

**Virginia:**

AT A CONTINUED MEETING of the Nelson County Board of Supervisors at 3:00 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  
J. David Parr, West District Supervisor – Vice Chair  
Thomas D. Harvey, North District Supervisor  
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

**I. CALL TO ORDER**

Mr. Rutherford called the continued meeting to order at 3:04 p.m. with five (5) Supervisors present to establish a quorum.

**II. FY24 BUDGET WORK SESSION**

**A. General Fund Expenditures**

Mr. Rutherford noted that the Board had spoken with the County’s Registrar, Jackie Britt, regarding her new position. Ms. McGarry noted that her understanding was that the new position would provide some overlap for succession planning, as well as to help with the workload related to the upcoming election. Mr. Reed and Mr. Parr reported that the new position needed to start in July, rather than waiting until January. Ms. McGarry indicated that the position would be a full year, rather than half of the year. Ms. Staton reported that they would need an additional \$46,357 in the budget to fund the position for a full year. The Board was in consensus to add in the \$46,357 to fund the position in the Registrar’s office for a full year in FY24.

Ms. McGarry reminded the Board that they would be receiving a credit for FY24 from JAUNT in the amount of \$23,151. She suggested that they could reduce the funding to JAUNT by that amount and \$23,151 could go back into the contingency and could help fund about half of the additional cost for the Registrar position. The Board was in agreement to make that change as suggested.

School Budget

Ms. McGarry reported that the Board had been provided copies of the School’s budget request letter, along with the operational budget synopsis which showed all of the line items, and the school budget summary sheet. She also noted that staff had provided a printout from the Virginia Department of Education which showed the distribution for state and local, based on the ADM of 1396. Ms. McGarry noted staff had looked at various options for salary increases. She pointed out that in order to get the state reimbursement, they had to fund at least 2.5 percent. She noted that she was not advocating for them to do that, she just wanted to explain that was the minimum required in order to receive reimbursement from the state for salaries.

Ms. Staton reported that recurring revenue was currently at \$805,437 after changes with the Registrar and JAUNT. Mr. Rutherford noted that the non-recurring revenue was \$375,212.

Mr. Rutherford reported that the Schools had requested an additional contribution from the County in the amount of \$1,582,639. Mr. Rutherford guessed that a large part of the \$1.5 million was the 7 percent salary increase. Ms. McGarry reported that of the \$1.5 million, the 7 percent increase was \$1,757,133. She noted it was more than the \$1.5 million requested but the State’s money offset that. She explained that once they deducted the State’s \$568,921 share, the local share was \$1,188,212. She pointed out that the Schools included a half percent step, along with the 7 percent increase, which amounted to around \$80,000 to \$100,000.

Mr. Rutherford reiterated to the Board that there was about \$800,000 in recurring revenue, so they needed to work on determining funding amounts. Ms. McGarry pointed out that on one of the sheets, the Schools indicated that they had a deficit of \$1,582,639, which was made up of a \$411,191 increase in requested expenditures and \$1,171,448 in less anticipated revenue. She indicated that while it was accurate, it was a little misleading because if they subtracted the \$1.2 million in facilities money the Schools received in FY23 from Revenue and Expenditures, they really received about \$69,000 more in state revenue in their actual increase in requested expenditures, was about \$1.6 million or more.

Ms. McGarry pointed out that the Schools provided a summary with recommendations of increases to expenditures. She noted that they also showed the decreases that they had in expenditures. She suggested that the increases to expenditures may be something the Board would want to consider. She reminded the Board that they could not tell the Schools how to spend the money provided by the County. She noted that it could provide a basis for the funding they may want to provide.

