

March 25, 2021

Virginia:

AT A CONTINUED MEETING of the Nelson County Board of Supervisors at 1:00 p.m. in the Old Board of Supervisors Room located on the fourth 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
Roland Kooch, Davenport and Company LLC

Absent: None

I. Call to Order

Mr. Reed called the meeting to order at 1:11 pm, with five (5) Supervisors present to establish a quorum.

II. 2021 Bond Refunding Resolution (R2021-16)

Mr. Carter noted that this is the final approval for the Board to initiate the refunding of the 2012 bond obligation, adding that next steps would be the School Board and Economic Development Authority adopting similar resolutions. Once all of that is in place, all of the bond documents would need to be signed, and those would come from Sands Anderson.

Mr. Kooch advised that nothing has changed since he last discussed this subject with the Board. He noted the savings would be roughly \$185,000 in total, and this is the same structure as the 2012 bond, which is a widely used structure by local governments throughout the Commonwealth. He added that the set closing date would be around April 20th.

Mr. Carter noted that Staff hopes the Board will move to approve this resolution and reiterated that the next steps would be similar actions by the School Board and EDA. He added that in the latter part of April, this will all be wrapped up.

March 25, 2021

Mr. Rutherford moved to approve Resolution **R2021-16** Refunding of Public Facility Lease Revenue Bond, Series 2012 and Mr. Parr seconded the motion.

Mr. Reed asked for the reasoning why the School Board and EDA have to approve this. He then asked if they have been informed of this previously. Mr. Carter advised that they have all gotten the bond documents, adding that this means is used pretty universally and circumvents the issuance of a general obligation bond, which would require a public referendum. He added that the School Board is being copied concurrently with anything coming forward from Mr. Kooch or the bond counsel, and they are conferring with Paul Jacobsen from Sands Anderson.

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 R2021-16
NELSON COUNTY BOARD OF SUPERVISORS
REFUNDING OF PUBLIC FACILITY LEASE REVENUE BOND, SERIES 2012**

WHEREAS, the Economic Development Authority of Nelson County, Virginia (**the “Authority”**), at the request of the Board of Supervisors (**the “Board of Supervisors”**) of the County of Nelson, Virginia (**the “County”**) previously issued its \$9,990,000 Public Facility Lease Revenue Refunding Bond, Series 2012 (**the “Refunded Bond”**) to refinance capital projects for school purposes, specifically the acquisition, construction, renovation, equipping and furnishing of County public school facilities, specifically Nelson County Middle School, Nelson County High School and related public school facilities (**together, the “Project”**);

WHEREAS, the Refunded Bond is held by Truist Bank, formerly known as Branch Banking and Trust Company (**the “Lender”**) and secured by (a) a Ground Lease (**the “Prior Ground Lease”**) entered into among the Nelson County School Board (**the “School Board”**), the County and the Authority conveying to the Authority a leasehold interest in certain real property located in the County (**the “Leased Property”**), (b) a Lease Agreement (**the “Prior Lease Agreement”**) between the Authority and the County establishing rental payments sufficient to pay the Refunded Bond and (c) an Assignment of Rents and Leases (**the “Prior Assignment Agreement”**) from the Authority for the benefit of the Lender;

WHEREAS, the Lender has indicated it is willing to refund and restructure the Refunded Bond at a lower rate, achieving debt service savings for the County pursuant to the Lender's proposal dated March 4, 2021 (**the “Proposal”**);

WHEREAS, the Board of Supervisors requests the Authority (a) issue, offer and sell its lease revenue refunding bond in an amount not to exceed \$5,500,000 (**the “Bond”**) to refund and refinance the Refunded Bond and pay for certain costs of issuing the Bond, (b) amend and restate the existing

March 25, 2021

Prior Ground Lease, Prior Lease Agreement and Prior Assignment Agreement to reflect the issuance of the Bond and the refunding of the Refunded Bond;

WHEREAS, there have been presented to this meeting drafts of the following documents (**collectively, the “Documents”**) in connection with the transactions described above, copies of which shall be filed with the records of the Board of Supervisors:

- a. An Amended and Restated Ground Lease, dated as of April 1, 2021, between and among the School Board, the County and the Authority conveying to the Authority a leasehold interest in the Leased Property described therein (**the “Ground Lease”**) and amending and restating the Prior Ground Lease;
- b. An Amended and Restated Lease Agreement, dated as of April 1, 2021, between the Authority and the County (**the “Lease Agreement”**) conveying to the County a leasehold interest in such Leased Property and amending and restating the Prior Lease Agreement;
- c. a Bond Purchase Agreement, dated as of April 1, 2021 among the Authority, the County and the Lender, pursuant to which the Bond is to be issued (**the “Bond Purchase Agreement”**);
- d. an Amended and Restated Assignment Agreement, dated as of April 1, 2021 between the Authority and the Lender, assigning to the Lender certain of the Authority’s rights under the Lease Agreement and the Ground Lease, which is to be acknowledged and consented to by the County (**the “Assignment Agreement”**) and amending and restating the Prior Assignment Agreement; and
- e. a Specimen Bond.

NOW THEREFORE, BE IT RESOLVED by the Board of Supervisors of the County of Nelson, Virginia:

1. All costs and expenses in connection with the refunding of the Refunded Bond and the issuance of the Bond, including the Authority’s expenses, the fees and expenses of the County, and the fees and expenses of Sands Anderson PC as the County's Bond Counsel (**"Bond Counsel"**), the County Attorney, Davenport & Company, LLC as the County's Financial Advisor (**the "Financial Advisor"**) and the Lender, and other fees and expenses related thereto, for the sale of the Bond, shall be paid from the proceeds therefrom or other funds of the County.
2. The Board of Supervisors hereby instructs the Financial Advisor and Bond Counsel to take all such action as necessary or appropriate to accept the Proposal and conclude the purchase of the Bond by the Lender and the refunding of the Refunded Bond.

March 25, 2021

3. The following plan for refunding the Refunded Bond is approved. The Authority shall use the proceeds from the issuance of the Bond to provide for refunding the Refunded Bond and to lease the Leased Property from the School Board for a lease term of approximately twelve years and to lease the Leased Property to the County for a lease term not less than the term of the Bond at a rent sufficient to pay when due the interest and principal on the Bond. The obligation of the Authority to pay principal and interest on the Bond will be limited to rent payments received from the County under the Lease Agreement. The obligation of the County to pay rent under the Lease Agreement will be subject to the Board of Supervisors of the County making annual appropriations for such purpose. The Board of Supervisors on behalf of the County has adopted this resolution as its moral obligation to the repayment of the Bond and as a statement of its intent to consider the appropriation of funds sufficient to pay rent under the Lease Agreement annually during the term thereof. The Bond will be secured by an Assignment Agreement to the Lender as the holder thereof. If the Board of Supervisors exercises its right not to appropriate money for rent payments, the Lender may terminate the Lease Agreement or otherwise exclude the County from possession of the Leased Property. The issuance of the Bond on the terms set forth in the Bond Purchase Agreement is hereby approved.
4. The Board of Supervisors hereby approves the Proposal and the Documents and the form of the Bond in the principal amount of not to exceed \$5,500,000, with a fixed interest rate not to exceed 1.43%, for an amortization of approximately 6.5 years from its date of issuance, subject to other terms as set forth therein with such changes, including but not limited to changes in the amounts, dates, payment dates and rates as may be approved by the officer executing them whose signatures shall be conclusive evidence of his or her approval of the same. The County Administrator or Chairman is hereby authorized to determine the final terms of the Bond, including, but not limited to the principal amount, maturity and amortization, whose determination shall be conclusive, as evidenced by his execution of the Documents to which the County is a party.
5. The Chairman or Vice Chairman of the Board of Supervisors, or either of them, and the County Administrator and Clerk of the Board of Supervisors are each hereby authorized and directed to execute the Documents and such other instruments and documents as are necessary to create and perfect a complete assignment of the rents and profits due or to become due in favor of the Lender, to issue the Bond, to refund the Refunded Bond and to lease the Leased Property. The County hereby requests the Authority to issue the Bond pursuant to and in accordance with the Documents.
6. The County represents and covenants that it shall not take or omit to take any action the taking or omission of which will cause the Bond to be an "arbitrage bond" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended (**the "Code"**) or otherwise cause the interest on the Bond to be includable in gross income for Federal income tax purposes under existing law. Without limiting the generality of the foregoing, the County shall comply with any provision of law that may require the Authority or the County at any time to rebate to the United

March 25, 2021

States any part of the earnings derived from the investment of the gross proceeds from the sale of the Bond.

