

May 3, 2016

Virginia:

AT A CONTINUED MEETING of the Nelson County Board of Supervisors at 4:00 p.m. in the Old Board of Supervisors room (#420) located in the Nelson County Courthouse, in Lovingston Virginia.

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

Absent: Constance Brennan, Central District Supervisor
Thomas H. Bruguere, Jr. West District Supervisor

I. Call to Order

Mr. Hale called the meeting to order at 4:03 PM, with three (3) Supervisors present to establish a quorum and Mr. Bruguere and Ms. Brennan being absent.

II. FY16-17 Budget Work Session

A. Staff Follow Up

Mr. Hale asked for clarification on the discussion regarding the calculation of school funding in the draft minutes. Ms. McCann noted that the difference stated was between seven (7) months and twelve (12) months and that \$59,000 was the funding from the state that was to be deducted.

Mr. Harvey then noted he was not happy with things that were done at the previous meeting. He stated that raises should be given for a full fiscal year rather than a partial year. Mr. Hale disagreed and noted that raises were recurring expenses and he questioned why they should do anything other than what the State was doing.

Ms. McCann then noted that staff had looked at the change in consumer price index (CPI) as compared to raises for the last 10 years and there was a 3.2% net deficit as compared to inflation.

Mr. Hale noted he believed that County and School employees were well compensated compared to most Nelson citizens and have had substantial fuel savings even though prices were currently up.

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Mr. Carter noted that his input on compensation was that historically, the Board wanted to be fair, however, the funding provided to schools in the past has allowed them to increase compensation for all of their employees way beyond the County. He added that comparable positions were compensated way beyond those of the County; which has, over time, been detrimental to County employees. He then asked that when staff brought back the pay study, that they try to be objective about it.

Mr. Harvey then noted that it seemed the Board was trying to micromanage everyone and Mr. Hale asked if he thought they should give the School System more money. Mr. Harvey noted that the Board had given the Schools an average of about half a million per year; they had spent time, money, and effort to get the schools to the current level and he thought the current level of funding would set them back. He added that he would give them a lump sum and let them deal with it budgetarily; rather than providing some general funding and some by line item. He then questioned when the last time was that the Schools had returned funds as they had this past year and Mr. Hale noted that these fuel savings were going towards their capital needs.

Ms. McCann noted a sheet providing numbers on the cost of a December and July School raise as follows:

Cost of School Salary Adjustments:

2% effective Dec. 1 (10 & 11month employees would receive 7 mo. Increase Jan-July)

Full Time	\$177,000
Part Time	\$11,000
VRS/Grp Life/Retiree Health Credit	\$86,514
State Compensation Supplement	-\$59,299
State VRS Funding Increase	<u>-\$29,450</u>
	\$185,765

Note that the compensation supplement is actually a decrease of \$5,701 as compared to FY16.

2% effective July 1(10 &11month employees would receive in Aug-July)

Full Time	\$303,342
Part Time	\$19,296
VRS/Grp life/Retiree Health Credit	\$86,514
State Compensation Supplement	-\$59,299
State VRS Funding Increase	<u>-\$29,450</u>
	\$320,403

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She noted that Ms. Irvin had pointed out to her that they had people on 10 month and 11 month contracts and the checks ran August through July and that was what posted for this fiscal year; therefore those people would not get their pay increase until their January check.

Mr. Harvey then noted that doing a December raise created more work than it was worth and Ms. McCann noted it was more difficult for the Schools because of their different contract lengths and the calculation of benefits. Mr. Harvey acknowledged that one year, the Board had given them X amount of money and they went back and changed the lower end of the pay scale; which created a gap in the middle to the most senior employees now.

It was suggested that if they were given a 2% raise this year, they could then phase in their pay plan over a two (2) or three (3) year period. Mr. Harvey noted that the Schools have improved and Mr. Saunders pointed out that one school still had not met accreditation yet; even though they had made changes. He followed up by stating that the School system had promoted people who could not do their job and he questioned whether or not they had taken into consideration the attrition of higher paying teachers in building their budget.

Ms. McCann advised that she was aware that they had taken into account those already hired for next year. She added that they still had vacancies and had estimated their replacements' pay at the middle of the scale. She noted that the salary number had been reduced from the original number that was provided.

