

March 17, 2022

AT A CONTINUED MEETING of the Nelson County Board of Supervisors at 1:00 p.m. in the Former Board of Supervisors Room located on the fourth floor of the Nelson County Courthouse, in Lovingson, 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
 Stephen A. Carter, County Administrator
 Amanda B. Spivey, Administrative Assistant/Deputy Clerk
 Candice W. McGarry, Director of Finance and Human Resources

I. Call to Order

Mr. Rutherford called the meeting to order at 1:10 p.m. with five (5) Supervisors present to establish a quorum.

II. Fiscal Year 2022-2023 Budget Work Session

Ms. McGarry reviewed the health insurance options for County employees. She noted that they County Currently had the Key Advantage Expanded and Key Advantage 250 plans, and they were contemplating changing to the Key Advantage 250 and the Key Advantage 500, eliminating the Advantage Expanded. Mr. Parr felt that the 250 and 500 were both good plans. Mr. Reed moved that the County adopt the Key Advantage 250 and 500 health insurance plans. Mr. Parr seconded the motion. There being no further discussion, Supervisors voted unanimously (5-0) by roll call vote to approve the motion.

Ms. McGarry asked if the Board wished to also make health insurance available to the Board of Supervisors. Mr. Parr noted if it were available, he would be interested. Mr. Reed moved to make health insurance available to the Board members. Mr. Barton seconded the motion. There being no further discussion, Mr. Rutherford called for a vote of acclamation, and with no objections, the motion passed.

The Board then discussed setting the tax rates. Mr. Reed made a motion to hold public hearings to increase the transient occupancy tax from 5% to 10% and to set the real estate tax rate at \$0.65, personal property tax at \$2.79, machinery and tools tax at \$1.25, and the mobile home tax rate to match the real estate rate at \$0.65. Mr. Parr seconded the motion. Ms. McGarry asked if Mr. Reed could amend his motion to include the personal property tax relief percentage. Mr. Reed then amended his motion to include setting the personal property tax relief percentage at 39%, Mr. Parr amended his second to the motion. There being no further discussion, Mr. Rutherford called for a vote of acclamation, and with no objections, the motion passed.

Ms. McGarry reviewed the FY23 General Fund Revenue Synopsis. Mr. Reed asked Ms. McGarry to point out revenues that had the biggest changes. She noted projected increases in Local Sales and Use tax, Business licenses, and Bank Franchise tax. While she indicated that recordation taxes were tracking higher, she noted that it may level off at some point, once the real estate market cooled off and interest rates went back up.

Ms. McGarry noted that the Meals and Lodging taxes were projected to increase, and that the transient occupancy tax would change if adopted at a higher rate. She noted that regardless of any rate change to the transient occupancy tax, it had really ticked up a lot.

Ms. McGarry then moved on to Permit fee revenue. Mr. Parr asked if there had been any feedback on the dog licenses, since adding the lifetime license fee. Ms. McGarry noted they had not gotten any feedback, but in reviewing the revenue, it had increase quite a bit. She pointed out that one of the largest increases in permit fees were from building permits. She noted the projected increases in building permits and zoning permits made up the increase in permit fees.

Ms. McGarry noted a projected increase in revenues for Court fines and Forfeitures. She indicated that the biggest increase was related to traffic tickets. She noted that Interest on Investments was steadily declining because of low interest rates. Ms. McGarry pointed out that the expenditure refunds fluctuated. Mr. Reed asked for an example of expenditure refunds. Ms. McGarry explained that when money is expended and there is a refund for any reason, the money would go to the expenditure refunds line. Ms. McGarry wrapped up local revenue sources, noting a projected increase of \$1.3 million (4.16%).

FY23 LOCAL REVENUES			
<u>FY22 Amended Budget</u>	<u>FY23 Estimated Budget</u>	<u>\$ Change</u>	<u>% Change</u>
\$32,384,954	\$33,732,217	\$1,347,263	4.16%

Ms. McGarry moved on to State sources of revenue, noting they had not seen the state budget yet, so they did not know if there would be any changes. She noted they had built in a 5% increase in reimbursement for the shared expenses for Comp Board employees. She noted that the public assistance and Children’s Services Agency reimbursements were anticipated to increase. She explained that there was a categorical aid decrease, which was mostly grant funding. Ms. McGarry noted that they were currently showing a decrease in the state budget. She explained that the grant numbers would go back up. She noted that once grant funds are received, they are appropriated.

FY23 Total State Revenue:

<u>FY22 Amended Budget</u>	<u>FY23 Estimated Budget</u>	<u>\$ Change</u>	<u>% Change</u>
\$ 4,440,905	\$ 4,296,563	(\$144,342)	-3.30%

Ms. McGarry then explained that the federal budget was showing a decrease primarily because there were not any COVID-19 funds expected in FY23. She noted they did carry forward the funds that had been received but not spent, to next year’s budget.

