking back over a five-year period starting in 2019, the county replaced 9 sheriff’s vehicles (\$352,400) and purchased a new fire engine and ambulance (\$837,000). In 2020, the county replaced 14 Sheriffs vehicles (\$521,067), approved a new Sheriff’s record management system (\$499,862) and \$200,000 for both the new Carmel Church Fire Station and the new Sparta Fire Station. Another ambulance was also approved in 2020 for \$210,000. In 2021, the Board approved through the budget a lease purchase of 9 new Sheriff’s vehicles for \$389,296. Two fire engines were purchased for \$1,147,000 as well as a Brush truck for \$90,000 and another ambulance for \$212,000.

The following table reflects the huge investment in public safety just in the last two years.

* Represents budgeted number. Actual expenditures for all projects may vary based on purchase price.

FY 2023	
\$385,675	for 8 Sheriff’s patrol vehicles (4 Chargers w/ In-Car Camera, 2 Chargers w/ Radio, 1 Charger/Unmarked, 1 Durango w/ Radio (or other Pursuit Investigative Vehicle)
\$300,000	for replacement Sparta Fire Station
\$700,000	for new Carmel Church Fire Station
\$270,000	for additional cost and up fit of Engine 10 for new Carmel Church Station
\$625,000	for Engine 6 replacement
\$226,000	for new ambulance (fleet addition)
\$96,000	for replacement Brush 1 (Bowling Green)
\$1,200,000	for aerial (ladder truck)
FY 2022	
\$231,340	to replace 8 Sheriff’s patrol vehicles
\$595,000	for replacement of Engine 2 (Bowling Green)
\$50,000	for Battalion Chief response vehicle
\$220,000	to replace Ambulance 27
\$95,000	to replace Brush 6 (Upper Caroline)
\$4,000,000	for New Carmel Church Fire Station and replacement Sparta Fire Station

Broadband-The county is contributing **\$4,543,200** in matching funds to what are called Vati grants to bring Universal Broadband coverage to the county. An expanded discussion of Vati and how this will work is discussed below.

Expansion of the Voter Registrar's Office \$800,000/New voting machines for \$150,000

Parks & Recreation improvements-for \$50,000.

Investments in Serving the Public-New positions for 2023 include, Deputy Director of Planning, HVAC Mechanic, two E-911 Dispatchers, Water Operator II, Administrative Assistant (County Admin Office) and Customer Service Agent (Treasurer's Office) Step raises for our Sheriff and EMS employees to ensure that the county maintains the best in public safety is covered below.

Caroline County Little League \$31,500-in FY2019

Community Food Connections-\$9,861 which supports both local farmers and low-income families. The EBT Match encourages families to include healthy locally grown produce in their diets at both county farmer's markets.

Ongoing Priorities and New Projects-Each of us is elected from one of six districts, but we are also elected to serve all citizens of the county. While budget has always been my top priority because it provides a solid foundation for all other aspects of governance, here are some projects which I have prioritized to help bring to completion.

Broadband-The most important aspect that citizens need to understand about bringing Broadband to the county is that the county is not and cannot be a broadband provider. Federal statute prevents county government from forming our own Broadband authority. This means that the county must depend on private vendors who provide broadband, who in turn create business plans for localities which make sense to their company monetarily. In the past, the monetary considerations for companies were not significant enough for the systems to do major expansions in Caroline. This has changed with the availability of state and federal grant money. In response to this availability, the Board of Supervisors created a Broadband committee to track these monies, and create partnerships with vendors through grant applications.

The committee meets regularly and is available live stream and on You-Tube. I am one of two supervisors on the Caroline Broadband Committee, and with the major lift made by our citizen volunteers whose names are listed on the Broadband update on the last page. The committee is making significant and aggressive progress toward universal coverage for all Caroline citizens with a tool called Vati-Grants (see Vati also on the update on the last page of the newsletter)

Another avenue toward Universal coverage is The Rural Digital Opportunity Fund (RDOF) an FCC program designed to close the digital divide in the United States by investing billions of dollars in the construction of rural broadband networks. A portion of this project touches a large portion of my district (Sparta, Central Point, Passing (south of Fort A.P. Hill to Rt. 600) and is part of the RDOF auction awarded to Atlantic Broadband by the Federal Communications Commission.

