

MINUTES
JAMES CITY COUNTY BOARD OF SUPERVISORS
WORK SESSION
County Government Center Board Room
101 Mounts Bay Road, Williamsburg, VA 23185
March 27, 2018
4:00 PM

ADOPTED
APR 10 2018

A. CALL TO ORDER

B. ROLL CALL

Michael J. Hipple, Powhatan District
P. Sue Sadler, Stonehouse District
James O. Icenhour, Jr., Vice Chairman, Jamestown District
John J. McGlennon, Roberts District
Ruth M. Larson, Chairman, Berkeley District

William C. Porter, Interim County Administrator
Adam R. Kinsman, County Attorney

C. BOARD DISCUSSIONS

1. Senate Bill (SB) 942

Ms. Larson welcomed Senator Tommy Norment.

Ms. Larson stated the Board had several questions regarding the Bill.

Senator Norment noted personal ownership on SB 942. He noted the impact of tourism and its economic significance. He cited the stagnant tourism and stressed marketing the Historic Triangle as a year-round destination for tourists. He noted for the first time in the Historic Triangle, an Amusement Tax of 3% was created. He stressed disparity between York County, James City County and the City of Williamsburg and taxes. He noted the Board had requested additional tax resources and more funding for promotion of tourism over the past few years. He stressed additional options were available with taxes in relation to tourist marketing and to citizens. He stated that half of the 1% increase in the sales tax will go into the dedicated marketing aspect with the balance will be distributed to the localities based on the proportionality of collection.

Ms. Larson noted the equalization of taxes between cities and counties would remain an ongoing item on the Board's Agenda as counties currently do not receive the same as cities.

Senator Norment noted with the current legislative landscape, the equalization is not likely.

Mr. McGlennon noted he felt he had not gotten the full response on questions he had asked to help him understand better what was happening. He inquired about policies. He stated that tax equalization is a major concern and questioned the extent of local government, both cities and counties, to impose different types of

taxes and generate local income. He cited the Cigarette Tax that is levied in both the City of Virginia Beach and the City of Williamsburg, but not so in James City County. He noted concern on the policy about the removal of the two dollar tax and expectations on the tourist industry directly for a financial lift.

Senator Norment mentioned numerous meetings on this matter. He stated the vast representation from different localities were there. He also noted there were no indication to stop moving forward. He cited County support via letter and then received pushback from the Community. He reiterated the City versus County equalization would not be likely, though he will continue to try in 2019.

Mr. McGlennon asked about the decision to remove the Two Dollar Tax, which supported tourism and marketing.

Senator Norment noted there would be opportunity in 2026 to bring the Two Dollar Tax back. He noted he did not block it permanently, but hoped for future opportunity to have the money in the marketplace with the desired results.

Mr. McGlennon noted the local Hotel Tax was lower than similar taxes in other tourist areas, citing Northern Virginia and Virginia Beach. He expressed concern about the legislation changes regarding the Grocery Tax and tax relief.

Senator Norment noted local representatives were present when York County representatives asked about the Grocery Tax, but no one addressed it. He emphasized he would have met with representatives had he been notified, but no one from any of the three localities contacted him.

Mr. McGlennon noted there was some sensitivity toward the issue as the Bill had been revised regarding the Grocery Tax. He questioned the presumed exclusion from the Bill initially.

Senator Norment responded that the discussions concerning the revision were unaware by the Attorneys who were drafting the Bill. Later, during roundtable discussion, the concern arose.

Mr. McGlennon asked about the apportionment of the tax impact regarding tourist versus full-time resident.

Senator Norment noted the calculations showed \$10 per month per household was the impact. He stressed the opportunity for a tangible benefit to the citizens.

Mr. McGlennon stated he would like stronger proof that tourism marketing was paying better dividends for the community.

Senator Norment stressed restructuring and accountability regarding revenue generation. He noted operational costs in the fragile tourism and subsidization, citing investments in Yorktown. He stated a regional issue was involved and felt no action was unacceptable. He noted he was unaware of any internal issues regarding local administrative responses within their respective Boards and Councils.

Mr. McGlennon asked for clarification on school funding and the intention that local money be used for schools.

Senator Norment said that was an option available, but not his deal.

Mr. Hipple claimed no one wanted to pay a tax, but stressed the transportation tax and the impact it had made. He noted the more projects James City County was involved with had a direct correlation to more people involved and potentially lower taxes.

Senator Norment mentioned the James City County Marina and opportunities for related business and financial growth.

Mr. Hipple asked about funding and the impact of bills through the General Assembly. He stressed the importance of transportation and the budgets associated with those projects. He noted similar impact could be made in the tourism industry, but stressed no one wanted another tax yet it was necessary to achieve the goals of the Community. He stated the investment into the Community.

Mr. Icenhour observed disappointing numbers in the Williamsburg Area Destination & Marketing Committee (WADMaC) results and questioned if it was a marketing problem. He questioned if more money in marketing would give results and what measures would be used. He noted tourism was important, but the focus must be on better paying jobs. He highlighted if the tax had been a statewide tax, instead on just three jurisdictions passed at the statewide level, then possibly it would not have been an issue.

Senator Norment reiterated his ownership of SB 942 and his willingness to “take the heat on the tax increase”. He noted exploration into different markets could be viable options. He requested a multi-year run on the Bill, but added if it did not work then he would get rid of it.

Ms. Sadler stated her constituents were concerned over recent taxes being raised. She mentioned the second half of the percent and its role as extra revenue within the localities. She noted the confusion around which taxes were being implemented and their timeline.

Senator Norment noted he was looking for a source of revenues to do marketing, but also stated there needed to be a benefit to the localities. He noted discussion of how the localities would spend the balance of funds had been suggested in the legislature, but he said no to that and noted the Board of Supervisors would determine their priorities on how to spend that money. He added that the comp for Colonial Williamsburg workers was an area he was looking to change.

