

March 19, 2021

**Virginia:**

AT A CONTINUED JOINT MEETING of the Nelson County Board of Supervisors and the Nelson County Planning Commission at 1:00 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 – Vice Chair  
Ernie Q. Reed, Central District Supervisor – Chair  
Thomas D. Harvey, North District Supervisor  
J. David Parr, West District Supervisor  
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  
Dylan Bishop, Director of Planning and Zoning  
Emily Hjulstrom, Planning and Zoning Planner  
Philip Payne, County Attorney  
Andrew Crane, Information Systems Specialist  
Maureen Kelley, Tourism Director  
Mark Stapleton, Nelson County Planning Commission – Chair (via Zoom)  
Chuck Miller, Building Official (via Zoom)  
John Craft, VA ABC Senior Compliance Officer (via Zoom)  
Pam Miles, Program Supervisor VDACS Food Safety Program (via Zoom)  
Marybeth Williams, Williams Compliance (via Zoom)  
Kyle Shreve, Executive Director, VA Agribusiness Council (via Zoom)

Absent: None

**I. CALL TO ORDER (Chairman Reed and Chairman Stapleton)**

Mr. Reed called the meeting to order at 1:04 pm, with all Supervisors present to establish a quorum. It was noted that the Planning Commission did not have a quorum, so there was no need for them to call a meeting to order.

**II. WELCOME AND INTRODUCTIONS (Chairman Reed)**

Mr. Reed introduced the Supervisors that were attending the meeting in-person: Mr. Harvey, Mr. Barton, Mr. Rutherford, Mr. Parr, and himself. He also noted that Mr. Carter, Mr. Payne, Mr. Crane, Ms.

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Kelley, Ms. Bishop, and Ms. Hjulstrom were attending in-person. Mr. Stapleton noted that no other Planning Commission members were signed in on Zoom.

### **III. WORK SESSION – LICENSING OF ABC BUSINESSES (PRESENTERS)**

#### **A. John Craft, VA ABC Senior Compliance Officer**

The following information was provided:

*Virginia ABC's Compliance Unit works with manufacturers, wholesalers, importers and out-of-state shippers in the alcoholic beverage industry. The unit is responsible for granting licenses and enforcing industry regulations, interprets applicable alcohol laws and regulations, offers training on industry matters and provides expert guidance on tied-house issues.*

*Senior special agents (SSA) in the Compliance Unit offer leadership and guidance, and serve as a reliable resource for the alcoholic beverage industry.*

Mr. Craft provided an overview of the application and licensing process for the entities he supervises, specifically, the industry licensees. He noted that this includes manufacturers, wholesalers, importers, and shippers, as opposed to retail licensers. He advised that during the application and licensing process, there is a posting and publishing that is required by code, where they both post a notice at their location and they publish in a paper that has to be of general circulation in the locality. He noted that the General Assembly made this a requirement to ensure that everyone is aware that someone is applying for some type of license, and if somebody wishes to place an objection against the issuance of a license, they have a 30-day window to do that during this process. He advised that this is done by contacting the special agent or regional office, adding that for all industry licensees in this locality and throughout Nelson, he is that responsible party. He stated that he has the entire Shenandoah Valley from Lynchburg to Winchester, and he also assists with Loudon and Fauquier Counties in Northern Virginia.

Mr. Craft advised that the application process requires the entity, whether it is an LLC, corporation, or private individual, to apply to what was formally known as the ABC Board and is now the ABC Authority by supplying certain information. For these industry licensees, many of them have a qualification or multiple qualifications that they must meet before they are able to be licensed. He advised that when the entity is supplying this information, his unit is conducting an investigation. For example, a farm winery must be located in an agriculturally zoned area of the county, and if so, that is one of the major qualifications. That farm winery also has to have a producing orchard or vineyard, which could also be extended to bees if they are making mead and using honey. Then, they have to have the equipment necessary in order to manufacture that product.

Mr. Craft noted that for limited breweries, which are not identical to farm wineries, they have to grow something on their farm that is going to be used at some point in the production of their beer. Likewise,

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they have to have equipment necessary to manufacture their product. With distilleries, they have to have the equipment necessary also, although, they do not have to be in an agriculturally zoned area.