Finally, the Satellite vendor, Starlink is now actively installed on many residences in parts of the Bowling Green District, and reports on its success are at about 90 per cent.

Argonne and Economic Development Administration partner to launch national economic research center | Argonne National Laboratory

Support for Smart Business-Second to wise budgeting from my perspective is the all-important attraction and retention of business, and in fact the two go hand in hand to provide an extra revenue stream for the quality of life of county citizens. 2021-22 have been stellar years for major business announcements in the county. A list is included on page 4 below. The key to smart business growth is **compatible** business which bring **revenue and jobs** to the county. Since huge portions of the county are Agricultural and Rural Preservation and have no source of utilities, businesses such as Chick-fil-A , which is on the citizen wish list so often won't be locating in a farmer's field. This would not only be a violation of Zoning and the Comprehensive Plan, but would not make good business sense for Chick-fil-A . The primary growth area with its millions of dollars in investment in transportation and utility infrastructure on I-95 is where commercial and most business growth will naturally occur. Sometimes even these businesses do not make sense financially for the county, as they need to generate revenue and not be a burden on the taxpayer. Solar is one such industry which places the burden on our taxpayers. If problems occur on these industrial operations attempting to locate in rural preservation, too may grey areas remain in who picks up the tab. This is not to say that business cannot go in rural parts of our county, but they must meet certain criteria. Sawmills, Mining Operations, and most notably now Agri-business like wedding venues can fit nicely within the landscape there. Recently in the last few years, a plethora of small businesses opened in both incorporated towns, Port Royal and Bowling Green and successfully navigated the Pandemic. Small business also provides a revenue source over and above real estate taxes.

Public Safety Pay Plan-This became my number one project in 2021. I asked county staff to create a plan for step raises for the sheriff's office and other public safety employees to bring Caroline more in line with the salaries of surrounding localities. We were training employees only to find them leaving for better pay elsewhere in our region. When our citizens call 911 for any reason, the county must be able to respond. The additional funds for this step system were included in that year's budget (\$647,279) as well as going forward, and has enabled us to be more competitive hiring in the region.

Recognition of our Veterans-In past years, the county served in support of both Memorial Day in May and Veteran's Day in November, with two groups who traditionally conducted ceremonies to honor our serviceman and women. In recent years with the loss of members to age, VFW Post 10291 closed, and the effects of the Pandemic made these programs difficult. The Board of Supervisors pledged to continue this worthy tradition and now partners with American Legion Post 221 to make sure these ceremonies are conducted to honor our military. As a veteran, this is one of my favorite initiatives, ensuring that we remember, freedom is not free.

The Sparta Fire Station

The replacement of the Sparta Fire Station discussed above has been an ongoing project since 2008. The old station has flooded twice during my tenure on the Board of Supervisors and required major repairs. The land for a new station, purchased in 2022 is in a much more strategic location, and site plan work has started.

A Presence in Our Schools-One of the biggest misconceptions concerning local government is that the Board of Supervisors also makes decisions for schools. The only duty which falls under the purview of our board is the approval of 6 broad categories of funding during budget time, once a year. The School Board is elected separately and autonomously and has jurisdiction over all aspects, including policy in our public schools. However, spending 8 years on the school board from 1992 to 2000 taught me the importance of maintaining a strong connection to our schools and a supportive presence there. Until the Pandemic, I was able to attend 20 consecutive years of High School graduations. I believe it is important to recognize the considerable achievements of our seniors. It is not widely known, but a large percentage of Caroline students consistently win scholarships to colleges and universities and/or are already positioned to continue training in a technical school or local business.

I enjoy serving as a Middle and Elementary School judge for Science Fairs and accompany my wife as a reader to Bowling Green Elementary, where in the past I have also conducted (as a bee keeper) a class in honeybees. Since the stellar ROTC program was created during my tenure on the school board, it also holds a special interest for me. In addition, and more recently, I have supported a very vibrant set of parents who formed

a boosters club, The Caroline Cavaliers Football Club and sponsor a pre-game meal annually for the team, and support other fundraising activities.

