

Virginia:

AT A CONTINUED MEETING of the Nelson County Board of Supervisors at 7:00 p.m. in the General District Courtroom located on the third floor of the Nelson County Courthouse, in Lovingston, Virginia.

Present: J. David Parr, West District Supervisor – Chair
Ernie Q. Reed, Central District Supervisor – Vice Chair
Jesse N. Rutherford, East District Supervisor
Dr. Jessica L. Ligon, 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: Thomas D. Harvey, North District Supervisor

I. CALL TO ORDER

Mr. Parr called the meeting to order at 7:01 p.m. with four (4) Supervisors present to establish a quorum and Mr. Harvey was absent.

II. PUBLIC HEARING

A. Proposed FY24-25 County Budget, All Funds

Ms. Staton reported that the presented FY25 Budget was based upon budgetary information at the time of the public hearing advertisement. She noted that State budgetary decisions may affect the final General Fund budget and the School Division operating budget presented for the Board’s approval. She stated that the School Division budget presented was based upon the original General Assembly recommended budget proposal.

Ms. Staton then presented the following:

Tax Year 2024 Tax Rates

All tax rates are levied per \$100 of assessed value

Real Estate and Mobile Home tax rate \$0.65

Personal Property tax rate \$2.79

Machinery & Tools tax rate \$1.25

Transient Occupancy Tax this rate will increase from 5% to 7% effective July 1, 2024.



All tax rates shown except for the Transient Occupancy Tax are levied per \$100 of assessed value.

Real Estate and Mobile Home Tax rate is \$0.65 per \$100 assessed value - unchanged from 2022; The per penny tax rate equivalent is based on FY25 projected RE tax revenue of **\$20,890,068/65 cents = \$321,386.**

Tangible Personal Property Tax rate is \$2.79 - per \$100 of assessed value; also unchanged from 2022. Yields anticipated revenue of \$6,013,768 for FY25; an anticipated decrease of 1.2% below the FY24 amended budget due largely to a decrease in vehicle values over last year.

Machinery & Tools tax rate is \$1.25 - per \$100 of assessed value; remains unchanged from 2022. Revenue yield is estimated at \$75,000, an increase of 3.89% over FY24.

The advertised budget for public hearing contains Transient Occupancy Tax revenue based upon the July 1, 2024 rate of 7% as approved by the Board of Supervisors – this is an increase from 5% and is expected to generate around \$468,000 more than in FY24 for a total of just under \$2.3 million.

Budget Funds

- General Operating Fund
- School Operating, Textbook & Cafeteria Funds
- Debt Service Fund
- Capital Fund
- Piney River Water & Sewer Enterprise Fund
- Broadband Enterprise Fund



The County’s fund accounting system tracks budgetary and financial activity. The Board is considering proposed budgets for each of the funds listed. The General Fund often supports other funds as is the case with the School Fund and the Debt Service Fund. A brief overview of the 2 largest funds, the General fund and the School Fund, will follow later in the presentation.

The Capital Fund is reserved for capital projects. Funding for initial A&E (Architectural and Engineering) expenses of two (2) such projects are included in the FY25 Capital Fund budget: 1) the NCHS Renovation Project funded at \$2,456,071, and 2) the Department of Social Services Building Project funded at \$1,656,071 (after Cost of Issuance expensed at \$87,857 in current FY24). Estimated total project costs are \$25M for NCHS, and \$9.5M for the DSS Building. Total project costs to be incorporated in the budget once they are determined.

The remaining funds are generally project oriented or related to an enterprise operation such as the Piney River Water & Sewer and Broadband operations. The Broadband Fund to date has been over-seen by the Broadband Authority. Final stages of implementing Broadband network services throughout Nelson County prompted the Broadband Authority to proceed with dissolution and termination effective June 30, 2024. Effective July 1, 2024, the Broadband Fund will be managed by the Board of Supervisors as an enterprise fund within the County budget.