She reviewed the Recommendations of Increases to Expenditures which included the 7 percent COLA (cost of living adjustment) and step increase requested at \$1.7 million. She also noted that the Schools wanted to implement a ParaPro stipend for instructional assistants at a cost of \$64,643. She reported that the Schools were requesting two new positions – one In School Suspension Position at Nelson Middle School at a cost of \$36,082; and a seconded Assistant Principal at the Elementary level at a cost of \$110,560. She noted that currently one Assistant Principal was shared by both elementary schools. Ms. McGarry noted that there were some Fringe Benefits increases. She reported that the Group Health Insurance had a 4.5 percent rate hike which was a \$167,676 increase. She noted that Workers Compensation had an experience modification increase which caused an increase on \$34,123. She reported expenditure increases to Heating and Utilities by \$120,005, and an increase of \$26,921 in Communication expenditures. She noted that the Schools wanted to purchase some weight room equipment at a cost of \$27,000. She also commented that purchased services for Nursing programs were \$22,777.

Mr. Barton commented that it wasn't the Board's job to tell the schools what to do, rather they were to determine how much money they would have to spend.

Mr. Parr asked for any downsides to allocating the remaining recurring contingency. Ms. McGarry noted that with no revenue enhancements, there would be no recurring contingency. She noted there was still a big gap in what the Schools were asking for in additional funds and what was in recurring contingency. She noted that a was a big downside for the Schools unless they could make some adjustments to accommodate that.

Mr. Barton commented that relationship between the Board of Supervisors and the School Board seemed to be much better. Ms. McGarry noted that the relationship between County Administration and the School Division Administration was much better. She indicated that there was better communication between her office and the School Division and more of a sense of working together. She noted that Dr. Hester had been great in communicating during the budget process. Ms. McGarry reported that she had taken time to attend some of the School Board budget sessions which helped her be more informed.

Mr. Reed noted that since they could not be specific in funding certain line items, they had to take a broad look at the School Budget. He noted that it was a very conservative budget, but it showed the same approach to staff and salaries as the County had with its staff – a 7 percent increase. He felt that the additional positions were absolutely necessary. He noted that a majority of the budget for the Schools was people. Mr. Reed commented that it was impossible to talk about the school budget without talking about revenues. He said there was question that they had the ability to fund the schools request. He felt that by looking at revenues, there was easy route to fund the Schools, along with everything else that had been proposed so far. Mr. Reed proposed to fully fund the Schools and take a look at tax revenues. He thought that the revenue discussion would help them to decide what they wanted to do and how they would do it. He suggested that they consider a penny increase in the Real Estate Tax, noting that they were looking at 7 percent increases in staff salaries across the board. He noted that increase did not come free.

Mr. Reed then noted the transient occupancy tax (TOT). He commented that they had a chance to increase the transient occupancy tax, which could cover the increase to the schools, along with a potential penny increase to the Real Estate Tax, which should increase their recurring contingency for the year. Mr. Reed suggested that if they did not utilize tax increases, then they could consider reducing funding to the debt service capacity. He noted that he was currently not in favor of decreasing funds to debt capacity because he thought there were better ways to accomplish funding. He noted that he was in favor of taxing people who were using resources in the County from a tourism standpoint. He commented that they were funding tourism out of the TOT, but they were not funding other associated costs to the County. He commented that if they spoke with anyone with a high transient occupancy tax rate, they would hear that it did not affect the rental rates at all. He felt that comments from people that an increase would affect business were unsubstantiated. He reiterated that they needed to appropriately invest in the Schools, increase the TOT to 10 percent and add one penny to the Real Estate Tax Rate. He commented that raising the TOT to 10 percent put the County in position to not have to worry about raising the rate again to fund things in the future. He noted it would put enough money in recurring income to depend on. He pointed out that it was a cost that the residents did not have to bear the cost of. He commented that it gave the County an opportunity to have enough money in debt service to commit to the future in providing some housing.

Mr. Rutherford asked about the TOT revenues. Ms. McGarry noted that if they increased to 10 percent, it would equal \$1.8 million in new income.

Mr. Reed commented that they needed to update the County Code to include relief for disabled veterans and their spouses. Ms. McGarry agreed that it needed to be included in the County Code, but noted that it was in practice.

