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Virginia:

AT A CONTINUED MEETING of the Nelson County Board of Supervisors at 3:00 p.m. in the Bridge Conference Room located on the fourth floor of the Nelson County Courthouse, in Lovingston Virginia.

Present: Thomas H. Bruguire, Jr. West District Supervisor– Vice Chair
Thomas D. Harvey, North District Supervisor – Chair
Constance Brennan, Central District Supervisor
Allen M. Hale, East District Supervisor
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: None

I. Call to Order

Mr. Harvey called the meeting to order at 3:07 PM, with all Supervisors present to establish a quorum.

II. FY17-18 Budget Work Session

Mr. Carter noted he was hopeful that the Board would work towards finishing the considerations list and then focus on items A-C. He noted that after that day, with sufficient time on Tuesday to work on the budget; they would be close to time to advertise for the public hearing. He noted that seven days were required before the public hearing and also prior to consideration of approval. He advised they could go into June; however if they did not want to go that far out, they needed to finish up.

The following table reflects changes made (in bold) to the considerations list during the meeting.

Department		1st Draft Budget	Revisions
		Staff	BOS
<u>Finance</u>			

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Finance Technician-part-time to full time	\$26,067	Funded	Funded
<u>Technology</u> (Update from Susan Rorrer)			
Replace phone system	\$70,000	*Funded	*Funded
Replace primary network server	\$20,000	*Funded	*Funded
BOS iPad	\$3,500	Not Funded	Not Funded
<u>Commonwealth Attorney</u>			
Supplement for Assistant Attorney	\$2,978	Not Funded	Come Back
Locally funded clerical position-part-time to full time	\$21,819	Not Funded	Come Back
<u>Sheriff</u>			
New position-full time investigator	\$50,000	Not Funded	Not Funded
Clerical position-part-time to full time	\$22,849	Not Funded	Funded
DARE	\$4,000	Not Funded	Not Funded
Police Supplies (Level funding of \$17,500 budgeted)	\$7,500	Not Funded	Not Funded
In Car and Body Camera System	\$133,050	Not Funded	Not Funded
<u>Public Safety & Emergency Services</u>			
Dispatcher Holiday Pay	\$7,920	Funded	Funded
<u>E911 Program</u>			
CAD replacement	\$170,000	Not funded	Not funded

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<u>Animal Control</u>			
Tasers	\$4,000	*Funded	*Funded
<u>Building and Grounds</u>			
New position-full time maintenance worker	\$44,470	Not Funded	Not Funded
Rent Increase (relocation of Planning/Building Inspection)	\$11,964	Funded	Not Funded
<u>Motor Pool</u>			
6 Sheriff Vehicles plus equipping (original request \$254,448)	\$100,000	*Funded	Funded \$146,592
2 Building Inspections Vehicles	\$39,720	Not Funded	
1 Tourism Vehicle	\$20,000	*Funded	
1 Planning Vehicle (sold Subaru previously used)	\$27,500	Not Funded	
1 Animal Control Truck	\$30,850	*Funded	Not Funded
<u>Community College</u> (Refer to Agency Notebook)			
PVCC Capital Contribution (4 years)	\$12,375	Funded	
<u>Planning</u>			
FT Planner	\$56,590	Not Funded	
<u>Thomas Jefferson Soil & Water Conservation</u> (Refer to Agency Notebook)			
Level Funded	\$1,575	Not Funded	
<u>Non-Departmental (Effective August 1)</u>			
Local Employee Pay Adjustment (Compensation Market Analysis)	\$321,323	Not Funded	
Constitutional Employee Pay adjustment (2%)	\$46,653	Not Funded	

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<u>Agencies Requesting Increased Funding</u> (Refer to Agency Notebook)			
Health Department	\$8,262	Not Funded	\$4,000
Region Ten	\$10,979	Not Funded	\$2,000
Regional Library	\$12,058	Not Funded	\$5,000
JABA	\$1,929	Not Funded	\$1,500
JAUNT	\$2,501	Not Funded	\$1,000
Shelter for Help	\$160	Not Funded	\$160
SARA	\$100	Not Funded	\$100
OAR	\$2,513	Not Funded	\$750
Central VA Small Business Development Center	\$2,500	Not Funded	\$0
Gladstone Senior Center Meals	\$746	Not Funded	\$0
Rockfish Senior Center Meals	\$4,133	Not Funded	\$0
Human Society of Nelson County	\$5,000	Not Funded	\$2,500
CIT	\$1,800	Not Funded	\$1,800
<u>Agencies Not Previously Funded</u> (Refer to Agency Notebook)			
Piedmont Workforce Network	\$2,249	Not Funded	\$0
Jefferson Area CHIPS	\$15,000	Not Funded	Withdrew
<u>Capital Outlay</u>			
Transfer Station Excavator	\$150,000	*Funded	\$100,000
Emergency Vehicles	\$320,000	Not funded	\$393,000
E911 call handling system upgrade (carried over from FY17)	\$346,000	*Funded-\$150,000 grant	
Library Renovations	\$127,297	Not Funded	\$127,297