FY24-25 GENERAL FUND BUDGET COMPARED TO FY23-24 AMENDED BUDGET (AS OF FEBRUARY 2024)

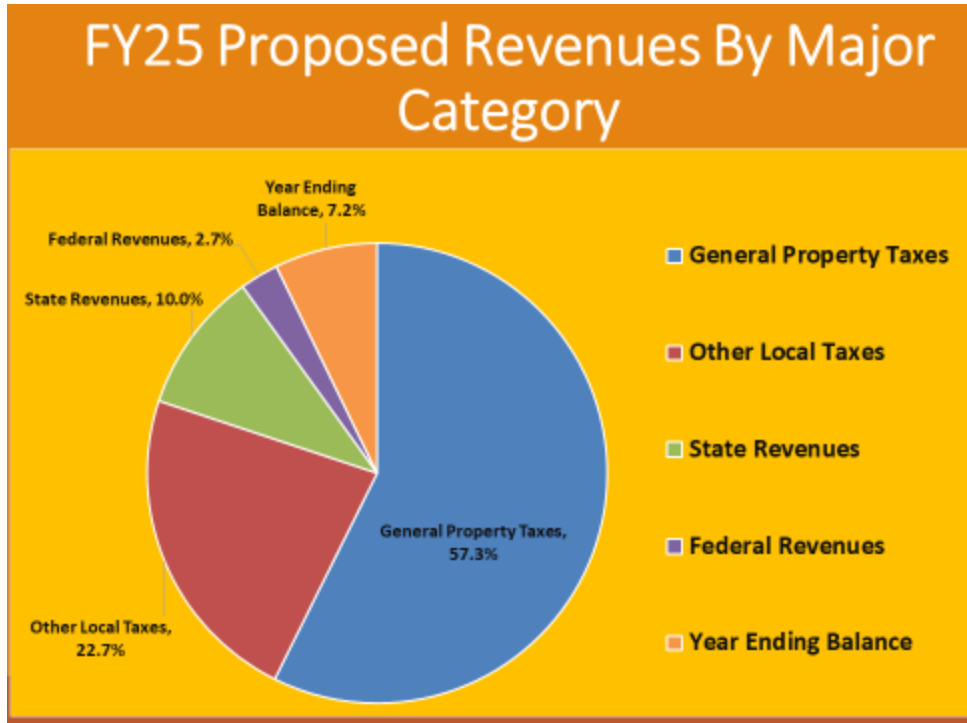
FY23-24	\$51,765,639
FY24-25	<u>\$49,530,187</u>
Decrease	(\$ 2,235,452)
Percentage Change	- 4.32%



Compared to the current year budget as amended (through February 2024), the proposed General Fund budget reflects a decrease of (\$2,235,452), or -4.32%. The budgeted revenues and expenditures are balanced at \$49,530,187.

Budgetary decreases from FY24 to FY25 are primarily due to budget reductions in Capital Outlay, Transfers to Other Funds, and Capital Projects within the General Fund.

Ms. Staton reported that the FY25 Proposed Revenues were \$49,530,187. She then presented the following:



- Local Revenue consisting of General Property taxes and other Local Taxes make up 80.1% of the overall budgeted revenue.
- Total Anticipated Local Revenues are \$39,668,527
- State Revenues account for 10.0% at \$4,937,774
- Federal 2.7% at \$1,346,459
- Year Ending Balance of \$3,577,427 in FY24 makes up 7.22% of total revenues for FY25. It includes FY24 carryover funds of \$3,227,427 consisting of \$128,138 in ARPA grant funds, \$2,025,537 in Capital Outlay, \$662,994 in Non-Recurring Contingency, and \$410,758 in miscellaneous carry forward and non-recurring costs. The remaining \$350,000 is planned for transfer to the Piney River Water & Sewer Fund for Pump Station replacement costs.

Local Revenue

FY24 Budget	\$38,070,221
FY25 Estimates	<u>\$39,668,527</u>
Overall Increase	\$ 1,598,306
Percentage Change	+ 4.2%

FY25 **local revenue** makes up about **80.1% of the total General Fund budget of \$49,530,187** at just under **\$39.7** million dollars. This is a 4.2% increase over FY24 local revenue of \$38,070,221 representing a total increase of \$1,598,306 in additional FY25 revenue.

General Property Taxes: (\$78,992)

- Real Estate Taxes: + \$285,390
- Public Service Taxes: (\$295,291)
- Personal Property Taxes: (\$71,902)
- Machinery & Tools: + \$2,811

Other Local Revenue: + \$1,677,298

- Utility Taxes: + \$37,266
- Recordation Taxes: + \$50,000
- Transient Lodging Tax: + \$468,000
- Meals Tax: +\$239,026
- Permit Fees: + \$74,226
- Court Fines & Forfeitures: + \$76,400
- Interest on Investments: + \$845,860
- Expenditure Refunds: (\$98,216)
- Miscellaneous (Net): (\$15,264)



General property taxes of \$28,405,249 accounts for **71.6% of all local revenue**. Of these revenues, public service tax, personal property tax, and mobile home tax are each anticipated to decrease in FY25. The result for this category is (\$78,992) overall less revenue in FY25.