Mr. Parr commented that he had no problem fully funding the School budget, but if that was done, he wanted to go back and fully fund everyone else also. He noted that he did not feel that any of other budgets presented were fluff or falsified budgets, he trusted that what was provided was what was a budget of need by each department. He reiterated if they were going to fully fund, then they should fully fund, and discuss how they were going to do that. He noted that they had all agreed the previous year that increasing the TOT was a no brainer, until they learned more about it and the implications. He commented that they had debated that and made a decision last year. He noted that his mind had not changed on that decision and he would not support any change to the TOT. He noted the impact an increase would have on local business owners. He indicated that he liked the idea of potentially adjusting the debt service. He noted that the Board had discussed allocating a portion of the debt service to the school system for their capital expenditures. He noted he would consider reducing the allocation of debt service to the school system to help support their budget shortfall. He asked if SOQ positions were just classroom level positions, or if SOQ extended into Administration or Central Office. Ms. McGarry was not quite sure but noted they could go onto the Department of Education website and look at the calculation tool. Mr. Parr noted that he wanted to see from a school budget standpoint was if the 7 percent increase went to all school employees, but stopped at the administration level and Central Office. He noted that there was some inequity on how the increase worked. Ms. McGarry noted that was a decision the Schools would have to make. Mr. Parr understood, but noted that he wanted to see from a dollar amount how that would work. He noted that the County gave them funding and it was up to them on how to spend it. Mr. Parr was not in support of TOT or Real Estate tax increase. He commented that he would consider a reduction of debt service. Ms. McGarry asked for clarification on the reduction to debt service and whether that was the \$610,000 that was being set aside and put into Debt Service Reserve to create the capacity they had been discussing. Mr. Parr and Mr. Rutherford confirmed that was the \$610,000 set aside amount. Mr. Reed asked how that would add up, noting that amounts did not line up. Mr. Parr noted it was a way of helping to offset.

Ms. McGarry noted that taking the \$805,437 from recurring revenue and adding the \$610,000 from debt service would get to \$1,415,437 million in available funding. Mr. Rutherford was cautious as the Board had a commitment to potentially a \$20 million high school renovation. Ms. McGarry noted that not contributing \$610,000 at all would affect the debt capacity strategy. She said was hesitant to suggest taking the \$610,000 out of fund balance for one year to keep the strategy intact, and then take \$610,000 in recurring funds and put it towards funding the schools, or whatever other purpose for next year. She pointed out that they had worked on a strategy and needed to decide whether to commit to it or not. She suggested that if they wanted to reduce the amount to have for capacity, they could work with Davenport to see what level of recurring funding commitment would be needed.

Mr. Barton commented that the Board had a responsibility to many people. He thought that their most important responsibility was to the children of Nelson County. He noted that he had seen a positive movement over last year in teachers, administration, and parents in their attitude that they believed the schools were going in the right direction. He commented that much of what happened in education had to do with people and attitudes. He noted that they had an opportunity to reinforce a positive attitude. He said they needed to determine how to fully fund. He mentioned increasing the TOT from five to ten percent, and referenced Mr. Reed's comment that there was no evidence that a five percent increase would impact the demand for bed and breakfasts. Mr. Reed noted that the price of b&b's over the last few years had skyrocketed and more people were coming in than ever. He thought that would prove that Nelson was a desirable enough destination that people would pay twice as much for an Airbnb than they were two or three years ago. He commented that he liked where Mr. Barton was going with his conversation. Mr. Barton noted that people were attracted to the beauty in Nelson County and there was a price to be paid to maintain that beauty. He noted that people were establishing bed and breakfasts because it profitable to do so. He noted that the people with bed and breakfasts were not paying the tax, rather they were collecting it from people outside of Nelson County. He preferred to tax people coming into the County from somewhere else, rather than tax the people who lived in Nelson. He thought it was a good way to provide revenue enhancement. Mr. Barton commented that increasing the real estate tax rate was a completely different topic but an increase of one penny did not come close to covering inflation. He noted that they reduced the real estate tax rate by 10 percent the previous year. He stated that the primary thing for him was what they did for the children of Nelson County.

