

May 10, 2018

Virginia:

AT A CONTINUED MEETING of the Nelson County Board of Supervisors at 7:00 p.m. in the General District Courtroom 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
Dr. Jeff Comer, School Division Superintendent
Shannon Irvin, School Division Finance Director

Absent: None

I. Call to Order


Mr. Bruguere called the meeting to order at 7:00 PM, with all Supervisors present to establish a quorum.

II. FY18-19 Budget Presentation and Public Hearing

Ms. McCann gave the following presentation on the FY18-19 budget:



Ms. McCann noted that the Board worked diligently many evenings in developing proposed budget.




Budget Funds

- General Operating Fund
- School Operating Fund (&Textbook Fund)
- Debt Service Fund
- Capital Fund
- Piney River Water/Sewer Enterprise Fund

Ms. McCann noted that the County utilized a fund accounting system for tracking budgetary and financial activity and that the Board was considering the proposed budgets for each of those 6 funds as shown.


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



GENERAL FUND BUDGET COMPARED TO FY17-18


- **FY17-18** **\$39,965,626**
- **FY18-19** **\$40,482,901**
- **Increase** **\$517,274**
- **% Change** **+1.29%**

Ms. McCann noted that compared to the current year budget as amended (through 3/18), the proposed General Fund budget reflected an increase of \$517,274 which was a 1.3% increase. She added that the increase was attributed primarily to the increase of non-recurring Contingency Reserves resulting from the sale of the Nursing Home facility to Region Ten in FY17.



2018 Tax Rates

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




Significant Revenue Factors

- **General Property Taxes** reflect a budgetary decrease of \$219,155 in FY19.
- **Meals Tax** is expected to increase from current budget amounts by \$80,000.
- **Interest Earnings** are also expected to increase by \$110,000.
- **Transfers In** from other funds is reduced by \$257,851.

Ms. McCann noted that General Property Taxes reflected a budgetary decrease of \$219,000, primarily due to the reduction in Real Estate values due to the 2018 Reassessment (-\$449,093) and increased personal property tax collections (+194,938). She noted that secondly, the Meals Tax was expected to grow by about \$80,000 and interest earnings were also expected to increase in the next year after several years of reduced earnings. Ms. McCann then explained that the Transfers In from other funds was


reduced because of funding moved into the General Fund from the Capital Fund and the Reassessment set aside in FY18; which were not recurring in FY19.



Significant Revenue Factors

- **State Revenue** is anticipated to increase by \$131,776 primarily due to state funds for Children’s Services Act expenditures.
- **Federal Revenue** reflects a budgetary increase of \$68,955 in FY19 due to an increase in Welfare Assistance funding.


Ms. McCann added that the overall budgetary revenues had increased by \$518,087 primarily due to an increased use of prior year fund balance within the FY19 budget, which included the receipts from the sale of the nursing home.



Historical Annual Growth Trends

- **FY15-19 Averages**
 - Local 0.2%
 - State 7.3%
 - Federal 5.93%
 - Overall 1.22%


Ms. McCann noted that the FY19 revenues were projected to decrease by 0.4% when considering only revenues generated within the fiscal year, excluding any use of prior year revenues incorporated into the FY19 budget. She added that the growth trend averages were based on Operating Revenue only with Capital grants excluded.



Local Revenue

■ FY18 Budget	\$30,310,193
■ FY19 Projections	<u>\$30,232,359</u>
■ Overall Decrease	-\$77,834
■ Percent Change	-0.26%


Ms. McCann advised that FY19 local revenue made up about 75% of the total General Fund budget and the primary source of local revenue was general property taxes (\$24,165,531) which accounted for 80% of all local revenue. She then noted that the FY19 budget reflected a 0.26% budgetary decrease primarily due to decreases in real estate values resulting from the 2018 reassessment (-449,093) which were partially offset by increases in Personal Property Tax collections (+194,938).



State Revenue

■ FY18 Budget	\$6,380,616
■ FY19 Projections	<u>\$6,512,392</u>
■ Overall Increase	+ \$131,776
■ Percent Change	+2.07%


Ms. McCann reported that State revenue made up 16% of the total General Fund budget in FY19 as compared to 15.1% in FY18. She noted that the State funding within the General Fund included Compensation Board funding for Constitutional Offices and state support of public assistance (DSS) and At Risk Youth programs. She added that in FY19, the county expected to receive approximately \$2.5 million for the Crozet Tunnel restoration project. She noted that the FY19 budget reflected an overall increase of approximately \$130 thousand or 2%, which was attributable to the increase in funding support for At Risk Youth Programs.