- Real Estate tax is anticipated to increase by \$285,390 in FY25 due to increased home building and values.
- A decrease in Public Service tax of -22.66% and -1.18% in Personal Property taxes together are projected at (\$367,193) below FY24.
- Personal Property taxes are projected to decrease by (\$71,902) due to an overall decrease in vehicle values.
- Machinery & Tools tax is estimated to increase by \$2,811.

Other Local Revenue:

Most other local revenue categories anticipate increases, or at a minimum, level funding. Utility taxes are expected to increase by \$37,266 and Recordation Taxes are projected to increase by \$50,000 due to favorable interest rates on borrowing. Meals tax is expected to increase by \$239,026 or 17.71% while lodging tax is anticipated to generate an increased 26.0% in revenue for FY25 projecting a \$468,000 overall increase, due in part to the 7% TOT rate effective July 1, 2024. Permit fees, court fines and forfeitures are expected to increase by a total of \$150,626, offsetting declines in expenditure refunds and overall miscellaneous revenues totaling (\$113,480). Interest on investments is projecting an increase of \$845,860 over the FY24 budget. This 169.17% increase over FY24 is due to increased interest rates on investments.

State Revenue

FY24 Budget	\$5,273,382
FY25 Estimates	<u>\$4,937,774</u>
Overall Decrease	(\$ 335,608)
Percentage Change	- 6.36%



Estimated State revenue is currently **10.0% of the total General Fund budget in FY25**.

The overall decrease in State revenue is due to a -74.59% at (\$579,357) decrease in Other Categorical State Aid, which primarily consists of grant funds. FY25 State Grant funds will be

appropriated as they are received in FY25. This includes Asset Forfeiture proceeds, Four for Life Grant funds, Fire Program Funds, and various other grants.

The budget includes State reimbursements of shared local expenses for constitutional offices reflecting the state’s share of a 3% salary increase that has been proposed for those offices.

Federal Revenue

FY24 Budget	\$ 1,731,120
FY25 Estimates	<u>\$ 1,346,459</u>
Overall Decrease	(\$ 384,661)
Percentage Change	- 22.22%



Federal revenue makes up 2.7% of the total FY25 General Fund budget. Generally, federal sources include social services funding, Children’s Services Act (CSA) funding, the payment in lieu of taxes relative to national forestland located in Nelson (from the U.S. Bureau of Land Management) and various federal grants.

The decrease reflected here is primarily due to a -23.05% reduction in Federal Categorical Aid in the form of ARPA grant funds (American Rescue Plan Act economic stimulus funds) available through FY24 making the overall decrease -22.22%

All Sources of FY25 Revenue

Local	\$39,668,527
State	\$ 4,937,774
Federal	\$ 1,346,459
Year Ending Balance	<u>\$ 3,577,427</u>
Total	\$49,530,187



Local, state, and federal revenues, and non-revenue sources together with prior year ending balance make up all projected revenue supporting the FY25 proposed General Fund expenditures.

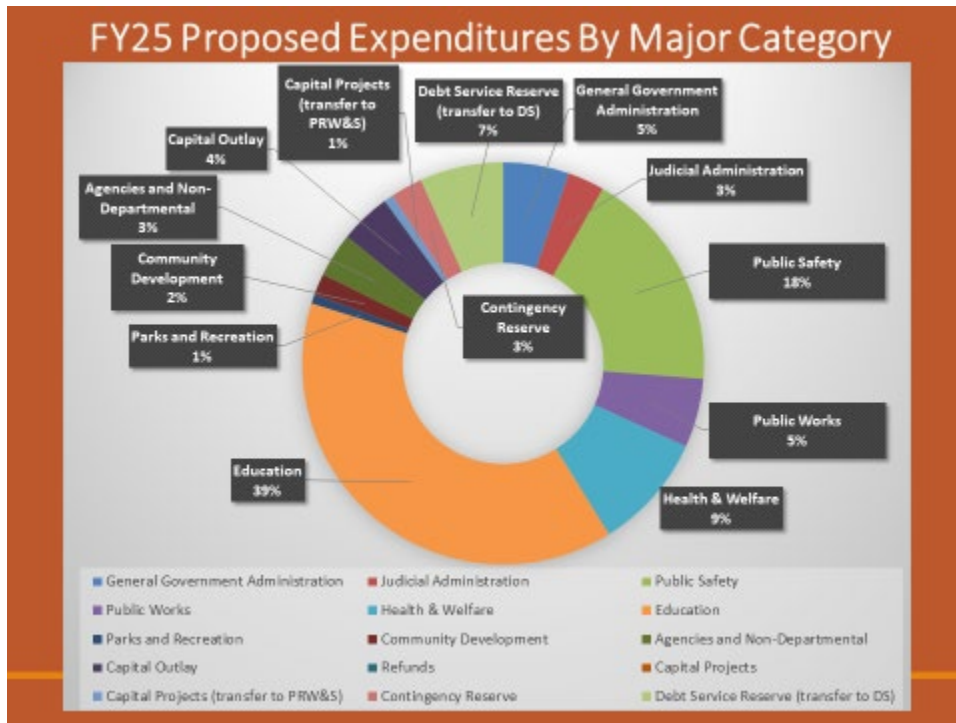
Year Ending Balance of \$3,577,427 in FY24 makes up 7.2% of total revenues for FY25. It includes FY24 carryover funds of \$3,227,427 consisting of \$128,138 in ARPA grant funds, \$2,025,537 in Capital Outlay, \$662,994 in Non-Recurring Contingency, and \$410,758 in miscellaneous carry forward and non-recurring costs. The remaining \$350,000 is planned for transfer to the Piney River Water & Sewer Fund for Pump Station replacement costs.