Mr. Hale then noted that the conclusion reached the previous meeting was that despite the increase requested of \$755,000, the Board would do a computation of what would amount to a 2% across the board raise in December less the related State revenue. He noted that he thought the Board should provide this amount to the Schools and then they could do what they wanted with it. He added that the total dollars was one number and they would increase last year by this amount. Mr. Harvey noted that this had not been done in the last ten (10) years. Mr. Hale noted the numbers provided in the draft minutes from the previous meeting and noted that in Dr. Comer's first year, the Board had provided level funding plus \$60,000 for the Early College Program.

Mr. Harvey noted he would like to stay on course with providing money to the schools. He added that he would rather spend money on the kids than anything else in the county. Mr. Hale agreed that the school system was good and the most important people in kids' lives were the teachers. Mr. Harvey then argued that the schools' programs would not exist without funding and he hated to see kids having to fundraise for their activities such as athletics. Mr. Saunders advised that the Board had never turned down anyone that had asked, they had supported the schools very well, and he thought that would continue.

Mr. Harvey then noted this issue could be revisited during other business at the end of the meeting.

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Ms. McCann provided the following summary of changes from the April 26, 2016 work session, she noted that this did not reflect School funding that would come out of the contingency as a reduction:

Changes from 4-26- 2016 budget work session:

Expenditure Changes:

Agencies

TJEMS	Reduced funding.	-\$10,156
MACAA	Increase for certain programs.	\$1,496
EDA	Increase from previously cut funding amount.	\$600

Personnel

Support Technician	Funded.	\$54,589
Sheriff Clerical (PT to FT)	Not funded (no change from proposed budget)	
Planner	Not funded (no change from proposed budget)	
County Salary Adjustment	2% effective Dec. 1, 2016	-\$96,327
		<hr/> -\$49,798

Budget Impact:	Addition to recurring contingency	\$49,798
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Contingency:	Recurring	\$1,376,629
	Non-Recurring	\$662,400
		<hr/> \$2,039,029

Mr. Harvey again raised the salary increase issue; noting it was pitiful that it would be done in December. Mr. Hale stated that in terms of the raise, the Board could: do nothing, do twelve (12) months, or do seven (7) months. He added that his position was that County employees were well compensated compared to the financial struggles of many if not most of the County's citizens. He noted this was not a criticism of employees; however their duty in spending tax payers' money was to not go overboard with raises; and it would be a raise just at a later date.

Mr. Harvey asked what kind of raise that came out to for an hourly employee and Ms. McCann noted that was difficult to say; however she computed that for someone with an annual salary of \$35,000/yr. , they would get an increase of \$406 for a seven (7) month period and that would be an increase of \$58 per month. She added that employees with dual and family health insurance coverage were taking a big hit and would ultimately take home less money. Mr. Harvey then noted that they were the ones that needed the raise the most.

B. Other Fund Budgets

Ms. McCann provided the following information which was reviewed by the Board and staff:

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Overview of FY17 Other Fund Budgets

Debt Service Fund

Debt service expenditures relative to the General Fund total \$1,383,315 and include debt service and trustee fees for the following:

- 1) Convenience Centers/Construction & Equipment
- 2) Courthouse Judicial Center (15 Yr. Refinancing, May 2013)
- 3) Radio Project
- 4) Existing Courthouse Renovation (Phase 2)

Debt service expenditures relative to the School Fund total \$2,198,262 and include debt service payments and trustee fees related to the following:

- 1) There is no outstanding debt for Bus leases or Tye River Elementary.
- 2) Rockfish River Elementary (Literary Loan refinanced 5/13)
- 3) Early Retirement Incentive (Refinanced in FY2000)
- 4) NCHS Renovations/ New Middle School (Lease Revenue refinanced in FY12 & VPSA)

All debt is supported by a transfer from the General Fund in the amount of \$3,581,397. County debt reflects an overall increase of \$214,820 due to new debt for the courthouse renovation (FY16 was interest only). School debt reflects an overall decrease of \$704.

Staff noted that #2 in School Debt was refinanced but had the same ending date. It was also noted that #3's term ended in 2018.

Capital Fund

Expenditures reflect funding in the amount of \$300,500 that was allocated in FY12 (remains unspent) as a Capital Reserve for the School Division (TRE). Also included is an unallocated Capital Reserve in the amount of \$597,730.