7. Any authorization herein to execute a document shall include authorization to deliver it to the other parties thereto and to record such document where appropriate.
8. All other acts of the officers of the County that are in conformity with the purposes and intent of this resolution and in furtherance of the plan of financing, the issuance and sale of the Bond, the refunding of the Refunded Bond and the financing of the Project, are hereby approved and ratified.
9. The County by acceptance of this financing agrees to indemnify, defend and save harmless, to the extent permitted by law, the Authority, its officers, directors, employees and agents from and against all liabilities, obligations, claims, damages, penalties, fines, losses, costs and expenses in any way connected with the Authority, the issuance of the Bond, the refunding of the Refunded Bond or the lease of the Leased Property.
10. Nothing in this Resolution, the Bond or any documents executed or delivered in relation thereto shall constitute a debt or a pledge of the faith and credit of the Authority or the County, and the Authority shall not be obligated to make any payments under the Bond or the Documents except from payments made by or on behalf of the County under the Lease Agreement pursuant to annual appropriation thereof in accordance with applicable law.
11. This resolution shall take effect immediately.

III. Fiscal Year 2021-2022 Budget Work Session

Staff presented the following expenditure synopsis:

Expenditure by Dept.	FY20-21	FY21-22	Increase/Decrease	% Change
	Amended Budget	Proposed Budget		
	As of March 9, 2021	As of March 19, 2021		
Board of Supervisors	\$128,769.00	\$128,769.00	\$0.00	0.00%
County Administrator	\$352,305.00	\$352,625.00	\$320.00	0.09%
County Attorney	\$90,000.00	\$80,000.00	-\$10,000.00	-11.11%
Commissioner Of The Revenue	\$256,703.00	\$266,249.00	\$9,546.00	3.72%
Reassessment	\$135,000.00	\$189,186.00	\$54,186.00	0.00%
Board of Equalization	\$0.00	\$5,268.00	\$5,268.00	0.00%
Treasurer	\$346,025.00	\$349,134.00	\$3,109.00	0.90%
Finance & Accounting	\$332,867.00	\$333,994.00	\$1,127.00	0.34%
Technology	\$271,218.00	\$279,412.00	\$8,194.00	3.02%
Land Use Panel	\$5,700.00	\$5,700.00	\$0.00	0.00%