Mr. Rutherford noted that the Board was used to seeing requests for additional funding from the schools in amounts with two commas. He did not believe a real estate tax increase of a penny was a necessary feat. He commented that he did like Mr. Parr's idea of utilizing the remaining recurring revenue. He said he was around \$805,000 as an amount for the schools. He was not sure if he wanted to use any of the money set aside for the debt capacity since they had future capital projects which included school needs. He commented that increasing the TOT from 5 percent to 10 percent was 100 percent jump and it was not good for that industry to realize immediately. He noted that he would love to see TOT revenues go towards capital projects related to the schools, but once they started using it for recurring expenses, it was gone

forever. He felt that they should utilize what they had. Mr. Rutherford noted that he was sitting at \$805,000 of the \$1.5 million. He noted that would utilize all of their recurring revenue and force them to look at other options. He noted that the following year would be a tough budget year. He pointed out that the TOT revenue was not a number to count on for recurring expenses.

Mr. Reed commented that as the prices for short-term rentals increased, the amount of TOT increased. He noted that they would get an increase in recurring revenues when the tourism dollar increased faster than the housing dollar. He commented that if they maintained the capital expenditure projection and the debt service to support that, money invested in more affordable housing would create a bigger rate of return to the County than the impact of a one penny increase on real estate tax. He thought they would be able to get people in the County and be able to house people that live in the County. He admitted that his main support of debt service was primarily so that they could put something toward single family homes in the County. He thought that was incredibly important. He noted that they had already prioritized recreation. He believed that a penny increase affected everyone across the board. He thought it was the most equitable system. Mr. Reed noted that he still submitted his original proposal.

Mr. Parr agreed with Mr. Reed's comment on the TOT that as the value increased, the revenue increased.

Mr. Barton felt it was clear that the TOT would not influence the demand for those things. He commented that it seemed to be an incredibly profitable thing that many people were getting involved in. He thought it was something that they could tax with the least influence. He noted that he wanted to win the argument because the revenue would go to schools. He commented that the quality of education did not depend on amount of money, but it did depend upon on attitude. He felt that fully funding the schools was the proper thing to do and the transient occupancy tax seemed like the way to do it.

Mr. Reed commented that the biggest employer in County was the County. He noted that the biggest recipients of the money they had in the County, were the people of the County who run the County, and run the Schools. He commented that if they were providing the best opportunity for the best employer in the County to provide the best level of services, best insurance, best working conditions, and best cost of living increases possible, they were building the County. He challenged the Board to do that.

Mr. Rutherford maintained his position, noting that he did not support a real estate tax increase of a penny. He reminded the Board that the TOT tax rate was not set to same deadline as real estate tax and personal property tax. He noted that the TOT discussion could continue. He pointed out that the day's meeting related to discussing any real estate and personal property tax increases, and hopefully determining an amount for the schools. Ms. McGarry noted that the Board would authorize the budget public hearing at the April 11<sup>th</sup> meeting for a May 9<sup>th</sup> public hearing. Ms. McGarry explained that if there were any increases to the tax rates, they would have to go to public hearing. She noted they were working with a specific timeline on tax rates because they would have to hold a public hearing and then transmit the information to the Commissioner, who then would inform the Treasurer so that the tax tickets could go out.

Mr. Rutherford reviewed the 2022 tax rates: Real Estate Tax \$0.65, Personal Property Tax at \$2.79, Machinery and Tools Tax at \$1.25, and Mobile Home Tax \$0.65.

