

June 9, 2020

Virginia:

AT A REGULAR 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: Jesse N. Rutherford, East District Supervisor
Thomas D. Harvey, North District Supervisor – Chair
Ernie Q. Reed, Central District Supervisor – Vice Chair
Robert G. “Skip” Barton, South District Supervisor
Stephen A. Carter, County Administrator
Grace Mawyer, Administrative Assistant/Deputy Clerk
Candice W. McGarry, Director of Finance and Human Resources
Martha Eagle, School Division Superintendent

Absent: J. David Parr, West District Supervisor

I. CALL TO ORDER

Mr. Harvey called the meeting to order at 7:03 pm with four (4) Supervisors present to establish a quorum and Mr. Parr being absent.

- A. Moment of Silence
- B. Pledge of Allegiance – Mr. Barton led the Pledge of Allegiance

II. PUBLIC COMMENTS

Public Comments were heard after Public Hearing (A): Proposed FY20-21 County Budget, All Funds.

1. Danny Harris, Jefferson Area Board for Aging (JABA)

Mr. Harris noted he manages the community senior centers here in Faber and Lovingston and provided an update on things they have been doing during the pandemic. They started getting home delivered meals out to the seniors in the community, which has been a great blessing to a lot of people. With the home delivered meals, they have also sent out activity kits and cheer kits which include puzzles, games, coloring sheets, etc. that people can work on while they are staying at home. He noted they just sent out their third newsletter to keep people informed on updates and online resources for those with internet access. He added they have a conference call every other week, where they’ve had devotions and a few different presenters from different community partners. Mr. Harris noted that in addition to the conference calls, on alternating Fridays, he is leading an exercise class on Facebook Live. He then advised that they have a new options counselor, Caleb Campbell, who has hit the ground running. He concluded by noting that about a quarter of Nelson County’s population is senior citizens, and a lot of

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those people need the support that JABA can provide. He stated that JABA appreciates the Board's support, adding that the Board has worked closely with them over the years, and he asks that they continue to do so.

Mr. Barton asked if Mr. Harris has any idea when they will be able to meet as a group again. Mr. Harris stated no, and they are waiting to see how the different reopening phases go, but they are working on getting protocols in place for when they can meet.

2. Larry Stopper, Afton VA

Mr. Stopper advised that he is providing an update on what is happening at the Nelson Heritage Center and Health Department in particular. He noted that the Health Department has approached the Heritage Center and is quite interested in pursuing leasing space there; they have given the Heritage Center a Request for Proposal (RFP), which is being studied right now. He advised that they have recruited a commercial real estate agent and a lawyer to help them analyze what the State is asking. He stated the Health Department needs approximately 5,000 square feet, handicapped access, and appropriate parking, all of which the Heritage Center has. However, they estimate that renovations to the building to accommodate them would run between \$300,000-\$500,000, so the Heritage Center would need to take out a substantial loan. Mr. Stopper noted that the Health Department would pay for it over the ten-year period of the lease, and after the ten years are up and they've spent that much money, it is presumed they would continue to stay there. He stated they think it is a big win for the Heritage Center and also for the Health Department, whereas they would have a real, long-term home and the Heritage Center would have a steady, rent paying client.

Mr. Stopper noted that the other project that the Heritage Center has moving forward is the renovations on the gymnasium. He stated they have raised over \$40,000 at this point and have fulfilled all the requirements in terms of engineering reports and architectural drawings. He advised that Chuck Miller, the County's Building Official, has given them the go-ahead to proceed with repairs. He added that they are studying two different proposals to fix the roof, but they think they have enough money in their budget for this, and they are still looking at well over \$100,000 in overall costs beyond the roof to get the gymnasium operational, a large chunk of which is HVAC. He noted that the issue currently in terms of the gymnasium repair is pertaining to their fundraising, due to COVID-19. He added that the Heritage Center has numerous grant applications out there, but in terms of raising their own funds, particularly if they get matching grants, it will be tough to come up with those matching funds because it's hard to fundraise when people are prohibited from gathering.

Mr. Stopper reiterated that the Heritage Center is excited with the opportunity the Health Department is presenting, and they are pushing forward on that.

Mr. Rutherford asked for an update on the food bank at the Heritage Center. Mr. Stopper advised they are running two different food banks. They have the mobile food bank on the first Tuesday of the month, which is quite successful; the Blue Ridge Food Bank operates this one. On the third Thursday of the month, they have the food pantry, which is a different operation; the food is from the Blue Ridge

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Food Bank as well as donations from Food Lion and other places. Mr. Stopper noted that both food banks are moving forward quite successfully, and they would not only be impacted, but also complemented by having the Health Department over there. He added that the Heritage Center is also negotiating with the Monticello Area Community Action Agency (MACAA), who is looking to bring the Head Start program over to the Heritage Center. He advised that they are waiting to figure out what it is the Health Department really wants before they move forward with MACAA.

III. PUBLIC HEARINGS

A. Proposed FY20-21 County Budget, All Funds

Ms. McGarry gave the following presentation on the FY20-21 budget:



2020 Tax Rates

- ▶ No change in tax rates.
- ▶ All tax rates are levied per \$100 of assessed value
- ▶ Real Estate and Mobile Home tax rate \$0.72
- ▶ Personal Property tax rate \$3.45
- ▶ Machinery & Tools tax rate \$1.25

Ms. McGarry noted that he proposed budget is based on no change in the tax rates. She added that the last time the Real Estate and Personal Property tax rates were changed was in 2014.

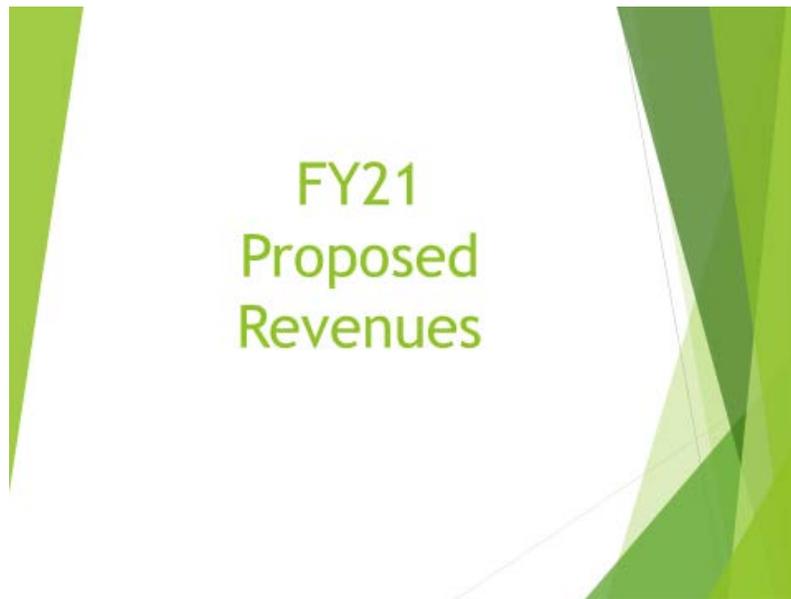
Budget Funds

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

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Ms. McGarry noted that the County utilizes a fund accounting system for tracking budgetary and financial activity and that the Board was considering the proposed budgets for each of those 7 funds as shown.