March 25, 2021

Board of Elections	\$112,135.00	\$59,821.00	-\$52,314.00	-46.65%
Registrar	\$151,681.00	\$157,480.00	\$5,799.00	3.82%
Circuit Court	\$69,182.00	\$79,479.00	\$10,297.00	14.88%
General District Court	\$6,659.00	\$6,659.00	\$0.00	0.00%
Nelson VJCCA	\$36,084.00	\$25,566.00	-\$10,518.00	-29.15%
J & D District Court	\$4,459.00	\$4,759.00	\$300.00	6.73%
Clerk of Circuit Court	\$397,056.00	\$358,936.00	-\$38,120.00	-9.60%
Magistrate	\$325.00	\$325.00	\$0.00	0.00%
Commonwealth Attorney	\$564,362.00	\$556,024.00	-\$8,338.00	-1.48%
Sheriff	\$2,015,878.00	\$1,834,844.00	-\$181,034.00	-8.98%
Emergency Services	\$506,264.00	\$505,131.00	-\$1,133.00	-0.22%
Emergency Services Council	\$605,162.00	\$521,857.00	-\$83,305.00	-13.77%
E-911 Program	\$522,343.00	\$558,369.00	\$36,026.00	6.90%
Forest Fire Service	\$20,986.00	\$20,986.00	\$0.00	0.00%
Paid EMS	\$859,437.00	\$854,494.00	-\$4,943.00	-0.58%
Regional Jail	\$789,325.00	\$995,988.00	\$206,663.00	26.18%
Building Inspector	\$297,160.00	\$300,056.00	\$2,896.00	0.97%
Animal Control	\$256,063.00	\$249,991.00	-\$6,072.00	-2.37%
Medical Examiner	\$160.00	\$160.00	\$0.00	0.00%
Waste Management	\$1,090,757.00	\$1,207,974.00	\$117,217.00	10.75%
Buildings and Grounds	\$762,812.00	\$817,997.00	\$55,185.00	7.23%
Motor Pool	\$260,027.00	\$170,000.00	-\$90,027.00	-34.62%
Local Health Department	\$291,644.00	\$307,274.00	\$15,630.00	5.36%
Mental Health	\$100,586.00	\$100,586.00	\$0.00	0.00%
At Risk Youths & Families (CSA)	\$1,663,123.00	\$1,663,123.00	\$0.00	0.00%
Community College	\$1,760.00	\$2,393.00	\$633.00	35.97%
Parks and Recreation	\$258,947.00	\$282,492.00	\$23,545.00	9.09%
Planning	\$174,304.00	\$183,197.00	\$8,893.00	5.10%
Community Development	\$327,804.00	\$340,221.00	\$12,417.00	3.79%
Economic Development	\$0.00	\$0.00	\$0.00	0.00%
Soil & Water Conservation Board	\$33,075.00	\$33,075.00	\$0.00	0.00%
Litter Control	\$5,828.00	\$5,828.00	\$0.00	0.00%
VPI & SU Extension Service	\$70,584.00	\$72,450.00	\$1,866.00	2.64%
Non-Departmental	\$4,143,381.00	\$4,191,004.00	\$47,623.00	1.15%
Capital Outlay	\$1,388,255.00	\$1,552,242.00	\$163,987.00	11.81%
General Fund Refunds	\$80,103.00	\$52,000.00	-\$28,103.00	-35.08%
Transfers	\$21,470,448.00	\$21,088,031.00	-\$382,417.00	-1.78%
Capital Projects - Library Expansion	\$118,328.00	\$0.00	-\$118,328.00	-100.00%
Contingency from recurring revenue	\$311,708.00	\$356,566.00	\$44,858.00	14.39%
Contingency from non-recurring revenue	\$0.00	\$0.00	\$0.00	0.00%
Reserve for School Resource Officers	\$73,952.00	\$207,132.00	\$133,180.00	180.09%
Reserve for School Capital	\$500,350.00	\$0.00	-\$500,350.00	100.00%
TOTAL EXPENDITURE BUDGET	\$42,261,084.00	\$41,714,847.00	-\$546,237.00	-1.29%
TOTAL EXPENDITURE PROJECTED	\$41,726,507.00	\$41,714,847.00	-\$11,660.00	-0.03%

Staff also provided the Board with the following written overview of the FY 21-22 General Fund Budget:

**FY21-22 Draft General Fund Budget as of March 19,
2021 Overview of Introduced General Fund Budget
\$41,714,847 Balanced Budget**

FY21 EOY Projections:

FY21 Projected Revenues:	\$42,937,289	
FY21 Projected Expenditures:	<u>\$41,726,507</u>	
FY21 Carryover Funds:	\$1,210,782	Proposed Use: One-time FY22 Capital Outlay Expenses

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

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

FY21 & FY22 Recurring Funds Available in FY22:

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

Maintenance of 2020 (Current) Tax Rates Per \$100 of Assessed Value:

March 25, 2021

Real Property & Mobile Home Tax	\$.72
Tangible Personal Property	\$3.45
Machinery & Tools	\$1.25

FY22 YEAR ENDING BALANCE

FY22 Year Ending Balance:	<u>FY22 Estimated Budget</u>	<u>\$ Change</u>	<u>% Change</u>
<u>FY21 Amended Budget</u>			
\$3,063,420	\$1,210,782	(\$1,852,638)	-60.48%

FY22 Year Ending Balance (Use of Prior Year Funds) consists of projected FY21 Revenues that exceed FY21 Expenditures by \$1,210,782 and are referred to as Carryover Funds. These funds are non-recurring and are best used for one-time expenses. The FY22 proposed budget utilizes 100% of these funds to cover 78% of proposed Capital Outlay expenditures.

