Virginia:

AT A CONTINUED MEETING of the Nelson County Board of Supervisors at 2:00 p.m. in the Former Board of Supervisors Room located on the fourth floor of the Nelson County Courthouse in Lovingston, Virginia.

Present: Jesse N. Rutherford, East District Supervisor – Chair
Ernie Q. Reed, Central District Supervisor
Robert G. "Skip" Barton, South District Supervisor
Candice W. McGarry, County Administrator
Amanda B. Spivey, Administrative Assistant/Deputy Clerk
Linda K. Staton, Director of Finance and Human Resources

Absent: J. David Parr, West District Supervisor – Vice Chair
Thomas D. Harvey, North District Supervisor

I. CALL TO ORDER

Mr. Rutherford called the continued meeting to order at 2:04 p.m., with three (3) Supervisors present to establish a quorum, with Mr. Parr and Mr. Harvey being absent.

II. RESOLUTION – R2023-16 MINUTES FOR APPROVAL

Mr. Reed moved to approve **Resolution R2023-16** and Mr. Barton seconded the motion. There being no further discussion, Supervisors approved the motion by vote of acclamation and the following resolution was adopted:

RESOLUTION R2023-16
NELSON COUNTY BOARD OF SUPERVISORS
APPROVAL OF MINUTES
(November 29, 2022)

RESOLVED, by the Nelson County Board of Supervisors that the minutes of said Board meetings conducted on **November 29, 2022** be and hereby are approved and authorized for entry into the official record of the Board of Supervisors meetings.

III. FY24 BUDGET INTRODUCTION AND WORK SESSION

A. Approval of Anthem Health Insurance Rates

Ms. Staton provided updates on the Anthem Health Insurance rates. She explained that there was an increase in rates due to occurrences over past two years. She pointed out that the increase was 9.9 percent over the last year. She noted that the prior year was also around a 9 percent increase. She explained that they were looking at keeping the same two plans as the previous year, the Key Advantage 250 and Key Advantage 500 plans. She explained current benefits, noting that each plan had a comprehensive dental and preventative dental option. She showed the employee cost and County costs for each plan option currently offered, noting that the County's total cost for health insurance was currently $725,508 for FY23. She noted that when looking at the increase in insurance costs, staff looked at the best options for staff and the County. Ms. Staton identified staff recommendation as FY24 Proposed Plan Option 1, in which the County and the employee were each paying part of the increase. She noted that Option 1 had dependents covered at 35 percent with the employee paying a portion of all premiums. She pointed out that the Current FY23 Health Premiums had dependents covered at 30.5 percent and the County was paying the full Key Advantage 500 Single Premium. She pointed out that Option 1 would have an increase of $56,988 which would bring the County's health insurance cost to $782,496. Ms. Staton pointed out that even though they were seeing an increase in costs, all employees would start to pay a small premium. She noted that the County would also be covering part of the increase with the proposed option. Ms. McGarry pointed out that individual coverage on the Key Advantage 500 plan, the employee would be paying 25 dollars towards their plan, while they had not been paying anything prior.

Ms. Staton noted that it was excellent health insurance coverage. She explained that Option 2 had dependents covered at 40 percent with the employee paying a portion of all premiums. She noted that Option 3 was pretty much the same as the FY23 Health Premium with dependents at 30.5 percent coverage and the County paying the full Key Advantage 500 Single Premium. She pointed out that it would cost the County an additional $71,712 to go with Option 3. Ms. Staton reported that Option 4 would have the County pick up the increase in insurance costs and the FY24 employee premiums would remain at the FY23 rates. She pointed out that it was an increase of $91,392 to the County for Option 4. She noted that total FY24 cost to the County would be $816,900.

Ms. McGarry noted that staff had suggested Option 1 because it fairly distributed the increase in cost between the employee and the County. Mr. Rutherford noted that Option 3 was the same coverage. Ms. Staton reiterated that Option 4 had the employee paying the same rate as currently with the County picking up the total increase.

Mr. Reed pointed out that the budget was based on information from the pay study. He noted that one piece of information from the pay study is that the overall payroll was a little over 11% from what MAG Inc. said it should be. He noted that he could be supportive of a 7 percent increase in pay. He felt that Option 4 would go far in putting a positive valuation on employees. He noted that he could probably be convinced that the other options would be fine, as it was good insurance coverage regardless.