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Records Management Consultant	\$25,000	Not Funded	Not Funded
PER County Office Building	\$70,000	Not Funded	Not Funded
Transportation Study for School Division	\$7,500	Not Funded	Not Funded
<u>Transfer to Broadband Fund</u>			
Increase to Amortized Connection Allotment	\$100,000	*Funded	
<u>Transfer to VPA Fund (DSS)</u>			
Increase Request (no increase in local funding)	\$114,370	Funded	
<u>Transfer to Schools (Refer to School Budget)</u>			
Increase Request for operations	\$664,788	Not Funded	\$385,000
School Buses (4 requested, 2 funded)	\$162,000	2 Buses Funded	
	\$162,000	Not Funded	
Capital Improvements-Priority 1 per CIP	\$2,353,900	Not Funded	\$400,311

A. Agencies

The Board considered the following:

Agencies Requesting Increased Funding (Refer to Agency Notebook)

Health Department	Increase \$8,262	1st Draft Budget Not Funded
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Ms. McCann noted their request included a 6% increase in Health Insurance, a 3% salary increase, a 3% contractual lease increase in December 2017 from Blue Ridge Medical Center, and a 3% increase in technology costs from VITA.

She noted that there was still local only funding above the required 33.33% match which was used to offset whatever the Board did not fund. Mr. Carter added that the County historically funded above that level. Ms. McCann noted that they could look at the year-end

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settlement statement from FY16 and see that. Mr. Hale noted that the County was obligated to provide 33.3% and they had done 39% in 2016.

Mr. Bruguere questioned the state giving a 2% raise and they asked for 3% and Ms. McCann noted that was probably requested prior to them knowing the State amount.

Mr. Carter then reiterated that the agencies listed were those that requested more than level funding and Mr. Hale noted that none had asked for reduced funding.

Ms. McCann then advised that funding all of the requested increases and adjusting for the decrease in the Library request would cost \$49,464 in total.

Mr. Hale then noted that their past process had been to keep the percentage compensation comparable between all of the agencies if possible. Ms. McCann noted this was difficult because salaries were not part of their full request oftentimes. Mr. Carter noted that staff would have to go back to them to get that amount.

Ms. McCann then reported that the increase in salaries and fringes was \$14,000. Mr. Hale then asked what it would be if they took 33.3% of that. Mr. Bruguere noted that they had an employee retire and they should bring in someone with a lesser salary.

Mr. Harvey asked for the increase in rent and Ms. McCann noted that was \$1,211.00 and the increase was written into the Health Department contract with BRMC.

Mr. Hale suggested they could provide half of the request, which would be about 2% for personnel and the Board agreed by Consensus to do \$4,000.

	Increase	1st Draft Budget
Region Ten	\$10,979	Not Funded

Ms. McCann noted that Region Ten used a formula to determine their request and it was based on the prior year and taking the value of services provided to the County as a % of the agency total. She suggested that they looked at the % population of the total and average them together and apply that to the budget to get the requested amount. Mr. Carter noted that the increased request was for programs.

Mr. Hale noted that the value of services was \$2 Million and the cost was \$90,000. Ms. Brennan noted that at the previous CIT meeting there was talk of a huge increase in substance abuse and they were trying to get a handle on it.

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Mr. Hale then suggested that since they had a 2% increase in Nelson County consumers, they should do 2% of the previous funding. It was noted that the 2017 amount of funding was \$98,586 and \$2,000 was recommended.

Supervisors agreed by consensus to fund \$2,000.

Regional Library	Increase \$12,058	1st Draft Budget Not Funded
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Ms. McCann advised that the increase amount could be reduced by \$1,417 because they would have a lower pay increase than what was submitted. She noted that the request included additional hours of operation going from 44 hours per week now to 48 hours per week. She noted this was 208 hours per year and 330 extra staff hours. She then noted that she had asked the Library staff to provide the dollar amount associated with that but it had not been provided yet. She added that this could potentially be more than one person.

Mr. Hale suggested that the Board needed that information before deciding and that he supported covering the increase. Ms. McCann noted that the revised request was \$10,641.

Supervisors agreed by consensus to fund \$5,000.

