

April 12, 2012

Virginia:

AT A CONTINUED MEETING of the Nelson County Board of Supervisors at 2:00 p.m. in the Board of Supervisors room located on the second floor of the Nelson County Courthouse in Lovingston, Virginia.

Present: Allen M. Hale, East District Supervisor
Constance Brennan, Central District Supervisor
Thomas H. Bruguere, Jr. West District Supervisor - Vice Chair
Larry D. Saunders, South District Supervisor
Thomas D. Harvey, North District Supervisor -Chair
Stephen A. Carter, County Administrator
Candice W. McGarry, Administrative Assistant/Deputy Clerk
Debra K. McCann, Director of Finance and Human Resources

Absent: None

I. Call to Order

Mr. Harvey called the meeting to order at 2:00 pm with all Supervisors present to establish a quorum.

II. New/Unfinished Business

Mr. Carter noted that the two items for immediate consideration were the proposed increase in the real estate tax rate and the proposed increase in motor vehicle license fees. He then noted that after these items were considered, staff would brief the Board on the updated spreadsheets and then get direction on scheduling future meetings. He added that the unknowns were final State budget numbers that were to be in place next Monday/Tuesday which would also position the Board to go forward. He noted that the meeting with the School Board was pending but that staff thinks it preferable to wait until the following week when the State budget details would be known and could be incorporated into the worksheets.

A. FY12-13 General Fund Budget

1. Proposed Increase in Real Estate Tax Rate (**R2012-28**)

Mr. Bruguere noted that he would like to accept the .60 rate because the Board will potentially need to deal with benefit costs associated with the Virginia Retirement System (VRS).

Mr. Hale then moved to approve resolution **R2012-28** Establishment of Tax Rates that would establish the rates at \$0.60 per hundred for Real Property Tax, \$2.95 per hundred for Tangible Personal Property Tax, \$1.25 per hundred for Machinery and Tools Tax, and \$.60 per hundred for Mobile Home Tax.

Mr. Bruguere seconded the motion and Mr. Hale noted that he made the motion because the rates would enable the Board to continue to retire the debt on the Courthouse project early at year twenty to twenty-one as opposed to year forty and he thought that the rates were considerably less than other jurisdictions in the area. Mr. Bruguere concurred with Mr. Hale's statement regarding the early debt retirement. Mr.

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Harvey stated that he thought the new rates would enable the County to stay fiscally responsible and financially stable and Ms. Brennan noted that the County would be mandated to cover the VRS increase and offsetting raise and she was not sure how they would be able to do this without a tax increase.

There being no further discussion, Supervisors voted unanimously (5-0) by roll call vote to approve the motion and the following resolution was adopted:

RESOLUTION R2012-28
NELSON COUNTY BOARD OF SUPERVISORS
ESTABLISHMENT OF TAX RATES

RESOLVED, by the Nelson County Board of Supervisors, pursuant to and in accordance with Section 58.1-3001 of the Code of Virginia, 1950, that the tax rate of levy applicable to all property subject to local taxation, inclusive of public service corporation property, shall be effective January 1, 2012 and shall remain in effect until otherwise re-established by said Board of Supervisors and is levied per \$100 of assessed value as follows:

Real Property Tax	\$0.60
Tangible Personal Property	\$2.95
Machinery & Tools Tax	\$1.25
Mobile Home Tax	\$0.60

2. Proposed Amendment to Chapter 7 (Motor Vehicles and Traffic) Section 7-26, Local Fees Levied, of the Code of Nelson County Virginia (**O2012-03**)

Mr. Carter noted that the motor vehicle license fee rates were advertised at the highest levels that the Code of Virginia allows. He added that there was no differential between those vehicles weighing less than 4000 lbs and those weighing over and all vehicles would be subject to the fee of \$38.75 and Motorcycles would go to \$18.00 which was also the highest allowed by state law. He reiterated that these were the maximum established fees unless the County differentiated between weight classes of vehicles. He then related that the increase would be less than \$1.00 per month per year.

