

**MINUTES
KING WILLIAM COUNTY
BOARD OF SUPERVISORS
REGULAR MEETING OF SEPTEMBER 28, 2020**

A regular meeting of the Board of Supervisors of King William County, Virginia, was held on the 28th day of September, 2020, beginning at 7:00 p.m. in the Board Meeting Room of the County Administration Building and via Zoom.

Agenda Item 1. CALL TO ORDER

Chairman Greenwood called the meeting to order.

Agenda Item 2. ROLL CALL

The members were polled:

Supervisor, 2nd District: Travis J. Moskalski – Vice Chairman	Aye
Supervisor, 3rd District: William L. Hodges	Aye
Supervisor, 4th District: C. Stewart Garber, Jr.	Aye
Supervisor, 5th District: Edwin H. Moren, Jr.	Aye
Supervisor, 1st District: Stephen K. Greenwood - Chairman	Aye

Also, in attendance:

Bobbie H. Tassinari, County Administrator
Olivia S. Lawrence, Deputy Clerk
Andrew McRoberts of Sands Anderson, County Attorney

Agenda Item 3. MOMENT OF SILENCE

The Chairman called for a moment of silence.

Agenda Item 4. PLEDGE OF ALLEGIANCE

The Chairman led the pledge of allegiance.

Agenda Item 5. REVIEW AND ADOPTION OF MEETING AGENDA

Supervisor Moskalski moved for the adoption of the amended agenda for this meeting as presented; motion was seconded by Supervisor Hodges.

The members were polled:

Supervisor, 3rd District: William L. Hodges	Aye
Supervisor, 4th District: C. Stewart Garber, Jr.	Aye
Supervisor, 5th District: Edwin H. Moren, Jr.	Aye
Supervisor, 2nd District: Travis J. Moskalski – Vice Chairman	Aye
Supervisor, 1st District: Stephen K. Greenwood - Chairman	Aye

Agenda Item 6. CHAIRMAN COMMENTS

a. Comments by the Board Chair Concerning the Commissioner of the Revenue's Office

“A great amount of misinformation has been circulating about the Commissioner of Revenue’s Office. Some has been promulgated by the press and some by the Commissioner of Revenue’s Office. I would like to clear up some of this before the meetings starts.

The County staff reported to the Board at the August 24th meeting the status of the reassessment and the assessor’s findings. **At no time**, did staff or the assessor state that 500 properties were **not** being taxed. Instead, the statements made included:

1. 469 new parcels added in this reassessment
2. Accessory structures such as pools, porches and the like were not added to the tax roll over the past six years
3. Fourteen buildings were not on the tax rolls and the recommendation by the assessor was to catch these by entering the building plans and spec into the appraisal software as they are constructed
4. Warehouse building values were not assessed previously and/or not included in the tax roll though an office or storage area was assessed
5. Land values were not equalized according to the fair market value
6. Commercial properties values were missing the consideration of the sales comparison approach and income approach and instead were valued only on the cost approach
7. Tax exempt properties were grossly under assessed

The new appraisal software being implemented will only improve the quality of data and allow for better accountability when property changes are made. The Commissioner of

Revenue and her staff have been included in the procurement process, selection and award of the new appraisal software.

The Commissioners refusal to participate in the work toward implementation was simply that, a refusal. Testing of data within the test system was to be completed by the COR department but instead the Finance Department completed the task. The test period had nothing to do with the reassessment but only to do with how the data would look in the new system. The Commissioner of Revenue and staff have access to, and have had access to, the test system. They will have access to the fully implemented system when it goes live.

At the June 22nd Board meeting the Board was made aware of the outstanding amount of delinquent taxes which raised flags concerning processes and procedures in both the Treasurer's Office and the Commissioner of Revenue's Office. The County's auditing firm, Robinson, Farmer, Cox was brought in to perform an Agreed-Upon Procedures (AUP) Report review of both offices. The purpose was to review the operations, internal controls and policies and procedures. At no time was fraud or illegal activity voiced as a concern. The Treasurer's Office complied with the AUP, though the Commissioner of Revenue declined to participate. She also blatantly refused to participate in this "Performance Audit" that the Board scheduled for her department on September 2nd and 3rd by closing down her office completely to all staff and citizens of the county. The Board of Supervisors has authority within statute (Va Code §15.2-1230) to access whatever information it deems appropriate in constitutional officers' offices. The Attorney General's opinion the Commissioner has referenced has no bearing on the Board of Supervisors seeking information on the processes and procedures of the Constitutional Office.

The Commissioner of Revenue sent out a letter dated September 15th to land use participants providing misinformation concerning how unbundling of parcels will impact their application fee and taxes paid. The new assessment set up each parcel with their own account number rather than a sub-account to a parent account. If the land use was set up correctly by the Commissioner of Revenue's Office then no action will be required of the property owners. The only issue that may arise is if the 1-acre residence parcel was included in the land use program which legally it should not be. In that instance, the property owner will need to work with the Commissioner of Revenue's Office to address how she will handle the error moving forward.