She noted that the two largest funds were the General Fund and the School Fund. She added that the General Fund often supported the other funds as was the case with the School Fund and the Debt Service Fund. She noted that the remaining funds were generally project oriented or the fund may relate to an enterprise operation such as Piney River water and sewer operations. She then noted that the Broadband budget would be addressed by the Nelson County Broadband Authority and because of the business nature of that fund, it did not have the same public hearing requirements and served as a business planning tool.



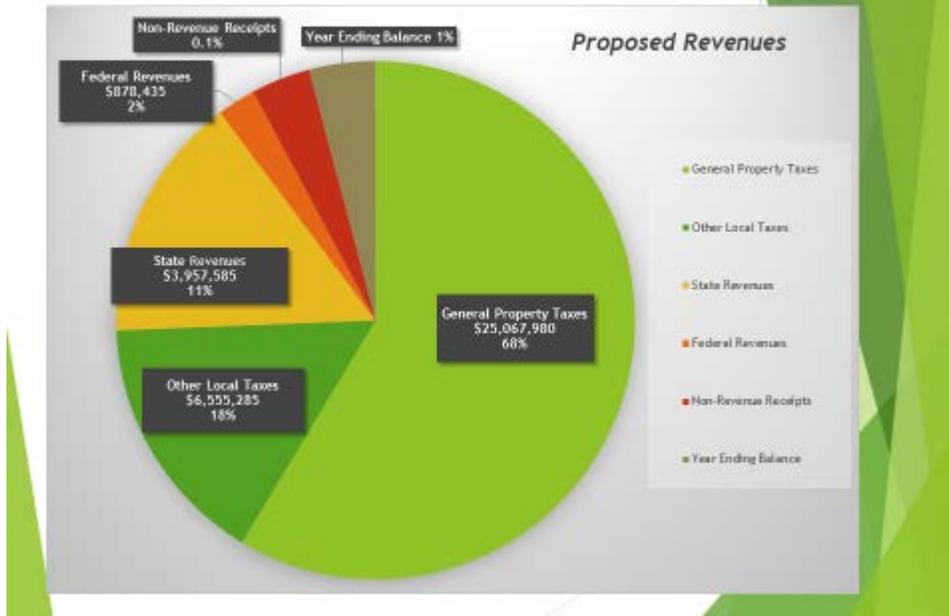
**FY20-21 GENERAL FUND BUDGET
COMPARED TO FY19-20 As of May 2020**

▶ FY19-20	\$44,449,452
▶ FY20-21	<u>\$36,943,981</u>
Decrease	- \$7,505,471
% Change	-16.89%

**Excluding FY20 Capital Project Funds
and Prior Year Balances Used to Offset
COVID-19 Tax Relief, Overall Revenues
for FY21 Decreased -\$363,278 or 1.0%.**

Ms. McGarry noted that the proposed General Fund budget reflects a decrease of \$7.5 million, which is a decrease of 16.89%. She advised this decrease can be attributed primarily to the completion of two major projects in FY20: The Blue Ridge Tunnel and Library Expansion projects. The projects utilized Federal Highway/VDOT and Recreational Trails grant funding and bond proceeds respectively. She noted that excluding these funds and prior year balances used to offset the FY20 COVID-19 Tax Relief in this comparison, Overall Revenues decreased -\$363,278 or -1.0%.

FY21 Proposed Revenues By Major Category



Ms. McGarry noted local revenue consisting of general property taxes and other local taxes make up 86% of the overall budgeted revenue. Total anticipated local revenues are \$31,623,265. State revenues account for 11% at \$3,957,585, and federal revenues account for 2% of the total budget at \$878,435. She noted non-revenue receipts and year ending balance are 1.1% of the total at \$20,000 and \$464,696 respectively.

Local Revenue

▶ FY20 Budget	\$29,897,592
▶ FY21 Estimates	<u>\$31,623,265</u>
Overall Increase	\$ 1,725,673
Percent Change	+5.77%

Excluding FY20 COVID-19 Personal Property & Machinery & Tools Tax Relief, there is an overall decrease in Local Revenue of -\$325,869 or -1.02% from FY20 to FY21.

Ms. McGarry advised that FY21 local revenue made up about 86% of the total General Fund budget at \$31.6 Million dollars, and the primary source of local revenue was general property taxes (\$25,067,980) which accounted for 68% of all local revenue. She then noted the FY21 budget reflects a 5.77% increase when compared to the FY20 amended budget through May 2020; However, this is due to the amended FY20 budget that reflects COVID-19 Personal Property and Machinery and Tools tax relief that would not be realized as local revenue. She noted that if this revenue were realized, anticipated Local Revenue for FY21 would be approximately \$-325,869 or -1.02% less than in FY20.

Significant Local Revenue Factors

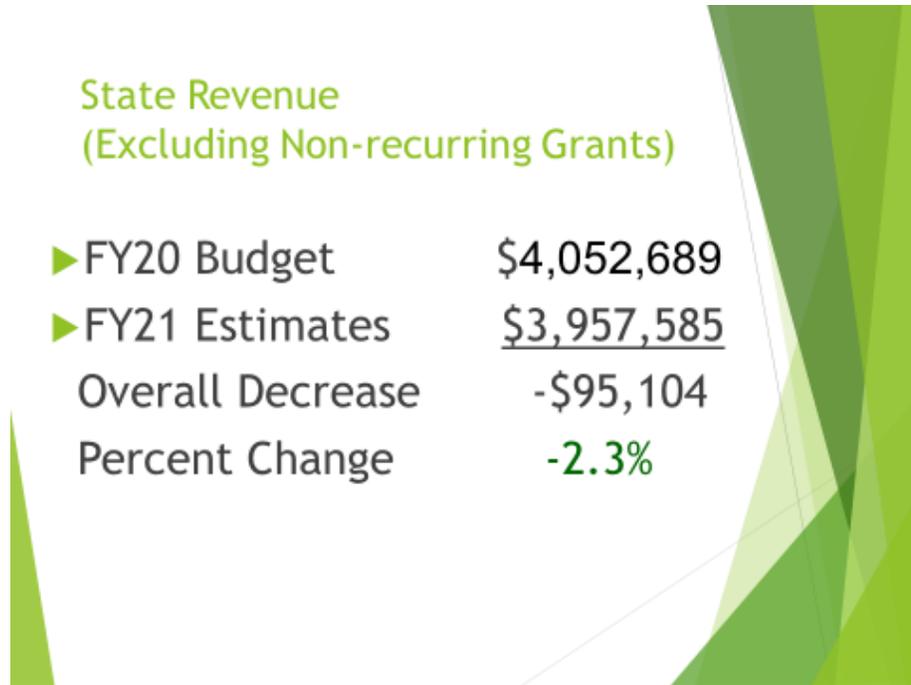
- ▶ **General Property Taxes** reflect a budgetary increase of \$1,996,063 (8.0%) in FY21; however without FY20 COVID-19 Personal Property and Machinery & Tools tax relief, General Property Taxes decrease -\$55,479 or -0.2%
- ▶ **Local Sales Tax** is expected to decrease by -\$246,106
- ▶ **Meals & Lodging Taxes** are projected to increase slightly (+\$27,128) from FY20; however the effects of COVID-19 on the last quarter of FY20 and FY21 are indeterminate at this time.
- ▶ **Court Fines & Forfeitures** are projected to decrease -\$111,000
- ▶ **Interest Earnings** are also expected to decrease by -\$110,000
- ▶ **Non-revenue Receipts** are decreasing -\$1,811,623 primarily due to use of bond proceeds in FY20 related to the Nelson Memorial Library expansion and renovation project that will not re-occur in FY21.