Mr. Craft noted that pursuant to law, the Board of Supervisors cannot create a particular local/regional ordinance that would prohibit someone from having a farm winery and conducting that farm business. However, the Board can regulate the other activities that are not agriculturally based in the locality, such as the number of people they can gather or the music (noise ordinance). He advised that is a local ordinance, and ABC does not enforce that, but the Sheriff's Office would.

Mr. Craft stressed that his unit is a neutral party that is investigating an application for a license. If there is a concern on the part of the Board, he noted that his unit wants them to reach out and let them know what the concerns are. He also noted that if a license is issued in the locality, ABC does not end there; they conduct annual inspections of the premises ensuring that they still qualify for the licenses which they have been issued.

#### B. Pam Miles, Program Supervisor VDACS Food Safety Program

The following information was provided:

*Pam Miles is currently the Program Supervisor for the Virginia Department of Agriculture and Consumer Services' Food Safety Program. In her current position, she directs a statewide Food Safety Program; providing supervision, direction and support to all Program staff including Food Safety Specialists who are responsible for the inspection and ongoing monitoring of all food manufacturers, food retailers and warehouses in the Commonwealth. She has worked for the VDACS Food Safety Program for thirty-two years. She was employed initially as a Food Safety Specialist, then as a Regional Manager and now functions in her current role as the Program Supervisor. Before her work with the state she worked in the food industry for six years in quality control for Kraft Foods and for a Dairy fluid milk plant. She graduated with a Bachelor of Science in Food Science from Purdue University. She previously served as the President for the Association of Food and Drug Officials and currently serves on the Board of Directors.*

Ms. Miles advised that she manages the state food safety program, and her program is responsible for the inspection of all the retail food stores in the state, which includes all the supermarkets, grocery stores, and convenience stores and gas stations that have food in Nelson County and throughout the state. She noted that they also inspect all the food warehouses, distribution centers, and manufacturers, which includes wineries, microbreweries, and distilleries. She advised that they have 25 food safety specialists throughout the state who have territories and make inspections at all of these firms.

Ms. Miles noted that they regulate these firms using their Virginia food and drink law, and they have adopted federal regulations that include good manufacturing practices. She then shared a Memorandum of Understanding (MOU) that they have with the Department of Health. She noted that they put this MOU together in early 2015 for the purpose of having an agreement between the Department of Health

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and VDACS to clarify their inspection responsibilities in winery tasting rooms that offer food service to the public. This agreement allowed both agencies to maintain a high level of public health protection. She added that previously, there was not uniformity throughout the state pertaining to what was allowed to be served in the tasting rooms without a VDH permit. She advised that they had a second similar MOU that was developed to cover breweries and distilleries, and it was finalized and signed in September of 2015. She noted that the first MOU covered the wineries and cideries.

Ms. Miles referred to third party operations that come, such as food trucks, and noted that those do not fall under VDACS. They instead have to be permitted and inspected by the Virginia Department of Health. In addition, if the firm wishes to hold any type of special event, such as an oyster roast or pig roast, they have to contact VDH to obtain a special event permit.

### C. Marybeth Williams, Williams Compliance

The following information was provided:

*Widely recognized as one of the foremost authorities on beverage compliance, founder Mary Beth Williams designed Williams Compliance to be a nimble, knowledge-based company. After years in the public sector and private practice as an attorney, Williams is well-versed in the regulatory challenges that can befuddle the best businessperson. In her role as Associate General Counsel in the Virginia State Corporation Commission, she prosecuted securities fraud cases and drafted legislation and rules for the regulation of securities trademarks, and franchises. This experience, combined with her background as a Deputy District Attorney in Colorado, provides her with great perspective and understanding regarding enforcement issues and the position of the enforcement agencies.*

*Based on her background and experience, Williams knew West Coast wineries had been using compliance companies for years to bring in an expertise in the area at a significantly lower cost. She believed East Coast producers should have the same opportunity. Taking the calculated risk that all entrepreneurs face, she left her prestigious position as one of the state's legal eagles and founded Williams Compliance. Today Williams Compliance serves dozens of clients in the eastern United States.*