Though I am sure you will continue to see misinformation circulating, I would stress to you the Board of Supervisors and the County Administrator do have respect for Constitutional Offices. What is at issue is when a Constitutional Officer fails to perform their duties to the

level of professionalism and due diligence the Board of Supervisors expect from all County departments.”

b. Comments by the Board Chair Concerning the Treasurer's Office

“At the June 22nd Board meeting the Board was made aware of the amount of delinquent taxes due to the County. When the Treasurer was questioned by the Board, he stated he had not sought legal recourse for several years. The Board was concerned that if this critical activity was not being addressed there may be other procedural gaps within the Treasurer’s Office.

The County’s auditing firm, Robinson, Farmer, Cox was brought in to perform an Agreed-Upon Procedures Report review of both the Treasurer’s Office and the Commissioner of Revenue’s Office. The direction given to the auditors was to review the operations, internal controls and policies and procedures. At no time was fraud or illegal activity voiced as a concern. The Treasurer’s Office complied with the AUP and the auditors found several findings. The majority dealt with lack of procedures that are put in place to protect the Treasurer’s staff and County funds. These findings included:

1. Have an individual independent of the Treasurer’s Office review the bank reconciliations
2. Process cash transfers only when backup is included to substantiate the action
3. Limit the ability of staff to void revenue transactions and remove penalties and interest
4. Limit the number of Treasurer employees with the authority to sign checks

The Board of Supervisors voiced their concerns at the August 24th meeting by passing Resolution 20-50(R) instructing the Treasurer to collect delinquent taxes within 3 years of the date. The Board also directed the Treasurer to grant the Director of Finance access to the bank accounts. With access to the bank accounts the Director of Finance has found the Treasurer has transferred more funds to the County Schools than was appropriated to them. This occurred over the past 5 years with the majority occurring within the past 3 years. When the Director of Finance questioned the transfers versus appropriation the Treasurer has stated to the Director of Finance that he looks at the Schools checking account and transfers funds to cover expenses but does not tie it back to the appropriation approved by the Board of Supervisors. The Treasurer further stated that it is not his responsibility to manage the spending of the Schools and that the Schools should not be spending more than appropriated. That it is up to him to make sure the expenditures hitting the bank are covered for the Schools. The Treasurer is correct in stating he is responsible for paying legal warrants, but per Virginia Code §22.1-115, the Treasurer or other fiscal agent of each school division shall render each month to the School Board a statement of the funds in his hands available for school purposes. The Schools Fiscal Agent does not currently have, nor has had in the past, access to the bank accounts except for the Health Coverage fund. If the Schools Fiscal Agent is to be responsible for managing the Schools cash accounts as well as the Financial System accounts then that will require the Treasurer to grant access to the bank accounts.

When a Treasurer leaves office a turnover audit is required by Virginia Code. The turnover audit will take place September 28 through 30th. Both the County's auditing firm, Robinson, Farmer, Cox will be on site as well as the Virginia Auditors of Public Accounts. The turnover audit is required to ensure all funds are accounted for and reconciled prior to turning over to the Acting Treasurer. This will occur again in February when the new Treasurer is elected. The overpayment to the Schools will be part of the turnover audit. If it is found that an overpayment did occur then the County will need to seek recompense for those funds. The AUP Report and the Turnover Audit should provide information needed by the Board of Supervisors and the County School Board to move forward in requesting access and procedural support from the Treasurer's Office moving forward.

The Board of Supervisors and County Administrator commitment to improving the government processes and creating more transparency for the citizens is at the heart of both reviews of the two Constitutional Offices. Though you are being told otherwise, I hope you will allow the Board and administration to work through these processes with the goal to improve the overall integrity of the local government.”

Agenda Item 7. PUBLIC COMMENT PERIOD

Chairman Greenwood opened the public comment period.

1. Brian Hodges, of the 2nd District, stated two upcoming retirements are taking money from the county and they're a mockery. Mr. Hodges stated their actions may not be criminal but they are lazy and the County should not have to hold back to back special elections.
2. Belinda Brizendine, of the 3rd District, stated Kennington water bills have been exceptionally high. When speaking with county staff she was told "that's just the way it is". She asked for the Board to review the costs of this service.
3. Michael Purchase, stated his RV uses no services in the county yet he pays \$1,000 to park it here. He also noted his distaste for elected officials openly mocking a citizen and allowing her employees to do so as well.
4. Diane Harris, of King William, stated preliminary findings are not final and should've been kept confidential. She questioned who released it. She stated the Assessor's Office should've been vetted out rather than given to Steven Chastang. She also stated the reassessment software contract penalty should be reviewed by counsel because she's never heard of penalties due to "nonuse".
5. Margaret Faulkner, commented on the Meals Tax debacle and tax payer dollars being misused. She stated local media should continue to explore these issues from

both sides. She asked the county to restore the position in the Commissioner of the Revenue's Office.

