

March 19, 2015

Virginia:

AT A CONTINUED MEETING of the Nelson County Board of Supervisors at 4:00 p.m. in the General District Courtroom located on the third floor of the Nelson County Courthouse, in Lovingston Virginia.

Present:

Allen M. Hale, East District Supervisor – Vice Chair
Thomas H. Bruguire, Jr. West District Supervisor
Larry D. Saunders, South District Supervisor – Chair
Stephen A. Carter, County Administrator
Candice W. McGarry, Administrative Assistant/Deputy Clerk
Debra K. McCann, Director of Finance and Human Resources
Maureen Kelley, Director of Tourism and Economic Development

Absent:

Constance Brennan, Central District Supervisor
Thomas D. Harvey, North District Supervisor

I. Call to Order

Mr. Saunders called the meeting to order at 4:10 PM, with three (3) Supervisors present to establish a quorum and Ms. Brennan and Mr. Harvey being absent.

II. FY15-16 Budget Work Session

Mr. Carter noted that staff needed direction on where to start. He noted that the Board had been provided schedules and a listing of the attendees at ensuing work sessions. He noted that if an Agency's budget request was 0 or minimal, they were not included on the list for timing purposes.

Mr. Carter then noted that the next budget work session was with Department Heads and Constitutional Officers and Mr. Hale noted it looked fine to him. He then noted that he would like to look at the agency numbers a bit more and staff noted that they were not prepared to discuss the agencies at that time.

Mr. Carter suggested they could step through an overview or take questions from the Board. He added that the School Board and Administration would not approve their budget until March 26th. He added that he tried to coordinate with them to have a joint meeting; however the last date that would work for them was April 15th, the same date as the Board's meeting with Dominion. He noted that the School's request would be less than what was included in the budget if it came to pass.

Ms. McCann then noted that in order to schedule the agencies on the 31st, she needed to give them a week's notice. She suggested that the board look at the schedule and email her if they had additional ones to include as she had not contacted anyone yet to schedule them.

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Mr. Carter then suggested going through the revenues and expenditures and the Board and Staff discussed the following:

Local Revenues:

Public Service Tax: Difference between FY15 budgeted amount and FY16 proposed was an increase of \$241,210.

Ms. McCann noted that the FY15 budget estimate was skewed for this year and that it would be this much more this fiscal year. She added that she had assumed it would decline but it did not and in FY16 it was assumed to be the same. Mr. Carter added that this revenue was personal property taxes on utilities that flowed back from the State and that these were always estimated because the actual numbers were received after the fact.

Machinery & Tools Tax: Difference between FY15 budgeted amount and FY16 proposed amount was an increase of \$2,000.

Mr. Hale noted that this tax did not bring in much revenue and he was concerned that many were not being taxed. Mr. Carter noted that the County could look at more aggressive monitoring and tracking and that it was a matter of getting better accounting from businesses. He added that the tax rate was regressive and Ms. McCann noted that the County based the taxed values on original cost; however depreciation factored in. She noted that in years 1-5, businesses pay 40% of the tax rate, in years 6-10, businesses pay 30% of the tax rate, in years 11-15 it went down to 20%, and after 16 years it went down to 10%.

Mr. Hale noted he would give thought to eliminating it; especially since not everyone paid it and it was unfair to those that did and it did not bring in much revenue.

Mr. Carter noted that the business locating in the new business park would likely have some Machinery & Tools tax to report. Mr. Hale added that Wintergreen should have a lot of this and Mr. Carter agreed noting that they were probably the best reporter. He then explained that the Commissioner of Revenue's Office sent notices out to businesses to report their Machinery and Tools, however there was not a lot of follow up. Mr. Bruguere then suggested that someone needed to go on site and see what was there.

Mr. Carter then noted that he could copy the section from the tax guide on this tax that compared what everyone else in the state was doing with this to provide the Board insight. He added that Nelson's tax had not changed in twenty (20) years.

Ms. McCann noted that the County had gained some in these revenues in recent years because of the breweries, however she noted that these declined rapidly. Mr. Hale noted that most of these revenues were collected from those making a product and Mr. Bruguere supposed that some of the breweries and cidery would owe more than this total proposed amount of \$10,000.