Ms. McGarry noted that staff needed to vet the results a little more on the pay study, particularly in terms of the pay classifications for each job category. She did not feel comfortable with that part being accepted. She noted that if they were doing a 7 percent increase, it would put them closer to bringing everyone to the minimums of what was proposed in the pay study. She felt that there were still some tweaks to be made.

Ms. McGarry pointed out that the budget was built on recommended option 1, so there would be a difference of about $34,000 that they would need to make adjustments for in the budget to allow for that change. She confirmed that the $34,000 difference was what it would take to go from Option 1 to Option 4. Mr. Rutherford noted that he could be supportive of Mr. Reed's idea for Option 4.

Mr. Reed made a motion to approve **Resolution 2023-17** as amended with Option 4. Mr. Barton seconded the motion. There being no further discussion, Supervisors approved the motion unanimously (3-0) by roll call vote and the following resolution was adopted:

RESOLUTION R2023-17
NELSON COUNTY BOARD OF SUPERVISORS
FY24 HEALTH INSURANCE RENEWAL AND ESTABLISHMENT OF RATES

WHEREAS, Nelson County participates in the Local Choice Health Benefits Program and the renewal deadline for the next plan year of July 1, 2023-June 30, 2024 is April 1, 2023, and

WHEREAS, premiums for the next plan year include an increase of 9.9% for the current Anthem Blue Cross Blue Shield plan offerings;
NOW THEREFORE BE IT RESOLVED, by the Nelson County Board of Supervisors that Nelson County's 2023-2024 health insurance plan year renewal rates be hereby established for active employees and retirees as follows and submitted to Local Choice by the renewal deadline of April 1, 2023:

Active Employees	**FY24 (July 1, 2023-June 30, 2024)**		
Key Advantage 250	**Employee**	**County**	**Total**
Single, Comprehensive	$ 73.00	$ 773.00	$ 846.00
Dual, Comprehensive	$ 547.00	$ 1,019.00	$1,566.00
Family, Comprehensive	$ 1,021.00	$1,264.00	$2,285.00
Single, Preventative	$ 56.00	$ 771.00	$ 827.00
Dual, Preventative	$ 515.00	$ 1,016.00	$ 1,531.00
Family, Preventative	$ 975.00	$ 1,259.00	$ 2,234.00

Key Advantage 500	**Employee**	**County**	**Total**
Single, Comprehensive	$ -	$ 766.00	$ 766.00
Dual, Comprehensive	$ 411.00	$ 1,005.00	$ 1,416.00
Family, Comprehensive	$ 824.00	$ 1,244.00	$ 2,068.00
Single, Preventative	$ -	$ 747.00	$ 747.00
Dual, Preventative	$ 380.00	$ 1,002.00	$ 1,382.00
Family, Preventative	$ 778.00	$ 1,240.00	$ 2.018.00

Retirees Not Eligible For Medicare (Before County Supplement)	
Key Advantage 250	**Retiree**
Single, Comprehensive	$ 846.00
Dual, Comprehensive	$1,566.00

Family, Comprehensive	$2,285.00
Single, Preventative	$ 827.00
Dual, Preventative	$ 1,531.00
Family, Preventative	$ 2,234.00

Key Advantage 500	**Retiree**
Single, Comprehensive	$ 766.00
Dual, Comprehensive	$ 1,416.00
Family, Comprehensive	$ 2,068.00
Single, Preventative	$ 747.00
Dual, Preventative	$ 1,382.00
Family, Preventative	$ 2.018.00

Retiree Medicare Plans (Before County Supplement)	
Advantage 65 (Dental & Vision)	$211.00

B. FY24 Budget Overview
C. Budget Work Session

Ms. McGarry thanked Ms. Staton for all of her hard work on the budget, noting it was her first budget and she had done a tremendous job. She commented that they had a balanced budget at $49,451,927. Ms. Staton reported that there was a decrease of $3,483,786, or 6.58 percent less than the FY23 amended budget. Ms. Staton noted that part of the decrease was the Larkin property, which was purchased by the County in the FY23 budget at $2.6 million. She also stated that the revenues were projected at the same level of decrease.