6. Lou Johnson, of the 1st District; stated her support of Sally Pearson.
7. Julie Sturgis, of the 3rd District, stated her support of Sally Pearson.
8. Jamie Hitchcock, of Dustbusters, stated she left in 2018 due to her janitorial contract being terminated. She did not agree with how she was treated by the County Administrator.
9. Chris Couch, of Dreaming Tree Farms, stated the meals tax is not applicable to his product because his food is manufactured.
10. Robert Coker, of 4th District, stated his support for Sally Pearson and how she taxed his parcels.
11. Benjamin Shumaker, of the 4th District, thanked the Board for clarifying information and their transparency. He stated he looks forward to reviewing the audit findings.

There being no further speakers, Chairman Greenwood closed the public comment period.

Agenda Item 8. CONSENT AGENDA

Supervisor Moskalski moved for the approval of the Consent Agenda; motion was seconded by Supervisor Hodges.

The Chairman called for any discussion.

There being no discussion the Consent Agenda was approved by the following roll call vote:

Supervisor, 4th District: C. Stewart Garber, Jr.	Aye
Supervisor, 5th District: Edwin H. Moren, Jr.	Aye
Supervisor, 2nd District: Travis J. Moskalski – Vice Chairman	Aye
Supervisor, 3rd District: William L. Hodges	Aye
Supervisor, 1st District: Stephen K. Greenwood - Chairman	Aye

Agenda Item 9. PRESENTATIONS

a. Commissioner of the Revenue Comments

Sally Pearson, Commissioner of the Revenue, read a statement from Wampler Eames, the previous assessing company and addressed misinformation in an article the Tidewater Review released. Mrs. Pearson also requested reversal of the position being defunded in her office.

b. Treasurer Comments

Harry Whitt, Treasurer, addressed misinformation in an article the Tidewater Review released. He stated the county has hurt his family by releasing the preliminary audit findings. He stated reconciliations can always be viewed by finance, and he does not conduct county business on his personal phone like banking transactions.

Agenda Item 10. OLD BUSINESS

a. Public Hearing and Consideration of Ordinance 09-20 to Adopt a Four-Year Time Schedule for Reassessment

Bobbie Tassinari, County Administrator, presented Ordinance 09-20 to adopt a four-year time schedule for reassessments.

Supervisor Moskalski stated since there's now an Assessor's Office they'd like to adopt a two-year reassessment schedule. Therefore, they'll need to re-advertise the Public Hearing Notice.

Chairman Greenwood open the public hearing.

1. Chris Couch, of Dreaming Tree Farms, stated the frequency is not what's important. The accuracy is what's important.

There being no further speakers Chairman Greenwood closed the public hearing. The Board instructed the County Administrator to republish the public hearing notice with a two-year period for the reassessment and to bring back to the Board at the October 26th meeting.

b. Public Hearing and Consideration of Ordinance 10-20 to Amend the Continuity of Government Ordinance

Bobbie Tassinari, County Administrator, presented 10-20, to amend the continuity of government ordinance.

Chairman Greenwood open the public hearing.

There being no further speakers Chairman Greenwood closed the public hearing.

Upon the motion of Supervisor Garber; seconded by Supervisor Hodges, Ordinance 10-20 was approved by the following roll call vote:

Supervisor, 5th District: Edwin H. Moren, Jr.	Aye
Supervisor, 2nd District: Travis J. Moskalski – Vice Chairman	Aye
Supervisor, 3rd District: William L. Hodges	Aye
Supervisor, 4th District: C. Stewart Garber, Jr.	Aye
Supervisor, 1st District: Stephen K. Greenwood - Chairman	Aye

ORDINANCE 10-20

AN ORDINANCE OF THE BOARD OF SUPERVISORS OF THE COUNTY OF KING WILLIAM, VIRGINIA, INSTITUTING CONTINUED EMERGENCY PROCEDURES TO ENSURE THE CONTINUITY OF LOCAL GOVERNMENT IN KING WILLIAM COUNTY IN RESPONSE TO THE COVID-19 DISASTER.

WHEREAS, on January 31, 2020, the United States Health and Human Services Secretary declared a public health emergency for the entire United States to aid the healthcare community in responding to the novel coronavirus or "COVID-19"; and

WHEREAS, on March 11, 2020, the World Health Organization declared the COVID-19 outbreak a pandemic; and

WHEREAS, on March 12, 2020, by Executive Order No. 51, Governor Ralph S. Northam declared a state of emergency in the Commonwealth of Virginia due to the spread of the COVID-19 virus, and declared the anticipated effects of COVID-19 to be a continuing disaster within the meaning of Virginia Code Section 44-146.16; and

WHEREAS, on March 13, 2020, the President of the United States found and proclaimed that the COVID-19 outbreak in the United States constitutes a national emergency, beginning March 1, 2020; and

WHEREAS, on March 18, 2020, the County's Director of Emergency Management issued, pursuant to Virginia Code Section 44-146.14, a Declaration of Emergency in the County due to the spread of COVID-19; and