Ms. McGarry noted that General Property Taxes reflected an estimated budgetary increase of \$1,996,063, however, taking into account FY20 COVID-19 Personal Property and Machinery and Tools tax relief, General Property taxes are anticipated to decrease by approximately \$-55,479 or -0.2%. She advised that General Property Taxes include Real Estate, Personal Property, Machinery and Tools, Public Service taxes and delinquent taxes, penalties and interest.

Ms. McGarry noted the ultimate effects of COVID-19 on local revenue for both the last quarter of FY20 and FY21 are presently indeterminate, however, Real Estate Taxes are expected to increase slightly with increases in Permit Fees and Recovered Costs. She added the calendar year 2020 value of taxable real estate after land use deferrals and elderly tax relief is \$2.48 billion, which generates approximately \$238,894 of estimated collectible real estate tax revenues for each penny of the tax rate, including back taxes, for which the approximate amount is \$247,844. She added that Meals and Lodging Tax is expected to grow slightly, however, this will be monitored closely going forward. These increases will offset declines in:

- Local Sales Tax, which is expected to decrease -\$246,106
- Court Fines & Forfeitures, which are anticipated to be -\$111,000 less in FY21; however, implementation of e-ticketing could effectively improve these receipts

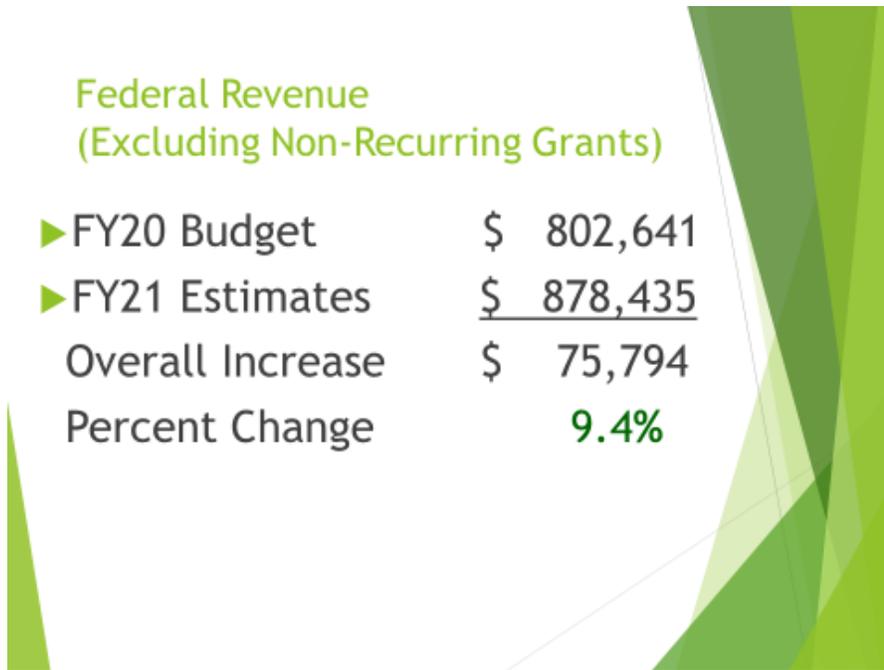
- Interest earnings, which are expected to decrease -\$110,000 in the next year
- Non-revenue Receipts, which will decline significantly due to the conclusion of use of bond proceeds for the Nelson Memorial Library expansion and renovation project that will not recur in FY21



Ms. McGarry noted that State revenue excluding non-recurring grants of \$3,566,859 primarily for the Blue Ridge Tunnel project is shown in the above slide. Including grant funding, State Revenue makes up 11% of the total General Fund budget in FY21. Throughout the year, state grant funds will be appropriated as awarded or received.

Ms. McGarry stated that State funding within the General Fund includes: Compensation Board funding for Constitutional Offices and state support of public assistance (DSS) and At Risk Youth programs which both show increases of 10.2% and 1.67% respectively.

She added that next year's budget reflects an overall decrease of approximately -\$95,000 thousand or -2.3%. This is attributable to the State's elimination of the localities' share of Tax on Deeds for FY21 due to COVID-19.



Ms. McGarry stated that Federal revenue makes up 2% of the total General Fund budget. Generally, federal sources include social services funding, Children’s Services Act funding, the payment in lieu of taxes relative to national forestland located in Nelson County (from the U.S. Bureau of Land Management) and various other federal grants.

She advised the increase reflected here is due to support of Social Services programs and At Risk Youth programs. Additionally, Victim Witness funding was lumped in total into the State Revenue category previously and is now being split budgetarily between State and Federal funding categories. She added it is also anticipated that up to \$1.3 million in federal CARES Act COVID-19 stimulus funding will be added to the FY21 federal revenue. These funds must be utilized for COVID-19 qualifying expenses per the Act for the time period of March 1st, 2020 to December 30th, 2020. Some minor level of expenditure is expected in FY20 with the majority to occur in FY21.

All Sources of Revenue

▶ Local	\$31,623,265
▶ State	\$ 3,957,585
▶ *Federal	\$ 878,435
▶ Non-Revenue Sources	\$ 20,000
▶ Year Ending Balance	<u>\$ 464,696</u>
Total	\$36,943,981

*Up to \$1.3M in CARES Act COVID-19 Stimulus Funding Is Anticipated to Be Added to FY21 Revenue.

Ms. McGarry noted that local, state, and federal revenues, and non-revenue sources together with prior year ending balance (funds on hand at year end) make up all projected revenue supporting the FY21 proposed expenditures. FY21 Non-Revenue Sources includes \$20,000 in anticipated insurance recoveries. She advised that the year ending fund balance in FY21 includes carryover of estimated unexpended FY20 Capital project funding that will be now completed in FY21. These are the microwave network upgrade at \$369,500, replacement of the water tank at the Heritage Center for \$82,696, and implementation of an Email Archive solution for the County for \$12,500.

FY21 Proposed Expenditures

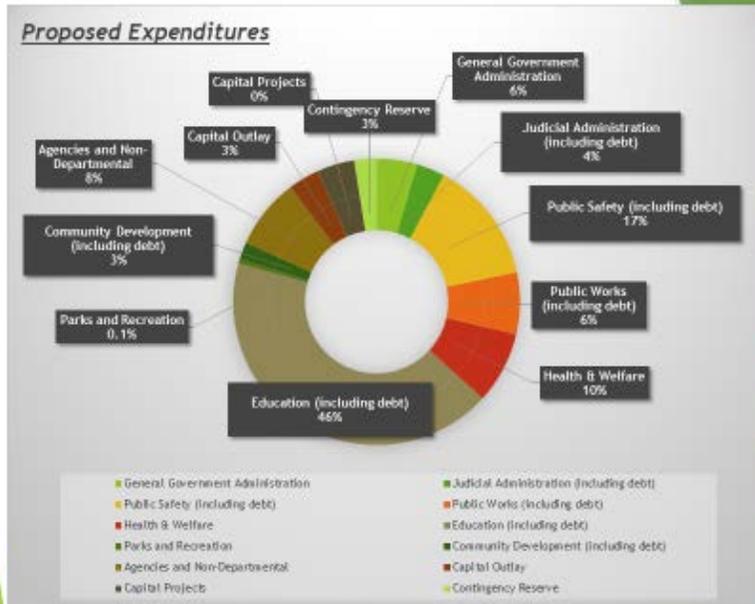
**FY20-21 GENERAL FUND BUDGET
COMPARED TO FY19-20 As of May 2020**

▶ FY19-20	\$44,449,452
▶ FY20-21	\$36,943,981
Decrease	- \$7,505,471
% Change	-16.89%

Excluding Capital Projects and major Non-recurring expenditures, FY21 Expenditures are -\$636,978 or -1.7% less than in FY20.