Mr. Carter noted that the Library capital improvements were shown in Capital Outlay.

JABA	Increase \$1,929	1st Draft Budget Not Funded
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Ms. McCann noted that the overall increase was a small amount. She advised that the largest increase was related to the senior center and the meals program. Mr. Carter noted that they served meals at the Nelson Center plus served meals on wheels. Ms. Brennan noted she would like to support that.

Supervisors agreed by consensus to fund \$1,500.

JAUNT	Increase \$2,501	1st Draft Budget Not Funded
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Ms. McCann advised that she had requested additional information from them because she wanted the detail on the current routes being run. She noted that they had said they could reduce routes or raise fares if they did not get the local funding needed. Mr. Carter noted

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that staff could never tell how many people rode the bus since their ridership was tracked by trips. Ms. Brennan noted that transportation was a huge issue.

Supervisors agreed by consensus to fund \$1,000.

Shelter for Help	Increase \$160	1st Draft Budget Not Funded
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Ms. Brennan noted it was a small amount of money and Ms. McCann advised that they served 8-10 people and it varied year to year.

Supervisors agreed by consensus to fund the request of \$160.

SARA	Increase \$100	1st Draft Budget Not Funded
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Supervisors agreed by consensus to fund the request of \$100.

OAR	Increase \$2,513	1st Draft Budget Not Funded
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Mr. Carter advised that OAR helped courts and jails with getting people bailed out, which saved localities money and they also provided input to courts and helped with probation services. He added that they had a Regional Justice Planner. Ms. McCann noted that the increase was for that position.

Mr. Hale stated he was opposed to funding it and Ms. Brennan noted that the Planner looked at how to keep people out of jail. Mr. Carter noted that he had heard the Planner speak and he was very capable, however; the jail also did that type of analysis. He added that the funds were for moving him from part time to full time.

Ms. McCann reported that in FY17, \$4,852 was provided with \$500 for pretrial services, \$2,852 for probation services, and \$1,500 for the Planner and the additional funds were going to the Planner.

Supervisors agreed by consensus to fund \$750.

Central VA Small Business Development Center	Increase \$2,500	1st Draft Budget Not Funded
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Ms. McCann noted that in past years, the Board had funded \$7,500 and they were asking to return to that level. Mr. Saunders noted that they had operated without that before and they should continue.

Supervisors agreed by consensus to fund \$0.

Gladstone Senior Center Meals	Increase \$746	1st Draft Budget Not Funded
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Supervisors agreed by consensus to fund \$0.

Rockfish Senior Center Meals	Increase \$4,133	1st Draft Budget Not Funded
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Supervisors agreed by consensus to fund \$0.

Human Society of Nelson County	Increase \$5,000	1st Draft Budget Not Funded
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Mr. Hale noted that the Humane Society did a lot of good. Mr. Carter then advised that the Board had given them \$5,000 in funding halfway through the fiscal year and they were asking for an additional \$5,000 for the whole year.

Supervisors agreed by consensus to fund \$2,500.

Mr. Carter noted that since the County and the Humane Society had resumed a relationship, euthanasia had dropped a lot and that did translate into money being saved. He advised that they were coming to the shelter every week to look at and take animals to adopt out; which also saved on food costs and the costs of care.

Mr. Harvey suggested staff send them a thank you note and Mr. Hale added that they also raised a lot of money on their own.

Agencies Not Previously Funded (Refer to Agency Notebook)

Piedmont Workforce Network	Increase \$2,249	1st Draft Budget Not Funded
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Supervisors agreed by consensus to fund \$0.

Jefferson Area CHIPS	Increase \$15,000	1st Draft Budget Not Funded
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Ms. McCann noted that they had withdrawn their request.

CIT	Increase \$1,800	1st Draft Budget Not Funded
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Ms. Brennan noted that the CIT had recently submitted a request to the Board and staff. Ms. McCann noted that funds for their activities typically flowed through the Sheriff's Department and staff had just received their request. She noted that usually this was in the Sheriff's Department budget, the County was invoiced for those services, and they were now requesting a certain amount for their program.

Ms. McCann advised that after speaking with the Sheriff, she felt that this could be dealt with within their budget. Ms. Brennan then advised that the CIT program was now short in their budget and were asking for \$1,800 to provide all of the services shown. She added that they dealt with mental health issues.

Supervisors then agreed by consensus to fund the request of \$1,800

Mr. Harvey asked to revisit the following:

Capital Outlay	Increase	1st Draft Budget	Revision
Emergency Vehicles	\$320,000	Not funded	\$225,000

Mr. Harvey noted he had checked on this and the EMS Council had approved purchases in FY14 of \$420,000, FY15 \$420,996.50, FY16 \$0, and FY17 \$389,000. Ms. McCann noted that she supposed that the funds for 2016 weren't actually expended until FY17.