WHEREAS, the Board confirmed or ratified the local Declaration of Emergency on March 26, 2020 and it continues in effect; and

WHEREAS, on March 17, 2020, Governor Northam, jointly with the Virginia State Health Commissioner, declared a continuing public health emergency in Virginia resulting from the spread of COVID-19 virus, and imposed stringent measures to combat the spread of COVID-19, including restricting the number of persons permitted to gather in certain public spaces to 10 persons or less, and has issued a series of later orders amending those measures and taking further measures to protect the public health; and

WHEREAS, on April 23, 2020, Governor Northam, jointly with the Virginia State Health Commissioner, issued additional limitations on certain medical procedures; and

WHEREAS, on July 1, 2020, by Executive Order No. 67, Governor Ralph S. Northam continued the state of emergency in the Commonwealth by issuing guidelines for individuals and businesses to follow to limit the spread of COVID-19 and these guidelines remain in effect until rescinded by executive order; and

WHEREAS, on July 31, by Executive Order No. 68, Governor Ralph S. Northam imposed new restrictions on counties and cities of the Commonwealth that were experiencing an increase in positive cases of COVID-19; and

WHEREAS, federal, state, and local health officials have repeatedly advised that gatherings of people can spread COVID-19 and prolong the disaster caused by the pandemic; and

WHEREAS, the usual and necessary operations of government, by law, often requires gatherings of persons, which are incompatible with the limitations on physical assembly occasioned by the COVID-19 public health crisis and make it difficult or impossible for the Board and other public bodies to safely physically assemble to conduct meetings and hold public hearings in accordance with ordinarily applicable procedures; and

WHEREAS, the Board of Supervisors understands and acknowledges that the public health threat posed by COVID-19 constitutes a real and substantial danger to persons in the County of King William, that the limitations on physical assembly of persons are necessary to protect the public health; and that the Board of Supervisors and other County boards, commissions, committees, authorities and other public bodies must conduct themselves accordingly; and

WHEREAS, Virginia Code Section 15.2-1200 provides: "Any county may adopt such measures as it deems expedient to secure and promote the health, safety and general welfare of its inhabitants which are not inconsistent with the general laws of the

Commonwealth. Such power shall include, but shall not be limited to, the adoption of quarantine regulations affecting both persons and animals, the adoption of necessary regulations to prevent the spread of contagious diseases among persons or animals and the adoption of regulations for the prevention of the pollution of water which is dangerous to the health or lives of persons residing in the county."; and

WHEREAS, Virginia Code Section 15.2-1413 authorizes any locality, by ordinance, to provide for methods to assure continuity in its government in the event of a disaster such as that created by the spread of COVID-19; and

WHEREAS, Virginia Code Section 15.2-1413 authorizes such measures to remain in effect for a period not exceeding six months after such disaster; and

WHEREAS, the Board of Supervisors wishes to ensure the continuity of County government during the remainder of the COVID-19 pandemic and believes the adoption of this Ordinance is required to do so.

NOW, THEREFORE, BE IT ORDAINED by the Board of Supervisors of the County of King William, Virginia:

1. That, in accordance with Virginia Code Section 15.2-1413, the following emergency procedures are hereby continued to the extent permitted by law to ensure continuity of local government:
 - a. Any process, procedure, matter or transaction which typically allows for the physical presence of the public in a county building that has been declared or in the future is declared to be closed to the public while the Governor's Emergency Orders related to COVID-19 are in effect is hereby suspended unless conducted in accordance with this Ordinance or other provision of law.
 - b. The County Administrator is authorized to take actions objectively reasonable and necessary in the public interest to alter schedules, arrange for alternative procedures consistent with this ordinance, provide programming and services, pay bills, engage contractors, hire employees, issue quarantine orders, set and manage a succession plan effective in the event of unavailability of staff, adjust administrative processes and procedures in light of the disaster, all in keeping with the U.S. Centers for Disease Control and Virginia Department of Health guidance/directives, and consistent with State and Local Declarations of Emergency and other directives and law.

- c. Meetings required, and agenda items scheduled or proposed to be considered by the Board of Supervisors and other county boards, commissions, committees, authorities and other public bodies, for the duration of the local COVID-19 emergency, are deemed continued and extensions therefor are hereby ordered if the body does not meet as permitted herein or in other applicable law and take action during that time, including those items for which applicable law requires an affirmative action to be taken within a particular time and failure to act is deemed approval.
- d. Meetings of the Board of Supervisors and other county boards, commissions, committees, authorities and other public bodies may be held through electronic communication means with a quorum of members participating but without a need for a quorum of members physically present in a single location, in accordance with the provisions of Virginia Code Section 2.2-3708.2(A)(3), including the public notice requirements, and at such a meeting may consider any item of business which the public body deems essential or is appropriate for the continuity of the work of the public body.
- e. Such meetings may be held without permitting members of the public to be physically present in a single location or in the same physical location as any of the public body members, so long as alternative arrangements for public access to such meetings are made. Such alternative public access may be electronic, including but not limited to audio, telephonic, or video broadcast.
- f. For any matter considered by the Board or other county public body while this Ordinance is in effect which typically requires open doors, public attendance, or public participation by law, such requirements are hereby altered and may be met by electronic, telephonic, and/or written means by the body, which may meet electronically or in person or in some combination thereof as circumstances may permit.
- g. For any matter considered requiring public comment or hearing, such will be allowed, solicited or received by the body by electronic, telephonic, and/or written means prior to the vote on such matter. All such comments will be heard by or provided to the members of the body and made a part of the record of such meeting.
- h. Notices of meetings will be provided by email directly to those who have elected in writing in the previous calendar year to receive such notices under the