Mr. Reed commented that if they were increasing salaries by 7 percent, he did not see any reason why they could not raise the real estate tax rate by one penny to cover it. Mr. Reed made a motion to increase the Real Estate Tax Rate from \$0.65 to \$0.66. Mr. Barton seconded the motion. Mr. Barton commented that it sent the message that things are not free, and there was a price to pay for everything. He noted that most of the 7 percent increase went to people from the County. Mr. Parr asked if there was a list of employees residing in County versus out of County. Ms. McGarry noted that they probably did not have that information but it was probably something they could put together. Mr. Harvey recalled the last time the Board did a penny increase; they took the worst public bashing they had ever taken. He noted that he swore he would never do a penny tax increase again because it was brutal. Mr. Reed noted he was willing to deal with it and asked how else they would be paying the cost of the 7 percent increase. Ms. McGarry commented that revenue enhancements may have to be a consideration for the next year, depending on the economy depending revenues for the upcoming year. Mr. Barton noted that Mr. Reed was trying to make the point that there was a cost associated with whatever they do. Mr. Rutherford reiterated the motion was to raise the Real Estate Tax by one penny from \$0.65 to \$0.66. He noted that he was not supportive of increasing the Real Estate Tax necessarily. He thought there may be more work and refinement with the TOT. He indicated that they had been working on TOT enforcement. There being no further discussion, Supervisors voted (2-3) by roll call vote and the motion failed, with Mr. Rutherford, Mr. Parr and Mr. Harvey voting no, and the Real Estate Tax Rate remained at \$0.65.

The Board discussed the remaining tax rates and Mr. Rutherford suggested they remain the same. Mr. Barton moved to set the tax rates for Personal Property at \$2.79, Machinery and Tools and \$1.25 and Mobile Homes at \$0.65. Mr. Harvey seconded the motion. There being no further discussion, Supervisors voted unanimously to approve the motion.

Ms. McGarry confirmed that the tax rates would remain the same and there would be no public hearing. Mr. Rutherford reported that on April 20<sup>th</sup> there would be a joint Board of Supervisors and School Board meeting at 6 p.m. He also reminded the Board that the Regular Board of Supervisors' meeting would take place on April 11<sup>th</sup>. Ms. McGarry noted that during the April 11<sup>th</sup> meeting, the Board would authorize the public hearing on the budget for May 9<sup>th</sup>. She noted that they would need to look at another date to review the other fund budgets prior to the public hearing. She explained that the public hearing ad would need to go to the paper by Friday, April 21<sup>st</sup> so they would need to review the other fund budgets prior to that date. The Board discussed considering April 18<sup>th</sup> as the next meeting date and decided to have a meeting date selected by the April 11<sup>th</sup> Board meeting.

B. General Fund Revenues

Ms. McGarry provided a review of local revenues.

*Real Estate Tax \$20,604,678*

She reported that they were projecting a \$379,846 increase in Real Estate Tax, which was about a 1.9 percent increase. She noted that the projected increase was primarily due to natural growth. She explained that they used historical growth rates to determine the estimates.

*Public Service Tax \$1,303,291*

*Personal Property Tax & Mobile Home Tax \$2,704,886*

*Machinery & Tools Tax \$72,189*

She reported that Public Service Tax was projected to increase by \$205,826, which was an 18.8 percent increase. Ms. McGarry noted that they were expecting Personal Property and Mobile Home Tax to decrease by \$499,216, or 8 percent. She explained that the decrease was primarily due to market conditions that have shown a decrease in vehicle values provided by JD Power. She indicated that they were not predicting any change with Machinery and Tools Tax Revenues.

*Late Penalty Tax – 10% \$255,613*

*Late Penalty Interest – 10% \$162,800*

Ms. McGarry noted that they were predicting the Late Tax Penalty to increase by \$75,613. She also reported that they were estimating Late Tax Interest to increase by \$22,800.

*Local Sales and Use Tax \$2,190,076*

Ms. McGarry reported that the Local Sales and Use Tax revenue for FY24 was provided by the State at \$2,190,076. She noted that was an increase of about \$146,739 or 7.2 percent.

Mr. Reed asked why there was a 42 percent increase in the Late Tax Penalty. Ms. McGarry noted there was an increase because it was based on a percentage applied to the total tax that was predicted to be delinquent. She pointed out that it was only an 11 percent increase from what was projected for FY23.

