

March 15, 2018

**Virginia:**

AT A CONTINUED MEETING of the Nelson County Board of Supervisors at 4:00 p.m. in the Bridge Room located on the fourth floor of the Nelson County Courthouse, in Lovingston Virginia.

Present: Thomas D. Harvey, North District Supervisor  
Jesse N. Rutherford, East District Supervisor  
Ernie Q. Reed, Central District Supervisor  
Thomas H. Bruguere, Jr. West District Supervisor – Chair  
Larry D. Saunders, South District Supervisor –Vice Chair  
Stephen A. Carter, County Administrator  
Candice W. McGarry, Administrative Assistant/Deputy Clerk  
Debra K. McCann, Director of Finance and Human Resources

Absent: None

**Call to Order**

Mr. Bruguere called the meeting to order at 4:06 PM with all Supervisors present to establish a quorum.

**FY18-19 Budget Work Session**

Ms. McCann reviewed the following overview of the FY19 General Fund Budget and Mr. Carter advised that a decision on the tax rates would be necessary early on in the process.

**OVERALL REVENUES**

Overall, General Fund Revenues inclusive of use of fund balance are projected to increase by

\$485,382 (1.2%) over the current FY18 budget. Primary sources of revenue include local, state and federal totaling approximately 40.45 million.

**LOCAL REVENUE**

**General Property Taxes**

General Property taxes continue to represent the largest source of General Fund Revenues (60%). The FY19 projection reflects an increase of \$262,601 over the current budget. This increase represents 58% of the overall revenue increase. General Property Taxes include Real and Personal Property, Machinery and Tools tax, and Public Service tax. Also included is delinquent tax collections, penalties, and interest. Tax rates are established on a calendar year basis even though the county budget is presented on a fiscal year basis (July-June). For example, the FY19 budget will include the second half tax billing for calendar year 2018 and the first half billing for calendar year 2019.

**Real Estate Tax** is the largest source of revenue for the county and is expected to generate 17.3 million in FY19 based on the assumption of no change in the tax rate. This represents a \$449,093 decrease over the FY18 budget amount. The FY18 projection assumes the current tax rate of \$0.72 per \$100 of assessed value. However, the 2018 certified assessment values of real estate declined by 1.55% impacting both FY18 and FY19 revenues from Real Estate tax. The Calendar Year 2017 value of taxable real estate after Land Use deferrals and elderly tax relief is \$2.45 billion (\$2,456,564,818) which generates approximately \$233,374 of estimated collectible real estate tax revenues for each penny of the tax rate. Comparatively, the estimated value of the penny would be \$229,150 for 2018 and \$229,837 for 2019. Current assumptions are 0.3% growth in 2019. Additionally, FY18 delinquent tax collections are anticipated to be steady and reflect a slight decline in FY19 due to the lower tax base for 2018.

**Public Service tax** is levied on the real estate and personal property owned by railroads, utilities, pipelines, and other businesses required to register with the State Corporation Commission (SCC). Public Service Corporation assessments are prepared by the Virginia Department of Taxation and the SCC. The Department of Taxation conducts an annual statewide sales study of real property to determine current fair market values. A ratio is established comparing the results of the annual sales study to locally assessed values which is then applied to public service values prepared by the SCC. Although the reassessment reflected lower values, it is anticipated that commercial values will remain steady. Public Service tax is expected to generate \$850,000 in FY19 which reflects no change from the FY18 budget amount.

**Personal Property Tax** is levied on vehicles and other tangible non-real estate property. Qualified vehicles are eligible for a pro rata share of personal property tax relief (PPTR) which the state provides to the county as a fixed payment of \$1.7 million. Personal Property tax collections and the tax relief payment from the state in FY19 are projected to increase by 3.6% from the FY18 budget amount. In addition to the state tax relief payment, collections in FY19 are anticipated to be \$3.9 million. The tax rate for calendar year 2017 is \$3.45 per \$100 of assessed value. The FY19 budget assumes no change in the tax rate.

**Mobile Home Tax** is levied on manufactured homes not classified as real estate. Mobile Homes are assessed as tangible personal property, yet taxed at the real estate property tax rate. Mobile Home tax is expected to generate \$30,000 in FY19 which is no change from the FY18 budget amount.

**Machinery and Tools Tax** is levied on certain business equipment used in manufacturing and certain other commercial activities. This tax is anticipated to generate \$50,000 in FY19, an increase of \$20,000 over the FY18 budget. Machinery and Tools Tax represents approximately 0.2% of overall General Property Taxes. The statutory tax rate is \$1.25 per \$100 assessed value based on original cost. However, an assessment ratio is applied to the value as follows:

Tax Years	Ratio (%)	Effective Rate per \$100
1 to 5	40	\$0.50
6 to 10	30	\$0.38
11 to 15	20	\$0.25
16 plus	10	\$0.13

**Late Tax Penalties and Interest** is anticipated to generate \$335,000 in FY19 which is a 4.7% increase from the FY17 budget. A ten percent penalty is charged the day after the due date and ten percent annual interest is accrued beginning 25 days after the due date. Delinquent property tax collections are reflected in the budget within each category of tax. Delinquent real estate collections are anticipated to be about \$801,507 in FY18 and \$789,954 in FY19. Personal Property delinquent collections are anticipated to be approximately \$438,931. Together delinquent tax collections and associated penalty and interest make up 6.4% of all General Property Taxes.