Mr. Carter advised that to date, the Board had allocated \$225,000 for this.

Mr. Harvey advised that an ambulance had been ordered with the approval of the EMS Council and he had assumed the paperwork had come to County Administration. Staff advised that they had not seen that yet. Mr. Harvey noted that the cost was \$113,000 and the deal was the County would match that. He also noted that it was the one for Wintergreen that had been ordered and he noted the extra cost was associated with going to another type

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of stretcher. He added that this was part of a 50/50 state grant and the Board would match the state funding.

Ms. McCann noted that the \$280,000 on Fire vehicles would be 80% of cost.

It was clarified that the ambulance would be going to Wintergreen.

Ms. McCann noted that the amount was an increase of \$168,000 over the \$225,000 previously agreed upon by the Board. Mr. Harvey noted that they had been averaging \$420,000 per year and he added that some of those costs may not hit in FY17/18 since it took almost a year to build a fire truck.

Mr. Carter noted he had looked at this earlier and the Board could use a Capital Fund transfer to cover the difference since there was no Non-recurring contingency left. He then cautioned the Board that \$400,000 at a time for anything when the County had slow revenue growth was hard to keep up with.

Mr. Harvey then noted that they had to get rid of the forty (40) year old equipment that was out there. Mr. Carter suggested that they assign this to be looked at by the new EMS Coordinator. He added that the funding was not an issue at this point and the County had significant fund balance; however, the County did not want to deplete that over time.

Mr. Hale indicated he preferred using monies from the Capital Fund versus using recurring funds.

Mr. Harvey noted that there were two grant cycles per year and there was nothing in the current cycle this time. He added that Gladstone got turned down but most of the time the agencies got the grants.

Supervisors then agreed by consensus to fund the difference (\$168,000) from the Capital fund for a total of \$393,000.

Mr. Danny Johnson, Lovington Fire Chief in attendance, noted that many fire departments were going to a combination engine and tanker and those could not be purchased for under \$400,000 – and that was not equipped. He noted that Lovington Fire Department was looking at buying one and they could not find a stripped down model for any less.

Mr. Carter added that the needs should to be assessed in terms of how many new trucks were needed and by whom. Mr. Hale agreed noting that a department may not need one

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every year. Mr. Harvey added that they had to get through a cycle to get the twenty to thirty (20-30) year old trucks out of service.

B. Compensation Study (Considered after Other Fund Budgets item C.)

Non-Departmental (Effective August 1)	Increase	1st Draft Budget
Local Employee Pay Adjustment (Compensation Market Analysis)	\$321,323	Not Funded
Constitutional Employee Pay adjustment (2%)	\$46,653	Not Funded

Mr. Harvey advised that the Board had discussed a 2% raise; however they would listen to the study results.

Mr. Carter noted that the study did not use Albemarle or Charlottesville as benchmarks and smaller localities were used for comparison.

Mr. Harvey then noted a recent news story that showed Nelson's starting teacher pay was up, but that it was level for the first four or five years for the schools. Mr. Carter noted that they measured out competitively overall with other systems. Mr. Harvey commented that the Campbell County Board was a problem for their Schools as three Supervisors home schooled and three had no children. Mr. Saunders then noted that to be fair, the County should keep salaries in range with other counties. Ms. McCann noted that staff used Nelson County Schools and the Service Authority where there were appropriate job matches. Mr. Saunders noted that locals were not getting jobs because teachers with experience from other counties were coming here. Mr. Harvey supposed that the problem was that Nelson got teachers whose spouses were in college and when their spouses graduated, they left the area. Mr. Saunders then noted that salaries between localities should be closer together so there was not a lot of switching back and forth. Ms. McCann then noted that the County had filled seven (7) positions out of about thirty (30) and that was a large turnover. Mr. Saunders stated there should be a closer balance in pay between schools and county employees.

Mr. Hale then noted he would like to hear the staff presentation on the study without making a decision that day.

Ms. McCann then overviewed the following executive summary of the compensation study:

Executive Summary

The Board of Supervisors directed staff to conduct a pay study evaluating Nelson County’s salaries in comparison to peer localities including local comparisons within the Nelson County School Division and the Nelson County Service Authority where comparison jobs exist. The information currently presented includes personnel employed by the Board of Supervisors as defined by the Code of Virginia.