Supervisors agreed by consensus to get a report from the Commissioner of Revenue on who was reporting what for this.

Recordation Tax: Difference between FY15 budgeted amount and FY16 proposed amount was a decrease of \$5,000.

Mr. Hale asked why there was no increase here and Ms. McCann noted that in FY14, there was one particularly large transaction that skewed those numbers. She added that in the current year, recordation tax was part of the reduction in aid to localities. Mr. Carter noted that this revenue ebbed and flowed with the number of recordations.

Mr. Hale supposed there would be a large amount for the Wintergreen Sale; noting he had checked and it was close to \$20,000. Staff noted that this revenue would be realized in this fiscal year.

Meals Tax: Difference between FY15 budgeted amount and FY16 proposed amount was an increase of \$43,500.

Ms. McCann noted the increase here and Mr. Saunders inquired about LOCKN revenues. Mr. Carter noted that he thought this to be around \$20,000 and staff could have the Commissioner of Revenue report on this.

Dog Licenses: Difference between FY15 budgeted amount and FY16 proposed amount was an increase of \$2,000.

Mr. Hale noted that there were problems with unlicensed dogs and that Animal Control needed to site those without licenses; noting that there were more dogs than people in the county.

Mr. Carter noted that a Part Time Animal Control Officer position had just been filled and that current staff had been more effective about this. He noted that usually, Officers will warn owners that they need a license for their dogs and then they will go back in a few days and ticket the owner if they still did not have them. It was noted that Veterinarians were required to report rabies vaccinations to the Treasurer's Office and the Animal Control Department could get this report and follow up with those without licenses.

State Revenue:

Timber Sales (State Forests): Difference between FY15 budgeted amount and FY16 proposed amount was level at \$0.

Mr. Bruguiere noted that the timber had been cut in the Lesesne Forest and he thought there should be some revenue there. Ms. McCann noted that this revenue took a while to trickle down from the state. She added that this may have been several years ago and this was not a regular source of revenue.

ABC Profits: Difference between FY15 budgeted amount and FY16 proposed amount was level at \$0.

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It was noted that the State kept this revenue now and that regular sales tax was in the sales tax line and that Lottery funding went to schools directly and they had a budget line item for it.

Staff noted that they had gotten the State Comp Board numbers including a 2% salary increase effective on September 1, 2015 and that these numbers would go up by about \$23,000.

Mr. Carter noted that staff had been hitting 90% + of the estimated revenue to actual revenue numbers as shown in the audits.

Federal Revenue:

Payment in Lieu of Taxes (PILT):

Difference between FY15 budgeted amount and FY16 proposed amount was level at \$54,000.

Mr. Carter noted that the PILT revenues were in jeopardy and this was almost an every year thing. He noted that staff had gotten another alert that it was back on the table and was uncertain.

Mr. Hale noted that this was not a huge amount and that the Federal Government should pay it; although he acknowledged it to be a larger issue in other states. Mr. Carter confirmed this and noted that the NACO newsletter had noted a western county commenting on how dependent on it they were. Mr. Hale then suggested that the Board should urge Congressman Hurt to support it.

Expenditures:

Ms. McCann noted the most County Departments asked for flat funding so there were not many unreasonable requests. She then referred to the Considerations list. She added that most changes in budgets were related to the overall health insurance increase of 8.5%; whereas there was no increase in this in the current year. She added that staff had learned that the Schools got a 0% increase in their premiums this year.

Ms. McCann then explained that for the County, 58% of the premium rate was based on actual claims experience and 42% was based on the Local Choice pool. She noted that the County's claims experience was higher than that of the pool, so that helped to lower rates. She reported that the County had five (5) or six (6) people in excess of \$25,000 with claims up to \$100,000 last year. She added that these were not necessarily employees; but could be dependents. Mr. Carter added that the County had been fortunate that its rates had been favorable over the years.

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Ms. McCann then suggested going through the list of considerations and noted that if they were included in the budget they were noted to be funded if not, they were noted to be not funded. Staff and Supervisors discussed this briefly as follows:

Ms. McCann noted that new positions had been requested in the Building Inspections Department, Planning and Zoning, and Animal Control.

