

Virginia:

AT A CONTINUED MEETING of the Nelson County Board of Supervisors at 9:00 a.m. in the General District Courtroom at the Courthouse in Lovingston, Virginia.

Present: Jesse N. Rutherford, East District Supervisor –Chair
Robert G. “Skip” Barton, South District Supervisor – Vice Chair
Thomas D. Harvey, North District Supervisor
Ernie Q. Reed, Central District Supervisor
J. David Parr, West District Supervisor
Candice W. McGarry, Interim County Administrator and Director of Finance & HR
Amanda B. Spivey, Administrative Assistant/Deputy Clerk

I. CALL TO ORDER

Mr. Rutherford called the continued meeting to order at 9:00 a.m. with five (5) Supervisors present to establish a quorum.

II. PUBLIC COMMENTS

Wisteria Johnson - Shipman, VA

Ms. Johnson noted she was present to talk about the extra funding to go towards school district. She thanked Mr. Reed, Mr. Barton and Mr. Harvey for supporting Nelson County Public Schools. She noted that she pondered as to why the decision was not unanimous. She noted that if there were concerns on how the money would be used by the School Division, the Board of Supervisors had the power of accountability. Ms. Johnson thanked all of the Supervisors for their service and asked them to support the Nelson County school system in any way they could. She expressed that the School system was the most valuable commodity and investment in the County.

Thomas Bruguiere, Roseland, VA

Mr. Bruguiere congratulated Ms. McGarry on her new position as County Administrator. He then congratulated Mr. Steve Carter for his service over the many years to the County and acknowledged the difference he made to the County. He noted that Ms. McGarry would fill his shoes well, but they were big shoes to fill. He felt that using extra \$1 million towards the School system and leaving zero recurring funds was a mistake. He felt that this would set the County up for a tax increase to cover any reoccurring costs. He stated that historically, the Board has always given about and beyond what is required for the schools. He noted that compared to other localities, Nelson County had always done more than needed. He noted that was something to be proud of but he did not think the Board needed to give out extra money during the difficult times, particularly with the current decreases in school population. He hoped that the Board would make the right decision.

David Hill, Sheriff of Nelson County

Sheriff Hill expressed concerns regarding deputy staffing, retention and recruitment. He noted that other localities had stepped up pay to attract deputies. He pointed out that he had eleven (11) deputies that could easily go to work for another locality to make more money. He explained that in Amherst County, the starting salary for a deputy with no experience was \$45,262. He then noted that in Lynchburg, where the cost of living was lower than Nelson County, their starting pay was \$50,00 per year plus a \$5,000 sign-on bonus. He also noted the Lynchburg was offering a lateral transfer for certified officers up to \$61,588 salary, plus the \$5,000 sign-on bonus. He then pointed out that his officers step down to a jail officer position and make around \$45,000. He then noted that Albemarle Police Department had advertised a starting salary of \$44,524. Sheriff Hill indicated that the Sheriff’s Office had six (6) vacancies and two (2) of those were in the School System. He noted the difficulty in finding qualified people to fill the School Resource officer positions that the Board had approved several years ago. He noted that he was thankful to have the positions, but it was difficult to find people. He asked that the Board to consider any increases they may be able to provide before the salary study is finished. He noted that the starting pay for state funded positions would be \$42,000, effective July 1st. Sheriff Hill noted that the Board has always gone above and beyond to supplement salaries when needed and it was appreciated. He asked the Board to see if they may be able to work with County Administration to come up with any solutions.

There were no others wishing to speak under public comments.

III. CONSENT AGENDA

Mr. Parr moved to approve the Consent Agenda and Mr. Harvey seconded the motion. There being no further discussion, Supervisors unanimously approved the motion by vote of acclamation and the following resolution was approved:

A. Resolution – **R2022-36** Minutes for Approval

**RESOLUTION R2022-36
NELSON COUNTY BOARD OF SUPERVISORS
APPROVAL OF MINUTES
(April 5, 2022)**

RESOLVED, by the Nelson County Board of Supervisors that the minutes of said Board meetings conducted on **April 5, 2022** be and hereby are approved and authorized for entry into the official record of the Board of Supervisors meetings.

IV. FY23 BUDGET

A. FY23 Budget Adoption (**R2022-37**)

Ms. McGarry provided a summary from May 10th public hearing to present day. She noted that when they had the public hearing for the budget, it had included an increase to the transient occupancy tax, up to 10%, which provided an additional \$1.1 million in revenue. She explained they had included \$1.5 million in new money to the School system, and there was \$881,750 in recurring contingency and \$388,000 in non-recurring contingency. She then noted that they had also included a transfer of recurring funds of \$2,010,000 to the debt service reserve to provide a \$75 million debt capacity for future capital projects.