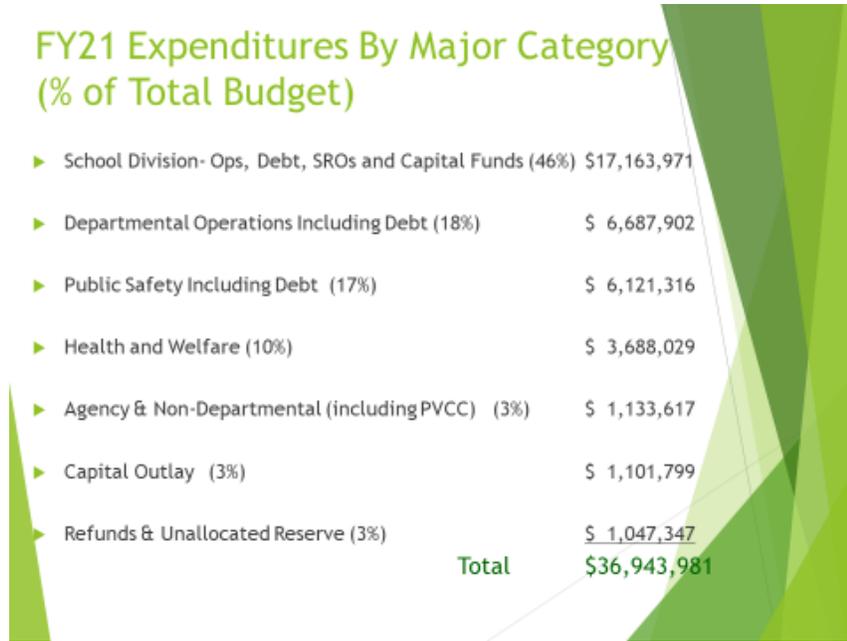
Ms. McGarry advised that compared to the current year budget as amended (through 5/20), the proposed General Fund budget reflects a decrease of -\$7,505,471 which is a -16.89% decrease. This decrease can be attributed primarily to the completion of two major projects in FY20 – the Blue Ridge Tunnel and Library Expansion projects. Additionally, expenditures for Capital Outlay and Capital Reserves for Schools, Motor Vehicles, and prepayment of debt are significantly reduced from FY20. Excluding these non-recurring items, FY21 expenditures represent a decrease of -\$636,978 or -1.7% from those of FY20.

FY21 Proposed Expenditures By Major Category



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Ms. McGarry stated that total FY21 Expenditures equal revenues at \$36,943,981. In looking at how revenue dollars are spent, this graph shows major categories of expenditures as a percent of total budget. The largest category of expenditures shown is Education at 46% or \$17 million including debt of \$1,862,017 and SRO Reserve funding of \$207,132.



Ms. McGarry advised that following the largest General Fund expense of \$17 million (46% of total budget) for the School Division is:

- Departmental operations overall including debt will cost \$6.7 million or about 18% of the budget. This includes General Government and Judicial Administration, Public Works, Parks and Recreation, and Community Development (including debt).
- Public Safety including debt is 17% or \$6.1 million with Health and Welfare and Agency and Non-Departmental being 10% and 3% respectively.
- Capital Outlay is expected to be \$1.1 million or 3% which includes \$960,000 for Emergency Service related expenditures. The budget also includes refunds and an unallocated Contingency Reserve of \$1.0 million. Additionally, the School Resource Officer Reserve of \$207,132 is maintained in FY21 shown here as part of the School Division funding.

Expenditure Highlights:

Personnel:

- ▶ No Salary Adjustment Included
- ▶ Includes Required Benefit Increases of \$119,687
- ▶ No New Positions Included
- ▶ 3 Full-time School Resource Officers Maintained

Ms. McGarry noted that given the COVID-19 environment we are in, the proposed expenditures reflect the financial uncertainty going forward effected by Coronavirus. The current recommended budget is \$1.6 million less than the requested expenditure budget with \$606,000 in proposed expenditure reductions being made in light of Coronavirus after the budget's introduction.

Particular items to note that are and are not included in the FY21 budget include: no employee salary adjustment, no new positions, inclusion of required benefit increases, and maintenance of 3 Full-time SRO positions. She advised that State SRO Grant funding for FY21 has been approved and will offset these costs.

Expenditure Highlights:

Public Safety & Emergency Services:

- ▶ No Public Safety Vehicles Included
- ▶ 7.0% increase in Regional Jail Costs
- ▶ Emergency Services Vehicle - Faber Fire Rescue/Pumper
- ▶ Emergency Communications and 911 Center Upgrades
- ▶ Public Safety Microwave Network Upgrade

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Ms. McGarry noted that the budget does not include funding for Police Vehicles and Equipment or any new vehicles. It does include 80% funding to support purchase of 1 Rescue Pumper Vehicle for Faber Fire Department. She advised Regional Jail cost increases of 7% are due to higher utilization; 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 rise over time.

She stated the budget also includes upgrades to the Emergency Radio Communications system and ECC and current Microwave Network which provides for public safety radio communications. The County has been awarded grants that will offset some of these costs.

Other Highlights:

- ▶ Level Funding of Most County Departments
- ▶ Level Funding of Most Agency Contributions & No New Agency Funding
- ▶ Miscellaneous Capital Outlay
 - ▶ Epoxy Animal Shelter Floor
 - ▶ Replacement of Water Tank for Tye River System
 - ▶ Software and IT Related Items
- ▶ Recurring Contingency Reserve of \$1.02 Million

Ms. McGarry advised that the budget also includes level funding of expenditures for most County Departments. Additionally, most Agency contributions were level funded with no new Agency contributions included. Also included are miscellaneous Capital outlay items such as re-epoxying the animal shelter floor which is a regulatory requirement, replacement of the water tank that serves the Tye River system at the Heritage Center, and several IT related items. She added that there is an unallocated recurring Contingency Reserve of \$1.02 million. These funds can be used for one-time expenditures without impacting future operations.

Local Contribution to Schools

▶ School Operations	\$14,929,887	no change
▶ School Nursing Program	\$164,935	no change
▶ 3 SRO's (General Fund)	\$207,132	no change
▶ Reserve for Capital (General Fund)	\$ 0.00	-\$859,913
Total Contribution	\$15,301,954	
▶ School Debt	\$ 1,862,017	
* TOTAL SUPPORT	<u>\$17,163,971</u>	

*95% of FY21 Local Real Estate Taxes Supports Local Education; the equivalent of \$.68 cents out of every \$.72 cents in Real Estate Tax Rate.

Ms. McGarry reiterated that one of the largest components of the General Fund budget is the local contribution to schools. Including debt, about 54% of local funds within the general fund budget are allocated to the schools (46% of total GF budget). The local contributions to School Operations and the School Nursing Program for FY21 is presently funded at the same level as in FY20. Additionally, 3 School Resource Officers are funded at the same level as in FY20 within the General Fund budget. In FY20, \$859,913 was reserved for School Capital, with most of the funds being approved for expenditure. While no new capital funding is presently included, FY20 approved funds not expended by June 30th, will be re-appropriated to cover the remaining costs expended in FY21. The county also funds \$1,862,017 in school related debt.