Ms. Staton reported that the FY25 Proposed Expenditures were \$49,530,187. She then reviewed the following FY25 Expenditure information:

FY24-25 GENERAL FUND BUDGET COMPARED TO FY23-24 AS OF February 2024

FY23-24	\$51,765,639
FY24-25	<u>\$49,530,187</u>
Decrease	(\$ 2,235,452)
Percentage Change	- 4.32%

Compared to the current year budget as amended (through Feb. 2024), the proposed General Fund budget reflects a decrease of (\$2,235,452) or -4.32%. This change is primarily due to FY25 budget reductions in Capital Outlay, Transfers, and Capital Projects preliminary costs budgeted in FY24 within the General Fund for the DSS Office Building project. Ongoing project costs are budgeted directly in the Capital Fund for FY25.



Total FY25 General Fund Expenditures equal revenues at \$49,530,187. In looking at how revenue dollars are spent, this graph shows major categories of expenditures as a percentage of the total budget.

The largest category of expenditures shown is Education at 39% representing \$19,156,889 (including \$2,117 for PVCC). In addition to the \$19,154,772 allocated to NCPS funding in FY25, the County will contribute debt service payments for schools in FY25 in the amount of \$838,263 for a total of \$19,993,035. This total has been reduced from the FY24 total by retired debt of \$1.1M for the NCHS/NMS building construction project.

The FY25 County support for NCPS includes funding for four (4) School Resource Officers from the General Fund budget. This cost is included in the Public Safety category at approximately \$313,915, of which the County will receive partial state grant revenue funding in FY25 at \$92,621. The balance of \$221,294 for SRO salaries and benefits is fully County funded.

FY25 Expenditures By Major Category (% of Total Budget)

School Division- Operations (39%)	\$19,154,772
Public Safety (18%)	\$ 8,890,803
Governmental Operations (16%)	\$ 8,066,747
Health and Welfare (9%)	\$ 4,651,383
Agency & Non-Departmental (includes PVCC) (3%)	\$ 1,758,229
Capital Outlay (4%)	\$ 2,025,537
Capital Projects (transfer to Piney River Water/Sewer)	\$ 350,000
Refunds & Unallocated Reserve (3%)	\$ 1,307,432
Debt Service (7%)	<u>\$ 3,325,284</u>
Total	\$ 49,530,187

- The largest expense within the General Fund is \$19.1M (39% of total budget) for the School Division.
- Next is Public Safety operations at just under \$8.9M or about 18% of total budget.
- Third is Governmental Operations at just over \$8M or 16% of budget. Included are General Government and Judicial Administration, Public Works, Parks and Recreation, and Community Development.
- Next are Health and Welfare at 9% and Agency/Non-Departmental at 3%. Agency and Non-Departmental includes the remainder of the FY24 COVID-19 American Rescue Plan Act funds of \$128,138.
- Capital Outlay is budgeted at 4% or just over \$2M. Refunds and unallocated contingency reserve of \$1.3M make up 3% of the General Fund budget.
- PRW&S Fund: \$350,000 transfer is allocated from the General Fund to replace one of the sewer pumping stations.
- Debt Service transfer: \$3.3M covers debt service payments in FY25 and adds \$1.1M of FY24 declining debt to the reserve fund increasing future debt capacity for capital projects for the County and Schools.