Mr. Hale questioned where the OAR budget was and Ms. McCann noted it was contained within the budget department of Non-departmental, on page 20 of the budget detail. She noted that their full request was in the agency notebook and that the primary thing they had asked for was the Criminal Justice Planner. She noted that this had not been recommended to be funded at \$3,500.

Mr. Carter added that there was a Criminal Justice Planner currently in place which was grant funded or funded with other funds for several years. He added that he would check with the County's Probation person, however he did not think that adult probation conferred with the Charlottesville area and rather worked out of Lynchburg district. He added that this was a question of how much services the County would get out of it.

Ms. McCann then noted that staff had recommended funding their two (2) primary programs that had been funded in the past.

Supervisors then asked about the Summer Intern requested by the Planning and Zoning Department that would cost \$3,869. Ms. McCann noted that IRS governed whether or not this type of position was paid and it depended on whether or not the County was in control of what they did. She noted that if it were, then they had to be paid; however, if they were meeting a class requirement and the County allowed them to do it on the County's time, then they would not have to be paid.

Supervisors then asked about the Full Time Planner position and noted that the job description was very similar to that of the Director's. Staff noted that Mr. Padalino would address this at the next meeting and that the justification for this was attached to the list for them to look over. Mr. Carter then acknowledged that the Planner's position description did mimic that of the Director's.

Mr. Hale then noted that there was a 3% raise proposed for school employees and he did not understand the relationship between the County's budget and what the state did. Ms. McCann noted that when the budget was prepared, the State had not yet provided a raise and that now approximately \$65,000 from the state would go towards salaries. It was noted that because of the raise provided by the state, there was now a \$469,377 deficit in the School's budget. Ms. McCann added that the County's numbers would change based on this new information.

Ms. McCann reported that the State had given a 1.5% salary increase starting on August 16th for teachers; so localities would have to match this for 6 months and then would come up with a number to make it whole to the proposed 3%. She added that the State did not fund this for every position.

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Mr. Hale commented that for so many years the General Assembly has had financial challenges and the money had come from localities. Ms. McCann noted that even though there was a State Compensation Board raise given; there were still a lot of Constitutional Offices positions that were no longer funded at all by the Compensation Board.

Supervisors inquired if the Commissioner of Revenue's office would have to budget for a vacancy if an incumbent employee became the new Commissioner. Ms. McCann noted that staff had assumed the position would be filled and the Officer position would come in at the starting salary and thereafter would get county raises. She noted that this was accounted for in the budget and noted that both the Commissioner of Revenue's Office and the Sheriff's Department were affected by the upcoming elections. Mr. Carter added that the new Officers would have to come in at entry level or could possibly lobby for more based on experience. Ms. McCann noted that they had the same amount of salary money to work with; however they could reallocate it within their offices. It was noted that the objective was to not lose the money because the State would allocate it somewhere else.

Mr. Carter then noted that staff was confident with the revenues and Mr. Hale agreed that the County was fortunate with those and may even see some improvements. He then noted that he would not oppose a pay increase this year. Ms. McCann advised that she had provided information in the packet regarding cost of living increases and health insurance increases. She added that the County did pay Workers' Comp insurance and that cost was allocated in each department budget.

Mr. Carter noted that there was flexibility in the budget and the County was in a good position. He added that the Considerations could be funded if the Board wanted to do this; but they needed to decide where to go with it. He then inquired of the Board what they wanted to do that had not been proposed or what objective they wanted to pursue that staff was not aware of. He then noted that staff had proposed the build out study for the Broadband Authority and that funding for this had to be in General Fund.

Ms. McCann noted that the Paid EMS program manager had proposed additional services on the weekend at a cost of \$41,600. She added that the details on this were in the packet and it was currently not funded. Mr. Hale noted that he would like to know if it was critical and if so, they should seriously consider funding it. Mr. Carter advised that there was 24/7 coverage now and they have said this should be enhanced more on the weekends from 7am to 5pm. He added that Ms. Miller could report on calls etc. which were tracked on a monthly basis. Mr. Bruguiere noted it was not looking good for a lot of the rescue squads.

Ms. McCann then referred to the items in Capital Outlay for the Board to consider and pointed out the funds to be spent on the Calohill property and noted that quotes were received for work to be done. Mr. Carter noted that the property was cleared now and it could now be seen from Route 29. Mr. Carter noted that once purchased, staff decided that it should be fixed up and Mr. Saunders agreed.