Methodology

Market Areas: The review was initially organized using the employment areas as defined by the United States Department of Labor. Three employment areas in geographic proximity to Nelson were considered: 1) Charlottesville, VA 2) Lynchburg, VA 3) Northwestern VA. Nelson County is located in the Charlottesville, VA area. Included as Tab 1 is a table identifying the localities included in each employment area. The highlighted localities were solicited to provide their salary information. Through the course of the review, staff from North Hampton, VA solicited salary information from Nelson and in turn provided their salary information. North Hampton is not located within the employment areas previously noted but is a similarly sized locality with a population just over 12,000. Additionally, we used local comparisons with the Nelson County Service Authority and the Nelson County Public Schools when there was an appropriate job match. Salary information was provided by five localities with populations greater than 25,000 and five localities with populations less than 25,000.

Tab 1:

Localities by US DOL Employment Areas		
<u>Employment Area/Locality</u>	<u>Solicited</u>	<u>Responded</u>
<i>Charlottesville</i>		
Albemarle County	Yes	Yes
Charlottesville city	Yes	No
Fluvanna County	No	N/A
Greene County	Yes	Yes
Nelson County	N/A	N/A
<i>Lynchburg</i>		
Amherst County	Yes	Yes
Appomattox County	Yes	No

Bedford County	Yes	Yes
Bedford city	No	N/A
Campbell County	No	N/A
Lynchburg city	Yes	Yes
<i>Northwestern Virginia</i>		
Alleghany County	No	N/A
Augusta County	Yes	Yes
Bath County	No	N/A
Buena Vista city	No	N/A
Clifton Forge city	No	N/A
Covington city	No	N/A
Culpeper County	No	N/A
Madison County	No	N/A
Orange County	No	N/A
Page County	Yes	Yes
Rappahannock County	No	N/A
Rockbridge County	No	N/A
Shenandoah County	No	N/A
Staunton city	Yes	Yes
Waynesboro city	Yes	Yes
North Hampton County (Northeastern Virginia employment area) provided information as reciprocity for Nelson providing data for its study.		

Ms. McCann noted that they had worked around federal employment areas in close proximity to Nelson such as Charlottesville, Lynchburg, and Northwestern Virginia (tab 1). She reiterated that they had included the Schools and the Service Authority along with Northhampton County (see note in table)

Job Matches: After receiving the salary data, the first step in the process was to determine the positions within each surveyed locality which most closely aligned with the county's current classes of positions. Job matches in larger localities were less accurate for several reasons. Large localities have departments with more employees with each employee

having more specialized job functions. More employees were generally required in larger localities because they serve a larger population base. Additionally, departments were more likely to have a broader scope of responsibility and multiple layers of supervision within the department. For example, Albemarle County has a Director of Community Development which encompasses Building Inspections, Planning, and Information Services. In Nelson, this responsibility is split between three department heads. Smaller localities generally have one supervisor (department head) over fewer employees; however, each employee generally performs a greater number of varied functions. Because of the different dynamics of position definition, we elected to include only localities with populations less than 25,000 in the comparison analysis used to build the proposed salary ranges. These position comparisons are included in Tab 2. However, it is worthy to note, that many of the excluded localities make up the employment market in which Nelson competes. Generally, employees in Nelson leave to take positions in Amherst, Lynchburg, Waynesboro or Charlottesville.

Market Analysis: Once the position comparisons were established, the minimum, midpoint and maximum salary amounts for each position class were charted by locality. Initial analysis charts the average minimum, midpoint, and maximum for each position among the chosen market groups and calculates the percentage difference between Nelson and the averages from the selected market data group (Tab 3). The first three columns reflect the minimum, median and maximum of the county FY16 Payscale. This was the payscale in place at the time the study was initiated. The next three columns of Tab 3 show the differential between the county scale and the average from the market pay data. Positions denoted with negative amounts and highlighted in pink indicate positions where Nelson falls below the market average (minimum, median, or maximum). Please note that this analysis reflects the market deficiency of the payscale/pay range and does not necessarily reflect the market inequity of actual salaries. The last 3 columns reflect the average minimum, median, and maximum from the FY16 market data adjusted by 2% based on the county's salary adjustment in FY17.

Payscale Development: The payscale was then generated using the adjusted minimum based on the market data for Grade 1, Step1. The template currently used for the county's payscale was utilized but updated using the base market amount for Grade 1, Step1. The template establishes 24 grades with a 5% differential between each grade and 2.5% increments between steps. In Tab 4, there is an hourly (part-time positions) and annual salary (full time positions) payscale reflecting the marked adjustment. Based on the adjusted market pay ranges shown in Tab 3, the grade was re-established for each position using the grade closest to the adjusted market minimum. To provide flexibility, it is recommended that step designations be eliminated such that more ability is provided to

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allow for smaller movements (less than 2.5%) for employees to advance within their scale. However, the steps were utilized to more easily identify where an employee should be placed within the scale. Tab 5 is a comparison by position that shows the old pay range side by side with the proposed pay range.