Expenditure Highlights:

Personnel:

- **3% Salary & Benefit Adjustment Included, or Greater of Equity Adjustment**
From Management Advisory Group Pay Study implemented in FY24
- **11% Increase in Health Insurance Premiums**
 - To include a High Deductible Plan with Health Savings Account (HSA)
- **VRS Employer Rate Contribution Changes**
 - Defined Benefit Retirement Contributions – Decrease from 11.47% to 10.77%
 - Virginia Local Disability Program (VLDP) – Decrease from .85% to .74%
- **New Positions Included:**
 - Assistant Director of Special Projects (Tourism & Economic Development)
- **4 Full-time School Resource Officers (Includes 2 State SRO Grant Positions)**

- A comprehensive pay study was completed by Management Advisory Group and implemented July 1, 2023. At that time, employees earning below the minimum pay range on the approved pay study scale for their position received the greater of either a 5% pay increase or the raise to minimum on the new pay scale. The final step in the MAG pay study process was to apply equity adjustments to compensate employees for years of service with the County. The proposed FY25 budget allows an across-the-board salary increase to all employees at 3%, or application of the delayed equity adjustment, whichever is greater.

- Health Insurance premiums for FY25 increased by 11%. In an effort to minimize costs, the Board elected to offer employees the option of a High Deductible Plan in addition to the current KA250 and KA500 Plans. The HD Plan also allows employees the optional advantage of utilizing a Health Savings Account (HSA) for tax-free health care deductions.

- The FY25 VRS Employer Rate Contribution changes are as follows: 1) Defined Benefit Retirement Contributions will decrease from 11.47% to 10.77%; and 2) Virginia Local Disability Program (VLDP) rates decrease from .85% to .74%.

- An Assistant Director of Special Projects position in the Tourism and Economic Development department is included in the FY25 budget.

- The FY25 budget includes 4 School Resource Officers; two (2) are partially state grant funded.

Expenditure Highlights:

Public Safety & Emergency Services:

- 14.2% increase in Regional Jail Costs
- Emergency Services Vehicle – 80% of Tanker Cost for Faber Fire Dept. and Power Load System & Cot for NEMS Ambulance Acquired From Rockfish Volunteer Fire and Rescue Squad
- IT & Network: Microwave Network Upgrade, Server Replacement, Microwave Battery Replacements, Radio Improvements at Wintergreen, Circuit Court Audio/Visual System Replacement
- Additional Funding for Local EMS Council As Requested
- 6 Sheriff's vehicles and equipment

- Regional Jail cost increases are due to higher utilization; Albemarle-Charlottesville Regional Jail (ACRJ) uses a 5 year average prisoner population to help smooth out annual increases; however with annual utilization on the rise, average annual costs will also increase. Nelson County's obligation for construction costs are anticipated to begin in FY25.

- The budget includes operational funding to: 1) Provide 80% of the cost of a Tanker truck for Faber Fire Dept. and a Power Load System and Cot for the Nelson Emergency Medical Services (NEMS) ambulance acquired from Rockfish Volunteer Fire and Rescue 2) IT and Network expenses (including: network server replacement; network penetration testing; IT Microwave Network Upgrade and replace Microwave Batteries DC Plant; radio communications improvements at Wintergreen); and Circuit Court Audio/Visual system replacement.

- Full funding to Nelson County Emergency Services Council as requested.

- Purchasing 6 Sheriff's vehicles and equipment. All of the aforementioned costs continue to increase sharply while deliveries still experience delays.

Other Highlights:

- **Increases to Agency Contributions of \$21,326**
- **Capital Project Funding of \$4,832,372**
- **Miscellaneous Capital Outlay - Total \$2,025,537**
- **Transfers to Other Funds of \$25,041,291**
 - Reassessment Fund - \$100,000
 - DSS- \$2,111,235
 - School Nurses and Operational Funding - \$19,154,772
 - Debt Service -\$3,325,284
- **Contingency Reserves of \$1,275,432**
 - Recurring \$612,438
 - Non-Recurring \$662,994

The budget also includes contribution increases to the following Agencies: Nelson County Health Department, Nelson Local EMS Council, Thomas Jefferson Soil & Water Conservation District, Jefferson Madison Regional Library, JABA (Jefferson Area Board for Aging), Foothills Child Advocacy Center, Community Investment Collaborative (Central VA Small Business Development Center), and Rockfish Senior Meals. Some requests were reduced for FY25 making the net increase for Agencies just over \$21,000.

Capital Project Funding includes \$300,500 reserved for Schools, \$2,456,071 for the NCHS renovation project, and \$1,656,071 for the DSS Building project. The balance of \$419,730 is unallocated reserve.