Ms. McGarry noted that given the Total Contribution shown here, not including debt, approximately 86% or \$.62 cents out of every \$.72 cents in Real Estate tax rate supports the Schools. Including School Debt, this % increases to 95% or \$.68 cents out of every \$.72 cents in RE Tax rate.

With estimated school enrollment of 1589, this level of local funding provides a per pupil local expenditure amount of \$10,802. FY21 Local Education funding of \$17,163,971 coupled with State, Federal, and other funding for schools of \$11,667,981, yields an expenditure amount of \$18,145 per pupil.

Local Contribution to Schools Additional Funding

In Recent Fiscal Years the BOS Approved Additional Funding For:

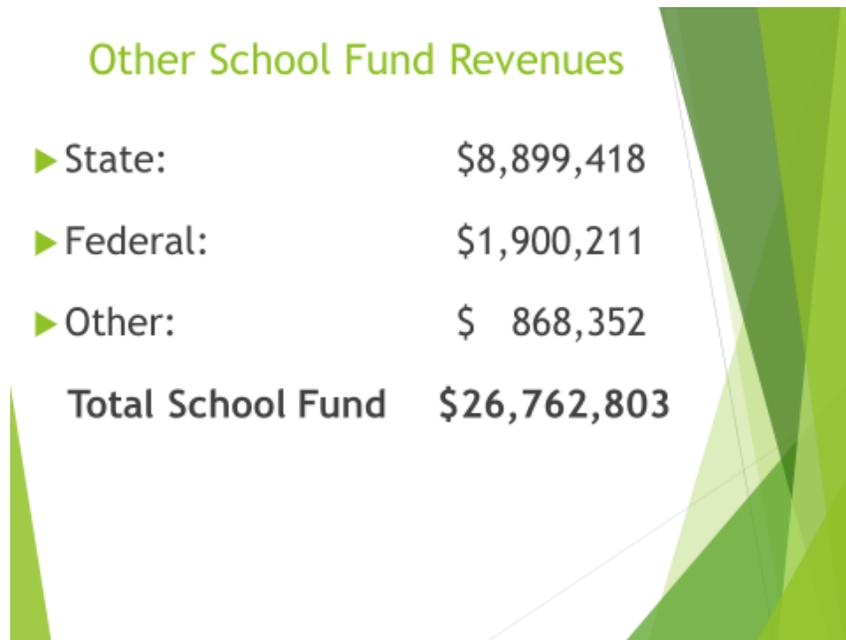
- ▶ Replacement of NCHS Tennis Courts and Other Capital Projects
- ▶ 3 School Resource Officers (continued in FY21)
- ▶ FFA National competition travel and championship jackets/rings
- ▶ NMS and NCHS FFA Teaching/Advising Positions
- ▶ Elementary School Destination Imagination Team(s) National competition travel
- ▶ Matching funds for a School Security grant
- ▶ Use of end of year savings for capital needs.

Ms. McGarry noted that throughout the year, the Board considers requests for additional funding for school-related needs. In FY19, Additional funding was provided for replacement of NCHS Tennis Courts, funding for 3 School Resource Officers, funding for FFA national competition travel and championship jackets/rings, funding for maintenance of 12 month contracts for NMS and NCHS FFA Teaching/Advising positions, funding for Elementary School Destination Imagination Team national competition travel, and matching funds for a School Security grant. She stated that additionally, in recent history, the Board has allowed the School Division to use end of year savings for its capital needs.

Required Local Contribution to Schools for Enrollment of 1,589

- ▶ 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 2020-2022 is 0.5604
- ▶ Based on enrollment of 1,589 students, the County's required local contribution to Schools for FY21 is **\$7,491,081**.
- ▶ FY21 Local Contribution for operations (\$15,094,822) exceeds the required local contribution by **\$7,603,741**.
- ▶ Board of Supervisors provides the local contribution to the School Division; however the School Board and Administration decide how to budget and spend those funds.

Ms. McGarry advised that 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. Nelson’s LCI is high primarily due to the fact that total real property values unadjusted for the County’s Land Use Program (true values of real estate) are used in the formula, which overstates the County’s potential real property tax revenue and therefore the County’s ability to pay. Legislation was introduced in the 2019 General Assembly to incorporate the land-use assessment value for those properties located within a land-use plan in the LCI formula and was “passed by indefinitely” by the Senate Finance Committee. Ms. McGarry noted that Nelson County Schools are well funded. Operational funding for Schools including the nursing program is proposed at \$15,094,822 (\$14,929,887 operations and \$164,935 nursing). For student enrollment of 1589, this funding exceeds the required Virginia Department of Education funding (Required Local Effort) of \$7,491,081 by \$7,603,741 which equates to \$31.8 cents in Real Estate Taxes. She noted that the Board of Supervisors provides the local contribution to the School Division; however, the School Board and Administration decide how to budget and spend those funds.



Ms. McGarry noted that in addition to local funding, 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.

FY20-21 Proposed SCHOOL FUND BUDGET COMPARED TO FY19-20

FY19-20	\$27,556,718
FY20-21	\$26,762,803
Decrease	\$ 793,915
% Change	-2.8%

*Operations Budget only (excludes capital, debt & SRO's)

Ms. McGarry stated that the FY20 School Fund budget as advertised and based upon an enrollment of 1712 compared to the FY21 advertised budget based on an enrollment of 1589 reflects an overall decrease of \$793,915. She noted this is directly related to the decline in enrollment of 123 students between the start of the two budget years.

Summary By Fund

■ General Fund	\$36,943,981
■ School Fund	\$26,762,803
■ Textbook Fund	\$644,000
■ Cafeteria Fund	\$274,838
■ Capital Fund	\$705,251
■ Piney River Water/Sewer	\$350,235
■ Debt Service Fund	<u>\$3,176,552</u>
	\$68,857,660

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Ms. McGarry concluded by stating that all the funds that make up the county budget total about \$68.8 million (\$68,857,660).

Following the presentation, Mr. Harvey invited Dr. Eagle, School Division Superintendent, to come forward and speak.

Dr. Eagle noted her appreciation for the County's longstanding support for education. She spoke of recent events showing how important schools are in the community, and it is their job as educators is to give students a safe place to grow and explore, to learn about cultural differences, and to appreciate the diversity. She noted that due to the pandemic crisis and the many unknowns for society, this coming school year will pose tremendous challenges for the school division. She referred to the Governor's announcement today, adding they are looking at a monumental task of redesigning the landscape of education. They will have additional expenses that they have not accounted for such as personal protective equipment (PPE) and additional cleaning products. To date, they have approximately \$65,000 in estimated unemployment claims due to the closure and pandemic. She emphasized that these are costs that they have to expend. In academics, they will have to make up lost ground as well as provide new instruction so that students can be prepared for the next subject, grade level, or more importantly, life after they leave.

Dr. Eagle noted that given the decreases in the projected revenue, the School Division budget currently stands at a deficit balance of \$573,069 for next year. She reiterated that these increased expenditures are things that they could not control, such as increased fringe benefit costs and unforeseen utility cost increases. She advised that revenue estimates from the Department of Education have not yet been updated to reflect what could be a downturn in the economy and significant overall decrease in the sales tax and lottery proceeds, which is part of where their State funding comes from. She emphasized that they will need the County's help to get through this crisis should the worst case scenario come to fruition.