**Other Local Revenue**

In addition to property taxes, local revenue generally includes other local taxes (utility, vehicle license, recordation, meals, and lodging), permits and license fees, court fines and fees, interest earnings, and various recovered costs. Other local revenue is expected to generate almost \$5.8 million in FY19 which is an increase of \$119,015 over the FY18 budget amount. The most significant factor in the increase relates to an increase of \$80,000 in meals tax receipts expected in FY19.

**STATE REVENUE**

State revenues, excluding non-recurring grants, are anticipated to increase by \$225,764 in FY19 from the FY18 budget amount. State revenues include non-categorical aid from motor vehicle carrier’s tax, mobile home titling tax, deeds tax, and communications sales tax. Non-categorical aid is anticipated to generate \$625,000 in FY19 which is a decrease of \$7,000 from FY18 reflecting small declines in motor vehicle carrier’s tax and communications sales and use tax.

Categorical state aid primarily provides for at risk youth programs (CSA) and public assistance and welfare programs administered by the local Department of Social Services. Changes in funding for these programs is the most significant factor contributing to the overall increase expected in state revenues. The County expects to receive \$1,595,178 in categorical state aid in FY19 which is an increase of \$228,706.

State shared expenses represent the State’s share of activities that are considered to be a shared state and local responsibility. Shared responsibilities include Constitutional Offices and the Registrar/Electoral Board. Constitutional Offices include the Sheriff, Commonwealth Attorney, Commissioner of Revenue, Treasurer, and Clerk of the Circuit Court. State shared expenses are expected to be \$1.4 million which is subject to change pending receipt of finalized amounts from the state Compensation Board.

**FEDERAL REVENUE**

Federal revenue, excluding non-recurring grants, is expected to provide \$735,732 in FY19. This is a \$81,599 or 12.5% increase over the FY18 budget amount. Federal funding includes payment in lieu of taxes and public assistance and welfare. Payments in lieu of taxes have historically been received for forest land located in Nelson County. These funds must be approved during the federal budget process. Federal funds are also received for public assistance and welfare programs and are the largest source of ongoing federal funding. The increase in federal revenue is primarily attributable to the increase in public assistance funds.

**STATE AND FEDERAL GRANTS**

In FY19, the county expects to receive \$2,941,296 in non-recurring grants from state and federal sources. This reflects a decrease of \$116,219 from the FY18 budgeted amount. Grant awards for the Crozet Tunnel restoration project make up 95% of the total grant revenue currently anticipated. Grants are generally not budgeted until they are awarded. Some grants may be awarded mid-year and amended into the budget at the time of award.

**TRANSFER FROM OTHER FUNDS**

The county conducts a reassessment of real property values every four years. The cost of conducting the reassessment impacts two fiscal years. In the two fiscal years that there is no reassessment expense, the county sets aside funding to assist with upcoming reassessment expense. The FY18 budget included \$89,851 from the set aside for reassessment expenditures and \$168,000 from the Capital Fund for emergency vehicles. No transfers from other funds are included in the FY19 proposed budget.

**USE OF FUND BALANCE**

The FY19 proposed budget anticipates the use of \$2.7 million in fund balance which is an increase of \$663,083 from the FY18 budget. This increase is primarily attributed to receipts of the sale of the nursing home facility in FY18 that are carried forward as non-recurring contingency in FY19. Additional carryover from unexpended contingency funds and other anticipated carryover from FY18 revenues is included in the FY19 budget for use towards capital projects.

Mr. Bruguere asked how much of fund balance could be used without affecting the County's financial position. Ms. McCann advised that her estimate of the fund balance at year end was \$18 Million excluding those funds allocated to be used. Mr. Carter advised that it was advisable to have ninety (90) days cash on hand which was about \$10 Million. He then discouraged the Board from using that fund balance as it was needed if something ever went wrong. Mr. Rutherford noted that his Sands Anderson training advised that six (6) months cash on hand was advisable in order to be more competitive in bond markets. Mr. Carter added that fiscal strength indexes used fund balance for ratings and the County was top rated, which spoke to the strength of the County.

Mr. Harvey then asked if it was around \$4 Million less than usual and Mr. Carter noted that a couple of million dollars had been used for the Courthouse project. He added that it ebbed and flowed and the Treasurer's report currently showed around \$24 Million; however that would decline as funds were spent.

## **OVERALL EXPENDITURES**

Overall, recommended expenditures in FY19 are increasing by \$485,382 or 1.2%. Total recommended expenditures for FY19 is \$40.45 million as compared to the current FY18 budget of \$39.9 million. The graph below reflects the allocation of FY19 expenditures between the various categories of expense. Transfers is by far the largest category of expense which includes funding for the School Division and Debt Service.

## **FY19 EXPENDITURES**

Government Administration 4.6%, Judicial Administration 1.9%, Transfers (out) 46.4%, Refunds 0.1%, Public Safety 12.9%, Public Works 5.0%, Welfare Programs 7.8%, Community Development 1.8%, Agency & Non- Departmental 5.4%, Capital Outlay 10.6%, Transfers (out) 46.4%, Contingency 4.9%

## **Government Administration**

Government Administration includes the Board of Supervisors and the following departmental operations: 1) County Administration 2) County Attorney 3 )Commissioner of Revenue 4) Treasurer 5) Finance & Human Resources 6) Technology 7) Land Use Panel 8) Board of Elections and 9) Registrar. Overall, governmental administration expenditures are recommended at \$1.84 million which reflects a decrease of \$278,596 from the FY18 current budget. This decrease is primarily attributed to reassessment expense in FY18 that will not reoccur in FY19. However, a set aside for the next reassessment is included in the budget as a transfer out.