Ms. McGarry explained that following the budget public hearing, the Board held a public hearing on the transient occupancy tax. She noted that the Board had tabled any decision on changes to the transient occupancy tax, so staff had to make changes to the budget to remove the 5% that was originally included, which was equivalent to \$1,150,130. She noted that the budget maintained the \$1.5 million in new money to the School Division. She explained that they reviewed all of the recurring revenue to address the \$1.1 million in transient occupancy tax that was to be taken out. She noted after that was done, there was a recurring revenue balance of \$1,609,619 and the Board maintained a \$610,000 transfer to the Debt Service Reserve, which would provide a \$54 million debt capacity. She noted after that, there was a recurring contingency of \$999,619 and non-recurring contingency of \$388,000.

Ms. McGarry then explained that at the June 14th meeting, the Board of Supervisors approved \$2.5 million in new money to school division, which reduced the recurring contingency to zero. She noted that they maintained the \$388,000 in non-recurring contingency. She then noted that they kept the \$610,000 transfer to debt service reserve to keep the \$54 million debt capacity.

Ms. McGarry noted that she knew the Board had spent a lot of time thinking about the budget but she wanted to provide them additional considerations going forward. She pointed out that the majority of new funding to the School Division was for salary related items. She noted that they really needed to think about how that impacts the cost of the 5% raise that was in FY24 State Budget. She noted that if they provide the \$2.5 million to the Schools to allow them to make the salary adjustments desired, it would significantly bump up the cost for the following year. She noted concern for how the Board may address that going forward. Ms. McGarry also noted concern for how the Board would address pay increases for County employees, whether that be a cost of living adjustment or pay study adjustments. She reminded the Board that the pay study was currently underway. She also indicated concerns about equity issues if the School Systems minimum wage was raised to \$17 per hour and how it may affect County minimum wage positions. She asked how the Board would sustain increases in economy driven in operational costs with no funds in recurring contingency. She noted the increasing costs of fuel, regional jail debt service costs, solid waste hauling. She reminded the Board that using the fund balance to cover recurring costs was generally not a recommended practice.

Ms. McGarry recalled Sheriff Hill's comments on the deputy and dispatch vacancy rates. She noted the Sheriff's Department had a 24% vacancy rate, while the Dispatch center was at a 42% vacancy rate. She then asked how the Board would cover the costs of the new drug court once the grant funding was exhausted. She also indicated that there would be additional operational costs to consider for any capital projects completed in the near future.

Ms. McGarry asked the Board to consider all of the issues the County may face going forward from a financial perspective.

Ms. McGarry presented the current budget adoption and appropriation resolutions. She explained that they included the additional \$2.5 million to the schools, \$0 in recurring contingency, \$388,000 in non-recurring funds in the General Fund budget, and the \$610,000 recurring transfer to Debt Service reserve. She explained that the Board would need to adopt the budget first and then appropriate the budget.

Mr. Rutherford noted concerns on how they would be able to support County staff and deputies, as well as Dispatch if the budget was passed as presented. He indicated that they wouldn't be able to increase salaries for staff in the next four years. He wanted to caution the Board before any motions were made. He noted the Board had initially set \$1.5 million in new money to the schools with \$1 million available to address anything that may come up over the next four years. He explained that historically, the Board has always tried to not increase taxes. He pointed out that as it was currently set up, they would be looking at raising taxes in the next year to be able to do what is needed.

Mr. Reed disagreed and noted there were other revenues available to address salaries and inequity. Mr. Reed suggested the use of non-recurring reserve, estimating there was about \$9 million there. He noted that debt reserve capacity could be re-evaluated from \$75 million. He noted that salary levels were something that they were all concerned about. He agreed with Ms. McGarry's comment that using non-recurring revenue was not a sustainable way to run the County. He believed that they had the ability to do everything in their budget currently, and also consider other salary increases that may not be in the budget but would be soon. Mr. Rutherford asked Mr. Reed if he was suggesting the County use non-recurring money, the County's savings account, to go forward with any new recurring expenses. Mr. Reed noted yes, unless the Board decided to reduce the debt service capacity.