Federal Revenue

■ FY18 Budget	\$ 916,777
■ FY19 Projections	<u>\$ 985,732</u>
■ Overall Increase	\$ 68,955
■ Percent Change	+7.52%

Ms. McCann noted that Federal revenue made up 2.4% of the total General Fund budget and that generally, federal sources included social services funding, Children’s Services Act Funding, the payment in lieu of taxes relative to national forest located in Nelson (from the U.S. Bureau of Land Management) and various federal grants. She added that the increase reflected here was due to support of Social Services programs and At Risk Youth programs and that full entitlement (Payment in Lieu of Taxes Program) was re-authorized for FY18; however, FY19 was to be determined.



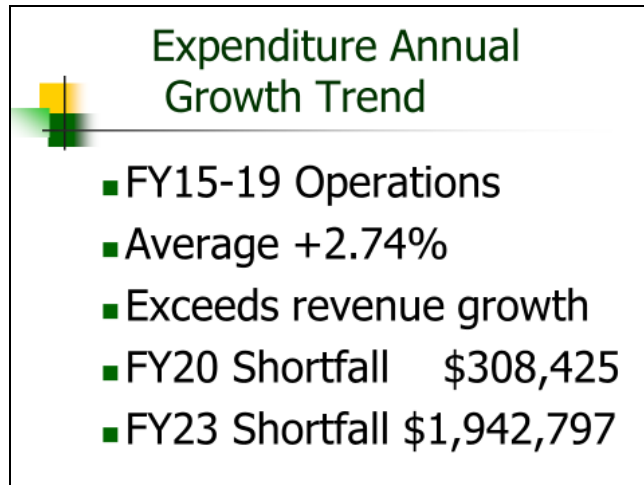
All Sources of Revenue

■ Local	\$30,232,359
■ State	\$ 6,512,392
■ Federal	\$ 985,732
■ Non-Revenue Sources	\$ 0
■ Year Ending Balance	<u>\$ 2,752,418</u>
■ Total	\$40,482,901

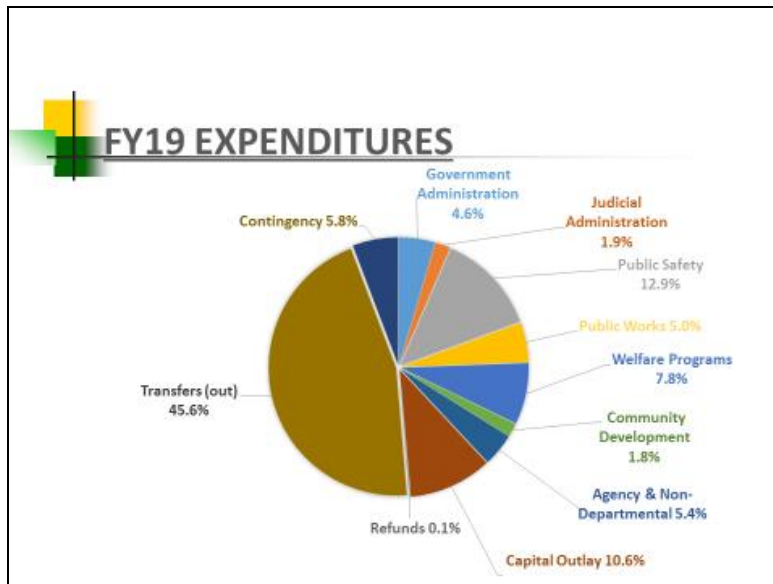
Ms. McCann noted that local, state and federal revenues together with prior year ending balance (funds on hand at year end) made up all projected revenue supporting the FY19 proposed expenditures. She noted that the year ending fund balance reflected the receipts from the sale of the Nursing Home facility in Lovington (\$1.7 million) and carryover funds that remained unexpended in FY18 (\$1,025,218). Ms. McCann noted that the carryover from FY18 included an anticipated unexpended contingency of

\$326,305, carryover of revenue from the sale of the nursing home (rec'd in FY17), carryover of unexpended EMS vehicle funds (\$279,670) and additional anticipated FY18 carryover of \$419,243.

She then noted that FY18 Non-Revenue Sources included the transfer from the Reassessment set aside (\$89,851) and from the Capital Fund (\$168,000 for Emergency vehicles).