## **Judicial Administration**

Judicial Administration includes operational expense for General District Court, J&D District Court, Court Services Unit, Circuit Court, and the Commonwealth Attorney. Judicial Administration expenditures for FY19 are recommended at approximately \$760,000 which is a decrease of \$85,592 over the FY18 budget. The decreases are primarily attributable to a reduced estimate for Court Detention Home services and asset forfeiture proceeds that are not included in the FY19 draft budget. The unexpended asset forfeiture proceeds will be re-appropriated at the beginning of FY19 once the balance of funds is reconciled at year end.

Mr. Carter advised that the County belonged to the regional Juvenile Detention Center and was allocated one (1) bed; which had not been used over the past year. Therefore that had been reduced down in anticipation of the same trend. It was then noted that the County did not control asset forfeiture money and the Sheriff and Commonwealth Attorney made the decisions on how those funds were spent.

## **Public Safety**

Public Safety includes operational expense for the Sheriff, Public Safety (Emergency Services), Emergency Services Council, E911 Program, Forest Fire Service, Paid EMS, Regional Jail, Building Inspections, Animal Control, and Medical Examiner. Public Safety expenditures for FY19 are recommended at \$5.2 million which is an overall decrease of \$116,188 from the FY18 budget. These decreases are attributable to reduced E911 Maintenance Contract cost and asset forfeiture proceeds that are not included in the FY19 draft budget. As previously noted, the reconciled year-end balance of

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proceeds will be re-appropriated in July. The EMS Council budget also reflects a decrease recognizing Nelson Rescue's decision to dissolve.

Ms. McCann noted that the reduced E911 maintenance costs were related to the Motorola Contract which had turned out to be less than what they had quoted.

Mr. Harvey then questioned the reduction in the EMS Council budget and Mr. Carter explained that staff had supposed that Nelson Rescue would not need to be reimbursed for anything since they had dissolved. Mr. Harvey thought that they may not; however somebody else would.

Mr. Carter reiterated that Nelson Rescue's allocation of funds was not reflected in next year's budget; that their assets may be given to others but that they were not currently receiving funding through the budget. Mr. Harvey supposed their reimbursements would be given to someone else and the decision on that was still out. Mr. Bruguere asked about their building and Mr. Harvey noted that the County would end up with it. Mr. Carter then further clarified that the EMS Council funding was based up reimbursing the fire and rescue agencies for the past year's expenses not for future ones.

### **Public Works**

Public Works includes operation expense for Waste Management, Building and Grounds, and the Motor Pool. Public Works expenditure for FY19 are recommended at just over \$2 million which is a \$108,908 decrease from FY18. This decrease is attributed to reduced fuel and repair expense for Waste Management. The Motor Pool budget also reflects a decrease due to a reduced number of vehicle purchases. Funding is included for two police vehicles (three were purchased in FY18).

### **Welfare Programs**

Welfare programs includes operation expense for the department of Social Services and programs for at risk youth (Children's Services Act/CSA). The overall budget for FY19 reflects an increase of \$341,830. This increase is primarily attributed to significantly increased CSA expenditures.

### **Recreation & Community Development**

Recreation and Community Development includes operation expense for Recreation, Planning, and Tourism/Economic Development. The overall budget for FY19 reflects an increase of \$7,046. Planning Department expenses for legal/technical assistance for floodplain applications is the primary factor for the overall increase.

### **Agencies & Non-Departmental**

Agencies and other Non-Departmental expense as proposed will increase by 146,159. Most agencies were level funded and no new agencies received funding. The increase reflects funding for salary adjustments. The proposed funding of \$150,000 would provide for an overall 3% pay adjustment or allow for pay study salary adjustments (33% of pay study salary adjustment or 2%, whichever is higher).

**Capital Outlay**

Capital Outlay expenditures in FY19 are expected to decrease by \$41,177 from the FY18 budget. The following capital expense is proposed for FY19.

Crozet Tunnel Project	\$2,870,933
Comprehensive Plan	\$10,000
Emergency Services Vehicles	\$765,388
Active E911 Subscription	\$3,800
CAD Replacement	\$369,500
Microwave Network upgrades	\$200,000
Rockfish Generator upgrade	\$45,000
Large Scanner (Planning Dept.)	\$7,100
Total Capital Outlay	\$4,271,721

Mr. Carter noted that some of these items included grant money such as the Tunnel Project which was all grant funds and the CAD replacement which included \$75,000 in grant funds from the State; he added the rest was local funding.

Ms. McCann noted that the local funding was from carryover funds and Mr. Carter added that staff used nonrecurring money as much as possible as these items were onetime expenses.

Ms. McCann then noted that back up information about each project had been provided as well as those that were on the considerations list.

**Comprehensive Plan:**

Mr. Carter noted that the \$10,000 for the Comprehensive Plan was for TJPDC to update the plan.

**Emergency Services Vehicles:**

Mr. Saunders questioned how much longer funding these would go on. Ms. McCann noted that the Roseland ambulance money of \$113,000 had been spent for Wintergreen and Mr. Harvey noted that some of the funds in the current budget were them playing catch up. Mr. Carter noted that these funds included a fire truck for Lovington, 2 brush trucks for Wintergreen and an ambulance for Roseland.

Mr. Harvey noted that they were now starting on cycle 2 of the vehicle purchase program and Mr. Saunders noted it was a big hit for the County. Mr. Harvey explained that they usually provided \$500,000 per year and that the Lovington truck wouldn't be here until the end of the year and the Wintergreen trucks a little before that.