FY23 Total Federal Revenue:

<u>FY22 Amended Budget</u>	<u>FY23 Estimated Budget</u>	<u>\$ Change</u>	<u>% Change</u>
\$ 4,138,348	\$ 1,196,844	(\$2,941,504)	-71.10%

Ms. McGarry moved on to explain that non-revenue receipts were primarily insurance recoveries, cancelled checks, bond proceeds and transfers from other funds. She noted they were projected to decrease, as they were predicting lower revenue receipts. Ms. McGarry indicated that the non-revenue receipts decreased primarily due to not having the FY22 transfer into the General Fund of \$255,777 in funds set-aside for the 2022 reassessment that was completed December 31, 2021.

Ms. McGarry explained that the FY23 Year Ending Balance consisted of projected FY22 revenues that exceed projected FY22 Expenditures, also known as carryover funds. She noted that the funds were non-recurring and best used for one-time expenses. She indicated that the FY23 year ending balance of \$5,263,490 resulted from FY22 expenditure savings, which included ARPA funds not spent in FY22 and general FY22 expenditure savings. Additionally, she noted that there was a net increase in FY22 revenues. She noted that the funds were proposed to be used on the expenditure side for ARPA expenditures, Capital Outlay expenditures and Capital Project expenditures.

She noted the total revenue increase of \$495, 230, or 1.13%.

The Board had no questions on the revenue information.

Mr. Carter suggested that the Board may wish to fix the section in the County code regarding the transient occupancy tax commission discount for filing on time. Mr. Carter noted the discount allowed for the person collecting the tax to retain three percent of the total amount of the tax due, provided it is paid on time. The Board reviewed the form used for reporting to the Commissioner of Revenue and felt that the wording on the form was proper. Mr. Carter noted if they wanted to make any changes to the discount, or remove the discount, they could consider it when they visit increasing the tax rate. The Board took no action on changing the discount and noted they could come back to consider if needed.

Ms. McGarry then reviewed the proposed Agency funding for FY23. She noted that she had a revised request from the Health Department based on level funding. The Board reviewed each of the agencies’ requests for funding, along with the staff recommended funding amounts. The Board then discussed the amounts for each agency.

The Board funded the agencies as follows:

Nelson County EMS Council – Board agreed to increase funding to \$450,000.

Nelson County Health Department – \$313, 591 as recommended

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Region Ten Community Services Board – Board in consensus to fund at \$150,000.

Piedmont Virginia Community College \$1,823

Thomas Jefferson Soil & Water Conservation District - \$34,067

Nelson County Extension - \$34,566

Thomas Jefferson Planning District Commission - \$17,537

Jefferson Madison Regional Library - \$345,986

TJEMS Council - \$10,000

JABA – \$101,500. Mr. Reed noted they would be asking for more money the next year.

JAUNT – \$67,176

MACAA – \$31,140

Shelter for Help – \$8,500

SARA – \$0. It was noted that no request was received.

Foothills - \$4,000

OAR – The Board level funded at \$8,129 and asked staff to reach out to OAR to provide more information on their request.

VCW Piedmont –\$0 as recommended by staff.

Nelson County Economic Development Authority - \$3,100

Central Virginia Economic Development Partnership – \$10,000 as staff recommended.

Nelson County Community Development Foundation (NCCDF) – Mr. Reed wanted to fund as requested at \$69,661. Ms. McGarry noted that \$18,000 was to personnel. Mr. Carter noted that County paid rent to the NCCDF. Mr. Parr and Mr. Harvey wished to level fund at \$55,729. Mr. Rutherford suggested circling back to discuss later.

Central Virginia Small Business Development Center – \$4,000 as staff recommended

CASA – \$3,500

Gladstone Senior Center Meals – Mr. Barton noted it was very active, felt it was underserved because of its distance from the center of the county. The Board was in agreement to increase funding to the requested amount of \$9,000.

Rockfish Senior Center Meals - \$0, no request received.

Schuyler Senior Center Meals - \$0, no request received.

Virginia Institute of Government – \$1,000 as staff recommended.

Wintergreen Performing Arts – \$9,000 as recommended.

Habitat for Humanity – Mr. Rutherford noted they were trying to do a resurgence. Mr. Rutherford felt they should present to the Board. Mr. Reed suggested the Board give the \$2,500 and then ask them to come back. The Board agreed to \$2,500 and noted to invite them to present at a later date.

SPCA – \$0, as staff recommended. Mr. Barton noted they get significant gifts. Mr. Parr noted the thrift store contributions.

Mr. Rutherford concluded discussion on agency funding. He noted they had knocked out the majority of agencies and reminded the Board they would return to discuss the Nelson County Community Development Foundation funding later.

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III. Other Business

The Board reviewed the County Administrator job description with a proposed advertised salary range of \$125,000 plus. The Board was in consensus with the proposed description and salary range, and asked to advertise the position immediately.

IV. Adjourn and Continue to March 22, 2022 at ____ for a Budget Work Session

At 2:53 p.m. Mr. made a motion to adjourn and continue to March 22, 2022 at 1p.m. Mr. Reed seconded the motion. Mr. Rutherford asked for a vote of acclamation, and all were in favor to approve the motion. The meeting adjourned.