Ms. McCann noted that there was no salary scale for the County Administrator's position given that the data may not apply since this was more of a negotiated position. Ms. McCann noted that staff would like to go away from having a step system and go to having a pay range. She noted that the steps of the scale were used to determine where people should be within the scale and the County was not really giving step increases anymore.

Mr. Carter clarified that staff proposed to keep the grade and salary range with no intermediate steps and employees would be adjusted within the range at a percentage. He emphasized that no one stayed on step with their years of service.

Employee Placement: Several factors were included to determine step placement for individual employees.

- 1) Years in current position. Step credits were given based on weighted years as follows: full time years x 1.0, part-time years x 0.5, seasonal years x 0.25.
- 2) VRS adjustment. Many full time employees received a pay adjustment of 5% to accommodate for the required employee contribution instituted in FY12. As such, all full time employees were given a step credit of 3 (counting a 2 step advancement (5%) bringing employees to step 3 before consideration of education or years of service).
- 3) Education adjustment. The following step credits were allowed for education where the job description has recommended educational requirements: Associates Degree or equivalent= 1, BA/BS Degree or equivalent=2, MA/MBS/MS Degree=3, PHD=4. All step credits were added to determine the recommended placement for each employee on the proposed payscale. Placement determination information is found in Tab 6a. The gold column reflects current salary. The green column reflects salary placement solely based on the market analysis. Salaries denoted with red numbers reflect a market analysis salary determination which is lower than the currently paid salary. Salaries denoted in yellow numbers indicate employees who based on experience are above the top of the proposed scale (but were capped at Step 24). Tab 6b shows an alternative of maintaining salaries of those employees who are currently paid above the market analysis proposed salary (blue column). Tab 6c simply shows the comparison of a 2% salary adjustment side by side (blue column) with the market analysis salary (green column). Tab 6d shows a combination

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alternative in the blue column to provide market analysis adjustments or a 2% salary adjustment, whichever is greater. The remaining tabs indicate possible implementation strategies using 50% and 33% implementation. Tab 6e shows salaries based on 50% of market analysis only. Tab 6f shows salaries based on 50% of market analysis or 2% whichever is greatest. Tab 6g shows salaries based on 33% of market analysis only. Tab 6h shows salaries based on 33% of market analysis or 2% whichever is greatest.

Ms. McCann reiterated that some positions were currently paid higher than the market data. She referenced Tab 6a and noted that red meant that person was being paid more than the market study. She noted that gray and yellow print meant they had been here so long they would be at a step above the top of the scale and those were capped. Mr. Carter noted that once they adjusted to what the tabs meant, it was easy to follow.

Implementation Cost:

The estimated cost of various strategies for implementation is shown in the chart below.

August 1	11 months	33%/2%	50%/2%
Full Time	\$287,989	\$103,014	\$149,948
Part Time	\$33,335	\$13,000	\$18,667
Total	\$321,323	\$116,014	\$168,615

Ms. McCann explained that the first column of the chart was 100% of the market study only and no pay increase for those who were already paid more than the market showed. The second two columns were 33% of the market study with those who were already paid more than market getting 2% and the third column, likewise was 50% and 2%.

Mr. Harvey asked why the pay study implementation chart was done for eleven (11) months and Mr. Carter noted that the State increase for the Constitutional Officers was to be effective August first. Mr. Harvey then acknowledged that it would cost more the following year for a full twelve (12) months.

Mr. Carter added that staff has looked at Constitutional Offices and it was a hodge podge. He noted that most had a similar supplement policy and some fell under the pay plan of their County. Ms. McCann added that localities still had an obligation to pay the minimum of their Compensation Board salaries.

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Ms. McCann then distributed the following:

**Other Locality-Salary Plan for Constitutional Offices by
Bureau of Labor Statistics Areas**

Occupational Employment Statistics Charlottesville Area

Charlottesville:

Charlottesville has informal agreements with Constitutional Officers. They allow each officer and their employees to participate in the city compensation and benefits program so long as they comply with the city's pay and benefit policies. They receive the same pay adjustments as other city employees but do not additionally receive the compensation board adjustments. Constitutional Officers use city established pay ranges and starting salaries when they hire. The officer does not have the option of making pay adjustments that do not comply with city policies.