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Mr. Carter advised that the staff concern was that at this point going forward, the Board was going to have to use fund balance to pay for these without any revenue changes.

Mr. Harvey noted he thought it would take a minimum of 3 cycles and he guaranteed that the agencies were not getting Cadillac vehicles. He added that Lovington had the 29 Corridor and that was an expense. He noted it was hard to get volunteers and they needed to do something for them. He noted that the number of departments may be reduced if the County takes over those services.

Mr. Carter then reiterated that all of the vehicles were being funded with nonrecurring revenues.

**Rockfish Generator Upgrades:**

Mr. Carter noted this was the generator at the Rockfish River Elementary School; which was now the County's responsibility and it required repairs or replacement. He noted that the generator was integrated into the building systems and Mr. Harvey added that the school was designated as a major emergency shelter.

**Refunds**

Revenue refunds are anticipated to remain at \$30,000 in FY19.

**Transfers**

This category of expenditure reflects funds moved to various other accounting funds and is by far the largest category of expenditures. Transfers are proposed for the 1)Debt Service Fund 2)Broadband Fund 3)VPA (Social Services) Fund 4)Piney River Water/Sewer and the 5)School Fund. Overall Transfer Expenditures in FY19 are proposed at approximately \$19 million (excluding Social Services which is discussed in the Welfare Program section) which is a decrease of \$656,288 from FY18.

Changes in Transfers are denoted in the chart below.

Fund Group	Change
Broadband	-\$100,000
Debt Service	-\$79,288
Reassessment Set-Aside	\$85,000
School Operations (No Change)	0
School Buses (For Board	-\$162,000
School Capital (For Board	-\$400,000
Overall Decrease	-\$656,288

**Reassessment Fund**

Expenditures to finish paying for the 2018 reassessment were incurred in FY18. Since no cost will be incurred for reassessment in FY19, funds will be set aside in FY19 for the next reassessment (2022).

**Broadband Fund**

In FY18, the budget included a transfer of \$200,000 to the Broadband Fund. This support has been reduced to \$100,000 in FY19.

**Debt Service Fund**

The transfer to the Debt Service Fund is proposed to decrease in FY19 by \$79,288. This is primarily attributed to the pay-off of the VRS (School Early Retirement Incentive) debt in May, 2018.

**School Fund**

The School Division requested level operational funding due to anticipated increases of \$974,670 in state and federal revenue. Additionally, the preliminary School Board request is for the purchase of 4 buses costing \$340,000. The proposed budget does not currently include funding for buses or capital improvements. School funding (operations and capital) remains as a consideration for the Board during the budget process.

**Contingency**

The draft budget reflects no Recurring Contingency Reserves. The non-recurring contingency reserve reflects a balance of \$1,727,200 (proceeds from the sale of the nursing home facility received in FY18).

Ms. McCann noted that the non-recurring contingency had not been used for capital projects and was intact; it was not allocated for anything specific.

Mr. Carter noted that those funds were part of the fund balance and were drawing interest. He added that the Treasurer was investing those funds along with the other fund balance and interest earnings were starting to increase.

Supervisors then reviewed the following Considerations List:

Ms. McCann noted that staff looked at historical use of funds in each department and if nothing specific was requested, then reductions were made. Mr. Carter noted that even small changes were made and three year expenditure trends were evaluated. Ms. McCann noted that all departments had ample funds in their accounts and Mr. Carter advised that staff was open to listening if a department needed more funds and to bringing it back to the Board for a decision. He then advised that staff made a concerted effort to reduce that side of the budget.

**Considerations:**

Updated  
3/12/2018

**Please note that reductions were made in office supplies and travel for many departments in order to balance the budget. Additionally line items that had not historically been expended were also reduced. These reductions are not included in this considerations list.**

<b>Page</b>	<b>Department</b>		<b>1st Draft Budget Staff</b>	<b>Revisions  BOS</b>
	<b><u>Technology</u></b>			
1	GIS parcel maintenance & layer development (\$10,000 funded)	\$9,500	Not Funded	
	<b><u>Registrar</u></b>			
2	Requested increase in part-time wages (\$14,000 Funded)	\$5,500	Not Funded	
	<b><u>Commonwealth Attorney</u></b>			
3-5	Additional Supplement for Assistant Attorney (\$2,500 provided in FY18)	\$1,000	Not Funded	
3-5	Part-time Clerical Position to Full Time (Includes benefits & health ins)	\$21,467	Not Funded	
	<b><u>Sheriff</u></b>			
6	Courtroom Security Wages (\$30,000 Funded)	\$5,000	Not Funded	
6	DARE	\$3,500	Not Funded	
6	Police Supplies (\$15,000 Funded)	\$2,500	Not Funded	
	<b><u>Emergency Services Council</u></b>			
7	EMS Council (Reduction for Nelson Rescue)	\$47,439	Not Funded	
	<b><u>Paid EMS</u></b>			
8	Wages & Benefits (Wintergreen Rescue)	\$48,900	Funded	
8	Mileage (Ambulances used out of due area)	\$46,000	Funded	