*With her relaxed style and her clear understanding of the ever changing regulatory environment, Williams is regularly invited to share her knowledge in speeches and seminars for state associations and other groups. Williams is well known for her hands-on approach to the beverage industry. She has bottled wine with clients, poured at consumer tasting events as well as assisted in harvest. In each case, such experience helps her develop real world solutions for her clients' needs.*

*Williams and her husband Jeff live in a 1924 farmhouse in Hanover County, Virginia, with their 5 rescue dogs who are the namesakes for their own small vineyard, Five Dogs Vineyard, planted to Petit Manseng, Viognier, and Petit Verdot.*

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Ms. Williams noted that her company deals with the laws and regulations that apply to alcohol producers: wineries, breweries, distilleries, some importers, meaderies, cideries, et cetera. She advised that alcohol is the third most regulated industry in the country, and the Tax and Trade Bureau (TTB) is the federal regulator for tobacco and alcohol. Before an entity can even submit an application with ABC, they have to have applied for application with TTB as well. She added they are also regulated by the FDA and advised that alcohol is considered food for all federal and state regulations, so food regulations do apply. She noted that the primary regulators as far as the day-to-day activities for all of these suppliers are ABC, VDACS, and VDH.

Ms. Williams noted that with respect to oyster roasts and pig roasts and the like, if a winery, brewery, or distillery were the providers of the oysters or pig, then they would absolutely have to have a permit. However, most of them are doing this in conjunction with somebody who is already a licensed seller.

Ms. Williams referred to Section 4.1 of the Code of Virginia, which is the ABC Act, and noted that the definitions listed there are helpful. She added that some things relative to alcohol producers are included in the definitions and some are included in other sections.

Ms. Williams advised that there was a License Reform Act passed last year, and it was supposed to go into effect on July 1<sup>st</sup>, 2021. She noted that it revamped the licenses, whereas currently, we have sections for distilleries, sections for licenses relative to beer, and sections for sales and production of wine. She added that the whole licensing schematic at ABC is being revamped, so all of them are going into manufacturer's licenses, and then they will be broken down from there. The privileges themselves are not changing, but rather the layout. She advised that because of this act, a lot of the fees were changed, and as part of COVID, there was legislation this year that bumped the effective date to January 1<sup>st</sup>, 2022.

Ms. Williams then discussed the differences in licenses. She noted there is a by-right ability for a farm winery, limited brewery, or limited distillery on land zoned agricultural, however if the land is not zoned agricultural, they can come to the County for approval or denial. One zoning provision that is specifically not available for a farm winery, limited brewery, or limited distillery is Residential Conservation (RC). She then noted that for limited breweries and distilleries, some of the product has to be grown on site, and water does not count. She advised that literally one hop vine would be enough to get a limited brewery or distillery. She went on to say that farm wineries have a far greater threshold: 51% of the wine that they produce must be produced from grapes that are grown on property that they either own or lease. Also, no more than 25% of their wine can come from fruit from outside of Virginia.

Ms. Williams then referred to Section 15.2-2288.3 and noted it relates to farm wineries and has a list of things that localities cannot get involved in regulating at all:

1. Production and harvesting of fruit and other agricultural products and the manufacturing of wine
2. On-premise sale, tasting, and consumption of wine during regular business hours within the normal course of business at a licensed farm winery

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3. The direct sale and shipment of wine by common carriers to consumers (direct shipping)
4. The sale and shipment of wine to ABC, to wholesalers, or to out of state purchases
5. The storage, warehousing, and wholesaling of wine in accordance with Section 4.1
6. The sale of wine-related items that are incidental to the sale of wine (wine openers, wine coolers, etc.)

Ms. Williams then noted that any local ordinance involvement in regulating farm wineries has to be reasonable and take into account the economic impact of such a restriction on the farm winery.

Regarding events, Ms. Williams noted that they are not regulated by ABC. She advised if there are problems with events, that really comes down to the Sheriff. She noted that there are temporary permits that are issued by ABC; they can be for up to three consecutive days, and an entity can have up to eight of these per year.