Support for Community Activities-The Town of Bowling Green which I represent as the county seat has two major county activities I continue to actively support, The Bowling Green Christmas Parade and Harvest Festival, now 30 plus years old and one of the largest ongoing festivals in our region. I am also a firm supporter of the historical activities which take place in the 18th Century Seaport Town of Port Royal, our other incorporated town. Serving as a keynote speaker for these programs regularly, the preservation and desire to educate the public is ongoing, passed down through generations and is in my opinion is one of the county's most amazing assets.

Other activities which provide a sense of **place and community** for our residents include the **Caroline County Agricultural Fair** which is up and running again post COVID. The CCAF has been a hugely successful endeavor by a relatively small group of people, determined to keep our Agricultural Heritage alive. It is the perfect example of a system I have long advocated for, the public/private partnership. Funds are given by the county to support the operation of the fair itself every year in June, however the growth of the Fair's infrastructure is a testament to the Fair Committee who sought private donations from local businesses for their buildings. The results are certainly one of the best fairs in the Commonwealth with brisk attendance showcasing our county to both residents and visitors alike. Every year they bring home multiple awards from the Virginia Fair Association.

Update on Economic Development-New business not only provides jobs, but an added revenue stream over and above real estate and personal property paid by the citizens. The projects listed below represent over \$100 million in investment and well over 600 new jobs for Caroline County.

In 2022-Tractor Supply completed construction of its \$3.5 million, 20,000 square foot store on Rt.1 in Ladysmith across from Durette Road. (25 jobs)

In 2022-SHEETZ completed its convenience store on Ladysmith Road near McDonalds.

In 2022-The former Boone's Antiques in Carmel Church has been purchased for the light manufacturing of marble and granite kitchen countertops.

In 2022-Blackwood Retail Development announced plans to develop its property on the south side of Ladysmith Road west of Green Road (in front of the former Walmart site) for new retail shops. Sitework has begun for the development of the outparcels at the site.

2021-2023-M.C. Dean recently broke ground on a new 168,000-square-foot Modular Mission Critical™ manufacturing and storage facility at its Center for Innovation and Industry in Caroline County, Virginia. The construction marks

the third phase of what is now a \$48.5 million expansion effort since 2019, which is well above the original commitment by the company set for \$25 million. Construction on the new building began in September 2022 and will be completed by June 1, 2023. The total investment for this portion of the expansion will be \$23 million and will serve M.C. Dean's growing workforce in the area of nearly 400 employees.

2022-Flint Development purchased a major portion of the Caroline Commerce Center in Carmel Church and intends to build a 1.1 million square foot building for warehouse/distribution in 2022. Flint is investing \$70 million in Caroline in its speculative building (500 jobs) and has made a deal with World Class Distribution Center/Trader Joe's to be their first tenant.

2022-VAMAC Plumbing Supplies has purchased land in Carmel Church to build 100,000 square feet of warehouse space for its business. VAMAC will invest \$7 million and create 20 jobs at its Caroline site.●

2022-Wawa has filed a site plan and been approved on 639 and plans to open in the 3rd quarter/2023

2023-Completion of the new Wendy's on Rt. 639.

M.C. Dean, Inc. TSG Dispatch Operations

Other Issues of Note for 2022 Tax rates for 2022 remained the same as the previous year except for the personal property tax rate. The board agreed to reduce the pp rate from \$3.80/\$100 of assessed value to \$3.50/\$100 to offset the rise in assessed values for cars and trucks

Personal Property Tax Even with the reduction in the personal property tax rate from \$3.80/\$100 of assessed value to \$3.50/\$100, personal property taxes still rose significantly for some citizens. This is because the value of used cars has increased substantially due to the COVID-19 pandemic, supply chain problems, material shortages and increased consumer demand. The Commissioner of the Revenue's Office found that personal property assessments for tax year 2022 are up approximately 34% in Caroline County compared to 2021 assessments.