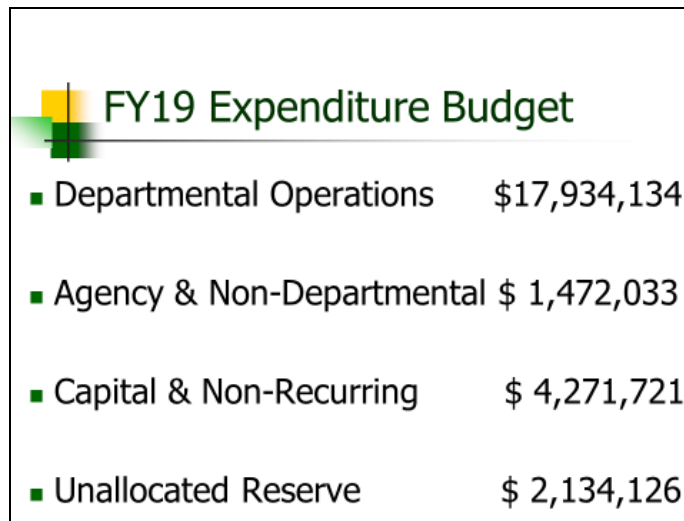


Ms. McCann noted that historical operational expenditure data for the years FY15-FY19 reflected an average growth of 2.74% per year (Capital grants excluded). She stated that as noted previously, the overall growth trend for revenues was 1.22% annually meaning that expenditures outpaced revenues. She added that in FY20, the shortfall could be approximately \$300,000 and increase to as much as \$1.9 million in FY23. She noted that those figures did not account for future real estate value growth relating to the ACP or the CVEC Broadband network.



Ms. McCann noted that the largest category of expenditures was shown as Transfers out, which reflected funds moved to various other accounting funds. She noted that the largest component within the category was funding for the school division, at almost \$14.7 million. She noted the next largest component was Debt (inclusive of school debt), at about \$3.1 million.


Ms. McCann noted that the second largest category of expenditures was Public Safety at 12.9% of the budget followed by Capital Outlay at 10.6%. She added that the Crozet Tunnel Project made up the largest component of Capital Outlay Expenditures at \$2.87 million. She then related that Public Assistance (Welfare) Programs (DSS/CSA) was 7.8% of the total budget, Public Works (Waste Management, B&G, Vehicle repair & replacement) was 5% of the budget, Agency & Non-departmental (outside agencies/ organizations plus salary adjustment) was 5.4%, Governmental Administration made up 4.6% of the budget, and Community Development and Judicial Administration each made up just under 2%.



The table is titled "FY19 Expenditure Budget" and is enclosed in a black rectangular border. It lists four budget categories with their corresponding dollar amounts. Each category is preceded by a small green square bullet point. The text is left-aligned within the table.

FY19 Expenditure Budget	
■ Departmental Operations	\$17,934,134
■ Agency & Non-Departmental	\$ 1,472,033
■ Capital & Non-Recurring	\$ 4,271,721
■ Unallocated Reserve	\$ 2,134,126


Ms. McCann noted that in a broader view, Departmental operations overall would cost \$17.9 million or about 44% of the budget, Agency and Non-departmental costs and contributions were anticipated to be \$1.4 million or 3.6% of the total budget, Capital and other non-recurring costs were expected to be \$4.2 million, and the budget also included an unallocated Contingency Reserves of \$2.1 million.



Expenditure Highlights:

- Proposed 2% employee salary increase and pay study adjustments if applicable.
- Increased Health Insurance Premiums
- 3 Full-time School Resource Officers
- 1 Part-time position made full time

Ms. McCann noted that the budget included a proposed 2% salary increase and pay study adjustments when applicable and additionally, health insurance premiums increased by 8.9%. She noted that funding was included for 3 full-time School Resource Officers within the Sheriff's Department, which was a School Division priority. She added that additionally, one part-time position in the Commonwealth Attorney's office would be made full time.



Expenditure Highlights:

- Emergency Vehicles
- 2 Police Vehicles
- Microwave Network Upgrade
- Computer Aided Dispatch

Ms. McCann noted that the budget also included partial funding to support the purchase of 3 fire trucks and one rescue vehicle for volunteer agencies and funding was included to purchase 2 police vehicles and equipment for those vehicles including cameras. She noted that the budget also included the cost to upgrade its current Microwave Network which provided for public safety radio communication and the County also planned to replace its end of life Computer Aided Dispatch/Records Management System. She noted that system was used by dispatchers to dispatch and track calls, as well as allowing the

Sheriff's Department to document incidents. She added that the County had been awarded a grant that would offset that cost.