D. Kyle Shreve, Executive Director, VA Agribusiness Council

The following information was provided:

*The Virginia Agribusiness Council is a non-profit member organization committed to representing the agriculture and forest industries in the Commonwealth with a unified voice through effective government relations efforts.*

*Kyle Shreve currently serves as the Executive Director for the Virginia Agribusiness Council, where he represents the Council's diverse membership of businesses in both the agriculture and forestry industries. He holds a decade of trade association experience including representing the International Dairy Foods Association, Virginia Retail Merchants Association and the Virginia Association of Health Plans.*

*Kyle is originally from Pennsylvania and received a Bachelor of Arts degree in Political Science and History from Pennsylvania State University. He moved to Northern Virginia in 2008 to begin his six-year tenure at the International Dairy Foods Association, focusing on legislative affairs at the federal level. Soon after receiving his Master of Professional Studies in Political Management from the George Washington University, Kyle moved to Richmond to work with the Virginia Retail Merchants Association as the Director of Government Affairs. He served in the role of Director of Policy at the Virginia Association of Health Plans prior to transitioning to the Virginia Agribusiness Council in May of 2018. Kyle lives in Midlothian with his wife Christie and their sons, Bennett and Connor.*

Mr. Shreve noted that in the last few years, more and more farmers in particular have turned to what has grown into agritourism to supplement revenue for the farm and generate interest in rural Virginia, and it has become a bigger and bigger part of the agriculture and tourism economy. He advised that the biggest conflicts that his industry has seen over the last few years comes with any structure the event is held in and the events themselves and how to properly regulate and balance the economic activity generated versus public safety. He noted that the General Assembly then established in 3.2-6400 what

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an agritourism activity is: any activity carried out on a farm that allows members of the public for recreational, entertainment, or educational purposes to enjoy rural activities. He added that it goes on to list, including but not limited to, farming, wineries, horseback riding, et cetera. He noted that they have been seeing more of these activities happening under the broader definition of what we call agritourism. He then stated if a building is going to be used for production, agriculture, or will have multipurposes, the entity is exempt from things like the uniform statewide building code. He clarified it does not mean the entity is exempt from other types of environmental concerns, such as erosion and sediment control plans or setback ordinances that the locality has put into place.

Mr. Shreve noted that the entity has to show that they are primarily going to use the space for the processing, production, or sale of an agricultural product, and then they can hold events in that particular space.

Regarding public safety, Mr. Shreve noted that the County can not only work with the Sheriff, but also work with fire marshals to make sure that there are lines of egress for things like ambulatory services should an emergency arise, entrances are marked, and fire plans are in place.

#### **IV. QUESTIONS AND ANSWERS**

Mr. Harvey noted that most of the problems we are having are not with operations, but with building things without permits. He then asked what the difference is between VDACS and VDH. Ms. Miles noted that VDACS is the Virginia Department of Agriculture and Consumer Services, and they work very closely with VDH, who inspects all the restaurants and food service. She advised that VDACS has a food safety program where they inspect the grocery stores, supermarkets, and food manufacturers.

Mr. Harvey stated that there have been instances where people come in and build very large buildings that are pretty much used for warehouses and things like that, with no oversight by the Building Department. He stated that they call it exempt under an ag provision, and then, they have 50 employees in it and have it open to the public. He added that they do not have proper exits and things of that sort, and also, no setback. He noted that it is clear after hearing the information today that those places do need to meet setback requirements. He went on to urge that we need to be sure that the Building and Planning departments are aware of these things. Mr. Harvey then referred to the licensing notice requirement to the paper that Mr. Craft had discussed and asked if they have to send the County that same type of ad. He stressed that the Board needs to be aware up front. Mr. Craft noted that with the ABC advertisements, the code requires that they notify the chief law enforcement officer of the locality in which the license will exist of the application for an ABC license. He advised that his unit goes beyond that and typically contacts two to three people at minimum, which includes the Sheriff and usually someone from Zoning.

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Mr. Rutherford asked what it takes to be classified as a farm brewery. He referred to the singular hop requirement that Ms. Williams had mentioned and asked if it just has to be used at some point in production during a calendar year. Ms. Williams stated that is correct, and the threshold for farming activities is dramatically different for a farm winery than it is for a limited brewery or limited distillery.