*Business License \$54,000*

Ms. McGarry reported that they were expecting a \$9,000 increase in Business License revenues. She noted that was primarily because Short Term Rental people were now paying a \$30 business license fee instead of a registration fee.

*Electric Consumption Tax \$65,000*

*Telecommunications Gross Receipts Tax \$15,000*

*Bank Franchise Tax \$109,728*

*Recordation Tax \$300,000*

Ms. McGarry reported that there was no change in Electric Consumption Tax revenues for FY24. She noted that they were projecting a slight decrease in Telecommunications tax. She noted that there was about an \$8,000 increase in Motor Vehicle License fees. She reported no change in the Bank Franchise tax revenue. She indicated that they were projecting a decrease in recordation tax, which was primarily due to market conditions and fewer transactions being recorded.

*Transient Lodging Tax \$1,800,000*

*Meals Tax \$1,350,000*

Ms. McGarry reported that the TOT was estimated to increase by \$648,879 for a total estimated revenue of \$1.8 million. She pointed out that it was only \$80,268 from what was projected for FY23. Ms. McGarry

reported that Meal Tax was estimated to increase by \$179,607. She noted that the increase was \$20,644 from the FY23 projected revenue amount.

*Dog Licenses \$15,130*  
*Dog Pound Fees \$1,800*

Ms. McGarry reported that dog license fees were predicted to also increase by about \$2,000 but when looking at the FY23 projected revenue, the FY24 amount was about the same. She noted there were no changes in the predicted FY24 amount for Dog Pound fees.

*Short Term Rental Registration Fees \$0*  
*Transfer Fees \$1,200*  
*Subdivision Fees \$11,000*  
*Building Permits \$276,353*  
*Building Inspection Fees and Fines \$16,000*  
*Zoning Permits and Fees \$11,500*  
*Well/Septic Fees \$7,000*  
*Land Disturbing Permits \$7,500*

Ms. McGarry explained that the Short Term Rental Registration fees used to be required but that was coming out and would be part of the Business License category. Ms. McGarry reported that Transfer Fees were showing a \$200 increase, but when looking at the FY23 projected, there was no difference. She reported that Subdivision fees would remain the same as FY23. She reported that they were estimated a \$51,353 increase from the FY23 budgeted amount in Building Permits, but it was only a \$23,976 increase from FY23 projected revenue. She reported no changes to the Building Inspections Fees and Fines. She noted they were estimating a decrease of \$5,900 for Zoning Permits and Fees. She reported no change in FY24 Well/Septic fees or Land Disturbing Permits.

*Tourism Sales \$500*

Ms. McGarry reported an estimated \$2,000 decrease in Tourism sales for FY24. She noted that was only a \$250 decrease from FY23 projected revenues. She explained that these were items for sale in the Visitor's Center.

*Court Fines \$125,000*  
*Jail Admission Fees \$1,750*  
*Courthouse Security Fees \$30,000*

She reported a \$40,000 increase in Court Fines for FY24. Mr. Barton asked what that was from. Ms. McGarry indicated that a lot of it was from traffic ticket revenue. She explained that \$85,000 had been budgeted for FY23 but they were actually projected to bring in \$125,000 for FY23 so they carried that number forward for their FY24 estimate. She reported no change to Jail Admission Fees. She estimated a slight \$4,000 increase in Courthouse Security Fees from the budgeted amount. She reported that they were projecting about \$36,000 in FY23 and only \$30,000 in FY24.

*Courthouse Construction Fees \$8,000*

Ms. McGarry noted that the Courthouse Construction Fees for FY24 were \$8,000. She noted they had backed them down from \$12,000 in FY23.

*Interest on Investments \$500,000*  
*Rental of General Property \$0*  
*Lease/Rent Devils Knob Tower \$4,150*

Ms. McGarry noted that in FY23 they had budgeted to bring in \$25,000 in Interest on Investments, but they were projecting to bring in \$565,586 in FY23. She noted they estimated \$500,000 for FY24. She noted there was nothing in for the Rental of General Property. She noted that the rental income for the Devils Knob Tower site was estimated at \$4,150 which was no change from FY23 projected.