Mr. Parr addressed the comment made earlier about the vote. He noted that during the budget discussions, he negotiated with the Board to come up to \$1.5 million. He stated that he was disheartened by comments that his last vote meant he did not support the school system. Mr. Parr reminded everyone that he had been in service to Nelson County for twenty years and supported the school system wholeheartedly. Mr. Parr explained that he like to look at the budget like a household budget, noting it was not a good idea to dip into savings to pay monthly expenses. He felt to do that as a County, was bad policy to the taxpayers of Nelson County. He pointed out if the Board wanted to revisit the capital improvements, they could do that at another meeting. He reminded the Board that they had all agreed to the debt capacity with the capital projects that they wanted to complete in mind. He felt that it was irresponsible to move forward with a budget when they knew they would have to dip into savings to balance the checkbook.

Mr. Barton felt that the idea of not being able to raise salaries of the police and County staff was misleading. He noted the significance of the needs at the schools, stating the Board could help. He noted they were not going to spend \$75 million on recreation. He noted there were times when it was necessary to reach into savings to meet the dire needs of community. He stated that the children were the most important members of the community.

Mr. Rutherford pointed out that they did not have \$73 million to do things, he noted they had debt service capacity.

Ms. McGarry explained that the debt service capacity would be \$54 million if they used the \$610,000 to transfer to Debt Service Reserve. She noted if they did not transfer that amount to Debt Service Reserve, they would have a Debt Service Capacity of about \$34 million because they were still using the one-time \$2.3 million in one-time non-recurring money to get the \$34 million.

Mr. Reed noted that they were committed to working more closely with the school system and the school budget. He noted that giving the funding that is currently needed by the schools would help them to fill vacancies. He explained that in the event they were unlikely to fill all of their vacancies, the money could act as a savings account that could be rolled over into the next year and possible reduce or flat fund the schools the following year. He felt they had an opportunity for the school and county budgetary systems to work more closely together on how the revenues would be spent. He felt that the increased budget would provide vital funds for school staffing for the next year and also increase the relationship between the schools and the County going forward.

Mr. Parr asked Mr. Reed if he was saying that he wanted to fund the schools, and then at the end of the year, any money left over could be used to do whatever they needed after that. Mr. Parr noted that he wanted to make sure the Mr. Reed was aware that a school budget was a year to year budget, and it was illegal for a school system to carryover funds from one school year to the next. Ms. Irvin confirmed that Mr. Parr was correct, and the money would have to revert back to the County. Mr. Reed noted he understood that had to happen. Mr. Parr pointed out that he had been thanked for the additional \$1.5

million by School Central office staff, School Board members and staff. He indicated that they had all commented on how much they could do with those additional funds. He noted that the Board had been presented with a balanced budget that included raises. Mr. Parr felt that the last minute increase to \$2.5 million by spending all of the County’s contingency was reckless.

Mr. Rutherford felt that the additional \$1.5 million towards the School System was unprecedented and more than generous. He indicated that the Board could still make amendments if they wanted to move from \$2.5 million to \$1.5 million, or whatever the dollar amount might be.

Mr. Barton noted most of the information presented was on the negative aspects of providing the additional \$1 million in funding to the schools. He noted that what got them to the additional funding was the crisis going on in their schools and the schools across the nation. He wanted to make it clear to the community that they were willing to go out of their way to do what was best for the children.

Mr. Rutherford noted he wanted to go out of his way to provide deputies a living wage in the County, and to give dispatchers the wage they deserve. He noted that with the current direction they were going, they would not be able to do that.

Mr. Barton noted he wanted to also provide those people and County staff the pay they also deserve but they were currently discussing school funding.

Mr. Parr moved that the Board revert their budget figures to the level they were prior to the June 14th vote that increased the school funding to \$2.5 million, and revert to the original voted upon level of \$1.5 million. Mr. Harvey seconded the motion. Mr. Rutherford called for any discussion.

Mr. Reed presented a Robert's Rules of Order book. He pointed out that the current meeting was a continued meeting and he understood that at a continued meeting, you could not rescind a motion that had been made in same meeting. Mr. Rutherford asked if Mr. Parr was moving to approve with an amendment. Mr. Parr noted he was making a motion to revert the funding to \$1.5 million. He was unsure if he could amend a motion that was approved so it was a new motion. Mr. Rutherford asked Mr. Payne for guidance.

Mr. Payne noted Board could make a motion to adopt budget with the amendment as suggested.