Dr. Eagle then spoke of the importance of the employee groups needed by the students to make the School Division run smoothly: the bus mechanic, bus drivers, cafeteria workers, teachers, instructional assistants, custodians, maintenance staff, librarians, counselors, nurses, and other employees who work behind the scenes. She noted these employees will have unprecedented demands placed upon them as they deal with the reopening of schools. She asked the Board to help the School Division support them so they can be the greatest benefit possible to the students and their families. She concluded by asking the Board to assist the School Division in building a balanced budget that they must approve in the next couple of weeks and by providing \$573,069 additional dollars needed now to meet their deficit. She also asked that the Board partner with them throughout the year as the challenges may grow. She thanked the Board for their continued support.

Mr. Rutherford noted it is his understanding that the CARES Act provided funding to the schools recently and asked Dr. Eagle to elaborate on that.

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Dr. Eagle stated that almost \$400,000 was committed to the schools; they had to fill out an application, and they'll have to do reimbursement for that. She noted they are trying to figure out what their loss of revenue may be, because they are allowed to use the money for that purpose. She added they also have technological needs such as Chromebooks and mifis that they need to purchase to support families as well as additional costs for PPEs, cleaning, disinfecting, etc.

Mr. Rutherford asked if this is for this year's budget or next year's budget, and Dr. Eagle noted they can use this funding for a two-year period.

Mr. Reed asked how many positions were reduced last year. Dr. Eagle stated they had to make 13.5 position cuts last year. Mr. Reed asked if the budget brought forward this year has any cuts, and Dr. Eagle noted it depends on where they land with a final budget. She added there are 17 positions that have not yet been renewed or filled for this coming year, and they make these cuts through resignations and retirements.

Dr. Eagle noted that as Ms. McGarry had mentioned, they are losing enrollment, and some of their funding is tied to that enrollment. She added that they don't know what their enrollment is going to be right now, however, looking at kindergarten registrations, they are up compared to what they were thinking.

Mr. Barton noted his appreciation and respect for the School Board for making the tough decisions in terms of what they think is best for the children in Nelson County.

Dr. Eagle thanked Mr. Barton and added that the School Division does not have much discretionary money, and the majority of what they have in their budget goes to instruction.

Mr. Harvey thanked the School Division for what they do, adding that every year seems to be tough, but this year in particular is different because there are a lot of unknowns.

Mr. Rutherford asked if the State has made any adjustments on SOQ workers. Dr. Eagle stated that is flat right now.

Mr. Harvey then opened the public hearing and the following persons were recognized:

1. Ed McCann, Massies Mill VA

Mr. McCann thanked the BOS for all that they've done for the schools, adding that he was associated with the schools for over 40 years as an agriculture teacher. He spoke of how greatly students enrolled in the agricultural education program from grades 6-12 benefited from the support the BOS provided. He noted he can think of countless examples of Nelson County children that completed this program and went on to become very successful leaders in agriculture careers in our county and surrounding counties. Mr. McCann noted that unfortunately, he found out earlier this spring that the School Board made a very tough decision to no longer fund the year-long agriculture and FFA advisor position at the middle

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school. He added that the reduced contract offered to the new teacher has the potential to cause some unrepairable harm to children's futures that enter that program. He noted he was told by the superintendent, director of finance, and 4 School Board members that this cut was due indeed to what Dr. Eagle just shared. He stated he is here tonight to advocate for our schools and a particular program that is a foundation of the agriculture education program for our county for over 50 years. Mr. McCann advised that the ag programs have been recognized as winning more state and national events than any other organization in our county. He asked the Board to consider moving money on a one-time basis from the contingency fund into the school instructional budget for this position, adding that this program needs to be back on a 12-month contract, and the School System needs some help to be able to do that.

Mr. Harvey noted that the Board came up with extra money previously to fund this position, and if the School Division does not fund it in their budget, there could be additional cuts received. Mr. McCann noted he understands that, and he believes he attended that particular meeting in 2017, but the School Division has to make their budget balance. He added that he admires what both boards are doing, and he just asks that the BOS consider trying to help out.

2. Jim Saunders, Piney River VA

Mr. Saunders thanked the Board for the support they show for agriculture in Nelson County as well as their support for the FFA program, adding that he has had 5 kids go through the program, and 3 of them have been to the National FFA Convention. He noted that he was in the program many years ago, and he understands that we are in uncertain times due to COVID-19. He stated that he does not envy the decisions our schools have to make because they will have to make some difficult cuts, but he does hope we can make decisions that are strategic and that will continue to support the programs that have done really well. Mr. Saunders noted how the FFA program has won state and national competitions, adding the program is about leadership, citizenship, public speaking, and public and life skills. He urged everyone to support in a way that the program can be kept strong. He thanked the Board for their support of our School System and agriculture.

3. Anne Buteau, Shipman VA

Ms. Buteau thanked the Board for what they do, and she echoed Mr. Saunders' remarks. She then noted the Constitution requires that all children be given equal educational opportunity, no matter their race, ethnic background, religion, or sex, and whether they are a rich or poor citizen or non-citizen. The right to an equal access to education is one of the most valuable rights that one can have. She stated that Nelson County is failing in this obligation because there is a lack of internet access at home. She noted it is not feasible for a parent to sit in the school parking lot with their children while they use the school internet to do their homework. She feels it is up to the BOS to work with the School Board to find a solution, such as letting students without reliable internet take a mobile hotspot home. Ms. Buteau urged that investment in education now will result in savings later, as kids get better jobs and don't need government assistance. She stated that citizens can't wait for the buildout on the power lines to reach all the residents, especially those on Appalachian Power, adding that citizens need equal access to

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education now, not in 5 years from now. She urged that a lot of people can't afford or don't have access to internet.

Mr. Harvey noted that Nelson County is very advanced with internet and technology compared to other surrounding localities. He stated that the Central Virginia Electric Cooperative (CVEC) is doing a tremendous job, and we are doing our best to get to everyone. He noted that he talked with Gary Wood today about this subject, who stated they are getting about 60 houses ready for the Firefly connection per week. However, last week, they produced 200, so they are really on track. Mr. Harvey noted that this was a tremendous investment that the County made years ago, and we have been working very hard since then. He added that the County has now given the system to CVEC, and in the near future, the majority of people should be hooked up. He noted it will take some more time to get to the harder to reach areas, but the BOS intends to make every attempt to make it available.

Mr. Rutherford advised that part of the CARES Act for the schools is for providing mifis for those without internet access, and he imagines that will be available in the new school year or maybe sooner. He added that the Broadband Authority has monies available, and they have been discussing how they will use those to outreach to the southern and western areas as well as areas with Appalachian Power.

Mr. Harvey noted that CVEC has made available 4 or 5 additional hotspots in areas not covered well.

There being no other persons wishing to be recognized, the public hearing was closed.

B. Fee Amendments to the Code of the County of Nelson, VA

Mr. Carter noted the second public hearing is to receive public comment on a proposed ordinance to amend the County Code to provide fee increases. The first would be an amendment to Section 11-8, which would change the current \$10.00 fee to \$20.00 as an assessment as part of the costs in each criminal and traffic case in the county's district and circuit courts in which the defendant is convicted of violation of any statute or ordinance. He added the fees currently and as proposed would be used for courthouse security.