Mr. Barton noted that a concern he has heard several times is that once an entity is designated as a farm brewery or limited distillery, they have the freedom to do what they want to do due to the importance of agribusiness to Virginia. He asked if this is true. He then asked how much influence the Board has on these businesses. Mr. Harvey noted that Mr. Barton is referring to when they are actually approved by the ABC. Mr. Craft noted that there are certain regulations that the Board can craft locally that do further govern the entities depending on the things that Mr. Shreve and Ms. Williams spoke about. Ms. Williams noted that if the Board feels like an entity is violating or going beyond what they are allowed to do, they can always reach out to ABC. She advised that these entities have to renew their licenses every single year, so if there are issues with these licensees acting in a way that is contrary to the ABC laws, then at any point during their existence, a complaint or concern can be lodged with ABC.

Mr. Barton referred to proffers that are offered and asked if there is any instance when proffers were ignored. Ms. Williams noted that farm wineries do not have to do a proffer, however, if a brewery or distillery made a proffer and did not comply, then that is a local violation. She advised the same would be true with a commercial winery. Mr. Shreve noted that he is not aware of any such instance.

Mr. Parr did not have any questions.

Mr. Reed noted that there is a gray area and stated that the benefits of agritourism are obvious, however, a lot of times, the costs and impacts do not come up until later. He added that in that gray area are a lot of Pandora's box scenarios. He stated that just because something is allowed in an agricultural area by right, and most of the county is zoned agricultural, that does not mean it either makes sense or that it fits the consciousness of people in the county in terms of understanding what's allowed and what is not. He advised this poses a problem for both Planning and the Board of Supervisors to have to deal with those parameters where their hands are tied in terms of what the State has allowed to be done by right that the County cannot regulate. Mr. Shreve recognized that there absolutely will be bad actors, and he does not defend them. He noted that a lot of the complaints he hears are about the activities performed in a building or the uses of it with the claiming of an agricultural exemption. He advised that his organization works tirelessly to try to educate their members as well as everybody else. He noted that the General Assembly has thus far made the resumption of leaning on the side of agriculture and the economic activity and interest in rural Virginia, adding that does not alleviate the concerns when it comes to public safety and public health. Mr. Shreve advised it is up to the locality to decide how much to push it legally speaking when it comes to the ordinances they adopt regarding things like setbacks and special use permits for events.

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Mr. Stapleton had no questions and thanked the presenters.

Mr. Harvey asked Mr. Miller for his opinion on whether the County should have any control over these businesses and how it has been handled. Mr. Miller stated that he does not like when the farm breweries and wineries come in claiming that the County can't touch them. He added he does not like that they are doing what they're doing and the County can't take a look at it and make sure that things are safe. He advised that there are a lot of breweries in the county that have unsafe buildings where people do locate, and he would like to get in there and advise them on egress safety and similar things. He added that he would like for the County to have more teeth to be able to do that. Mr. Harvey stated that the majority are doing things right, however, the few that do things wrong make it look bad for everybody.

Mr. Rutherford noted that he would like to speak with Mr. Shreve in the future about some other particular industries in the area.

Mr. Reed referred to some of the areas where the Board has concerns and asked if the only recourse the Board has is going to the General Assembly. Ms. Williams stated yes, adding that if the concerns are about building code, it would have to be done through the Building Commission and go through the General Assembly. She added if it is something that is in the purview of already being regulated, the Board could ask for additional enforcement on those areas.

Mr. Craft noted that several years ago, ABC began creating small work groups in certain areas to share information and added that it perhaps would be of benefit in this locality to invite some of these entities together to help understand the whys behind how some of this operates. He advised he is happy to help arrange a work group in the future.

Mr. Reed noted a cost to the county is the seasonality of these businesses, adding that all special events and high tourist traffic tend to happen at the same time. He stated there is no limit in total of the events that can happen at one time, and that is something that impacts the health and safety of the residents in the county. Ms. Williams noted that the County can craft an ordinance that addresses the issue as narrowly as possible, as long as they can make a statement that the regulation is necessary because the activities are impacting the public safety, health, and well-being of residents. Mr. Shreve advised that this would have to be leveled equally across, and cumulative impact is hard to measure because they are limiting the activity on a given business or particular licensee. He added that spacing them out via ordinance would be particularly difficult without being arbitrary, adding that it would have to be first come first serve, where there would be only so many licenses per given weekend.

The Board had no further questions. Mr. Reed thanked the presenters for taking the time for this meeting, adding it has been very informative and helpful.