Ms. Staton reviewed the Employee Salaries and Benefits portion of the budget. She noted that several departments had requested new full-time positions, she indicated that those positions were proposed but not currently funded. She explained that the Board would decide whether to fund any of the requested positions. Ms. Staton reported that the Registrar was requesting a Chief Deputy Registrar position, she noted that it was shown as funding for half of the year at $46,357 for salary and benefits costs. She pointed out that if the Board wished to fund the position for a full year, they would need to add an additional $46,357.

Ms. Staton then noted that the Sheriff's Office was requesting an Office Assistant/Evidence Technician position with salary and benefits at a cost of $51,053. She reported that the next position was an Administrative Assistant to be shared by Building Inspections and Planning and Zoning, which was a cost of $50,824 for salary and benefits. Ms. Staton noted that they also had a proposed Animal Control Shelter Manager position with salary and benefits at $61,741. She suggested that the addition of the manager position could possibly remove one of the part-time shelter attendant positions.

Ms. Staton noted that there was one new part-time position proposed and not funded for a recreation aide with hourly wages and FICA at $23,791.

Ms. Staton reported that there was a 7 percent salary and benefits increase for full-time and part-time employees which would cost $462,197 to implement. Ms. McGarry explained that there would be some cost offsets as they should be receiving reimbursement from the Compensation Board for covered employees. She explained that the cost shown was the total expenditure amount but the net amount would be less, as the reimbursement would show on the revenue side.

Ms. Staton reiterated that the health insurance cost was 9.9 percent over the last year's premiums. She noted that the Board had just decided on the health insurance option. She pointed out that $15,000 was earmarked for an estimated increase in Worker's Compensation premiums. She noted that the new rate was to be determined as the County had not yet received the final rates. She noted there was overtime required due to departmental staffing shortages and it was estimated at $83,100.

Ms. Staton then reviewed the other expenditures. She reported that the adult Drug Court would be starting through a four-year federal Department of Justice (DOJ) grant at the direction of the Commonwealth Attorney's Office, noting that the first year of funding in FY24 would be $172,000. She pointed out that it was an expense, but would be coming back in as revenue due to the grant funding. She reported that there was a regional jail operational increase of $212,106. Ms. Staton also indicated that there was an increase of $196,205 for Paid EMS. She noted that there was an option for a potential increase in revenue recovery by increasing the transport rates.

Ms. Staton reported that they had a Capital Outlay of $2,497,454 covered by Carry-Over Funds (FY23 Revenues less FY23 Expenditures), which included: $1,250,000 for an emergency radio subscriber update, $594,507 for emergency and law enforcement vehicles, and $150,000 for 911 Call Handling Equipment.

Ms. Staton indicated that there was level funding for most agencies, noting they had not received any requests for funding of new agencies. She explained that there was a local EMS Council funding increase of $45,962, or 10.2 percent, above the FY23 budget for total funding of $495,962 for FY24. She pointed out that a Transfer to Debt Service of $3,775,368 included $610,000 toward the County's debt capacity building strategy. Mr. Reed asked about the $3.1 million remainder from the transfer to Debt Service after the $610,000 transfer and its purpose. Ms. Staton explained that the $3.1 million was what was required to cover the debt that the County already had, noting that included the Larkin property purchase. Ms. McGarry and Ms. Staton noted that the Social Services building was not included in the Transfer to Debt Service because they had not borrowed any money yet and did not know what it would cost. Ms. Staton pointed out that the Larkin property was currently interest only payments. She noted that one debt had dropped off in October from the radio project. Ms. Staton and Ms. McGarry noted they could provide a detailed list for debt service. Ms. McGarry pointed out that part of the strategy was to put any debt service amounts coming off into reserve for future use.

Ms. Staton noted that the remainder of architectural and engineering costs for the Social Services building were being carried forward from FY23 to FY24 in the amount of $249,570. She indicated that they were level funding School Nurses as requested by the School Division. She reported that the operational budget for the School Division had level funding in the amount of $17,136,687 and noted that an additional request of $1,582,639 was not included in the budget.

Ms. Staton noted that the County's ARPA carry-over funds of $2,894,977 were for the Nelson County High School roofing project. She reported that there was a decrease in the Transfer to VPA Fund (Social Services Department Costs) in the amount of -$123,436, but there was an increase in Children's Services Act (CSA) expenditures expected due to an increase in overall anticipated expenditures of $365,043. She also reported that the County annually transferred $85,000 to the Reassessment Fund for the next reassessment.