Greene:

There is a verbal agreement between the county and the officers if they would like to be included under the county pay plan. Essentially participating in the plan means they receive the annual salary adjustments provided by the Board.

Albemarle:

No information provided.

Occupational Employment Statistics Lynchburg Area

Amherst:

Constitutional employees and officers if included in VRS Plan 1 are provided a supplement to offset the 5% VRS employee contribution. The officer establishes salaries for their employees within the restraints of the Compensation Board and the county budget. Salary placement is usually at the bottom of the pay grade unless a potential employee has specific education or experience that substantiate a higher placement.

Lynchburg:

The city does not normally supplement Constitutional officer or employee salaries with the exception of the 5% to offset the VRS employee contribution (for employees in place when the employee share was implemented).

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Bedford:

Constitutional Officers may elect for their office to participate in the county pay plan. As such salary ranges are established for employees (not the officer) but employees are hired in at the Compensation Board salary. Essentially participating in the pay plan means they receive the annual salary adjustments provided by the Board.

Occupational Employment Statistics Northwestern Non-metropolitan Area

Waynesboro:

Salary is determined by the Compensation Board. The city provides the same cost of living adjustment to constitutional employees as for local employees. The officer salary is excluded from the COLA and is solely based on the established Compensation Board salary.

Augusta County:

Employees of the Commissioner of Revenue and Treasurer are included in county pay plan. Employees of other constitutional offices and all officers receive Compensation Board pay.

Page County:

Page County has established salary scales for constitutional positions. No other information has been provided regarding supplements.

Staunton (City):

Treasurer, Commissioner of Revenue, Clerk of Circuit Court have an agreement with the city which stipulates the employees and the officer receive the city annual pay adjustments in lieu of the Compensation Board pay adjustments. The Sheriff and Commonwealth Attorney do not have agreements and are not supplemented.

Ms. McCann referenced the Commonwealth Attorney's request and she noted that most localities had the same supplement policy as Nelson. She advised that if he was comparing his positions to those with tenure, they would have a higher salary because they would have a pay supplement. She then noted that there were some counties that did not supplement their pay at all. Ms. McCann then explained that in Nelson, in order to receive a pay supplement, you had to be employed as of July 1st and the County had to give a higher percentage raise than the State. She then advised that Compensation Board Officers could work within the Compensation Board parameters to give salary increases; they had the ability to bump people up. She noted that for instance, when there was turnover and someone was hired at a lesser salary, they could split up that difference among their current employees. She noted that they also had certification programs funded by the General

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Assembly that once gotten could increase pay by 9%. She reiterated that there was some ability to adjust salaries within the Compensation Board. Ms. McCann noted that some localities did not supplement the Officers but rather just the employees.

Ms. Brennan asked if staff had looked at the benefits of taking them into the County system. Mr. Carter noted that the greatest consideration in taking them into the County system was paying them out for leave when they left County employment; which was not done now for Constitutional Office employees. He added that could be a liability to an extent. He noted that the Officers had to agree to be under the County's pay plan and they lost their independence. Ms. McCann then noted that some localities offered it and it seemed to be split from what she found. She added that in some cases, the Commonwealth Attorney and Sheriff did not opt to do it and it was also hard to obligate their offices to anything past their terms.

Mr. Carter then noted that another concern was that the State had funded a supplement of sorts for Sheriff's Departments of \$60 to \$80 more per month per person based on years of experience. He added that this was a challenge since the County's supplement policy said that if the Constitutional Officers received additional pay from the State, the County could reduce its supplement.

Mr. Hale then requested the cost of the pay study implementation on a twelve (12) month basis. He then asked how a 2% raise across the board for Constitutional Officers compared and Ms. McCann related that a 2% raise for them would cost approximately \$50,000. Mr. Hale then noted that increasing salaries 20% to 30% was challenging and Mr. Saunders noted it could be done in stages.

Ms. Brennan noted that they could justify anything done given the excellent study that had been done. Ms. McCann then noted that staff had decided not to show names associated with positions even though some were obvious and Mr. Harvey noted that it should be based on the position and not the person. Ms. McCann then advised that they had shown longevity in positions on one of the charts.

Mr. Bruguiere noted that he had gotten the most grief from the public over giving employees a Christmas bonus that one year.

No action was taken by the Board and Mr. Saunders exited the meeting at 4:47 pm.