The Board then took a ten-minute recess.

**V. OTHER BUSINESS**

**A. FY22 Health Insurance Renewal and Establishment of Rates (R2021-15)**

Mr. Carter noted that the County's increase from Anthem through the Local Choice is 3.7% and is about a \$27,000 increase. He advised that Staff has built this into the FY22 budget and strongly recommends that the Board endorse this resolution, adding the County's health insurance is very outstanding and is one of the County's best benefits.

Mr. Parr asked if the County has looked into combining plans with the School System. Mr. Carter noted that this has been looked at, and at one point, the School System was annually or periodically bidding theirs out. He advised that the County has continued throughout his administration to stay with Local Choice. He added that the school group can heavily influence the County because the County is so much smaller, which can impact rates.

Mr. Parr then moved to approve Resolution **R2021-15** FY22 Health Insurance Renewal and Establishment of Rates and Mr. Rutherford seconded the motion. There being no further discussion, Supervisors voted unanimously (5-0) by roll call vote to approve the motion and the following resolution was adopted:

**RESOLUTION R2021-15  
NELSON COUNTY BOARD OF SUPERVISORS  
FY22 HEALTH INSURANCE RENEWAL AND ESTABLISHMENT OF  
RATES**

**WHEREAS**, Nelson County participates in the Local Choice Health Benefits Program and the renewal deadline for the next plan year of July 1, 2021-June 30, 2022 is April 1, 2021, and

**WHEREAS**, premiums for the next plan year include an increase of 3.7% for the current Anthem Blue Cross Blue Shield plan offerings;

**NOW THEREFORE BE IT RESOLVED**, by the Nelson County Board of Supervisors that Nelson County's 2021-2022 health insurance plan year renewal rates be hereby established for active employees and retirees as follows and submitted to Local Choice by the renewal deadline of April 1, 2021:

<b>Active Employees</b>	<b>FY22 (July 1, 2021-June 30, 2022)</b>		
<b><u>Key Advantage 250</u></b>	<b>Employee</b>	<b>County</b>	<b>Total</b>
Single, Comprehensive	\$ -	\$ 697.00	\$ 697.00
Dual, Comprehensive	\$ 411.00	\$ 878.00	\$ 1,289.00
Family, Comprehensive	\$ 824.00	\$ 1,058.00	\$ 1,882.00
Single, Preventative	\$ -	\$ 680.00	\$ 680.00
Dual, Preventative	\$ 380.00	\$ 878.00	\$ 1,258.00
Family, Preventative	\$ 778.00	\$ 1,058.00	\$ 1,836.00

<b><u>Key Advantage Expanded</u></b>	<b>Employee</b>	<b>County</b>	<b>Total</b>
Single, Comprehensive	\$ 59.00	\$ 697.00	\$ 756.00
Dual, Comprehensive	\$ 521.00	\$ 878.00	\$ 1,399.00
Family, Comprehensive	\$ 983.00	\$ 1,058.00	\$ 2,041.00
Single, Preventative	\$ 42.00	\$ 697.00	\$ 739.00
Dual, Preventative	\$ 489.00	\$ 878.00	\$ 1,367.00
Family, Preventative	\$ 937.00	\$ 1,058.00	\$ 1,995.00

B. NCSA Moral Obligation and Support Agreement (Draft)

Mr. Carter noted that the Service Authority is working with the Virginia Resources Authority to finance their Wintergreen Wastewater Project, which will consist of them revamping/reconstructing their wastewater treatment facility and their collection facility. He advised this is about a \$14 million project, and they looked at USDA Rural Development Rural Utility Services for the financing, but VRA has better rates and terms.

Mr. Carter noted that VRA requires a moral obligation of the County, which means that if the Service Authority was not able to pay their debt in an annual operation cost, the County would be morally obligated to assist the Authority with whatever funding they needed.

Mr. Carter advised that the Service Authority has to do this project, as they are under a consent order from the DEQ. He noted that today, all the Authority needs is the Board’s consent to consider approving the Moral Obligation resolution at such time as the Authority needs it to be formally approved, which will probably be within the next thirty days or so.