<b>Page</b>	<b>Department</b>		<b>1st Draft Budget</b>	<b>Revisions</b>
	<b><u>Motor Pool</u></b>		Staff	BOS
9-12	4 Police Vehicles (\$29,750 per vehicle)	\$59,500	Funded (2 vehicles)	
9-12	Equipping of police vehicles (\$9,165 per vehicle)	\$18,330	Funded (2 vehicles)	
9-12	Additional Equipping with in-car cameras (\$6,175 per vehicle)	\$12,350	Funded (2 vehicles)	
9-12	Police Vehicles & Equipment not funded	\$90,180	Not Funded	
13-14	2 Building Inspections Vehicles	\$54,690	Not Funded	
	<b><u>Health Department (Refer to Agency Notebook)</u></b>			
	Health Department (\$248,979 Funded)	\$7,469	Not Funded	
	<b><u>Mental Health (Refer to Agency Notebook)</u></b>			
	Region Ten Community Services Board (\$100,586 Funded)	\$2,866	Not Funded	
	<b><u>Community College (Refer to Agency Notebook)</u></b>			
	PVCC (\$14,918 Funded as requested)	\$0		
	<b><u>Soil &amp; Water Conservation (Refer to Agency Notebook)</u></b>			
	Thomas Jefferson Soil & Water Conservation Board (\$33,075 Funded)	\$10,425	Not Funded	
	<b><u>Non-Departmental</u></b>			
15	Employee Pay Adjustment (Local & Constitutional)	\$150,000	Funded	
15	Colleen Debt Service	\$162,812	Funded	
15	NCSA Fire Protection Fee	\$156,000	Funded	

**Agencies Requesting Increased Funding (Refer to Agency Notebook)**

Agencies that requested level funding and are currently funded in the draft budget are still included here to assist new Board members less familiar with the agencies funded by the county.

	<b>Increase Requested</b>	<b>1st Draft Budget Staff</b>	<b>Revisions BOS</b>
Regional Library (\$293,545 Funded)	\$12,347	Not Funded	
Thomas Jefferson EMS Council (\$19,629 Level funding requested)	\$0		
JABA (\$98,000 Funded)	\$7,410	Not Funded	
JAUNT (\$67,176 Local, \$43,787 Wintergreen)	\$11,095	Not Funded	
MACAA (\$31,410 Level funding requested)	\$0		
Shelter for Help (\$8,160 Requested)	\$0		
SARA (\$1,000 Level funding requested)	\$0		
OAR (\$5,602 Funded)	\$1,477	Not Funded	
Nelson County EDA (\$3,100 Level funding requested)	\$0		
Central VA Partnership for Economic Development (\$10,000 Level Request)	\$0		
Nelson Co. Community Development Foundation (\$55,729 Level Request)	\$0		
Central VA Small Business Development Center(\$5,000 Funded)	\$2,500	Not Funded	
CASA (\$3,500 Level funding requested)	\$0		
Gladstone Senior Center Meals(\$8,254 Level funding requested)	\$0		
Rockfish Senior Center Meals (\$12,367 Level funding requested)	\$0		
Humane Society of Nelson County (\$7,500 Level funding requested)	\$0		
TJ Area Crisis Intervention (\$1,813 Funded)	\$0		

**Agencies Not Previously Funded (Refer to Agency Notebook)**

Piedmont Workforce Network	\$2,225	Not Funded	
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**Capital Outlay (All items funded with Non-Recurring Funds)**

		<b>Increase</b>	<b>1st Draft Budget Staff</b>	<b>Revisions  BOS</b>
16	Comprehensive Plan Update (TJPDC)	\$10,000	Funded	
16	Large Scanner (Planning Dept.)	\$7,100	Funded	
17	Emergency Vehicles	\$763,688	Funded	
18	Microwave Network Upgrade	\$369,500	Funded	
18	Computer Aided Dispatch (CAD)	\$200,000	Funded	
18	Active 911 Subscription	\$3,800	Funded	
18	Rockfish School Generator Upgrade	\$45,000	Funded	
<b><u>Transfer to VPA Fund (DSS)</u></b>				
19	Increase Request (no increase in local funding)	\$17,471	Funded	
<b><u>Transfer to Schools (Refer to School Budget)</u></b>				
20-22	No Increased Request for operations/\$9.5 million new state funding (Draft)	\$0		
23-25	School Buses (4 requested)	\$340,000	Not Funded	
	<b>Total Funded</b>	<b>\$2,070,451</b>		
	<b>Unfunded</b>	<b>\$638,590</b>		
	<b>Total Requests</b>	<b>\$2,709,041</b>		
<b>Other Considerations:</b>				
26	Capital Improvements (County)	\$41,595,000		
27	Capital Improvements (School)	\$5,374,539		
		<b>\$46,969,539</b>		
<b>Available:</b>				
	Recurring Contingency	\$0		
	Non-Recurring Contingency Sale of Nursing Home Proceeds)	\$1,727,200		

The following items from the considerations list were discussed as follows:

		Staff
<b><u>Technology</u></b>		
GIS parcel maintenance & layer development (\$10,000 funded)	\$9,500	Not Funded

Mr. Carter noted that the IT department typically had ambitions to do a lot of things and then they run out of time so staff had backed some things out that were included.

Mr. Bruguere noted that the County’s GIS data was old and Mr. Carter advised that the State would be doing a flyover of the County this year and the data would then be updated. Mr. Reed referred to a recent issue with Planning and Zoning where an applicant’s submission had not comported to the GIS and Mr. Carter advised that Sandy was checking property boundaries etc. and notifying Beth Woerner, the GIS Specialist if something was wrong and this one got missed. He added that Ms. Woerner was fixing things as quickly as she could. He added that she was working on inconsistencies over time as plats came in. He then acknowledged that the County’s GIS was certainly not 100%. Supervisors then noted that they did not want to cut out items that they could get done. Ms. McCann advised that they were working on purchasing the new phone system and next year would have the CAD upgrade to work on.

No changes were made by the Board.