*Real Estate Tax Sale Proceeds \$0*

Ms. McGarry reported on Real Estate Tax Sale Proceeds, noting they were hard to predict. She noted that FY23 was going to have about \$38,514 but they did not know about FY24 so it was set at \$0. She explained that they would appropriate those funds as tax sales happened.

*Sheriff's Fees \$12,500*  
*Law Library Fees \$2,500*  
*Concealed Weapon Fees \$0*  
*Courthouse Maintenance Fees \$6,000*

*Document Reproduction Fees \$3,500*  
*Excess Clerk Fees Paid to State \$30*  
*Court Appointed Attorney Fees \$1,000*  
*Fingerprint/Report Fees \$250*  
*Circuit Court Postage \$250*

Ms. McGarry reported no changes to the Sheriff's Fees, Law Library Fees, or Concealed Weapon Permit fees from FY23 to FY24. She reported that Courthouse Maintenance Fees, Document Reproduction Fees, and Excess Clerk Fees Paid to State were estimated to remain the same. She reported that Court Appointed Attorney fees had been backed down from \$1,800 to \$1,000. She noted that the Fingerprint/Report fees remained the same at \$250. She noted that the Circuit Court Postage also remained the same at \$250. Mr. Rutherford asked if that meant no one got Concealed Weapon permits. Ms. McGarry noted that it was probably going to a different line.

*Commonwealth Attorney Fees \$2,200*  
*Landfill Tipping Fees \$216,000*  
*Recreation Fees \$42,000*  
*Sale of Maps and Literature \$202*  
*Expenditure Refunds \$7,500*

Ms. McGarry reported the Commonwealth Attorney fees to remain the same at \$2,200. She estimated the Landfill Tipping fee revenues to remain the same at \$216,000. She reported that they were projecting a decrease in Recreation fees for FY23, so the projected amount was carried into FY24 at \$42,000. She reported no change to Sale of Maps and Literature, or Expenditure Refunds.

*VPA/CSA Refunds \$5,100*  
*VPSA Rebate \$98,216*

Ms. McGarry reported that they kept the VPA/CSA Refunds (Department of Social Services and Children's Services Act) the same at \$5,100. She reported the VPSA Debt Rebate FY24 estimate at \$98,216. She indicated that FY24 was the County's last year of the rebate.

*Opioid Abatement Settlement Funds \$9,161*  
*Election Primary Filing Fees \$0*  
*Gifts/Donations \$0*  
*CCTL COVID19 Grant \$0*

Ms. McGarry provided an estimate of \$9,161 in Opioid Abatement Settlement Funds for FY24. She reported \$0 in Election Primary Filing fees, \$0 in Gifts/Donations, and \$0 for the CCTL COVID19 Grant for the Electoral Board.

*Check Return Fee \$600*  
*Administrative Fee (Delinquent Collection) \$28,000*  
*Duplicate Bill Fee \$500*  
*Donations Parks and Recreation \$0*

She reported that the Check Return fee estimate was decreased by \$400. She noted that the Administrative Fees related to Delinquent Tax Collection were kept at \$28,000. She noted the Duplicate Bill Fee was at \$500. She reported that no Donations were budgeted for Parks and Recreation. She noted those were appropriated when received.

*AEP Edge Grant \$0*  
*Donation Animal Control \$65*

She noted that Donations for Animal Control were decreased back to the usual amount of \$65.

*Asset Forfeiture Non DCJS Sheriff \$0*  
*Asset Forfeiture Non DCJS Commonwealth Attorney \$0*

Ms. McGarry noted that Asset Forfeiture Funds were appropriated when received.

*Miscellaneous \$0*

Miscellaneous Line Amount \$0, Ms. McGarry noted it was a catch all if they could not determine where the receipt of funds should be categorized.

*Recovered Costs \$65,000*

Recovered Costs \$65,000, decrease of \$25,000 from FY23's budgeted amount of \$90,000.