Virginia Freedom of Information Act, and if practicable, will also be provided on the county website and by other means selected by the County Administrator. To the extent practicable, notices will also be provided as provided by general law.

2. That the provisions in Section 1 of this Ordinance shall be in effect until repealed by this Board or expiration of a period not exceeding six months from the date the Governor of Virginia rescinds the state of emergency presently declared, whichever comes first. This Ordinance may be amended as provided herein or by general law. Upon repeal or expiration of this Ordinance, the matters referenced herein shall resume operation in accordance with normal practices and procedures.
3. This Ordinance shall be effective upon adoption.

c. Final AUP Report of the Treasurer's Office and the Commissioner of Revenue's Office Processes as Performed by Robinson, Farmer, Cox Associates, LLC AUP

Natasha Joranlien, Director of Finance, presented the final AUP report of the Treasurer's Office and the Commissioner of the Revenue's Office processes as performed by Robinson, Farmer, Cox Associates, LLC.

**See Attachment A*

Supervisor Garber questioned why the list shortened so much, and do they want duties segregated or do they want cross training.

d. Update on Revision of Planning Ordinances

Sherry Graham, Interim Director of Planning and Zoning, gave update concerning the status of the draft ordinances. The Planning Commission will meet with the Berkley Group at their October 6th meeting and then November 16th the Planning Commission will jointly meet with the Board of Supervisors and the Berkley Group. Ms. Graham made the Board aware the new timeline for the revision of the ordinances and the scheduled stakeholder and public outreach meetings are posted on the County website.

e. Update on Fire and Emergency Medical Services Program

Stacy Reaves, Chief of Fire, presented an update on Fire and Emergency Services. He stated staffing has been an issue and the new Captain will begin October 1st.

Agenda Item 11. NEW BUSINESS

a. Designating Board Member to Vote at VACo Conference Resolution 20-54

Bobbie Tassinari, County Administrator, presented Resolution 20-54. Supervisors Moren and Garber were nominated.

Upon the motion of Supervisor Garber; seconded by Supervisor Hodges, Supervisor Moren was designated as the voting representative at the VACO Conference, Supervisor Moskalski as the alternate by the following roll call:

Supervisor, 2nd District: Travis J. Moskalski – Vice Chairman	Aye
Supervisor, 3rd District: William L. Hodges	Aye
Supervisor, 4th District: C. Stewart Garber, Jr.	Aye
Supervisor, 5th District: Edwin H. Moren, Jr.	Aye
Supervisor, 1st District: Stephen K. Greenwood - Chairman	Aye

**RESOLUTION 20-54
APPROVING VOTING CREDENTIALS FOR 2020 VIRGINIA A
SSOCIATION OF COUNTIES ANNUAL CONFERENCE.**

BE IT HEREBY RESOLVED by the Board of Supervisors of King William County, Virginia that the Board hereby designates Edwin Moren as King William County’s voting representative at the 2020 Virginia Association of Counties Annual Conference Business Meeting, November 11, 2020.

b. Resolution 20-55 Acceptance of Gift from the Upper Mattaponi Indian Tribe

Bobbie Tassinari, County Administrator, presented Resolution 20-55 accepting the gift of mill and repaving from the Upper Mattaponi Indian Tribe for the adjoining parking lot between the two buildings located on Hwy. 360.

Upon the motion of Supervisor Garber; seconded by Supervisor Moskalski, Resolution 20-55 was approved by the following roll call vote:

Supervisor, 3rd District: William L. Hodges	Aye
Supervisor, 4th District: C. Stewart Garber, Jr.	Aye
Supervisor, 5th District: Edwin H. Moren, Jr.	Aye

Supervisor, 2nd District: Travis J. Moskalski – Vice Chairman
Supervisor, 1st District: Stephen K. Greenwood - Chairman

Aye
Aye

RESOLUTION 20-55

Board of Supervisors Acceptance of Gift from the Upper Mattaponi Indian Tribe

WHEREAS, King William County and the Upper Mattaponi Indian Tribe own adjacent properties located at 7864 and 7890 Richmond Tappahannock Turnpike; and

WHEREAS, these adjacent properties share a parking lot in need of repairs; and

WHEREAS, the Upper Mattaponi Indian Tribe wishes to mill and repave the existing parking lot and donate the County's portion as an act of good faith and partnership; and

WHEREAS, King William County wishes to accept the gift of mill and repaving from the Upper Mattaponi Indian Tribe.