Mr. Carter noted the second is to enact Section 11-10, which would provide an additional assessment for electronic summons system; the fee would be \$5.00 as part of the costs in each criminal or traffic case in this county's district or circuit courts. He stated the assessment is solely to fund software, hardware, and associated equipment costs for the implementation and maintenance of an electronic summons system for the Sheriff's Office.

Mr. Carter advised that both fee increases are related to public safety. He noted the courthouse security fund is budgeted next year at the current \$10.00 to realize about \$26,000 in revenues, and this has the potential to double with the proposed change to \$20.00. He noted the \$5.00 proposed fee would potentially generate between \$5,000 and \$10,000. He added that both proposed changes to the County Code are in accordance with state law.

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Mr. Harvey then opened the public hearing.

There were no persons wishing to be recognized, and the public hearing was closed.

Mr. Rutherford noted he has never been a fan of putting fees on traffic infractions, but he understands the need to absorb costs, and he looks at this more as staying with inflation than anything else. He asked how long the \$10.00 fee has been there, and Mr. Carter stated probably 20 years.

Mr. Rutherford then moved to adopt **Ordinance O2020-01 Amendment of the Code of Nelson County, Virginia, Chapter 11, Taxation, Article I in General, Section 11-8 – Imposition of Costs for Courthouse Security and Section 11-10 – Additional Assessment for Electronic Summons System** and Mr. Barton seconded the motion. There being no further discussion, Supervisors voted unanimously (4-0) by roll call vote to approve the motion and the following ordinance was adopted:

**ORDINANCE O2020-01
NELSON COUNTY BOARD OF SUPERVISORS
AMENDMENT OF THE CODE OF NELSON COUNTY, VIRGINIA,
CHAPTER 11, TAXATION, ARTICLE 1 IN GENERAL,
SECTION 11-8 – IMPOSITION OF COSTS FOR COURTHOUSE SECURITY
AND
SECTION 11-10 – ADDITIONAL ASSESSMENT FOR ELECTRONIC SUMMONS SYSTEM**

BE IT ORDAINED by the Nelson County Board of Supervisors (that) the Code of the County of Nelson, Virginia be and hereby is amended, as follows:

Amendment

Sec. 11-8. – Imposition of costs for courthouse security.

- (a) There is hereby assessed the sum of ~~ten dollars (\$10.00)~~ twenty dollars (\$20.00) as part of the costs in each criminal and traffic case in this county's district and circuit courts in which the defendant is convicted of violation of any statute or ordinance.
- (b) The assessment shall be collected by the clerk of the court in which the case is heard, remitted to the treasurer of this county, and held by such treasurer subject to the appropriation by the board of supervisors to the sheriff's office for the funding of courthouse security.
- (c) This amendment shall be effective July 1, 2020.

New

Sec. 11-10 – Additional assessment for electronic summons system.

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- (a) There is hereby assessed the sum of five dollars (\$5.00) as part of the costs in each criminal or traffic case in this county's district or circuit courts.
- (b) The assessment shall be collected by the clerk of the court in which the action is filed, remitted to the treasurer of this county, and held by such treasurer subject to disbursements by the board of supervisors to the sheriff's office solely to fund software, hardware, and associated equipment costs for the implementation and maintenance of an electronic summons system.
- (c) This section shall be effective July 1, 2020.

IV. CONSENT AGENDA

Mr. Reed moved to approve the Consent Agenda and Mr. Rutherford seconded the motion. There being no further discussion, Supervisors voted unanimously (4-0) by roll call vote to approve the motion and the following resolutions were adopted:

A. Resolution – **R2020-21** Minutes for Approval

**RESOLUTION R2020-21
NELSON COUNTY BOARD OF SUPERVISORS
APPROVAL OF MINUTES
(April 30, 2020 and May 12, 2020)**

RESOLVED, by the Nelson County Board of Supervisors that the minutes of said Board meetings conducted on **April 30, 2020 and May 12, 2020** be and hereby are approved and authorized for entry into the official record of the Board of Supervisors meetings.

B. Resolution – **R2020-20** Budget Amendment

**RESOLUTION R2020-22
NELSON COUNTY BOARD OF SUPERVISORS
AMENDMENT OF FISCAL YEAR 2019-2020 BUDGET
NELSON COUNTY, VA
June 9, 2020**

BE IT RESOLVED by the Board of Supervisors of Nelson County that the Fiscal Year 2019-2020 Budget be hereby amended as follows:

I. Appropriation of Funds (General Fund)

<u>Amount</u>	<u>Revenue Account (-)</u>	<u>Expenditure Account (+)</u>
\$ 302,585.00	3-100-003303-0040	4-100-091030-5610
<u>\$ 147,085.00</u>	3-100-002401-0045	4-100-053600-3164
\$ 449,670.00		

II. Transfer of Funds (Recurring Contingency)

<u>Amount</u>	<u>Credit Account (-)</u>	<u>Debit Account (+)</u>
\$ 68,414.00	4-100-999000-9901	4-100-053600-3164
\$ 7,546.00	4-100-999000-9901	4-100-033010-6001
\$ 80.00	4-100-999000-9901	4-100-035030-3001
\$ 25,146.00	4-100-999000-9901	4-100-042030-3012
\$ 2,128.00	4-100-999000-9901	4-100-094100-3141
<u>\$ 1,500.00</u>	4-100-999000-9901	4-100-094100-3142
\$ 104,814.00		

V. REPORTS, APPOINTMENTS, DIRECTIVES AND CORRESPONDENCE

A. Reports

1. County Administrator’s Report

A. Covid-19 (Coronavirus): Virginia will begin on June 5th Phase 2 of three phases to fully reopen the Commonwealth from closures necessitated by the Covid-19 Virus. In response to the state’s decision to move to Phase 2, County staff will resume normal operations (e.g. all staff will report to work to their assigned office locations and regular schedules), including opening County offices to the public predicated on compliance with Executive Order 63 (which requires the wearing of protective face coverings, etc., when entering and while within public facilities).

Mr. Carter noted the County has been allocated just over \$1.3 million in CARES Act funding, and Staff is working to develop a plan or proposal to bring back to the Board on how those funds can be expended. He advised the County has from the first of March through the end of the year to fully expend those funds or they have to be returned to the federal government. He noted the School Division has sent a letter requesting the use of some of that funding, and Staff is looking at a potential grant program for small businesses, contributions to the Food Bank, and other possibilities in accordance with the CARES Act guidelines.

Mr. Rutherford asked if the School Division’s \$400,000 comes out of the County’s \$1.3 million, and Mr. Carter stated it does not.

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B. BR Tunnel Project: County staff in conjunction with Woolpert staff (the project's engineering consultant) responded to the Fielder's Choice Enterprises (the project's general contractor) request for a 72 extension with a proposed project completion date of August 28, 2020 (59 days). Acceptance by FCE is pending receipt but anticipated.

C. Nelson Memorial Library Project: Field Report 12 from Architectural Partners is included with this report. As indicated therein, the project's completion is anticipated by June 26th.

D. Lovingson Revitalization: VA DHCD previously authorized a 90-day extension for project completion (until September 30, 2020). The planning grant's two primary tasks (completion of a Preliminary Engineering Report and an Economic Restructuring Plan) are in process.

E. Piney River Water System – GAC Project: The project is in process. However, commencement of the installation of the GAC System has been delayed to July 13th (per the request of NCSA related to Covid-19 concerns). The project is now scheduled for completion on September 3, 2020.