Miscellaneous Capital Outlay, aside from those items included for Public Safety and Emergency Services previously mentioned, includes: 1) Sturt Property set-aside 2) Voting Machine Replacement and Department of Elections Security Compliance, and 3) Replacing the Transfer Station Tipping Floor. Total Capital Outlay funding is \$2,025,537.

Transfers are the transfer of General Fund monies for other purposes. Transfer funds include funding set aside for the next reassessment, for the Department of Social Services (VPA Fund), for School Nurses and School Operations, for the Debt Service Fund, for Piney River Water & Sewer, etc. FY25 Transfers total \$25,041,291.

Also included are Contingency Reserves of \$1,275,432 with \$612,438 generated from recurring revenue and \$662,994 from non-recurring revenue (carryover). Non-recurring contingency funds are best used for one-time expenditures. Recurring contingency funds can be used for one-time expenditures without impacting future operations.

Ms. Staton then reviewed the FY25 School Fund which was \$32,365,576. She reported the following information on the School Fund for FY25:

**FY24-25 Advertised SCHOOL
FUND BUDGET COMPARED TO
FY23-24 Approved Budget**

FY23-24	\$34,694,395
FY24-25	<u>\$32,365,576</u>
Decrease	(\$ 2,328,819)
 % Change	 - 6.7%



The FY24 School Fund approved budget based upon an enrollment of 1396 compared to the FY25 advertised budget based on an enrollment of 1430 reflects an overall decrease of (\$2,328,819) or – 6.7%. The decrease is largely due to the increase in expenditure projections versus a \$1.17M decrease in state, federal, and other funding sources.

In FY24 the State School Construction Assistance Program (SCAP) Grant was fully appropriated at \$2,451,703. Approximately 1.4M of this grant is anticipated to be requested for use in FY25 and is not presently included in the total FY25 budget shown here.

FY25 School Fund Revenue

Local:	\$19,154,772 + \$610,000
State:	\$ 9,594,359 - \$427,432
Federal:	\$ 2,898,258 (no change)
Other:	<u>\$ 718,187 + \$289,567</u>
Total School Funds	\$32,365,576



In addition to local operational funding of \$19,154,772, an increase of \$610,000 over FY24, the School Division also receives revenues from other sources: State, Federal, and Other (which is comprised of reimbursements for field trips, dual enrollment, and telecommunications rebates etc. projected at \$718,187). State funding included here reflects an anticipated decrease of \$427,432 and is based upon the original General Assembly recommended budget proposal. Regular Federal funding is anticipated to remain level for FY25. The amount represented here includes carryover Covid-19 stimulus relief funding of \$504,993 from FY24 into FY25.

FY25 Local Contribution to Schools

School Operations	\$18,989,837	+ \$610,000
School Nurses	\$164,935	(no change)
4 SRO's (General Fund)	\$221,294	+ \$ 92,000 (State Grants)
Reserve for Capital	\$ 0.00	(no change)
Transfer to School Capital	\$ 0.00	(no change)
Total Contribution	\$19,376,066	
Existing School Debt	\$ 838,263	
*TOTAL SUPPORT	\$20,214,329	

*96.8% of FY25 local Real Estate Tax revenue supports the Total Local Contribution to Schools as shown above.

This is the equivalent of \$.63 cents out of every \$.65 cents in Real Estate Tax revenue.



Ms. Staton reiterated that one of the largest components of the General Fund budget was the local contribution to schools. She then reported the following:

Including debt, about 51.0% of local funds within the general fund budget are allocated to schools which equates to 40.8% of total GF budget.

The local contributions to School Operations and the School Nurses for FY25 is funded at \$610,000 more than in FY24 versus the School Division request of \$1.78M in new local funding for FY25. Four (4) School Resources Officers are funded at just under \$314K, with \$92K in state grant funding as allocated within the General Fund budget. The county will also fund \$838,263 in existing school related debt; with additional debt associated with the NCHS renovation to be determined.

Given the Total Contribution, not including debt, approximately 92.8% or \$.60 cents out of every \$.65 cents in Real Estate tax revenue supports the Schools. Including Existing School Debt, this percentage increases to 96.8% or \$.63 cents out of every \$.65 cents in RE Tax revenue in FY25.

With estimated FY25 school enrollment of 1430, the proposed level of local funding provides a per pupil local expenditure cost of \$13,395. FY25 Local Education funding of \$19,154,772 coupled with State, Federal, and other funding for schools of \$13,210,804 yields a total cost of \$32,365,576 or \$22,633 per pupil in FY25.