Ms. Staton reviewed the Contingencies noting that the County would have a recurring contingency of $1,124,866; a non-recurring contingency of $369,212, for a total Contingency for FY24 of $1,494,078. She pointed out that the contingency amount did not reflect the $34,404 in added costs for the change in health insurance just voted on by the Board. Ms. McGarry noted that the additional health insurance costs would reduce the recurring contingency.

Mr. Barton asked if the level funding was kept in the budget and the additional $1.5 million was left to the Board. Ms. McGarry confirmed that it would be up to the Board to decide on any additional amount of funding to the Schools. She explained that since the recurring contingency was less than the additional funds requested by the Schools, the Board would either need to reduce expenditures to make up the amount, or consider some revenue enhancements.

Mr. Rutherford asked if the recurring contingency included the 7 percent increase. Ms. McGarry confirmed that the $1.1 million contingency included the 7 percent increase for salaries and benefits.
Ms. Staton reported that the new recurring contingency with the health insurance changes would be $1,090,462.

Mr. Reed asked if there was something they were interested in introducing that had not been proposed, when it should be brought up for discussion. Ms. McGarry suggested completing the overview and then visiting any additional items for discussion.

Ms. Staton reviewed the FY24 General Fund Expenditure Synopsis. She noted that it showed any increases or decreases between the FY23 Amended Budget and the FY24 Introduced Budget. Ms. McGarry noted that if there were decreases in some departments, they may be due to grants in the previous fiscal year that were not yet proposed for the upcoming fiscal year. She indicated that the budget was amended as grants were awarded and received.

Ms. McGarry then reported on the FY24 Revenues. She noted the revenues equaled expenditures. She commented that staff had not incorporated any changes in tax rates or fees. She reviewed the tax rates:

- Real Estate/Mobile Home Tax Rate - $0.65/$100 value
- Personal Property Tax Rate - $2.79/$100 value
- Machinery & Tools Tax Rate - $1.25/$100 value
- Transient Occupancy Tax – 5%

She showed the FY24 Revenues by Category compared to FY23 Amended Budget through February:

	FY23 Amended Budget	FY24 Estimated Budget	$ Change	% Change
Local	$ 36,121,478	$ 37,558,780	$ 1,437,302	3.98%
State	$ 4,922,584	$ 4,825,214	$ (97,370)	-1.98%
Federal	$ 1,231,901	$ 1,286,560	$ 54,659	4.44%
Other	$ 10,659,750	$ 5,781,373	$ (4,878,377)	-45.76%
Total	**$ 52,935,713**	**$ 49,451,927**	**$ (3,483,786)**	**-6.58%**

Ms. McGarry reported that there was an increase in local revenue by $1.4 million with a slight decrease in State revenue by about $97,000. She commented that federal funds were increasing by about $54,000. She reported that the Other category was decreasing by about $4.8 million. She noted that overall, the budget was decreasing by $3.4 million, or -6.58 percent.

Ms. McGarry reviewed the FY24 Local Revenue Factors. She reported a slight increase of 1.88 percent in Real Estate Taxes, which was expected due natural growth and amounted to about $379,846. She noted that there was an expected increase of 18.75 percent ($205,826) in Public Service Tax due to an increase in the assessed values of Public Service Corporations included rolling stock between tax year 2021 and 2022. She reported a high decrease of -8.05 percent in Personal Property Taxes expected due to an approximate 12 percent decline in vehicle values and a lower tax rate from tax year 2022 to 2023. She estimated that the decrease would be about $499,216. She noted that the 2022 vehicle values were high, due to market conditions and the tax rate had been lowered from $3.45 to equalize the tax burden for citizens.
Ms. McGarry reported that a slight increase of 7.18 percent was expected in Local Sales and Use Taxes in the amount of $146,739. She noted that the Local Sales and Use tax numbers were provided by the State.

Ms. McGarry noted that they were expecting a significant decrease in recordation taxes (about -34.94 percent, or a decrease of $161,080), which was expected primarily due to higher interest rates affecting financing transactions. Ms. McGarry reported a high increase expected in Meals and Lodging Taxes of about 35.75 percent, or $829,476 total. She indicated that they were expecting an increase of $179,607 in a Meals Tax increase, and $649,869 increase in Lodging tax.