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Mr. Barton moved for the Board to give favorable consideration to the moral obligation resolution when it is presented to the County by the Nelson County Service Authority and Mr. Rutherford seconded the motion. There being no further discussion, Supervisors voted unanimously (5-0) by roll call vote to approve the motion.

C. 2021 Bond Refunding (Informational)

Mr. Carter advised that Staff is moving forward with the 2012 bond refinancing and is asking the Board to continue this meeting to next Thursday, March 25<sup>th</sup> or sometime next week that's convenient for the Board to act on the formal resolution authorizing completion of the refinancing. He noted that the County is still on track for savings of approximately \$185,000 and a 1.73% rate, adding that BB&T will be the holder of the note and issuer of the debt.

D. Fiscal Year 2021-2022 Budget (Introduction and Work Schedule)

Ms. McGarry presented the following slides:

# FY21-22 General Fund Budget Introduction

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**\$41,714,847 Balanced Budget**

**Proposed FY21 Carryover Funds: \$1,210,782 for One-time FY22 Capital Outlay Expenses**

**FY21 and FY22 Revenue Comparison:** Proposed Revenues are based upon current tax rates and current revenue streams.

	<u>FY21</u>	<u>FY22</u>	<u>\$Change</u>	<u>%Change</u>
Local Revenues:	\$31,651,824	\$31,977,279	\$325,455	1.03%
State Revenues:	\$ 4,798,130	\$ 4,163,158	(\$634,972)	-13.23%
Federal Revenues:	\$ 2,609,383	\$ 4,087,851	\$1,478,468	56.66%
Other Revenues:	\$ 138,328	\$ 275,777	\$ 137,449	99.36%
Year Ending Balance:	<u>\$ 3,063,420</u>	<u>\$ 1,210,782</u>	<u>(\$1,852,638)</u>	<u>-60.48</u>
<b>Total:</b>	<b>\$42,261,085</b>	<b>\$41,714,847</b>	<b>(\$546,238)</b>	<b>-1.29%</b>

**FY22 COVID-19 Stimulus Funding included in Federal Revenues: \$2,921,411**

**FY21 & FY22 Recurring Funds Available in FY22**

<b>FY22 Recurring Funds Available</b>	
FY21 Recurring Contingency	\$489,953
FY21 Capital Outlay Covered With Recurring Funds	\$637,103
<b>Subtotal FY21 Funds</b>	<b>\$1,127,056</b>
FY22 Increase in Local Revenue	\$325,455
FY22 Funds Transferred In (Reassessment)	<u>\$255,377</u>
<b>Available Funds for FY22</b>	<b>\$1,707,888</b>

**EXPENDITURES**

**FY22 EXPENDITURES (Including Staff Changes)**

<b>FY22 Total Expenditures:</b>			
<u>FY21 Amended Budget</u>	<u>FY22 Estimated Budget</u>	<u>\$ Change</u>	<u>% Change</u>
\$42,261,085	\$41,714,847	(\$546,238)	-1.29%

**FY22 Contingencies & Reserves:**

Recurring Contingency (FY22 Revenues Exceeding Expenditures):	\$356,566
Non-Recurring Contingency (FY21 Carryover):	<u>\$0</u>
<b>Total Contingencies:</b>	<b><u>\$356,566</u></b>
School Resource Officer Reserve:	\$207,132
Reserve for School Capital:	<u>\$0</u>
<b>Total Reserves:</b>	<b><u>\$207,132</u></b>

**FY22 Proposed Expenditure Increases:**

<b>Proposed Net Departmental Operational Changes:</b> (Includes 3.7% Increase in Health Insurance of Approximately \$27,802 and recommended new positions- see below)	<b>\$301,336</b>
<b>Balance of FY22 Reassessment Contract Work &amp; Board of Equalization:</b> (offset by the Transfer-in of set-aside Reassessment Funds)	<b>\$194,454</b>
<b>Proposed Capital Outlay Increase (Dept. 91050):</b>	<b>\$163,987</b>
<b>Albemarle-Charlottesville Regional Jail Increase:</b>	<b>\$206,663</b>
<b>Non-Departmental (Agency &amp; Other) Increase (Dept. 91030):</b> (Includes 5% Salary Increase & Associated Benefits of \$271,692)	<b>\$ 47,263</b>
<b>School Operations Increase Including School Nurses (As Requested):</b> (Includes 5% Salary + Step Increase & Associated Benefits of \$793,624)	<b>\$206,800</b>
<b>Virginia Public Assistance (DSS) Local Increase:</b> (Includes 5% Salary Increase & Associated Benefits)	<b>\$ 23,639</b>