<b><u>Registrar</u></b>		Staff
Requested increase in part-time wages (\$14,000 Funded)	\$5,500	Not Funded

Mr. Carter advised that he thought they were scanning all of their records into their system and some of that workload had been shifted from the State to the locality.

Mr. Carter then advised that staffs’ premise was to try not to increase positions including part time positions. He noted that the Registrar’s Office had two (2) part time positions and the Registrar position and he did not think the increase was needed to get the work done as they should have ample time to keep up with things. Mr. Bruguere noted the declining population and that not much was changing.

Mr. Rutherford asked how Nelson’s staffing compared to other counties and Mr. Carter noted that a true comparison could not be made as the staffing was driven by the state. Ms. McCann reiterated that they had two (2) part time positions and the request would increase their hours. She added that until recently, they had only had one (1) part time person.

No changes were made by the Board.

<b>Commonwealth Attorney</b>		Staff
Additional Supplement for Assistant Attorney (\$2,500 provided in FY18)	\$1,000	Not Funded
Part-time Clerical Position to Full Time (Includes benefits & health ins)	\$21,467	Not Funded

Ms. McCann advised that the Commonwealth Attorney had asked for an additional supplement last year for the Assistant Attorney and was provided \$2,500 and he now wanted an additional \$1,000 for total of \$3,500. She noted additionally, he was asking that his part time clerical position be made full time.

Mr. Carter advised that should County employees be given an overall raise, those employees would benefit from that as well.

Mr. Bruguiere asked if the extra was only for pay and Ms. McCann noted that additional benefit costs were also included in the amount shown. Ms. McCann noted that in terms of the clerical position, it had been mentioned that the person would not require health insurance; however that could not be assumed and therefore those costs were included.

Mr. Harvey noted the case load of the office related to drugs and noted if they were going to fight drugs in the County, they would have to pay for it. He added that the best investment was participating in the drug task force and they should look at this closely. Supervisor Rutherford added that the packet contained a letter from the Commonwealth Attorney outlining his caseload etc.

Mr. Bruguiere commented that he would like to see the clerical position funded; however not the \$1,000 for the Assistant Commonwealth Attorney.

In response to questions, Ms. McCann noted that the cost for individual healthcare was \$8,000 per year. Mr. Saunders then noted that the County would still be \$7,000 ahead if both were funded.

No changes were made by the Board.

<b>Sheriff</b>		Staff
Courtroom Security Wages (\$30,000 Funded)	\$5,000	Not Funded
DARE	\$3,500	Not Funded
Police Supplies (\$15,000 Funded)	\$2,500	Not Funded

Courtroom Security:

Ms. McCann noted that the Courtroom Security wages were to fund part time positions monitoring the courtrooms in all three courts. She noted that there were three (3) positions currently funded and a portion of this funding came from court fines dedicated for this and that ran around \$30,000. She added that staff left it at that level, it could be monitored during the year, and if the funds came in higher; the Sheriff could ask for an appropriation.

Mr. Saunders then asked if the court fines were down and staff confirmed that they were.

DARE:

Staff noted that the DARE program had be re-launched in the current year even though the Board had not approved it. Ms. McCann noted that the program consisted mostly of distributing coloring books, T-shirts, and bears etc. Mr. Bruguire stated that the program was being done in the schools and they should pay for it. Supervisors discussed how the program had transitioned over time from being in the High School, then moved down to the Middle School and now was in the elementary schools.

Police Supplies:

Ms. McCann advised that police supplies had been reduced to its historical average of \$15,000.

No changes were made by the Board.

<b><u>Emergency Services Council</u></b>		Staff
EMS Council (Reduction for Nelson Rescue)	\$47,439	Not Funded

Mr. Harvey noted this was in limbo until they decided what to do with emergency services.

No changes were made by the Board.

<b><u>Paid EMS</u></b>		
Wages & Benefits (Wintergreen Rescue)	\$48,900	Funded
Mileage (Ambulances used out of due area)	\$46,000	Funded

Wages & Benefits (Wintergreen Rescue):

Ms. McCann noted that this request contained a 2% salary increase. She noted that mileage was reduced primarily because of how it was reimbursed.

Mileage (Ambulances used out of due area):

Ms. McCann noted the reimbursement to agencies was \$2 per mile if a squad lent an ambulance to the Paid Crew and they went outside of that agency’s due area. Otherwise, if they had been funded by the County for 50% of the vehicle cost, they were paid \$1 per mile.

Mr. Carter noted his concern with this practice since the County was also paying for fuel and maintenance to the EMS Council and he thought it was duplicative payment.

Mr. Bruguere then noted that if there was no transport, no fees were recovered at all and they may need to get a flat fee. Mr. Carter advised that he did not think they could legally do that as the mileage reimbursements were federally regulated for transports only.

Mr. Harvey noted that there were very few vehicles that had not been paid for with state and local only funds. It was then noted that the ambulance to be purchased would be Roseland's first unit with County funding.

Mr. Carter then noted that the mileage expense amount had historically been \$80,000 per year.

In looking at the agency expenses, Ms. McCann noted that expenses related to general repairs had varied and Mr. Harvey commented that those may be generator expenses. Mr. Bruguere commented that the phone bills were outrageous and Mr. Saunders supposed they were forced to have business lines. Mr. Harvey noted they also had cell phone service with internet that helped them communicate with hospitals. Mr. Carter advised that staff only got the summary sheet and no backup to be able to know the details and Mr. Harvey noted that they were working to improve on that and not much had changed over the past twenty plus years.

No changes were made by the Board.