Required Local Contribution to Schools Based on Enrollment of 1,430 and Original General Assembly Recommended Budget

Local Composite Index (LCI) – The formula by which the State determines the percentage split between State and Local Funding for education.

Nelson County’s LCI for 2024-2025 is **0.6645 - up 7.6% from 0.5888**

Based on enrollment of 1,430 students, the County’s required local contribution to Schools for FY25 is **\$12,618,196**.

FY25 Local Contribution for operations at **\$19,154,772** exceeds the required local contribution by **\$6,536,576** or **51.8%**.



The Local Composite Index is the State’s formula for determining a locality’s ability to pay; the higher the index, the lower the amount of funds received from the State. An LCI of **0.6645** means that the County pays **66.45%** and the State Share is **33.55%** for Standards of Quality (SOQ) Programs, Incentive Programs, Categorical Programs, and Lottery-Funded Programs. This is a 7.6% increase in Local funding required toward these programs over FY24. Enrollment also contributes to the amount of total funds received. Enrollment for FY24 was 1396 while FY25 is projected at 1430, an increase of 34 students.

Nelson County Schools continue to be well funded. Operational funding for Schools including funding nurses for the schools is proposed at \$19,154,772 (\$18,989,837 for operations and \$164,935 for nurses). For student enrollment of 1430, this funding exceeds the required Virginia Department of Education funding (Required Local Share) of \$12,618,196 by \$6,536,576 or 51.8%. This difference is 31.3% of RE Tax revenue, or 20.3 cents of every .65 in RE Tax revenue.

Proposed School Fund Expenditures by Major Category As Requested

Instruction	\$21,569,382	+	\$1,008,145	
Administration	\$ 1,653,994	+	\$ 37,921	
Transportation	\$ 3,120,471	+	\$ 86,237	
Maintenance	\$ 3,158,015	+	\$ 142,581	
Food Services	\$ 1,351,859	+	\$ 28,256	
Facilities	\$ 0			(no change)
Debt Service	\$ 197,947	+	\$ 5,765	
Technology	\$ 1,756,122	+	\$ 295,240	
Fund Transfer	\$ 229,001	+	\$ 44,198	
*Total:	\$33,036,792	+	\$ 1,648,344	+ 5.29%
* Excludes \$504,993 in Covid-19 Stimulus Carryover Funding				



The major categories of expenditures shown here are based upon state funding as provided for in the original General Assembly’s recommended budget compared to the FY24 requested budget. This is an overall increase of **\$1,648,344** or 5.29% above the FY24 budget request of

\$31,149,585. The FY25 proposed School Division budget includes a request for an increase of **\$1,786,209** in local funding due primarily to increased expenditure projections and decreased State and Other funding sources. The Board of Supervisors has allocated \$610,000 in new local funding for School Division operations in FY25, funding total expenditures of \$32,365,576. The Board of Supervisors provides the local contribution to the School Division; however the School Board and Administration decide how those funds are allocated for expenditure within the School division budget.

In addition to this operational funding request, an immediate Capital Improvement concern of Nelson County Public Schools is the NCHS Renovation Project for which a Bond Anticipation Note has been obtained through the Economic Development Authority (EDA) and included in the County's Capital Fund budget for FY25. The BAN total included in the FY25 Capital Fund budget is \$2,456,071 for project implementation while seeking and preparing a long term funding option, potentially through VPSA (Virginia Public School Authority). The total project is estimated at approximately \$25M. This aligns with the FY24 recommendation from the NCPS analysis that these improvements are critical and advised for completion within three (3) years. All short and long term Debt Service costs associated with this Capital project will be fully funded through the County Debt Service Fund.

Summary By Fund

■ General Fund	\$49,530,187
■ School Fund	\$32,365,576
■ Textbook Fund	\$729,537
■ Cafeteria Fund	\$240,491
■ Capital Fund	\$4,832,372
■ Piney River Water/Sewer	\$539,908
■ Debt Service Fund	\$6,562,696
■ Broadband Fund	<u>\$276,138</u>
	\$95,076,905

To conclude, all the funds that make up the county budget are denoted here totaling just over \$95M.

Additional information regarding each fund has been provided in the handouts, but should you have questions or want further information, we will be glad to provide that to you. Per State Code, the Board must wait a minimum of seven (7) days following the public hearing before adopting the budget. This being June 4th, the Board may adopt the FY25 budget as early as the Board's next regular meeting on June 11, 2024.

Ms. Staton concluded the FY25 Budget presentation.