*DMV Stop Fees \$36,000*

*Reimbursements for Foster Care \$1,600*

*Shared Maintenance (Microwave) \$8,000*

Ms. McGarry noted the County received some revenue from Augusta County to share the County's Microwave system.

*Court Ordered Restitution \$1,500*

Ms. McGarry estimated Court Ordered Restitution at \$1,500 for FY24. She noted they were projecting \$4,193 for FY23.

*EMS Revenue Recovery \$719,800*

EMS Revenue Recovery – Ms. McGarry reported that in FY23, \$736,230 was budgeted and tracking to bring in about \$719,800 for FY23. She noted they carried forward the \$719,800 for FY24.

*BZA Applicant Reimbursements \$0*

*Recycling \$16,000*

Recycling – Projecting \$18,000 for FY23 and estimating \$16,000 for FY24. Mr. Reed asked about the recycling funds. Ms. McGarry noted they were the funds received back from metal recycling.

*VDOT Sheriff's Department Agreement Old Rt. 6 \$0*

Mr. Rutherford asked what it was for. Ms. McGarry explained that when VDOT was working on Rt. 250 after the landslide, Old Rt. 6 had to be policed to keep trucks from traveling through.

*Forest Service Cooperative Agreement \$4,400*

Ms. McGarry reported that the total local revenue was estimated to increase from FY23 budgeted by \$1,437,301 or 3.98 percent. She noted they were showing a decrease \$104,496 from what was projected for FY23, or -0.28 percent.

Mr. Reed asked about the Concealed Weapon Permit fees going to another line. Ms. McGarry noted she would have to look further into it to find out where that money went. Mr. Reed noted he was curious to know what that number was and how prevalent permits were in the County.

The Board opted to not review the State and Federal Revenues during the meeting and decided to review those numbers on their own. Ms. McGarry noted that staff was available to answer any questions they may have.

Mr. Parr asked about TOT and whether there was a way to identify how much of the increase was a result of the efforts to be more proactive in collecting. Ms. McGarry not sure how easy that would be to determine. Mr. Rutherford noted that the Commissioner of Revenue had also collected past due TOT amounts, some of which were large sums. Ms. McGarry suggested that Airbnb and VRBO paying on behalf of short term rental owners may also be helping with that increase in revenue. Mr. Parr noted the previous year's TOT discussion and suggested looking how they could possibly allocate half of the increase in TOT realized, to the school system. Ms. McGarry noted she could ask but she was not sure how they could go about it.

Mr. Rutherford noted that one of issues they had been dealing with was receiving large checks from Airbnb and VRBO without them indicating who they were paying the TOT for. Ms. McGarry and Mr. Rutherford both noted that issue should be corrected soon, but they were unsure of where it was in the process. Mr. Rutherford noted that once that issue was resolved, they would be able to know who had rentals and where.

Ms. McGarry noted that she had provided an email to the Board from Maureen Kelley on March 28<sup>th</sup> regarding Short Term Rental (STR) numbers from a website called All the Rooms. She explained that the site was showing a decrease in STR for Nelson. She noted that as of November 2022, STR down from 875 in September to 783 in November. She noted that as of March 28<sup>th</sup>, Nelson had 515 STR's. Ms. McGarry referenced Ms. Kelley's comments that the market continued to cool, but January through April were the slowest months for lodging. Ms. McGarry noted that some owners took their rentals off the market during that time, so that also affected the numbers. Mr. Rutherford also commented that Wintergreen did not make snow, it also affected rentals on the mountain.



April 4, 2023

**III. OTHER BUSINESS (AS MAY BE PRESENTED)**

The Board had no other business to discuss.

**IV. ADJOURNMENT (CONTINUE TO APRIL\_\_\_\_, 2023 AT \_\_\_\_ FOR A BUDGET WORK SESSION)**

At 4:47 p.m., Mr. Parr made a motion to adjourn the meeting and Mr. Reed seconded the motion. There being no further discussion, Supervisors approved the motion by vote of acclamation and the meeting adjourned.