EXPENDITURES

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

FY22 EXPENDITURES (Including Staff Changes)

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

FY22 Expenditure Budget Includes:	<u>\$Change</u>	<u>FY22 Proposed</u>
Proposed Net Departmental Operational Changes: (Includes 3.7% Increase in Health Insurance of Approximately \$27,802 and recommended new positions-see below)	\$301,336	
2022 Reassessment & Board of Equalization: (Total Cost of Reassessment \$\$329,454 over FY21 & FY22 Offset by the Transfer-in of set-aside Reassessment Funds)	\$59,454	\$194,454

March 25, 2021

Proposed Capital Outlay Increase (Dept. 91050):	\$163,987	\$1,552,242
Albemarle-Charlottesville Regional Jail Increase:	\$206,663	\$995,988
Non-Departmental (Agency & Other) Increase (Dept. 91030): (Includes 5% Salary Increase & Associated Benefits of \$271,692)	\$ 47,263	\$4,191,004

School Operations Increase Including School Nurses (As Requested): \$206,800	\$15,801,622
(Includes 5% Salary + Step Increase & Associated Benefits of \$793,624)	
Virginia Public Assistance (DSS) Local Increase: (Includes 5% Salary Increase & Associated Benefits)	\$ 23,639 \$390,338

SALARIES & BENEFITS *Note: Proposed salary increases and associated benefits and the increase in worker's compensation premiums are lumped in the Non-Departmental Employee Benefits and Worker's Compensation Increase lines (91030-5616 and 91030-5615) and transferred out to departments during the fiscal year.*

Total annual Full Time salaries for all County and Constitutional Offices is approximately \$4.3 Million and total annual payroll is approximately \$4.6 Million. The County has approximately 92 Full-Time and 29 Part-Time employees. Not including Health Insurance, the County provides a benefit equivalent of 21.86% of full-time salaries and 7.65% of part-time salaries.

Proposed Salary & Benefits Increases:

FY22 Proposed 5% Salary Incr. & Assoc. Benefits FT & PT employees: \$271,692

FY22 3.7% Incr in Health Insur Premiums (FT employees Only) \$ 27,802
(Maintains same plans and levels of coverage offered)

FY22 Increase in Worker's Compensation Insurance Premium \$ 21,000
(Experience modification factor increased from 1.06 to 1.35)

FY22 Total Proposed Salary & Benefits Increase:
\$320,494

**Note a 1% Salary Increase for FT & PT employees= \$54,338*

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

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:

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

COUNTY DEPARTMENTAL OPERATIONS – Approximate Net Increase \$301,336 (Includes 3.7% Increase in Health Insurance Premiums and New Positions Noted Above)

FY22 Notable Net Increases in Departmental Operations Includes:

March 25, 2021

- **Technology Department:** 3.02% \$8,194 Increases in Maintenance Service Contracts & Parcel Maintenance offset by decreases in GIS data development and computers
- **Board of Elections:** 54.7% \$21,158 Increases in remuneration of Poll-workers and expenses related to voting machine certification changes required by the state
- **Registrar:** 3.82% \$5,799 Increases in P-T salaries due to early voting staffing needs
- **Circuit Court:** 14.89% 10,298 Increase in Compensation of Jurors and Judge’s Secretary salary and benefits
- **E-911 Program:** 6.9% \$36,026 increase in E911 signs, equipment maintenance service contracts, contractual services related to fees paid to AT&T for 911 services (these fees will be returned to the County in FY22 & 23), and communications equipment for servicing and replacement of broken radios/pagers for fire and rescue agencies
- **Solid Waste: 10.75%** \$117,217 Increases due to request for new position (see above), increase in Health Benefits due to election changes, increase in tipping fees and transportation due to increased tonnage and \$1.00/T increase in Region 2000 tipping fee, and vehicle supplies for MAC roll-off trucks
- **Buildings & Grounds/Maintenance:** 7.23% \$55,186 Increases due to request for new position (see above), increase in maintenance agreements, rent/lease new registrar’s space
- **Parks & Recreation:** 9.09% \$23,545 Increase in Blue Ridge Trail and Tunnel trail maintenance, maintenance supplies, recreation programming & supplies
- **Planning & Zoning:** 5.10% \$8,893 Increase due to realizing a full year of Planner position salary and benefits and slight increase in advertising
- **Community Development (Tourism & Economic Development):** 10.12% \$31,201 Increases due to request for new position (see above) and social media platform/outlet costs
- No Transfer of funds proposed for Piney River or Broadband Operations
- Other minimal departmental increases and decreases +/- \$25,000

AGENCIES AND NON-DEPARTMENTAL (See Agency Worksheet)

Staff recommends level funding for all currently funded agencies except for the Nelson Memorial Library & Local Health Department and no new agency funding.