NOW, THEREFORE BE IT RESOLVED, the King William County Board of Supervisors this 28th day of September, 2020, hereby accepts the gift of mill and repaving and expresses appreciation to the Upper Mattaponi Indian Tribe.

Agenda Item 12. Administrative Matters from County Administrator

a. Board Information

Bobbie Tassinari, County Administrator, presented board informational items including information provided on the Board of Equalization that will be covered at the next regular meeting.

Agenda Item 13. BOARD MEMBER COMMENTS

Supervisor Hodges - Stated we will work through all this, collect taxes owed and no one will pay extra taxes. Thanked the citizen that brought forward her concerns about the water bill. He then thanked everyone for coming tonight. Even those on Zoom!

Supervisor Moskalski - Thanks for coming. I'm always available to everyone who has questions. The Tidewater Review article was not what we, Board of Supervisors or staff, presented. The County Board of Supervisors nor staff have never implied money was

stolen. We will work through this together. Be respectful of each other at all times. Mr. Moskalski requested that at a future work session staff provide the Board a Utilities 101 class so they can have a better understanding of water and sewer issues.

Supervisor Garber - Thank you for coming. We discussed some important things. Sally said some concerning things. Steve working with Wampler Eanes. It doesn't look good. Harry's a lifelong friend.

Supervisor Moren - It's unfortunate what's happened, but thank you for coming. We enjoy your participation. Goodluck Harry. Retirements good.

Chairman Greenwood - Had quite the turnout tonight with 49 on zoom! We will be working on doing something in honor of Eugene Rivera.

Agenda Item 14. CLOSED MEETING

There was no closed meeting.

Agenda Item 15. APPOINTMENTS

There were no appointments made.

Agenda Item 16. ADJOURN

Upon motion of Supervisor Moskalski, second by Supervisor Garber, the meeting was adjourned by the following roll call vote:

Supervisor, 4th District: C. Stewart Garber, Jr.	Aye
Supervisor, 5th District: Edwin H. Moren, Jr.	Aye
Supervisor, 2nd District: Travis J. Moskalski – Vice Chairman	Aye
Supervisor, 3rd District: William L. Hodges	Aye
Supervisor, 1st District: Stephen K. Greenwood - Chairman	Aye

COPY TESTE:

Stephen K. Greenwood, Chairman
Board of Supervisors

Olivia S. Lawrence
Deputy Clerk to the Board



ROBINSON, FARMER, COX ASSOCIATES, PLLC

Certified Public Accountants

Independent Accountants' Report on Applying Agreed-Upon Procedures

Bobbie Tassinari, County Administrator
 County of King William
 180 Horse Landing Road #4
 King William, VA 23086

We have performed the procedures enumerated below, which were agreed to by management of the County of King William, Virginia, on the operations, internal controls and policies and procedures of County of King William, Virginia Treasurer's office and Commissioner of Revenue (COR)'s office as of September 3, 2020. The management of the Treasurer and Commissioner of Revenue's offices are responsible for the operations, internal controls and policies and procedures in their respective offices. The sufficiency of these procedures is solely the responsibility of the parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures enumerated below either for the purpose for which this report has been requested or for any other purpose. The following describe the procedures we performed as well as our observations:

Procedures Performed

- Inquired about and reviewed all written and unwritten policies and procedures in the Treasurer's office to determine existence and to understand staff responsibilities.
- Interviewed all employees in the treasurer's office (excluding the Treasurer) as to job responsibilities, the extent of cross training and segregation of duties, as applicable.
- Unable to interview or make any inquiries of employees in the Commissioner of Revenue's office. The Commissioner of Revenue (COR) declined to participate in the process and thus we interviewed the current Special Projects Assistant in the King William County Finance Department, who is a former Deputy Commissioner of Revenue in King William COR office, as to her knowledge of the operations of the COR office.
- Performed an in-depth review of internal controls in the Treasurer's office. All significant transaction areas were reviewed including but not limited to:
 - Cash receipts, collections, and write-offs
 - Bank reconciliations
 - Wire transfers
 - Journal entries
 - Void transactions
 - Single signature checks
- Performed a detailed review of prepared bank reconciliations at June 30, 2020.
- Tested 25 transactions billed or collected in the COR office and recalculated the billing or payment (sample included business licenses and meals taxes only).
- Obtained 5 year listing from BAI of building permits issued by King William County, obtained 5 year listing of certificates of occupancy issued by the Town of West Point and tested 25 new construction and improvements to ensure that they were properly and timely added to the real estate assessment.
- Tested 4 single signature checks issued in the treasurer's office.
- Tested 10 revenue transactions that were voided in the treasurer's office.

Procedures Performed (Continued)

- Tested 2 of 2 wire transfers made during the FY20 fiscal year in the treasurer's office.
- Performed a detailed analysis of FY20 property tax collections and delinquent balances based on the following formula (Original tax levy/Delinquent taxes at beginning of year + supplements - exonerations - delinquent taxes at year end = tax collections for the year).