Mr. Parr opened the public hearing on the Proposed FY25 County Budget, All Funds.

Margaret Clair - Faber, VA

Ms. Clair noted that she was the Director of the Nelson County Community Development Foundation and the Central District representative on the School Board, but she would just be speaking as a constituent and a tax payer in Nelson. She applauded Ms. Staton for her work on the presentation. She commented that the LCI hit pretty hard, noting that the LCI was based on gross income, real property values and sales tax in the County, all of which had gone up. She pointed out the increase in local revenues by \$1.5 million which reflected that. She noted that this caused the Schools to have a \$1.1 million deficit in their budget from what their requested amount was. She commented that was a huge amount of money, and for a budget built on people and benefits, it was going to hit people, programs and benefits. She asked the Board to dig into funds and see where they could find more money to support the schools. Ms. Clair said she had been

listening to a commencement speech by Ken Burns and he had noted the divisions between people in America and how they were very “us and them”. She noted that Mr. Burns had said there was no them, there was only us. She then commented that in the feeling of One Nelson, the bottom line was our budget and it was really hitting the schools hard. She asked the Board to think about who the Schools served, everybody in the community. She noted that the Schools were the community. She commented that the SOQ (Standards of Quality) positions were very underfunded. She noted that the JLARC study proved that Virginia, as a state, underfunds their schools because the LCI index was well below what was nationally funded for schools. Ms. Clair commented that she needed to advocate for the schools.

Jeri Lloyd, Afton, VA

Ms. Lloyd commented that she had not planned to speak because she did not spend a lot of time reviewing the budget as she had just gotten back from Alaska. She noted that she liked the budget, and thought the budget was fairly well articulated. She commented that she probably had more questions. She referenced page 9 and asked why are the revenues were decreasing. She noted in the next section under Local revenue and commented that there seemed to be a significant amount of money from lodging tax. She asked if the County was seeking out those who had lodging businesses to see if they had business licenses. She noted that would be a little more money that the County could get, but she commented she was not sure how the County could go about doing that. Ms. Lloyd then referenced page 17, noting that she appreciated the equity in the benefits of all employees for the School system and the County. She commented that it was amazing for the County to be able to do that. She noted that several other communities throughout the state and the country were not even doing three (3) percent. She stated that for Nelson County to do three (3) percent, it was really phenomenal. She then noted again on page 17, the Assistant Director of Special Projects position and asked if that was a permanent position or not. She then asked what percentage of the resource officers came from the state grant. She asked how they figured out what the percentage of that funding was. Ms. Lloyd then referenced page 19 and asked how the contributions for local agencies like JABA were determined. She noted page 22 and asked if the dual enrollment offset the expenditure that the County sent to PVCC. She asked if dual enrollment was being paid in addition to the funding for Piedmont Virginia Community College. She commented that compared to the neighboring counties, what Nelson paid per pupil was pretty phenomenal given the County and its size.

Philip Purvis - Shipman, VA

Mr. Purvis noted that his biggest comment was that he had done a little research on private schools, and the state average was around \$11,000 for private education. He commented that most of those were Christian education. He reported that LCA in Lynchburg had an attendance of about 15,000 students and their tuition was about \$11,000. He noted that LCA was offering many of the same things that public schools offer, for about one-third of what the County was spending for public education, with the exception of a few extra fees for sports. He asked why it cost almost three (3) times as much for public education as it was for private education. He asked at what point public education would become unsustainable. He noted that he was not opposed to public education, as he had come through school in Nelson and graduated from there. He commented that he knew private education would never replace public education. He asked if they could encourage private sources to come in and educate for less than what the County was putting in, not taking into consideration what the state and federal contributions were. He noted his concern that they were spending almost \$30,000 per student to educate a child in Nelson County, based on last year’s budget. He commented that the average income in Nelson County was \$35,000. He said it seemed a little extravagant to him.

William Percy - Lovingson, VA

Mr. Percy requested that the Board direct administration to have another look at the School Speed Zone proposals from Blue Line and Altumint to get competitive proposals. He suggested that it may be good to have two (2) bids. He noted that he would appreciate if the Board would direct administration to readdress that subject.

There were no others wishing to speak. Mr. Parr closed the public hearing.

III. OTHER BUSINESS (AS PRESENTED)

The Board had no other business to discuss.

IV. ADJOURNMENT

At 7:53 p.m., Mr. Rutherford moved to adjourn the meeting. Dr. Ligon seconded the motion. There being no further discussion, Supervisors approved the motion by vote of acclamation and the meeting adjourned.