<b><u>Motor Pool</u></b>		Staff
4 Police Vehicles (\$29,750 per vehicle)	\$59,500	Funded (2 vehicles)
Equipping of police vehicles (\$9,165 per vehicle)	\$18,330	Funded (2 vehicles)
Additional Equipping with in-car cameras (\$6,175 per vehicle)	\$12,350	Funded (2 vehicles)
Police Vehicles & Equipment not funded	\$90,180	Not Funded
2 Building Inspections Vehicles	\$54,690	Not Funded

Police Vehicles and Equipment:

Ms. McCann noted that the Sheriff had used asset forfeiture funds to buy four (4) in car cameras for the new cars. Mr. Carter noted that the Sheriff had gotten seven (7) new cars in the past year: two (2) Dodge Chargers, one (1) Chevy Tahoe SUV, and four (4) Ford Explorer SUVs in the current cycle.

Ms. McCann noted that the department had provided a list of their vehicles which also showed vehicle mileage.

Ms. McCann then noted that the Sheriff had over \$100,000 in asset forfeiture money. He had spent \$34,000 of it and had a balance of about \$70,000 that could be used use to buy the cameras, for equipping, and possibly to purchase vehicles.

Mr. Saunders then recalled the Commonwealth Attorney stating that if they had those cameras, it would increase his workload and they would need another person to review the cameral footage. He suggested that these requests not be reviewed independently as there was a domino effect in terms of cost.

Mr. Harvey noted that until everything was set up, they should only have a few of the cameras at a time and there needed to be strict guidelines on their use. Mr. Carter note that the previous administration had gotten grants to install in-car cameras and the current Sheriff has said that those were not working well and they wanted a new system.

Mr. Reed asked if the asset forfeiture funds were discretionary and Mr. Carter advised that they were; however the program rules had to be followed in terms of purchasing. He added that both the Commonwealth Attorney and the Sheriff had access to their own funds.

Building Inspections Vehicles:

Mr. Carter advised that staff thought that the two (2) building inspections trucks and the Escape would last longer and new ones were not needed yet.

There were no changes made by the Board.

<b>Community College (Refer to Agency Notebook)</b>		Staff
PVCC (\$14,918 Funded as requested)	\$0	

Ms. McCann noted there was a small operational increase and a three (3) year capital contribution toward a new building.

There were no changes made by the Board.

<b>Soil &amp; Water Conservation (Refer to Agency Notebook)</b>		Staff
Thomas Jefferson Soil & Water Conservation Board (\$33,075 Funded)	\$10,425	Not Funded

Mr. Carter noted that he needed to ask the new Building Official, Chuck Miller, if he was certified to do E&S plan review and if so, the County may be able to eliminate that expense with the TJSWCD. He advised that if Mr. Miller was not yet certified in that; he would suggest they moved towards accomplishing that. Mr. Bruguiere commented that the County was not doing very many subdivisions.

<b><u>Non-Departmental</u></b>		
Employee Pay Adjustment (Local & Constitutional)	\$150,000	Funded
Colleen Debt Service	\$162,812	Funded
NCSA Fire Protection Fee	\$156,000	Funded

Employee Pay Adjustment (Local & Constitutional):

Ms. McCann noted that in terms of the Employee Pay Adjustment, the funds were lumped there and then were moved to departmental budgets by budget amendment during the year. She noted that the \$150,000 would provide either a 3% across the board salary increase or would fund 33% of the market adjustment from the pay study and 2% for those not eligible for the market adjustment.

Mr. Bruguere noted that the County got a 2% pay adjustment in the current year and there were some positions in the study that needed further pay adjustment.

Mr. Carter advised that the strategy was to implement the pay plan at 1/3 of the total cost and 2% for those not getting a market adjustment. He noted that he thought that County salaries were comparatively not highly competitive. He added that all employees were fortunate to work for the County; however the pay was not competitive with other localities. He added that the study used smaller localities as a comparison, not neighboring Albemarle County or Charlottesville and the County was even behind them. He noted that they definitely did not match up to the Schools who were much more competitive.

Mr. Reed questioned if it were part time employees that were not eligible for a market adjustment and Ms. McCann clarified that eligibility was dependent on how the position compared to the market for that position. Mr. Carter added that staff had proposed implementing 1/3 of the market study last year as a conservative measure.

Colleen Debt Service & NCSA Fire Protection Fee:

Staff then noted that the debt service shown was for the Colleen water and sewer project and then a fee was shown for fire protection.

Mr. Carter then advised that the Service Authority would have FY19 debt retirement savings of \$527,000, although they were in the process of doing a preliminary engineering report for upgrades to the Wintergreen wastewater treatment plant. He added that now was the time to recoup those funds.

Mr. Carter and Ms. McCann further noted that the Fire Protection Fee was a subsidy and Mr. Harvey noted it was one they could not do without. Mr. Carter reiterated that the Board had the opportunity now to eliminate it. Mr. Harvey advised that the Service Authority was considering a rate increase now and Mr. Carter noted that debt was for the Wintergreen project and that a surcharge could be added to the Wintergreen customer bills to pay for the related debt. Mr. Harvey stated that those customers had been overpaying for years to support the rest of the system.

Mr. Carter advised that around \$6 Million had been paid on the Colleen debt with there being six (6) more years left and the County had been reimbursed approximately \$250,000 in connection fees. Mr. Harvey noted that the Colleen system had gotten CVEC to remain in the County and allowed for the brewery to get connected.

Mr. Saunders then commented that he has been seeing a lot of new Service Authority trucks around and Mr. Harvey noted they were needed to replace old ones.