Revenues generated include only a small amount of interest earnings. The remainder of revenue reflected is the existing fund balance.

Courthouse Project Fund

The Courthouse Project Fund expenditure budget for FY17 includes \$2,392,092 in architectural and construction related expense relative to the existing Courthouse renovation project. In FY16, expenditures are anticipated to be \$3,461,792.

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Bond proceeds of \$4,062,478 were recognized in FY16. The budget in FY16 reflected \$5.5 million in bond proceeds based on the estimated project cost before bidding. The General Fund also supported the project in FY16 with a transfer of approximately \$1.4 million. The project is supported with the bond proceeds, the General Fund transfer as well as fund balance that remained from the previously completed Judicial Center project.

Staff noted that all project costs should be paid for in FY17.

CDBG Fund

In FY16, this budget reflects the Community Development Block Grant for Broadband expansion. The expansion project is expected to be completed in FY16 making it unnecessary to provide a budget in FY17.

Staff noted that a budget amendment would be requested if all funds were not spent in FY16.

Piney River Water/Sewer Enterprise Fund

In FY17, this budget is increased by \$50 in the telecommunications line. Several phone lines serve as monitoring devices at the pumping stations and it is anticipated that this expense will increase slightly. The expenditure budget reflects no other changes.

Receipts for water and sewer fees are projected to be approximately \$120,000—an increase of \$9,000 over the current year budget. Seven new residential customers were installed in FY16 and one non-residential connection has been paid but not yet installed. Fees for connection and installation are estimated to be \$42,000 (\$12,000 Connection Fees and \$30,000 installation expense). In FY17 expenses are anticipated to exceed revenues by \$56,279. This shortfall is covered by a transfer from the General Fund in the amount of \$40,000 and \$16,279 in anticipated fund balance at year end.

Staff noted that the transfer was the same as this past year. Mr. Carter noted that the USDA/RD debt financings were for 30-40 years and the balance was still about \$900,000. He then asked if the Board would be amenable to expediting the debt payoff if there was no impact to County operations. The Board indicated that they may be amenable to doing so. He added that his thought was that if the County could retire the debt then maybe the Board and the Service Authority could agree on turnover of the system. He added that the debt did not decline rapidly. Mr. Harvey commented that he did not think the system would pay its own way, even without the debt service.

Mr. Carter noted that the Service Authority maintained the system and Mr. Harvey noted that the 6-12 inch line was costing so much because of water discharge requirements and it was going back through the sewer system and being treated again. Mr. Carter added that the size of the line was for fire protection also and Mr. Saunders supposed if the line could be

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looped, the problem would be solved. Mr. Carter noted that was proposed; however it had been determined that it was not feasible to do.

Mr. Hale asked for clarification on retiring the debt and Mr. Carter noted that part of the strategy there would have to be that it would not cost the Service Authority anything to take it over. He added that staff could analyze how fast the County could pay it off and if deeded to the Service Authority; could it pay for itself. He added that he was in favor of reducing the debt to save money. Mr. Carter then noted that staff would continue to study it; however it would be advantageous if it could be paid down faster.

Mr. Hale inquired about debt ratios used in evaluating this and Mr. Carter noted there was ratio of debt to operations and debt to fund balance and he noted the County was in good shape there. He added that there may also be a ratio of debt to real estate assessment values and the values were around \$4 Billion.

Broadband Project Fund

This budget will be presented to the Broadband Authority at a later date.

C. Other

Ms. McCann asked if there were any other items to be reviewed at this point and the following was discussed:

Radio Project Status:

Mr. Harvey asked about the status of the radios and Mr. Carter noted that the County had to push the consultants to get the project finished. He added that the Rockfish Tower would be the best coverage option. Mr. Harvey questioned what was taking so long as the repeaters were supposed to take ninety days. Mr. Carter advised that the suggestion had been made to get rid of one of the consultants because them vetting each other's work was causing delays. He added that he would get them on the phone and note they had to have it done now. Mr. Harvey noted that the project had been a nightmare; however, they would have more problems if they hadn't done anything until now. Mr. Carter added that he was not sure if the Rockfish tower was the final solution; however the Albemarle tower location interfered with the Virginia State Police.