Ms. McGarry reported that a high increase in Interest on Investments of 1900 percent was expected due to the low estimate in FY23 and inflationary economic conditions precipitating higher interest rates over the past year. She noted that the rates were expected to maintain current levels or drop slightly over the next year. She estimated that the increase would be about $475,000. Ms. McGarry noted that the Treasurer handled investments, but the increase was mostly from the higher interest rates due to the market.

Ms. McGarry then reviewed the FY24 State Revenue Factors. She reported that they were expecting a 7 percent increase in salary and benefits reimbursements from the State Compensation Board for their proportionate share of covered positions. She noted that the Governor's budget showed a 5 percent salary increase, while both the House and Senate budgets contained 7 percent. She reported that the reimbursement at the 7 present increase amount would be about $236,000.

Ms. McGarry reported that they were including a 14.1 percent increase in State reimbursements for expenditures related to the Children's Services Act (CSA). She noted that this was expected due to an increase in overall expenditures of about $160,000. She indicated that the State share of the expenditures was about 68.68 percent, while the Local share was 31.32 percent. She reported that the CSA expenditures were growing substantially, noting that the anticipated expenditures for FY23 were well above what was budgeted.

Ms. McGarry reported an expected decrease of -6.8 percent in reimbursement for Department of Social Services (DSS) costs, due to lower than anticipated expenditures submitted by that Department. She noted that the decrease was about $49,256. She reported that the non-local portion of the DSS budget was funded by 40 percent State funding.

Ms. McGarry discussed Other Categorical Aid from the State, which included grants received during the year. She noted that the amounts fluctuated between fiscal years and explained that these grants included Fire Funds, Four-for-Life funds, Tourism and Economic Development grants, Library of Virginia grants, and other Sheriff's Department grants. She explained that at the beginning of the new fiscal year, the grants showed a decrease of -54.6 percent ($394,942), and they would be appropriated within the budget once awarded or received.

Ms. McGarry then discussed FY24 Federal Revenue Factors. She reported a 100 percent increase in the Department of Justice Drug Court implementation grant funds was expected for reimbursement of the initial year of a 4-year grant for the County's Adult Drug Court, which equaled $172,000. She then reported that that a decrease of -6.8 percent was anticipated in reimbursement for DSS costs due to lower than anticipated expenditures submitted by that Department (About $73,884). She noted that the non-local portion of the DSS budget was funded by 60 percent Federal funds.

Ms. McGarry reviewed Other Revenue Factors for FY24. She noted that the Other Revenues had decreased from the last fiscal year. She explained that this was primarily because FY23 included $2.6 million in Bond Anticipation Note financing proceeds related to the Larkin Property acquisition and utilization of a higher level Year Ending Balance; which included the one-time transfer of $2.3 million to the Debt Service Fund Reserve as part of the County's debt capacity strategy.

Ms. McGarry reported that the Year Ending Balance (FY23 Revenues greater than Expenditures) utilized $5,761,373 consisted of:

- $3,723,268 in FY23 net expenditure savings anticipated including:
  - $2,894,977 in ARPA funds carried forward for the NCHS roof project
  - $828,291 in general expenditure savings
- $2,038,105 in FY23 net revenues anticipated to be received:
  - Local: $1,541,797 (Local Sales & Use, Meals & Lodging, Interest Earnings)
  - State: $390,636 (State Shared Expenses & CSA Reimbursement)
  - Federal: $105,642 (ARP LATCF Funding)
  - Other: $30 (cancelled checks)
- Ms. McGarry noted that on the expenditure side, the funds were ARP funds committed to the NCHS roof project, funding of Capital Outlay expenditures, and non-recurring contingency.

Mr. Rutherford asked what the overall 7% increase for salary and benefits was before the State reimbursement. Ms. McGarry noted that the total cost was $462,197.

Mr. Reed asked if there was anything built into the budget that would involve evaluating the potential for a reservoir at Dillard Creek. Ms. McGarry noted they did not, and commented that they were unsure of what the cost might be. Mr. Rutherford asked if the Service Authority had discussed any study of the creek. Mr. Reed noted no decision was made. Ms. McGarry indicated that the study may be a joint effort between the County and the Service Authority.