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Mr. Hale then noted that the Board should also talk about what to do with the old cannery place since the back shed was about to fall down.

Mr. Saunders noted that the plan was still to complete fencing at the Calohill site to create an impoundment lot and staff confirmed this.

Mr. Carter noted that the budget included how to fund the Courthouse project and staff would overview that when the Board got to it. Mr. Hale noted he thought the Board was in agreement with paying it down with fund balance.

Mr. Saunders asked if Mr. Truslow was getting quotes to pave the Gladstone collection site and Mr. Carter noted he thought so; however he was not yet in a position to report on this. He added that he thought it could cost \$50,000; however this may be a guesstimate. Mr. Saunders noted that he thought it was a 60x60 area. Mr. Bruguire noted that the Farm Bureau office paving was around \$11,000. Mr. Saunders noted that the problem with the Gladstone site was that it was such a small area and it was fenced in so that it was hard to maneuver equipment around there. He noted because of this, a lot of it may have to be done by hand and nobody would want to take this on. Mr. Saunders and Mr. Carter then confirmed that there was one compactor there on a concrete pad. Mr. Carter noted that the problem coming into the site needed to be fixed and they would have to take some stone out and haul it away. It was noted that the site preparation was as costly as the paving.

III. Other Business

A. Report on EDA Issuance of an Industrial Revenue Bond (M. Kelley)

This item was considered prior to the budget work session to accommodate staff in attendance.

Mr. Carter noted that the EDA has been working with Savvy Rest, a mattress manufacturer to purchase the rest of land in the Colleen Business Park and establish operations there. He advised that they were proposing to use an Industrial Revenue Bond for capital and that it allowed them to get Bank Qualified financing. He added that this did not require the full faith and credit of the County. He noted that staff wanted to be sure that the Board was okay with moving it along to fruition and it was a matter of getting the consensus of the Board.

Mr. Hale noted that he remembered doing this when he was on the EDA and he thought it would be a great thing if it came to pass. He then asked what side of the road the parcel was on and Mr. Carter noted it was on the left side.

Mr. Saunders then noted that he would be in favor of passing the resolution.

Mr. Carter reported that the fire suppression system would not be required and therefore they would not need the larger water connection. Ms. Kelley then added that Mr. Thompson had been immensely helpful in this area.

The Board agreed by consensus to proceed and Mr. Carter noted the approval resolution would be brought back on the Consent Agenda on April 14th.

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B. Introduced: Status of Meeting with Dominion Resources

Mr. Carter related receiving an email from Susan King of Dominion Resources indicating that they could meet with the Board on April 15th from 7pm to 9pm and he noted that the High School auditorium had been reserved. Mr. Carter then noted that staff needed clarification on taking remarks from the public and getting questions ahead of time to be prepared.

Mr. Saunders suggested that questions could come from the Board or the public before the meeting and only the Board should be able to ask questions of Dominion. He added that they could plan to go for two (2) hours with each member asking questions. He noted that he thought they could get better answers if the questions were given to Dominion ahead of time and also they would not be held up if a particular person was not there to answer.

Mr. Hale agreed and noted that anyone could send the Board members questions to be asked and there would be no questions directly from the public. He noted that questions should be routed through the County Administrator's office and copied to the Board so everyone knew what had been forwarded. Mr. Hale then noted that a question had been raised at the last meeting having to do with boring under the Blue Ridge Parkway and they did not know specifics; so they may be able to answer things like that if questions were given to them in advance.

Supervisors agreed by consensus to move forward with the meeting using the discussed format. A deadline for the public to submit questions was discussed and Supervisors agreed on April 10th. They then reiterated that the public's questions might not get answered.

IV. Adjourn and Continue Until March 26, 2015 at 1:00 PM in the General District Courtroom for the Conduct of a FY15-16 Budget Work Session.

At 5:20 PM, Mr. Hale moved to adjourn and continue the meeting until March 26, 2015 at 1:00 PM and Mr. Bruguire seconded the motion. There being no further discussion, Supervisors voted unanimously by voice vote to approve the motion and the meeting adjourned.