Mr. Bruguiere commented that their accounting system showed them funding depreciation and Mr. Carter noted it was a maneuver to use revenues to pay interest costs on debt. Ms. McCann advised that business enterprises had to account for it that way, similarly the County showed it for the Broadband Authority fund and the Piney River Three fund.

There were no changes made by the Board.

**Agencies Requesting Increased Funding (Refer to Agency Notebook)**

Agencies that requested level funding and are currently funded in the draft budget are still included here to assist new Board members less familiar with the agencies funded by the county.

	<b>Increase</b>	
	<b>Requested</b>	<b>Staff</b>
Regional Library (\$293,545 Funded)	\$12,347	Not Funded
Thomas Jefferson EMS Council (\$19,629 Level funding requested)	\$0	
JABA (\$98,000 Funded)	\$7,410	Not Funded
JAUNT (\$67,176 Local, \$43,787 Wintergreen)	\$11,095	Not Funded
MACAA (\$31,410 Level funding requested)	\$0	
Shelter for Help (\$8,160 Requested)	\$0	
SARA (\$1,000 Level funding requested)	\$0	
OAR (\$5,602 Funded)	\$1,477	Not Funded
Nelson County EDA (\$3,100 Level funding requested)	\$0	
Central VA Partnership for Economic Development (\$10,000 Level Request)	\$0	
Nelson Co. Community Development Foundation (\$55,729 Level Request)	\$0	
Central VA Small Business Development Center(\$5,000 Funded)	\$2,500	Not Funded
CASA (\$3,500 Level funding requested)	\$0	
Gladstone Senior Center Meals(\$8,254 Level funding requested)	\$0	
Rockfish Senior Center Meals (\$12,367 Level funding requested)	\$0	
Humane Society of Nelson County (\$7,500 Level funding requested)	\$0	
TJ Area Crisis Intervention (\$1,813 Funded)	\$0	

Nelson County Community Development Foundation:

Mr. Saunders noted he thought that the Nelson County Community Development Foundation should be close to being independent and the funding could be reduced. Mr. Harvey noted those funds went towards paying their salaries and Mr. Saunders added that rent was paid in addition to those funds.

In response to questions regarding their debt, Mr. Carter advised that the debt was not yet paid off; however they paid more in the beginning and now paid less than \$15,000 per year.

Mr. Harvey recalled that the County made a contribution after giving them the building of around \$100,000. Mr. Carter recalled conveying the property at no cost but was uncertain about the contribution noted by Mr. Harvey. He did note however that all of the Foundation’s revenues were derived from County sources such as the HOME program from TJPDC and the HUD program that they administered for the County. Mr. Harvey added that they did raise a lot of money and provided good programs. Mr. Saunders suggested looking at it more closely and Mr. Bruguere agreed they did a good job but needed to be looked at further.

Central Virginia Small Business Development Center:

Mr. Carter noted that the Central Virginia Small Business Development Center, held training; however they could be cut back more.

There were no changes made by the Board.

**Agencies Not Previously Funded (Refer to Agency Notebook)**

Piedmont Workforce Network	\$2,225	Not Funded
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Ms. McCann noted this request was new and they had not been funded before.

**Transfer to Schools (Refer to School Budget)**

No Increased Request for operations/\$9.5 million new state funding (Draft)	\$0	
School Buses (4 requested)	\$340,000	Not Funded

Ms. McCann clarified that the new state funding should be \$950,000 to over \$1 million, not \$9.5 million. She also clarified that there were no buses included in the budget and Mr. Carter advised that he had sent Mr. Saunders’s questions to School personnel that day. He added that there were 68-72 buses listed according to condition in the information they had previously provided.

Mr. Bruguere noted he had been hearing that the schools wanted to have three (3) more security people and according to the Nelson County Times article, they would be funded with existing funds. Mr. Harvey questioned why they would want to hire unqualified door monitors and he thought they should be trained

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and hired through the Sheriff's Department. Mr. Bruguire suggested that the schools were safe as long as protocols were followed and doors were not propped open. Mr. Harvey noted that it was easy to let people in the doors at the back of the schools and he questioned whether or not those doors had cameras. Mr. Carter advised that a lot of cameras had been installed; however he was unsure as to how extensive that was. Mr. Harvey supposed that the cameras mostly provided a history of things that had already happened and Mr. Carter noted that he understood that the School Resource Officer monitored the cameras.

There were no changes made by the Board.

### **III. Other Business (As May Be Presented)**

There was no other business considered by the Board.

### **IV. Adjourn and Continue until March \_\_\_, 2018 at \_\_\_pm, For the Conduct of a Budget Work Session to be Held in the Bridge Conference Room of the Courthouse in Lovington.**

Supervisors discussed the next meeting dates shown on the schedule to be Tuesday the 20th or Thursday the 22<sup>nd</sup>. The Board discussed meeting on Tuesday the 20<sup>th</sup> and after discussion agreed upon 4:00 PM.

Supervisors discussed looking at the budget more before deciding on the tax rates; however the consensus was that they did not want to implement an increase. It was noted however, that if not in FY19 an increase may be necessary in the next or subsequent years. Mr. Bruguire noted he would not support an increase without having any building plans or other plans. It was noted that the Commissioner of Revenue and Treasurer needed to know the rates fairly soon.

At 5:50 PM, Mr. Harvey then moved to adjourn and continue the meeting until Tuesday, March 20<sup>th</sup> at 4:00 PM in the Bridge Conference Room. Mr. Saunders seconded the motion and there being no further discussion, Supervisors voted unanimously by voice vote to approve the motion and the meeting adjourned.