Ms. Larson asked if anything should have been done differently regarding this legislature.

Senator Norment noted that the Bill, with the opportunity to run, will prove transformational. He said “if it doesn’t work, we’ll get rid of it. But I do think it will work.”

At approximately 5:08 p.m., the Board recessed.

The Board reconvened at approximately 5:14 p.m.

2. **Williamsburg Area Transportation Authority (WATA) Presentation**

Mr. Porter acknowledged Mr. Zach Trogdon, Executive Director of WATA.

Mr. Trogdon noted WATA wanted to inform the Board of current events and share information. He introduced several WATA staff also in attendance to the Board. He noted the transition of the Authority over the past 40 years with funding breakdown across the areas of operation. He presented a packet showing the growth and change of routes over the past 20 years. He noted the national downward trend of mass transit, but stressed the importance of identifying key routes and maintaining the service WATA provides to the area, while expanding rider partnerships.

Discussion ensued on this matter.

3. **Online Expenditure Register**

Mr. Porter introduced Ms. Sue Mellen and Ms. Sharon Day, Director of Financial and Management Services and Assistant Director, respectively, to present the online expenditure register.

A brief overview of the online expenditure register was presented to the Board.

Mr. Patrick Page, Director of Information Resources Management, presented a website demonstration of the online expenditure register. He stated this will be available to the public April 2 with updates every month. He noted security features are in place to protect the James City County computer system with backups performed in a multi-layer system.

Discussion ensued on this matter.

D. CLOSED SESSION

None

E. FURTHER DISCUSSION

Ms. Larson asked if any further discussion was needed from the Board.

Mr. McGlennon mentioned Senate Bill 942 and indicated that a report would be sent to the Governor after this meeting.

Ms. Larson expressed concern over writing the letter to the Governor, noting that ownership was not based on the Board's initiative and was a state-level issue.

Mr. Icenhour noted ownership and objection were two different things. He noted this was a state-level issue that was, in part, forced on the County level. He asked for Board discussion on what position to take. He stated that asking the Governor to take action did not convey the Board's ownership on the program.

Mr. Hipple noted a possible communication breakdown from various facets in the County on information.

Mr. McGlennon noted communication had been uneven as he had requested to meet with the Chair, but that opportunity did not happen.

Mr. Hipple stressed that the Board had accountability.

Ms. Sadler noted that idea discussion was part of the Board's responsibilities, but the transition of idea to House Bill created a disconnect.

Mr. Icenhour noted the lack of public meetings and citizen input in this jurisdiction. He stated there was never a public venue opportunity to allow for discussion. He emphasized that while the Bill moved to the Senate, during the process, significant changes had been made to it. Mr. Icenhour noted Board members thought food was exempt until the final stage. He noted that a physical presence at Committee to avoid concurrence on such matters seemed necessary, but he opposed that idea and noted citizens potentially felt the same. He stated he did not feel comfortable sending the letter to the Governor on behalf of the Board. He stated the County Administrator sent a letter. He asked if the Board wanted to put a Board opinion. He expressed frustration with how to return money the State had taken and the method to return to citizens.

Ms. Sadler asked if the Governor signed the Bill where would the extra revenue be directed in the County Budget.

Ms. Larson asked Mr. Porter about this breakdown.

Mr. Porter indicated there are recommendations in the breakdown for the allocation of the funds.

Mr. McGlennon noted that April 18 would be the Veto Session if the Bill does not pass. He suggested, based on the individual formal stand of two Board members, that a report be sent to the Governor with the details of concerns based on the Work Session meeting. He also noted that individual Board members could send letters to the Governor. He commented that he would personally write asking the Governor to veto the Bill, but if not, recommend an amendment to the Bill to strike out the Grocery Tax with possible replacement to retain the Two Dollar Room Tax. He noted the Governor could propose the amendment to the General Assembly, but acceptance would be required.

Ms. Larson asked about the Two Dollar Room Tax.

Mr. McGlennon noted reinstatement of the Two Dollar Room Tax would make up the revenue change and give fairer treatment to citizens-at-large.

Mr. Icenhour indicated that changes could be suggested to the Governor with the Amendment, but not a recommendation on the Bill. He noted this allowed individuals to state their positions on the Bill.

Mr. Hipple noted his personal frustration regarding the appearance of a disconnect on the process.

Mr. McGlennon stated the localities would be the only jurisdictions in the State to ask the general population to support tourism funding, noting others used taxes directly related to tourism.

Ms. Larson noted the Grocery Tax had been a citizen concern. She cited Town Hall meetings could have been helpful in the discussion, but a report would be sent to the Governor, and individual Board members could still send communication to the Governor as well.

Mr. Porter explained if the Governor does not sign the Bill, then it becomes Law.

Mr. Icenhour noted if there was no Veto or no signing, then it became Law, which could be sent back as an Amendment.

Ms. Larson noted a robust discussion would be needed regarding the Budget.

Ms. Sadler asked for the information for the public to contact the Governor.

Mr. Porter noted email was the preferred method and the email was governor.virginia.gov. with a phone number and a link for email communication.

Ms. Larson noted public communication to the Governor was highly recommended.

F. ADJOURNMENT

1. Adjourn until 5 p.m. on April 10, 2018 for the Regular Meeting

A motion to adjourn was made by James Icenhour and the motion result was Passed.

AYES: 5 NAYS:0 ABSTAIN: 0 ABSENT: 0

Ayes: Hipple, Larson, McGlennon, Icenhouer, Sadler

At approximately 6:37 p.m., Ms. Larson adjourned the Board.


Deputy Clerk