**Proposed Salary & Benefits Increases:**

FY22 Proposed 5% Salary Increase & Associated Benefits FT & PT employees:	<b>\$271,692</b>
FY22 3.7% Increase in Health Insurance Premiums (FT employees Only) (Maintains same plans and levels of coverage currently offered)	<b><u>\$ 27,802</u></b>
FY22 Increase in Worker's Compensation Insurance Premiums (Experience modification factor increased from 1.06 to 1.35)	<b>\$ 21,000</b>
<b>FY22 Total Proposed Salary &amp; Benefits Increase:</b>	<b><u>\$320,494</u></b>

**Proposed New Positions:**

**New Positions Requested & Recommended:**

FT Buildings & Grounds (General & Trail Maintenance)	\$53,422 Salary & Benefits
FT Solid Waste Transfer Station/Scale-house Operator	\$48,507 Salary & Benefits
PT Social Media Specialist (Tourism & Econ. Development)	\$23,791 Wages & FICA
FT Library Position (Included in Library Request)	\$40,191 Salary & Benefits

**New Vehicles Requested & Recommended:** *Note: Requested vehicles have been included in the Capital Outlay section of the budget (Department 91050) and will be moved to Motor pool (Department 43040) if approved:*

**New Vehicles:**

<b>4 Sheriff's Department Vehicles &amp; Equipment as Requested:</b>	<b>\$206,800</b>
(1 vehicle \$32,555 & equipment \$19,145 = \$51,700)	

March 19, 2021

Mr. Rutherford asked what the County's expected recurring revenue would be after Staff's suggested budget. Ms. McGarry noted that there would be a contingency of unallocated recurring funds of \$356,566. She stated there is \$0 in non-recurring, adding that recurring could be spent on one-time items, and it comes back. Mr. Rutherford asked how much recurring revenue is being used for capital expenses. Ms. McGarry noted that for capital outlay expenses, \$1.2 million of carryover funds have been used from FY21, and then \$341,460 in recurring funds.

Mr. Rutherford asked if the potential \$2.9 million in CARES Act funds, which are already built into the budget, would be used for those recurring expenses. Ms. McGarry stated no.

Mr. Parr made note of the school operations increase including school nurses requested amount of \$206,800, and Mr. Carter advised that is what they requested.

Mr. Reed asked what the percentage of salary increase was in the 2021 budget. Ms. McGarry stated there was no salary increase, adding that the last increase was in the year before at 3%. Mr. Carter advised the basis of the 5% proposed increase is more so dovetailing what the State has done with providing 5% for state employees and state-supported local employees, including the school division. He noted that the school division is including a 5% pay increase plus a step in their budget, adding that the County did not include a step.

The Board then discussed the work schedule for the FY22 budget. Proposed meeting dates were March 23<sup>rd</sup>, March 25<sup>th</sup>, March 30<sup>th</sup>, and April 1<sup>st</sup> at 1:00 pm in the old Board of Supervisors room.

#### E. Other Business (As May Be Presented)

Mr. Reed made note of a subject coming up in the April meeting. He advised that it has to do with the proposed restoration plans that the Atlantic Coast Pipeline has for the 250 property owners in Nelson County that now have easements across their property for a pipeline that is not going to be built. He noted that FERC has asked for comments on those restoration plans, and there is nothing included in those plans that has anything to do with the ability of any of the property owners to somehow negotiate to get their easements back should they want to. He advised that he would like to draft a letter that requests that FERC consider scenarios by which those property owners could in fact get back the value of those easements. He urged that people should certainly have the option to negotiate to get their easements back.

#### VI. ADJOURN

March 19, 2021

At 3:34 PM, Mr. Rutherford moved to adjourn and continue the meeting until Tuesday, March 23, 2021 at 1:00 PM and Mr. Parr seconded the motion. There being no further discussion, Supervisors voted unanimously (5-0) by roll call vote to approve the motion and the meeting adjourned.