Planner Position:

Mr. Hale advised Mr. Harvey that they had deferred a decision on the Planner position; but also said that he and Mr. Bruguere would look into the work of the Recycling Coordinator and see if something could be done there. He added that he did not see they needed the additional Planner position at this point.

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Mr. Harvey stated that he thought the focus got lost along the way in making ordinance amendment referrals and then when they came back to the Board, they got sent back to the Planning Commission for further work.

Temporary Events Ordinance:

Mr. Hale noted that they were working on the temporary events amendments; were having meetings, and working through it. Mr. Harvey noted that these revisions had come about for one venture, RVCC. He suggested that the property should simply be rezoned. Mr. Carter noted that there were many things in the County driving this such as LOCKN and the Festy to name a couple.

Mr. Hale noted that he thought fees associated with these events needed to be changed and should be relative to the size of the event and how involved the County had to be. He added that getting a permit for 25,000 to 30,000 people required a lot more work than an event for a couple of hundred people.

Mr. Carter then noted that the County was not getting a significant amount of revenue from LOCKN and Mr. Hale suggested the way to fix that was to have an admissions tax. He noted that at the beginning, he felt they should give LOCKN time; however that was a way to capture a fairly significant amount of revenue. Mr. Carter then advised that the County had the authority to implement five of the six event categories; with participatory sports like skiing, not being authorized for this taxation. Mr. Carter then supposed that if a person was paying \$250 for a ticket, then 5% more would not detract from sales.

Mr. Carter then noted that many staff members spend a lot of time working on the larger events. Mr. Hale then noted that this could be something for the Board to consider if the County were having revenue difficulty.

School Nursing Program:

Mr. Carter noted he needed to introduce an email from Debbie Williams saying they needed \$9,000 more for the School Nursing program. He noted that he had asked Dr. Comer about state funding for this program and had related the state language on how these funds were to be used and had not gotten a response.

Ms. McCann noted that the funding for the program has been at \$215,000 for quite a few years and in the current year it went to \$235,000. She noted that they had requested \$235,000 and were now asking for \$9,000 more. It was noted that they have had some change in personnel in the nursing staff that served at the schools. It was noted that the CNA program at the High School was still in place.

Mr. Hale questioned why they would start a person out higher than the incumbent and Mr. Harvey noted it was a way to attract good people. Mr. Carter then noted that if the State

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money was to be used for nursing salaries, it was not being used for that. Mr. Hale suggested that they should cover the \$9,000 with the state money. Mr. Harvey added he was not in favor of giving the program more funds. Mr. Saunders commented that the Schools seemed to ask for more money, but did not seem to improve their management to be more efficient.

Budget Public Hearing:

Staff and Supervisors discussed setting the public hearing date and Ms. McCann advised that there was not sufficient time to advertise for the May 10th meeting. She added that it could be done on May 19th, May 24th, May 26th, or the first part of June. She added that if they had it on May 26th at 7:00 PM, they could adopt it at the regular June meeting. Supervisors agreed by consensus to hold the public hearing on the budget on May 26th at 7:00 PM in the General District Courtroom if available.

III. Other Business (As May Be Presented)

Dog Complaint:

Mr. Saunders noted that a resident in Gladstone called him about barking dogs at night and noted that there was no ordinance addressing this issue. He added that it was a nuisance and he wanted to bring it up before the Board as promised to the complainant. He further noted that this citizen has spoken to both the Sheriff and Animal Control and Mr. Wright was to speak to the owners and the complainant on the matter. Mr. Hale noted that the Board was not going to be able to solve this issue and no action was taken.

Ms. Kitty Lyle:

Mr. Saunders noted that Ms. Kitty Lyle had passed away; she was 89 years old and very active. Mr. Harvey suggested the Board honor her with a resolution.

Blue Ridge Tunnel (BRT) Trail Fence:

Mr. Harvey and Mr. Hale noted that people were cutting the BRT fence in the same place as before. It was noted that these people were crossing the live tracks to get to that side and the railroad should be involved. Mr. Harvey suggested letting the railroad know and Mr. Hale noted he would speak to them about this on May 17th. Mr. Harvey then requested to see the pictures of the culprits to see if he could identify them.

IV. Adjournment

At 5:29 PM, Mr. Saunders moved to adjourn and Mr. Harvey seconded the motion. There being no further discussion, Supervisors voted unanimously by voice vote to approve the motion and the meeting adjourned.