Members then questioned whether or not the EMS fee went to EMS and Mr. Carter reported that this was an added component because the state law provided for it. He then read aloud the State Code section allowing the fees. He added that the fees would not be directly allocated to EMS, but rather the State adds them so localities are authorized to do so. He noted that the Board could use some of it for EMS because it would go into the General Fund but the Board would not be obligated to earmark these funds for EMS. He added that when the State charges it, it goes to EMS at the state level and that citizens were not paying it twice, it was just the basis for adding this fee on. Mr. Hale noted that he thought that well over the \$4.25 was spent for EMS services.

Mr. Bruguere stated that this was a fair tax; however he thought that one tax increase was enough.

Mr. Hale countered that there were many residents who were not owners of real estate but did own vehicles and he would like to the extent possible, to have these citizens pay for services used as much as those that did own real estate.

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Mr. Harvey reiterated that the County could still earmark these funds for EMS if the Board wanted to.

Members and staff then briefly discussed the history of the motor vehicle license fee, also known as the decal fee and it was noted that it was originally established to build one of the middle schools and that former Supervisor Leon Brandt may have initiated it.

Mr. Saunders then expressed concern that Farm Use tags were being abused by people who did not legitimately own a farm. Mr. Harvey suggested that if the vehicle was titled, it was taxed and Ms. McCann advised that there was a difference in a farm vehicle tag and farm use tag. Mr. Bruguere noted that oftentimes there was no type of insurance on Farm Use vehicles.

Following discussion, Mr. Hale moved to approve ordinance **O2012-03** Amendment of Chapter 7, Motor Vehicles and Traffic, Article II, Local License Fee, Section 7-26, Local License Fee Levied to establish a fee of thirty-eight dollars and seventy-five cents (\$38.75) for each automobile, truck, tractor or other motor vehicle that is self-propelled or designed for self-propulsion and a fee of eighteen dollars (\$18.00) for each motorcycle.

Ms. Brennan seconded the motion and Mr. Bruguere asked if a vehicle was subject to the fees if it was unlicensed and Mr. Carter noted it was if it was registered with DMV but he would check on this.

There being no further discussion, Supervisors voted (4-1) by roll call vote to approve the motion, with Mr. Bruguere voting No and the following Ordinance was adopted:

**ORDINANCE O2012-03
NELSON COUNTY BOARD OF SUPERVISORS
AMENDMENT OF CHAPTER 7 (MOTOR VEHICLES AND TRAFFIC)
ARTICLE II (LOCAL LICENSE FEE) SECTION 7-26
(LOCAL LICENSE FEE LEVIED)**

BE IT HEREBY ORDAINED, by the Nelson County Board of Supervisors that Chapter 7 (Motor Vehicles and Traffic) Article II (Local License Fee) Section 7-26 (Local License Fee Levied) of the Code of Nelson County, Virginia is hereby amended as follows:

Section 7-26. Local license fee levied.

There is hereby levied on the below described motor vehicles, normally garaged, stored or parked in the county, the following annual local license fee:

- (1) A fee of thirty-eight dollars and seventy-five cents (\$38.75) for each automobile, truck, tractor or other motor vehicle that is self-propelled or designed for self-propulsion.
- (2) A fee of eighteen dollars (\$18.00) for each motorcycle.

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Every person who owns or leases a motor vehicle normally garaged, stored or parked in the county shall be liable for the payment of the license fee for such vehicle.

BE IT FURTHER ORDAINED, that said Ordinance is effective upon adoption.

Ms. McCann then read the ordinance language that stated that vehicles garaged, stored or parked shall be licensed in the County and must pay the fee; however there were some exemptions listed in the Code.

3. FY12-13 General Fund Budget Work Session

Mr. Carter noted that staff was inclined to wait until the State budget numbers came out before further budget discussion; however staff could use some direction on expenditure work.

Members and staff then discussed the impending VRS legislation and the potential to phase in the 5% over 5 years. Ms. McCann noted that localities can opt to go with a 1% per year in VRS and raise amounts and could split it out in any way up to 5%. She noted that any employees hired after July 1, 2012 would not be allowed to be phased in and the employee would have to pay the full 5%.