Mr. Parr amended his motion to reflect the adoption of the budget with the change in school funding to \$1.5 million. Mr. Harvey agreed to the amendment and seconded the motion. There being no further discussion, Supervisors voted to approve the motion (3-2) by roll call vote with Mr. Barton and Mr. Reed voting no, and the following resolution was adopted:

**RESOLUTION R2022-37
ADOPTION OF BUDGET
FISCAL YEAR 2022-2023
(JULY 1, 2022-JUNE 30, 2023)
NELSON COUNTY, VIRGINIA**

WHEREAS, pursuant to the applicable provisions of Chapter 25, Budgets, Audits and Reports of Title 15.2 of the Code of Virginia, 1950, the Board of Supervisors of Nelson County, Virginia has prepared a budget for informative and fiscal planning purposes only and has also established tax rates, as applicable, for Fiscal Year 2022-2023 (July 1, 2022-June 30, 2023); and

WHEREAS, the completed Fiscal Year 2022-2023 Budget is an itemized and classified plan of all contemplated expenditures and all estimated revenues and borrowing; and

WHEREAS, the Board of Supervisors has published a synopsis of the budget, given notice of a public hearing in a newspaper having general circulation in Nelson County and, subsequent thereto, convened a public hearing on the Fiscal Year 2022-2023 Budget on May 10, 2022.

NOW, THEREFORE, BE IT RESOLVED by the Board of Supervisors of Nelson County, Virginia that the Fiscal Year 2022-2023 Budget be hereby adopted in the total amount (all funds, revenues and expenditures) of **\$98,903,118**. The individual fund totals are denoted as follows:

<u>Fund</u>	<u>Budget</u>
General	\$ 51,746,985.00
VPA(DSS)	\$ 2,234,515.00
Debt Service	\$ 6,341,318.00
Capital	\$ 705,251.00
School	\$ 36,943,488.00

Textbook	\$	490,167.00
Cafeteria	\$	260,301.00
Piney River Water/Sewer	\$	181,093.00

- 1) The General Fund includes \$2,894,977 in COVID-19 Stimulus Funding and \$25,962,455 in local funding transferred to: The Reassessment Fund \$85,000, the Debt Service Fund \$6,341,318 (\$3,287,203 debt service and \$3,054,115 reserve), the Piney River Water & Sewer Fund \$0, and the School Fund \$17,301,622 (\$17,136,687 for general operations and \$164,935 allocated for school nurses). Also included is \$2,234,515 in local, state, and federal funds transferred to the VPA Fund (DSS) and contingency/reserve funds of: Recurring Contingency \$1,000,000, Non-Recurring Contingency \$388,000, and School Capital Reserve \$0.
- 2) The School Fund includes a transfer of \$192,459 to the Textbook Fund and \$6,125,719 in Federal COVID-19 Stimulus Funding.

BE IT LASTLY RESOLVED, that adoption of the Fiscal Year 2022-2023 Budget shall not be deemed to be an appropriation and no expenditures shall be made from said budget until duly appropriated by the Board of Supervisors of Nelson County, Virginia.

Mr. Reed stated that if the motion that was just approved was the equivalent of rescinding the vote that was previously taken, that he still believed Robert’s Rules did not allow that. Mr. Parr stated that was not his motion.

B. FY23 Budget Appropriation (R2022-38)

Mr. Parr moved to appropriate the budget as amended by the budget which was adopted. Mr. Harvey seconded the motion. Mr. Barton noted his frustrations in the change with the funding, noting the Board may have been able to come to an agreement beforehand. Mr. Rutherford noted that the vote had been cast and the budget had been adopted, so no changes could be made. He noted they needed to appropriate the budget according to the prior motion. There being no further discussion, Supervisors voted to approve the motion (3-2) by roll call vote with Mr. Barton and Mr. Reed voting no, and the following resolution was adopted:

**RESOLUTION R2022-38
FISCAL YEAR 2022-2023
APPROPRIATION OF FUNDS**

WHEREAS, the applicable provisions of Chapter 25, Budgets, Audits and Reports of Title 15.2 of the Code of Virginia, 1950 require the appropriation of budgeted funds prior to the availability of funds to be paid out or become available to be paid out for any contemplated expenditure; and

WHEREAS, the Nelson County Board of Supervisors has heretofore approved the Fiscal Year 2022-2023 Budget (July 1, 2022 to June 30, 2023) for the local government of Nelson County and its component units; and

WHEREAS, the Board of Supervisors now proposes to appropriate the funds established in the Fiscal Year 2022-2023 Budget;

NOW, THEREFORE, BE IT RESOLVED by the Nelson County Board of Supervisors that the Fiscal Year 2022-2023 Budget be hereby appropriated on an annual basis by fund category, as follows:

<u>Fund</u>	<u>Revenue(s)</u> <u>(All Sources)</u>	<u>Expenditure(s)</u> <u>(All Departments)</u>
General	\$ 51,746,985.00	\$51,746,985.00
VPA (DSS)	\$ 2,234,515.00	\$ 2,234,515.00
Debt Service	\$ 6,341,318.00	\$ 6,341,318.00
Capital	\$ 705,251.00	\$ 705,251.00
School	\$ 36,943,488.00	\$ 36,943,488.00
Textbook	\$ 490,167.00	\$ 490,167.00
Cafeteria	\$ 260,301.00	\$ 260,301.00
Piney River Water/Sewer	\$ 181,093.00	\$ 181,093.00
	\$ 98,903,118.00	\$ 98,903,118.00

BE IT FURTHER RESOLVED by the Board of Supervisors that:

1. The General Fund appropriation includes \$2,894,977 in COVID-19 Stimulus Funds and the transfer of: \$2,234,515.00 (4-100-093100-9201) to the VPA Fund (DSS) (3-150-004105-0001), 6,341,318.00 (4-100-093100-9204) to the Debt Service Fund (3-108-004105-0100), \$17,301,622 (4-100-093100-9202/Nursing \$164,935, 4-100-093100-9203/Operations \$17,136,687, 4-100-093100-9205/Buses \$0, 4-100-093100-9206/Capital \$0) to the School Fund (3-205-004105-0001), \$0 (4-100-093100-9114) to the Broadband Fund (3-114-004105-0100), \$85,000 (4-100-93100-9101) to the Reassessment Fund (3-101-004105-0001) and \$0 (4-100-093100-9207) to the Piney River Water & Sewer Fund (3-501-004105-0001).
2. The amounts transferred from the General Fund to the VPA Fund (DSS), Debt Service Fund, School Fund, and Piney River Water & Sewer Fund are also included in the total appropriation for each of these funds.
3. The School Fund includes \$6,125,719 in Federal COVID-19 Stimulus Funding.
4. The Textbook Fund appropriation includes the allocation of \$192,459 from the School Fund.
5. The Debt Service Fund includes \$3,287,203 in current debt service and \$3,054,115 in debt service reserve.
6. The appropriation of funds to the School Fund, Textbook Fund, Cafeteria Fund, and VPA Fund (DSS) shall be in total and not categorically.
7. The appropriation and use of funds within the General, Debt Service, Capital, and Piney River Water & Sewer funds shall adhere to the amounts prescribed by the Board of Supervisors for each department therein unless otherwise authorized by the Board of Supervisors.

The Board took a brief recess.

V. CLOSED SESSION

Mr. Parr moved that the Nelson County Board of Supervisors convene in closed session to discuss the following as permitted by Virginia Code Sections 2.2-3711:

(A)(1) – “Discussion, consideration, or interviews of prospective candidates for employment; assignment, appointment, promotion, performance, demotion, salaries, disciplining, or resignation of specific public officers, appointees, or employees of any public body;” - Personnel

(A)(7) - “Consultation with legal counsel and briefings by staff members pertaining to actual litigation, where such consultation or briefing in open meeting would adversely affect the negotiating or litigating posture of the public body” – Litigation pertaining to the Region 2000 Services Authority.”

Mr. Harvey seconded the motion. There being no further discussion, Supervisors voted unanimously (5-0) to approve the motion.

Supervisors conducted the closed session and upon its conclusion, Mr. Reed moved to reconvene in public session. Mr. Parr seconded the motion and there being no further discussion, Supervisors voted unanimously (5-0) by roll call vote to approve the motion.

Upon reconvening in public session, Mr. Reed moved pursuant to the requirements of Chapter 37, Virginia Freedom of Information Act and Section 2.2-3712 of the Code of Virginia, that the Nelson County Board of Supervisors certify that to the best of each member’s knowledge (i) only public business matters lawfully exempted from open meeting requirements under this chapter and (ii) only such public business matters as were identified in the motion by which the closed meeting was convened were heard, discussed or considered in the meeting by the public body. Mr. Parr seconded the motion and there being no further discussion, Supervisors voted unanimously (5-0) by roll call vote to approve the motion.

VI. OTHER BUSINESS (AS PRESENTED)

Mr. Parr stated he had planned to address an email that was sent by the School Board chair to Mr. Rutherford, but since School staff was no longer present, he had decided not to share the seven (7) page document he had written to address it. Mr. Parr stated that the email was false he was disappointed in his fellow Board members who did not question the email. He welcomed the Board to reach out to him if they wanted any clarification.

VII. ADJOURNMENT

At 10:30 a.m., Mr. Parr moved to adjourn the meeting and Mr. Harvey seconded the motion. There being no further discussion, Supervisors unanimously approved the motion by vote of acclamation and the meeting adjourned.