FY22 Agencies

FY22 Agencies (Not Including Regional Jail):			
<u>FY21 Amended Budget</u>	<u>FY22 Requested</u>	<u>\$ Change</u>	<u>% Change</u>
\$1,624,742	\$1,705,084	80,342	4.9%

FY22 Non-Departmental

Aside from Agency funding, the Non-Departmental budget also includes COVID-19 Stimulus funding expenditures equal to the revenues to be received and Blue Ridge Tunnel Project Expenses:

COVID-19 Stimulus:			
<u>FY21 Amended Budget</u>	<u>FY22 Requested</u>	<u>\$ Change</u>	<u>% Change</u>
\$2,334,286	\$2,921,411	\$587,125	25.15%
Blue Ridge Tunnel Project:			
<u>FY21 Amended Budget</u>	<u>FY22 Requested</u>	<u>\$ Change</u>	<u>% Change</u>
\$684,823	\$0	(\$684,823)	-100%

CAPITAL OUTLAY & NON-RECURRING EXPENSES

Staff proposes to use \$1,210,782 in FY21 Carryover funds and \$341,460 in recurring FY22 funds to cover capital outlay expenditures.

FY22 Capital Outlay & Non-Recurring Expenses (including staff changes):			
<u>FY21 Amended Budget</u>	<u>FY22 Estimated Budget</u>	<u>\$ Change</u>	<u>% Change</u>
\$1,388,255	\$1,552,242	\$163,987	11.81%

FY22 Recommended Capital Outlay includes:

- UPS Battery Replacement \$22,000
- E911 NICE Call Recorder Upgrade \$35,000
- 911 ECC UPS Replacement \$47,000
- Firewall Upgrade \$4,500
- McGinnis Building Structural Repairs \$114,000
- McGinnis Building HVAC Replacement \$22,500
- Elementary Schools Study \$50,000
- Electronic Poll-book Replacement \$33,733
- Tye River Bridge Deck Repair (Blue Ridge Railway Trail) \$30,000
- ECC Carpet Replacement \$21,225 (carried over from FY21)

March 25, 2021

- Sturt Park Development \$73,420 (Previously budgeted in Non-departmental)
- 4 Sheriff’s Vehicles and Equipment \$206,800
- EMS Vehicles \$191,008 Balance of Montebello VFD Tanker
- Business Park Study \$50,000
- Recreation Center Study \$30,000
- Radio Subscriber Upgrade – County Only \$582,481
- Radio Subscriber Upgrade Installation – County Only \$23,575
- Buck’s Elbow Tower Equipment Replacement \$ 15,000 (carried over from FY21)

TRANSFERS:

Transfers are funds transferred out of the General Fund to cover expenditures in other fund groups such as Transfer to Reassessment Fund, Transfer to VPA Fund, Transfer to School Nursing, Transfer to School Fund-Operations, Transfer to Debt Service Fund, Transfer to School Capital, and Transfer to Piney River Water/Sewer.

FY22 Transfers:			
<u>FY21 Amended Budget</u>	<u>FY22 Estimated Budget</u>	<u>\$ Change</u>	<u>% Change</u>
\$21,470,448	\$21,088,031	(\$382,417)	-1.78%

The following changes affected the overall decrease between **FY22 Estimated Transfers** and FY21 Amended Budget:

- -100% or (\$85,000) decrease in Transfer to Reassessment Fund – Funds aren’t typically transferred out during the reassessment year.
- 31.27% or \$510,582 increase in Transfer to VPA Fund – Increase due to Increased funding for IVE-locally administered foster care programs.
- -1.84% or (\$293,200) overall decrease in Transfer to School Operations. This includes a (\$500,000) decrease due to the reduction in CARES Act funds transferred in FY21 and a 1.34% or \$206,800 increase in regular School Operations, with no change in the Transfer to School Nurses Program as requested.
- -1.05% or (\$33,465) decrease per debt service schedules and reduction due to Refinancing of VPSA debt effective August 2021

March 25, 2021

- -100% or (\$441,546) decrease in Transfer to School Capital
- -100% or (\$39,788) decrease in Transfer to Piney River Water/Sewer Fund; Pump Station repairs done in FY21.