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C. Other Fund Budgets

Supervisors agreed by consensus to discuss this item at the May 9, 2017 Board meeting. They were provided with the following information:

Overview of FY18 Other Fund Budgets

Debt Service Fund

Debt service expenditures relative to the General Fund total \$1,050,563, a decrease of \$332,572 due to the payoff of Solid Waste debt in the current fiscal year. The Fiscal Year 2017-2018 budget includes debt service and trustee fees for the following:

- Courthouse Judicial Center (15 Yr. Refinancing, May 2013)
- Radio Project
- Existing Courthouse Renovation (Phase 2)

Debt service expenditures relative to the School Fund total \$2,183,256 and include debt service payments and trustee fees related to the following:

- Rockfish River Elementary (Literary Loan refinanced 5/13)
- Early Retirement Incentive (Refinanced in FY2000)
- 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 \$3,233,819. County debt reflects an overall decrease of \$332,572. School debt reflects an overall decrease of \$15,006 (net decrease in interest payments due).

Capital Fund

Expenditures reflect funding in the amount of \$300,500 that was allocated in Fiscal Year 2011-2012 (remains unspent) as a Capital Reserve for the School Division (TRE). An additional expenditure is requested for a transfer of \$25,000 to the Courthouse Project Fund. The budget also reflects an unallocated Capital Reserve in the amount of \$572,751.

No revenue is anticipated in Fiscal Year 2017-2018. The budget is based solely upon existing fund balance.

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Courthouse Project Fund

The Courthouse Project Fund expenditure budget for Fiscal Year 2017-2018 includes \$406,270 in architectural and construction related expense relative to the existing Courthouse renovation project. It is anticipated that final project expenditures and retainage will be paid out no later than August 2017.

The project funding initially included bond proceeds of \$4,062,478 (recognized in FY16), remaining fund balance from the previously completed Judicial Center, and a transfer from the General Fund of approximately \$1.4 million. The Fiscal Year 2017-2018 budget reflects the balance of allocated funding and additionally a transfer of \$25,000 from the Capital Fund providing funding to complete the project.

Piney River Water/Sewer Enterprise Fund

In FY17, this budget is increased by \$57 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 \$127,000- an increase of \$7,000 over the current year budget. This increase is reflective of seven new residential customers and one non-residential connection installed in Fiscal Year 2015-2016 as well as several payment plans that have recently been implemented. Although no new customers have been installed in Fiscal Year 2016- 2017, the budget allows for six new residential customers in Fiscal Year 2017- 2018. Fees for connection and installation are estimated to be \$42,000 (\$12,000 Connection Fees and \$30,000 installation expense). In Fiscal Year 2017-2018, expenses are anticipated to exceed revenues by \$49,336. This shortfall is covered by a transfer from the General Fund in the amount of \$40,000 and \$9,336 in anticipated fund balance at year end.

Broadband Project Fund

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

Mr. Carter noted that staff was uncertain where things stood financially because Ting had done a horrible job on the financials. He noted that he had spoken to the Vice President who said they would fix the problem. Mr. Carter then noted he was concerned the Broadband fund would run out of money this year and may need more appropriated. He stated that cash flow was not working well because of the discount and amortization related to the

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substantial increase in connections. He added that they needed to make sure receipts were coming in as they should and Ting had done a horrible job keeping the County on point with it.

Ms. McCann explained that the billing company billed the Service Providers and included the installation fees.

Mr. Hale suggested that the discount be eliminated; however there would still be some amortization. It was noted that the discounts would not be gotten back; however they would make revenue in terms of getting customers. It was reiterated that the cash flow issue was a result of the combination of the discount and amortization.

Mr. Hale then suggested it would be helpful to take the increase in customers and show a five year plan. It was noted that the extensions had generated a lot of customers and it was uncertain as to when that would flatten out.

Staff then noted the discount was \$750 per customer and Ms. Brennan recommended doing away with it. Mr. Carter noted that service providers also provided the discount. Ms. Brennan suggested offering a discount based on need and Ms. McCann noted that there would have to be someone that monitored the need. Ms. Brennan then confirmed that wireless customers did not get a discount and Mr. Harvey noted that the installation costs for wireless customers were a lot less than for fiber.

III. Other Business (As May Be Presented)

There was no other business discussed by the Board.

IV. Adjournment

At 4:58 PM, Mr. Hale moved to adjourn and Ms. Brennan seconded the motion.

Ms. McGarry clarified that she was to add a budget work session for the Other Funds and possibly the Compensation Study to the May 9th meeting agenda. Mr. Carter advised that the Board could leave funds in the Contingency and allocate a compensation adjustment later. Ms. McCann explained that doing that would mean that it was included in the budget and approved. Supervisors agreed by consensus to make a decision prior to approval in order to be more transparent.

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There being no further discussion, Supervisors voted unanimously (4-0) by roll call vote to approve the motion, with Mr. Saunders no longer present, and the meeting adjourned.