Observations and Findings - Treasurer's Office

Segregation of Duties - Voided Revenue Transactions

During our review of procedures, we noted that all four Treasurer's Office personnel can void revenue transactions in the accounting system.

Best practices advise that only the Treasurer and Chief Deputy Treasurer have authorization to complete voids in the accounting system or another individual outside of the Treasurer's office formally review logs of voided revenue transactions on a regular basis.

Segregation of Duties - Removing of Penalties and Interest

During our review of procedures, we noted that all four Treasurer's Office personnel can remove penalties and interest from tax accounts in the BAI accounting system.

Best practices advise that only the Treasurer and Chief Deputy Treasurer have authorization to remove penalties and interest from tax accounts in the BAI accounting system.

Segregation of Duties - Single Signature Checks

Single signature checks (Treasurer's checks) can be issued by 3 of the 4 employees in the Treasurer's office on the C&F bank account and by all 4 employees in the Treasurer's office on the Sona Bank account.

Best practices advise that only the Treasurer and Chief Deputy Treasurer have authorization to issue single signature checks.

Segregation of Duties - Mail Receipts

Mail payments to the County are sent to a separate P.O. box that is monitored daily by the Treasurer's office. The Treasurer or the Chief Deputy Treasurer picks up the mail each day from the post office. The mail is brought into the Treasurer's office and sorted by one individual and given to the cashiers to process. The Treasurer and Deputy Treasurer both have a key to the P.O. box and there is an extra key in the safe in the Treasurer's office.

Best practices advise that whoever is opening the mail from the P.O. box prepare a receipt/check log indicating date, who the amount was received from, purpose, and amount. The person opening the mail should sign the log. The cashier should review and sign the log as well noting accuracy, completeness and reconciliation to amounts being posted to the accounting system and deposited to the bank. This process will improve the audit trail over mail receipts.

Bank Reconciliations

Bank reconciliations are prepared by the Treasurer on a bi-monthly basis, in the middle and at the end of each month. Currently there is no formalized review and approval process for the bank reconciliations. The Treasurer performs a consolidated reconciliation of 3 different bank

accounts together to include: C&F checking and investment sweep account, C&F money market savings and C&F CARES Act account. Reconciliations are prepared manually on green bar paper in pencil.

Best practices advise that the bank reconciliation be reviewed by an individual independent of the cash receipt and disbursement functions (Finance Director) and their review be documented with a “reviewed by” date and signature. Best practices also suggest that all bank accounts be reconciled on an individual basis to create a better audit trail and a less cumbersome reconciliation. Consideration should be given to automating the bank reconciliation process as well.

Approval and Documentation - Wire Transfers

We noted that wire transfers can be initiated, approved and posted by one individual. We also noted that there was a lack of adequate support documentation on hand to support the wire transfers tested.

Best practices advise that a dual process be established where one individual in the treasurer’s office initiates the wire transfer in the banking system and another individual approves and posts the transaction to the accounting system. Adequate supporting documentation indicating the amount, date and purpose of the wire transfer should be retained on file to document the transaction.

General ledger

During our review of tax collections in FY20, we noted that multiple tax years are being classified as current year tax collections. It appears that real estate current year collections include tax years 2017 through 2020 and personal property current year collections include tax years 2017 through 2019. In addition, it appears that there are Uncollected Meals Tax and Business License Tax balances being reported in Fund 999 Treasurer’s Accountability Fund.

Best practices advise that tax collections be properly separated and reported in the general ledger. Consideration should be made as to reporting all collections separately by tax year and tax type. Also, since meals tax and business license tax revenues are self-assessed, it is unclear why there are uncollected meals tax and business license tax balances. The postings to Fund 999, Treasurer’s Accountability Fund, for these taxes should be researched and corrected by Finance staff.

Physical Security

The Treasurer’s office does not have security cameras installed to monitor the cash registers and the combination to the safe in the Treasurer’s office is known to all employees in the Treasurer’s office.

Best practices advise that the lock to the safe in the Treasurer’s office be changed and cameras be installed in the Treasurer’s office. The combination to the new lock should be only be provided to a limited number of staff to increase security. The Treasurer’s office should also consider the remote deposit of funds to the bank since the bank is physically located in the Town of West Point. This would allow check deposits to be made immediately.

Observations and Findings - Commissioner of Revenue's Office

Personal Property Tax Returns

The Code of Virginia Section 58.1-3518 requires every taxpayer owning personal property on January 1 of each year to file an annual personal property return with the Commissioner of Revenue having jurisdiction. This is typically accomplished by the local COR sending out personal property returns to taxpayers to confirm that the personal property on file is still taxable. Inquiry revealed that annual personal property filings are not sent to taxpayers for filing as required by State Code. This situation ultimately leads to a significant number of personal property tax abatements/exonerations during the year. It should be noted that there is a business personal property return for 2020 on the County's website under the Commissioner of Revenue.