CAPITAL PROJECTS:

Both the Blue Ridge Tunnel Project and the Nelson Memorial Library Expansion projects were completed in FY21. No new larger capital projects have been presently included in the proposed budget.

Regarding the Emergency Services Council, Ms. McGarry noted that it looks like a big decrease, however, it is only because Staff does not budget the Four for Life funds and the Fire funds until they know what the amount is.

Mr. Rutherford asked if the amounts for Constitutional Offices on the expenditure synopsis include money from the state, and Ms. McGarry stated yes, it includes both local and state monies. She added that the state reimbursement comes through on the revenue side.

Ms. McGarry noted that the EMS Council typically provides Staff with a budget based on expenditures for the previous year, adding they have actually asked for a decrease of \$26,550. She advised that Staff has fully funded their request, and the County covers gas, oil, and grease for the departments as well as disability insurance and Line of Duty Act insurance.

Ms. McGarry noted that the Regional Jail increase is \$206,663, adding that they use a five-year prisoner population average. She advised that as ours increases each year, then the average population increases.

Ms. McGarry noted that Mr. Wright proposed a salary increase for Animal Control Officers that he equated to about \$7,000. She advised that Staff did not recommend this in the budget.

Mr. Carter noted that the new requested position for Buildings and Grounds/Maintenance would assist with trail maintenance for the Blue Ridge Railway Trail and the Blue Ridge Tunnel, and the position would support the Parks and Rec department.

Mr. Reed asked about the status of putting a bathroom facility at the Blue Ridge Tunnel. Mr. Carter noted that the current focus is putting a fence in, which is starting this week, on the west side of Depot Lane adjacent to the Brokamp property to keep people from parking there. He added that Staff is taking quotes tomorrow on expanding the eastern parking lot, and Staff is sort of taking baby steps on what to do next. He then referred to the attendant buildings at the collection sites and noted that Staff may spec one of those out and make it a little bit bigger to store things there and maybe have people work seasonally to sell things, keep up with the trail, etc. Mr. Reed asked if anything needs to be budgeted for this. Mr. Carter advised that Staff is rolling over money from grant funds from DCR that we may not

March 25, 2021

expend this year to use for that next year. He added that the Crozet Tunnel Foundation may chip in as well.

Ms. McGarry noted the requested increase in the Parks and Recreation budget, and Mr. Harvey suggested adding \$10,000 to help with the additions they want to do at the Afton Overlook, such as signs and a viewfinder. Mr. Carter suggested putting this in capital improvements so that it is earmarked.

Ms. McGarry pointed out that Ms. Richardson had requested \$4,000 for the Parks and Rec budget to cover recreation programming, but Staff backed that out. She added that budget already includes money for special projects, classes, and other programming.

Mr. Rutherford asked if the Comprehensive Plan would be in capital improvements, and Ms. McGarry confirmed that is in the Capital Outlay section. Mr. Carter noted the plan had been taken out, subject to getting more information from some of the consultants we may work with, and Staff just received that information yesterday. He advised that Staff proposes to put the \$50,000 back in the budget for that, if the Board is okay with it.

Ms. McGarry noted that the Capital Outlay budget amount does not yet include the Comp Plan funding, and that will be added in. She advised that budget includes any one-time expenditures that the Board is looking at doing and reminded the Board that Staff is proposing to use \$1.2 million in FY21 anticipated carryover funds to cover part of the Capital Outlay expenditures and then \$341,460 in recurring FY22 funds for that.

IV. Other Business (As May Be Presented)

Mr. Harvey noted that in the last nine years including this coming budget year, the County has given the EMS Council \$4.158 million for fire and rescue operating expenses. For emergency vehicles, he advised the County has contributed \$3,010,000. Ms. McGarry noted that this does not include the Fire Funds, Four for Life Funds, or the Line of Duty Act that they get. Mr. Harvey agreed and noted that the figures he listed are from the County's General Fund.

V. Adjourn

At 2:48 PM, Mr. Rutherford moved to adjourn and continue the meeting until Tuesday, March 30, 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.