Mr. Carter reported that the VRS amendments were more in depth than just the 5% such that the State was changing the whole system and would also require a hybrid system in 2014 instead of the traditional system employees are in now. He added that it currently was a defined contribution plan vs. one like a 457 plan that was market driven. He added that these changes did not solve the funding problems that the VRS system had. Ms. McCann noted that last year the State employees started paying in and now the legislators want to make it all the same.

Mr. Hale agreed with the concept that employees should contribute to their retirement. Ms. Brennan noted that State did not use the actuarial rates provided to them in setting the rates, which has caused the problems and the fund was now \$17 billion in the hole. She added that borrowing from the fund has compounded the problem. Mr. Carter then noted that the County always pays the actuarial rate and the State has not. Ms. McCann then noted that VRS said it did not matter to them who paid it, but that it was a political issue. Staff then noted that the VRS Employee share was paid for in lieu of a raise at some point and was good for employees and the locality.

Mr. Bruguere noted that the State should be paying the mandated 5% salary increase and Mr. Carter reported that staff was told that in the case of who pays for the Constitutional Officers' raise that the Legislation allowed for Constitutional Officers' salaries to be supplemented by the localities.

III. Other Business (As May Be Presented)

Introduced: Treasurer's Office

Mr. Saunders distributed some options for reconfiguring the Treasurer's office to provide for improved security and Members agreed that they would like to see taller teller type windows done as described in option 1.

In terms of getting this done, Mr. Carter noted that the description could be refined and if the work would be estimated at less than \$25,000, the County would only have to get three quotes.

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Following discussion, the Board's consensus was to proceed with getting quotes on the Option 1 configuration and coordinate this work with the Treasurer's Office.

Introduced: Front Sidewalk

Mr. Saunders noted that he had someone look at the proposed sidewalk area and Mr. Carter reiterated that VDOT owned all the way up to the wall. He added that Mr. Austin had advised that VDOT would repave the area around the Courthouse loop and would address the low spot in the road near the Verizon site where water tends to pond with heavy rain.

Ms. Brennan stated that she wanted to revisit putting in the sidewalk and Mr. Carter advised that the repaving would address the water runoff near the curb going around the side of the rock wall

Mr. Harvey suggested that staff talk to the Service Authority because they had lines in Lovington that needed replacing and Mr. Carter noted that they had already replaced the line going down to Front Street.

Ms. Brennan suggested that Mr. Carter speak to Mr. Austin again to get his opinion and Mr. Hale stated that he thought the road needed to be paved up to the wall as the area is used for public parking.

Ms. Brennan then noted that she would speak to VDOT about it.

Introduced: Blair Construction Retainage

Mr. Saunders inquired about the procedures on paying Blair Construction and noted that he did not want the County to release the retainage until the punch list was substantially completed.

Mr. Carter assured the Board that the retainage would not be released until the punch list was resolved and that Blair was aware of this. He added that as it was resolved, it was discussed that the retainage would be paid incrementally. He noted that the bonds had not been released either and that the retainage was over \$300,000. Mr. Saunders and staff agreed that enough money to finish the remaining work should be held.

Mr. Carter then explained the payment process noting that Blair submitted bills for payment, the Building Official, Wiley Wilson, and he reviewed them and signed off on them, and then they went to Rural Development for approval.

Mr. Harvey stated that some things on the project should have never happened and that he thought this was the Architect's responsibility. An example of this was noted to be that the light posts were not installed to ground level and were done wrong twice. Mr. Saunders noted that none of the finished concrete that was visible to the public was hand rubbed to a grade A finish as specified.

Mr. Carter noted that the contract stipulates that WileyWilson has oversight of the final walk through. He added that they did periodically review things but did not come in routinely to inspect things etc. as they were done. He noted that County staff did to some extent but that there were not enough people (staff) to keep up with this.

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IV. Adjournment

At 3:00 pm, Mr. Hale moved to adjourn and Ms. Brennan seconded the motion. There being no further discussion, Supervisors voted unanimously by voice vote to approve the motion and the meeting adjourned.