Vehicle License Tax Eliminated To help mitigate the personal property tax burden on taxpayers, the Board voted to eliminate the vehicle license or VL tax. The VL tax was previously applied to every motor vehicle, including, but not limited to, automobiles and trucks garaged, stored or parked within the County. The fee for the vehicle license was

\$30 for automobiles and trucks and \$25 for motorcycles and similar two-wheel vehicles. The VL tax previously generated approximately \$1.1 million in annual revenue for the County. The board agreed to take another hard look at pp rates in 2023.

County Redistricting started in January of 2022. The Planning Director presented three options for new voting districts based on the 2020 census and the recently adopted State Districts. The County population saw the most growth in Madison District and a decline in the Bowling Green District. 1,000 voters were moved from Madison into other Districts based on census tracts. With the final board vote in April, the Bowling Green District now extends north on Rt. 2 to Third Mt Zion Baptist Church, takes in a larger portion of Page Rd, includes portions of S. River Rd and a number of smaller roads in that area.

Rappahannock River water withdrawal permit via DEQ. Approved the next steps in this crucial process which will allow us to continue development. East of Polecat Creek the county lies in the Tidewater Basin, an aquifer that is now under DEQ withdrawal management. The county's withdrawal permits in this aquifer are nearing maximum capacity. Unless another water source is brought to completion, it will severely limit our ability to grow. Withdrawing water from the river also has the beneficial effect of improving water quality in Western Caroline.

I hope you have found this newsletter informative as an update on some of the issues and projects before the Caroline Board of Supervisors. My goal was to give you both the broad picture and a snap shot view of what local government does, and how it affects day to day life in your county. Again, the newsletter was designed as companion to my bi-annual constituent meetings/budget classes which I invite you to attend and bring questions. My contact info can be found just below the header on Part 1 of this Newsletter.

It is an honor to serve you,

Jeff

Broadband Update

At the June 2022 meeting, the Board of Supervisors authorized staff to submit Fiscal Year 2023 applications for Virginia Telecommunication Initiative (VATI) grants to the Virginia Department of Housing and Community Development (DHCD). VATI grants provide funding to expand broadband internet service in unserved areas of the Commonwealth of Virginia. FY 2023 grant applications were due by August 25, 2022. The grants if awarded call for a partnership with the internet service providers Breezeline (formerly Atlantic Broadband) and Verizon: Thanks to the Broadband members for their hard work and consistency in making

this a top priority. They are Donnie Powell (former member) Frank Beale, John Deslauriers II, Joey Robinson (Schools) Steven Levesque, Karlis Graubics Jr., Jason Barlow, David Sadler, Mike Vossberg, Jonathan Street and Floyd Thomas.

VATI Grant Application #1

Project Area: Unserved locations west of Interstate 95

Internet Service Provider (ISP): Verizon

Approximate Number of Homes Passed: 854

Estimated Total Cost: \$7,642,835

Estimated Verizon Contribution: \$4,585,701 (\$5,369.67 per passing or 60% of cost)

Estimated County Contribution: \$1,024,800 (\$1,200 per passing or 13% of cost)

Estimated Requested VATI Share: \$2,032,334 (27% of cost)

VATI Grant Application #2

Project Area: Unserved locations east of Interstate 95

Internet Service Provider (ISP): Breezeline

Approximate Number of Homes Passed: 3,864*

Estimated Total Cost: \$21,349,000

Estimated Breezeline Contribution: \$11,672,200 (\$3,022 per passing except for RDOF eligible homes*, or 55% of cost)

Estimated County Contribution: \$3,518,400 (\$1,200 per passing or 16% of cost)

Estimated Requested VATI Share: \$6,158,400 (29% of cost)

The County's combined local match for two proposed FY 2023 VATI applications is \$4,543,200. A total of \$3,955,200 in American Rescue Plan Act (ARPA) funds has previously been committed toward this match. The remaining \$588,000 will come from the County's Undesignated General Fund Balance. If the VATI grant is awarded, payments will start in 2023 and come due over a period of several years.