Best practices advise that the Commissioner of Revenue establish a process requiring citizens of King William County to review their personal property tax returns annually and confirm any changes directly to the COR as required by State Code.

Meals Tax Ordinance Compliance

The King William County Meals tax ordinance Section 70-328 states that the remitters of meals tax "shall make out a report upon such form and setting forth such information as the commissioner of the revenue may prescribe and require, showing the amount of food charges collected and the tax required to be collected, and shall sign and deliver such report to the treasurer with a remittance of such tax." Currently remittances are received/mailed directly to the COR office and the payment is subsequently remitted to the treasurer.

During our review of meals tax, we also noted that penalties were not being charged on late remittances. According to Article VIII, Section 70-328 of the King William County Code of Ordinance, meals tax "reports and remittance shall be made on or before the 20th day of each month..." According to Article VIII, Section 70-337 of the King William County Code of Ordinance, "If any seller whose duty is to do so shall fail or refuse to file any report required by this article within the time and in the amount specified in this article or by the commissioner pursuant to this article or fails to remit to the county treasurer the tax required to be collected and paid under this article within the time and in the amount specified in this article, there shall be added to such tax by the county treasurer a penalty in the amount of ten percent if the failure is not for more than 30 days, with an additional ten percent of the total amount of tax owed for each additional 30 days or fraction thereof during which the failure continues, not to exceed 25 percent in the aggregate, with a minimum penalty of \$2.00." Of the 11 meals tax receipts examined, 4 remittances indicated that the money was received on April 22, 2020, with a due date of April 20, 2020. None of these 4 tested had any penalties added. Per the Deputy Commissioner of Revenue, these were not charged penalties because the envelope received in the mail was stamped by the post office prior to 4/20.

Best practices advise that the meals tax return and payment be mailed directly to the treasurer as prescribed by the County ordinance referenced above. In addition, penalties should be assessed to meals tax payments received after the 20th of the month as prescribed by the County ordinance.

Business License Tax Payments

During our review of business license tax payments, we noted that, at times, interest is not being assessed on delinquent business license payments. According to Article I, Section 18-39 (e) of the King William County Code of Ordinance, “Interest shall be charged on the late payment of the tax from the due date until the date paid...”

During our review of business license tax payments, we noted that payment for penalties are being posted as payment for business license tax in the general ledger. This is because the penalties assessed by the Commissioner’s Office are reported on the same general ledger code in BAI as the Business License Tax revenue. This is causing the business license tax collections to appear to be higher than actual. We recommend that the COR Office classify and report the penalties in a separate line in BAI, so they are accurately reported.

Best practices advise that the COR Office assess interest on late payments on a consistent basis when payments are received after 30 days from the due date of the tax. In addition, the COR Office should report the income from penalties on late business license taxes on a separate general ledger line in BAI, so they are accurately reported.

Revenues Received by the Commissioner of Revenue’s Office

Certain revenues to include meals tax, business license tax, consumer utility tax and bank franchise tax revenue from taxpayers are received by mail or in person in the Commissioner of Revenue’s office. These funds are transmitted (walked over) to the Treasurer’s office when received. The custody of the funds is not established until the funds are given to the Treasurer’s office.

Best practices advise that all collection and receipting of funds be handled directly by the Treasurer’s office and that all checks mailed in by taxpayers be routed directly to the Treasurer rather than the COR office.

Assessing of New Construction and Improvements

We tested 25 new construction and improvements over the last 5 years within the County of King William and the Town of West Point to ensure that the new construction or improvement had been added to the tax rolls on a timely basis. Historic communication of this information to the COR were via email based on when building permits and certificates of occupancy were issued by the Town and the County. We noted 4 exceptions in our sample of building improvements that had not been added to the tax rolls.

Best practices advise that the COR establish improved procedures to identify and assess new construction and improvements within the Town and the County. The communication of this information to the COR may improve with the new integrated accounting system as well as with the establishment of the Assessor’s office. There needs to be an improved process of follow up and reconciliation to ensure that all new construction and improvements are properly assessed on a current basis.

Observations and Findings - General

Cross-Training

During the course of our inquiries it was noted that there are several processes for which only one employee is trained in the office.

Best practices suggest that the County Treasurer and Commissioner of Revenue consider cross-training staff for all financial processes. This will reduce the risk of inefficiencies in the event of any turnover of County staff in either office.

Documentation of Processes and Procedures

For many areas the actual practical working processes and procedures are not documented in writing in a way that someone could follow if need be.

Best practices suggest that all routine financial related processes and procedures be documented in writing in such a manner that an individual coming into the County not familiar with such procedures could easily follow the steps. This will reduce the risk of inefficiencies in the event of any turnover of County staff and allow for uniformity in office operations.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the operations, internal controls and policies and procedures of County of King William, Virginia Treasurer's Office and COR's office as of September 3, 2020. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for information and use of the management of the County of King William, Virginia, and is not intended to be, and should not be, used by anyone other than the specified parties.

Robinson, Farmer, Cox Associates

Richmond, Virginia
September 8, 2020