Ms. McGarry noted there was nothing budget for development of the Larkin property, other than the master plan. Ms. McGarry noted that they had accounted for DSS. She explained that the financing could be lined up, depending on decisions made for the Larkin property. She explained that diagrammatic plan was in process with Architectural Partners, and they would return to the Board for approval and a more in depth master plan with phasing would follow. Ms. McGarry noted the master plan work was to be paid for as they go. Ms. McGarry noted anything not in the current budget that had a budget amendment more than 1 percent of the bottom line would require a public hearing.

Mr. Reed asked about the value of the penny. Ms. McGarry noted they could work determine that.

Mr. Reed asked about the debt capacity strategy and whether they should revisit it. He noted that a great deal of the expenditures was going into the debt capacity. Ms. McGarry indicated that Davenport had provided an update at a recent Board meeting, but they could revisit it. She explained that $610,000 was the discretionary amount going in. She indicated that if the $610,000 didn't go in during FY24, it would put a wrinkle into the debt capacity strategy. She explained that the debt capacity analysis explained when things would occur with that strategy.

Mr. Barton asked if a figure had been determined for the amount of debt. Ms. McGarry noted the current strategy was to fund $57 million in debt capacity. Mr. Barton asked about the cost estimate for the DSS building. Ms. McGarry noted that on the high end, it was estimated to cost about $12 million. She explained that the roof project at NCHS should be funded without financing based on grant funding and other funds from the School Division and the County's committed ARPA funds for the project.

Mr. Barton asked about the $1.5 million request not covered for the schools. Ms. McGarry noted that it covered operational increases. Ms. Irvin commented that they were trying to do a 7 percent increase for their employees as well. Mr. Rutherford noted that the Board would be looking at the School budget as well. Ms. McGarry noted tax rate increases had strict timelines to deal with, so if they were going to make changes to the Personal Property or Real Estate taxes, they would need to make decisions soon. Mr. Rutherford noted that the Transient Occupancy Tax (TOT) did not have a deadline.

Ms. McGarry noted in checking to see if another public hearing would need to be held on the TOT, she was advised that they would not have to, but the public may feel slighted if there was not one. She pointed out that it had been about a year since they had held the public hearing and it might be a good idea to have another one.

Mr. Reed asked about the Nelson County Broadband Authority (NCBA) status. Mr. Rutherford noted there was cash there. He explained that the intent of the Broadband Authority was to see the completion of the backbone of the fiber network. He suggested that they could potentially disband at the end of the year and transfer the assets back to the County. Mr. Reed thought there could potentially be some revenue sources to utilize from Broadband. Ms. McGarry noted there were some funds on hand and revenues but she would have to look into the numbers further. Mr. Rutherford noted that the Broadband Authority was hanging on to see completion on connections in the County. Mr. Reed asked if there were any expenditures related to the Broadband Authority and Ms. McGarry noted there were some minor ones that the County would assume when the Authority dissolved.

Ms. McGarry pointed out that a lot of the increases in recurring revenue for FY24 were economy driven like interest earning, sales tax, and the TOT. She noted that those revenue sources were volatile and they could not rely on them for any span of time.

Mr. Rutherford noted that they needed to look at next dates to meet. He suggested that they next look at agencies and then non-agencies, so they could then see how it adjusted the contingency. He thought they would be able to know within two budget work sessions whether they needed to consider revenue enhancements. He noted that Mr. Harvey was sick and Mr. Parr was not able attend that day. Ms. McGarry indicated that the Board needed to decide on the tax rates by April 6th. The Board discussed options to meet on the budget next.

Mr. Barton asked for more information on the amount of prisoners in Albemarle-Charlottesville Regional Jail (ACRJ), and asked if the County could anticipate whether the number would go up or down. Ms. McGarry and Mr. Rutherford noted information from Neal Goodloe indicated that the number was going down. Ms. McGarry noted the share amount was based on a 5-year average and she did not think it would decrease any time soon. She pointed out that they would have expenses going forward with the jail renovation project, if it were approved. She noted that they could discuss it more after the budget. Mr. Rutherford suggested that they could discuss agencies the following week, and if they needed more information from a particular group, they could schedule a presentation with any of the agencies.