F. Tye River Water System: The VA Department of Health (Office of Drinking Water – Lexington) is currently reviewing the project's final construction plans for issuance of a construction permit. Once VDH issues the permit (anticipated in the ensuing 2 weeks) the County in conjunction with Bowman Consulting (the project's engineering consultant) will issue the contract to Lynchburg based Falwell Corp. for project completion.

Mr. Carter advised the project will likely not take more than 8 weeks to complete.

G. FY 20-21 Budget: The public hearing for the FY 202-21 Budget is scheduled for the June 9th regular session. A continued (or called) meeting is necessary to approve the budget a minimum of seven days after the public hearing.

Mr. Carter also noted that implementation of the new Computer Aided Dispatch (CAD) and Records Management System began today, and within the next few days, this whole set of capital improvements should be completed. He advised that shortly after the CAD and Records Management Systems are up and running, the e-citation system, which the Sheriff's Office will use from their vehicles, will be the next step in the implementation of that overall project.

Mr. Carter then provided an update on the General Reassessment for 2022. He advised that Staff will issue a Request for Proposals sometime in the next month or so, and it takes whoever the selected assessor will be about 18 months to two years to complete an overall reassessment of the County's real estate values.

Mr. Carter noted that he and Ms. Mawyer participated in a conference call with VDOT and the Department of Historic Resources (DHR) staff this past Friday on the proposed replacement of the Route 653 bridge over Norfolk Southern railroad at Oak Ridge. He stated there were some outside parties involved in addition to VDOT and DHR staff: representatives from the Historical Society, Oak Ridge, and Piedmont Environmental Council. The consensus from DHR and VDOT staff is to replace the existing bridge with a new two lane bridge that would have no restricted weight limits.

Mr. Carter noted that this week, there is a meeting with Region 2000 Service Authority tomorrow and a meeting with the Regional Jail on Thursday, and Staff will be representing the County at those.

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Mr. Carter noted that Staff listened to Governor Northam's press conference today where he outlined the reopening of schools in the Fall. He stated he will not be able to speak to this specifically, but as Dr. Eagle mentioned, the School Division will have to submit a plan to the Department of Education for approval.

Mr. Carter then noted that Staff has successfully implemented the iWorkQ program, which is a new software program for the Planning Department and Building Inspections to utilize. He noted this will enable the public to have greater online access to applications, information, statuses on building permits, and planning and zoning permits, adding it will improve both staff's use of technology in the administration of their departments.

Mr. Carter concluded by suggesting a future strategic planning retreat for the BOS sometime in the late summer or fall.

Mr. Reed asked if it would be possible to get an update or draft or some range of consideration of where the County's CARES Act money might go when the Board gets together for the final review of the budget. He added that it is his understanding that if something has been budgeted, it does not qualify for the CARES Act money, and Mr. Carter confirmed. Mr. Reed noted this could influence what the final budget looks like. Mr. Carter noted that the money can't be used to supplant what will be funded in the budget, and Mr. Reed agreed, adding it would be useful for the Board to have some consideration if not discussion about the subject at that time. Mr. Carter advised that Staff will try to have this ready when the Board next meets in June. Ms. McGarry noted that per the CARES Act guidelines, it has to be funds that are not budgeted as of March 27, 2020, so it would not affect the new budget.

2. Board Reports

Mr. Reed:

Mr. Reed noted that he met with Maureen Kelley last week to talk about communications, and they covered a whole range of things, most of which he was not aware of, so it was a good education for him to find out all the things the County is involved with from a communication standpoint. He advised he would like to further discuss how the County government communicates with the public directly and also how the government can be more transparent.

Mr. Rutherford:

Mr. Rutherford noted he recently met up with Mr. Barton and enjoyed spending time getting to know him better. He then noted concurrence with Mr. Reed's comments about communication and transparency, adding that those things should be at the forefront of all of their minds when it comes to operating a local government.

Mr. Rutherford then referred to the conversation about internet earlier in the meeting and noted this is a big priority of his going into the strategic session.

Mr. Barton:

Mr. Reed had no report.

Mr. Harvey:

Mr. Parr had no report.

B. Appointments

Ms. Mawyer reviewed the following table:

(1) New Vacancies/Expiring Seats & New Applicants :					
Board/Commission	Term Expiring	Term & Limit Y/N	Incumbent	Re-appointment	Applicant (Order of Pref.)
NC Social Services Board	6/30/2020	4 Years/ 2 term limit	Darlene Smith (T1)	Y	N/A
T.J. Community Criminal Justice Board	6/30/2020	3 Years/ 2 term limit unless no other person meets criteria	James E. Hall (T5)	Y	N/A
NC Service Authority Board	6/30/2020	4 Years/ No limit	Gary L. Sherwood-South District	Y	N/A
	6/30/2020	4 Years/ No limit	David S. Hight-West District	Y	N/A
Planning Commission	6/30/2020	4 Years/ No limit	Mary Kathryn Allen-South District	Y	N/A
	6/30/2020	4 Years/ No limit	Michael E. Harman-West District	Y	N/A
N.C. Library Advisory Committee	6/30/2020	4 Years/ No limit	Audrey D. Evans-West District	Y	N/A
Jefferson Madison Regional Library Board	6/30/2020	4 Years/ 2 term limit	Marcia McDuffie (T1)	Y	N/A
N.C. Economic Development Authority	6/30/2020	4 Years/ No limit	R. Carlton Ballowe	Y	N/A
	6/30/2020	4 Years/ No limit	Deborah L. Brown	Y	N/A
Board of Building Code Appeals	6/30/2020	4 Years/ No limit	R. Carlton Ballowe	Y	N/A
	6/30/2020	4 Years/ No limit	Kenneth H. Taylor	Y	N/A
	6/30/2020	4 Years/ No limit	Steve Crandall	Y	N/A
(2) Existing Vacancies:					
Board/Commission	Terms Expired				
Agricultural & Forestal District Advisory Committee	5/13/2020	4 Years/ 3 term limit	Bill Halverson (T2)	N - resigned	None
	5/13/2019	4 Years/ 3 term limit	Chapin Wilson, Jr. (T3)	N - resigned	None
			Staff Member		
			Pam Campbell-Comm. Of Rev.		
			Robert G. "Skip" Barton-BOS		
JABA Council on Aging	12/31/2019	2 Years/ No limit	Cindy Westley	N	None

The Board decided to consider the appointments the next time they meet when all members are present, as several West District appointments were included, and Mr. Parr was unable to attend today's meeting.

C. Correspondence

Mr. Rutherford noted that correspondence he has had recently is related to internet access, which he has already brought up.

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Mr. Reed noted that he spoke with Robert Brown, the County's VDOT administrator, and he asked Mr. Brown to keep the Board informed of any additional projects that VDOT undertakes in the county that are not a part of the rural rustic plan/update. He added this would be good to know so BOS members are aware of road construction in their districts.

The Board had no other correspondence.

D. Directives

Mr. Barton noted appreciation to the Hollands and Oak Ridge Estate for making their facility available for the Nelson County High School graduation on June 19th.

VI. OTHER BUSINESS (AS PRESENTED)

There was no other business considered by the Board.

VII. ADJOURNMENT (AN EVENING SESSION WILL NOT BE CONDUCTED)

At 8:40 PM, Mr. Rutherford moved to adjourn and continue the meeting until Thursday, June 18, 2020 at 10:00 AM and Mr. Reed seconded the motion. There being no further discussion, Supervisors voted unanimously (4-0) by roll call vote to approve the motion and the meeting adjourned.