IV. OTHER BUSINESS (AS MAY BE PRESENTED)

A. School Construction Assistance Grant

Ms. McGarry presented the School Division's request for a letter of support from the Board to submit with their application for the School Construction Assistance Grant. She noted that Ms. Irvin was present if the Board had questions. She pointed out that the funds were only available in current biennium (2022-2024). She explained that the School Division had the opportunity to apply for at less 10 percent toward eligible construction costs for their planned High School Renovation, which had been approved in their Capital Improvements Project (CIP) plan. Ms. McGarry reported that the Schools were estimating that the grant could get them around $2.4 million. She noted that it was a competitive application and a letter of support from the Board would help earn five points in the scoring process. She reported that they needed to score 65 out of 100 to be considered for the funding. She also noted that it was not a full commitment by the Board yet, if the Schools were to receive the grant funding. She noted that it was a commitment that if the project proceeds, that the locality would provide sufficient funding to maintain and operate the facility for the duration of the financing period.

Mr. Rutherford noted that 10 percent off of the rest of the cost was helpful and would probably be worthwhile. He pointed out that the funds for the project would come from the debt capacity. He noted that they needed to keep in mind that they had less capacity when factoring in the Social Services building. He estimated that once they reduced the debt capacity with the DSS building and School renovation, the remaining capacity was more like $20 million. Ms. Irvin noted that it was statewide application and the success was dependent on who else may apply.

Mr. Reed made a motion for the Board to write a letter of support on behalf of the Nelson County School Division for its application for the School Construction Assistance Grant. Mr. Barton seconded the motion. There being no further discussion, Supervisors voted unanimously (3-0) by roll call vote to approve the motion.

Mr. Reed brought up the Compensation Study noting that one thing that jumped out at him was the discrepancy on Planning and Zoning, in terms of being below the minimum. He asked if that could be looked at for an appropriate recommendation. He felt that the 7 percent increase plus the insurance would be sufficient across the board, except for Planning and Zoning which seemed to be significantly off. Ms. McGarry noted that was one that she wanted to vet more so that she could determine how the consultants came to that recommendation. Mr. Reed noted that Planning and Zoning was significantly below the minimum by about 23 percent. Ms. McGarry noted that was the minimum with the suggested pay structure. Mr. Rutherford asked if there were any others that stood out. Mr. Reed noted that there were not.

Ms. McGarry indicated that she had spoken with the Interim Amherst County Administrator who noted that Amherst was proposing 7 percent salary increase in their budget, and it was thought that Campbell County and Bedford were doing the same. Mr. Rutherford thought Fluvanna was also proposing 7 percent.

Mr. Reed asked about possibilities to provide tax relief, noting he was unsure of what could be done. He suggested looking more at real estate tax relief. Ms. McGarry noted that there was elderly and disabled tax relief, as well as certain tax relief for veterans. Mr. Barton asked if there was an ability to change the relief to increase it. Ms. McGarry was unsure if there were provisions relating to income based tax relief allowed by the state. She noted that there was also land use which was a form of tax relief that helped with real estate taxes. She also pointed out that if the personal property tax rates remained that same, that people would be seeing some relief as used vehicle values were going down.

Mr. Reed noted that Matthew Drumheller was trying to figure out some incentives and had been curious if opportunities were available to provide tax relief under certain circumstances that were not already considered that would possibly have people putting homes in long term rental use instead of short term rental use. Mr. Barton asked about tax relief for those unable to afford to pay their taxes. Mr. Rutherford simplified the request down to seeing if the general population under a certain income could be eligible for tax relief. Mr. Reed noted he was interested in learning if there were any legal barriers or opportunities to give tax relief that is not already offered.

V. ADJOURNMENT (CONTINUE TO MARCH 30, 2023 AT ______ FOR A BUDGET WORK SESSION)

The Board discussed the next budget work session date and decided to not meet on March 30th and settled on Friday, March 31st instead.

At 3:36 p.m., Mr. Reed made a motion to adjourn and continue to March 31, 2023 at 10 a.m. for a budget work session. Mr. Barton seconded the motion. There being no further discussion, Supervisors approved the motion by vote of acclamation and the meeting adjourned.