Other Highlights:

- Non-recurring Contingency Reserve due to sale of Nursing Home facility to Region Ten.
- Blue Ridge Tunnel Restoration Project

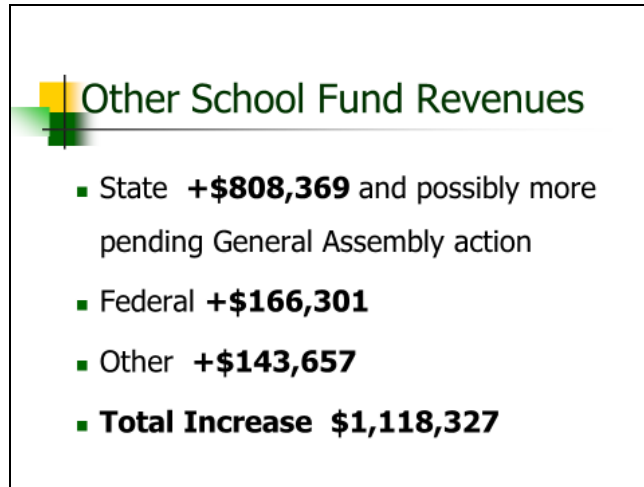
Ms. McCann noted that the budget also included an unallocated non-recurring Contingency Reserve of \$1.3 million from proceeds of the sale of the Nursing Home facility in Lovingston. She added that Phase 2 (tunnel restoration and western trail and parking area) of the Blue Ridge or Claudius Crozet Tunnel Restoration project had been advertised for bid and the County has currently been awarded Transportation Alternative Funding as well as a Recreational Trails grant for this project.

Local Contribution to Schools

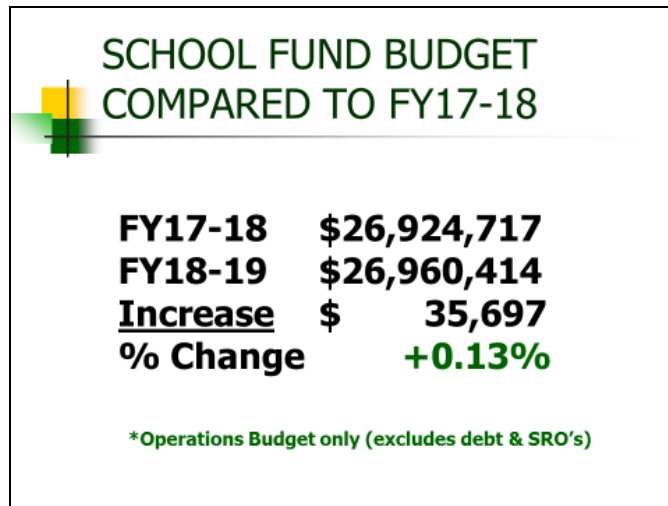
■ School Nursing Program	\$235,000
■ School Operations	\$14,435,887
■ 3 SRO's (General Fund)	<u>\$207,132</u>
■ Total Contribution	\$14,878,019
■ School Debt	<u>2,101,743</u>
■ TOTAL SUPPORT	\$16,979,762

Ms. McCann reiterated that one of the largest components of the General Fund budget was the local contribution to schools. She noted that about 56% of local funds within the general fund budget were allocated to schools and school funding was 42% of the total GF budget. She advised that operational funding for Schools including the nursing program was proposed at approximately \$14.6 million (\$14,435,887 operations, \$235,000 nursing,). She added that three (3) School Resource Officers were

funded within the General Fund budget. Ms. McCann noted that the County also funded \$2.1 million for school related debt.

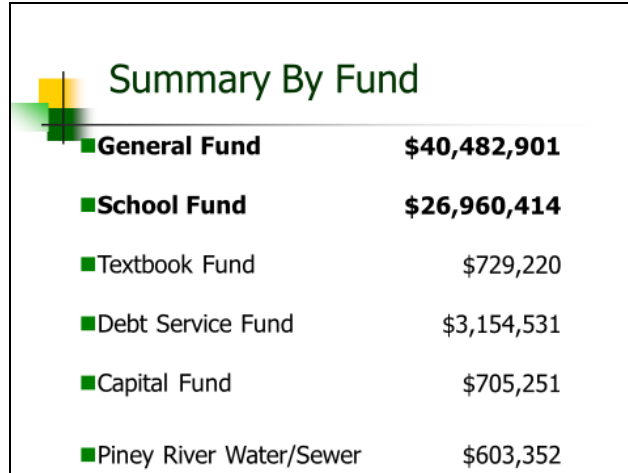


Ms. McCann related that in addition to local funding, the School Division also received revenues from other sources. She noted that due to a change in the composite index, the matrix used to determine state funding, the school division would receive an increase of \$808,369, and possibly more from the state, pending General Assembly action. She added that the School Division also anticipated an increase of \$166,000 from federal sources and other revenues should increase by \$143,000. She noted that in total, those sources of revenue provided an increase from FY18 of \$1.1 million.



Ms. McCann reported that the School Fund budget compared to the current year as revised for the reduction in state revenue due to enrollment loss, reflected an overall increase of \$35,697. She noted that

although local funding was decreased by -792,868 including SRO's from FY18, the increases in state, federal, and other funding sources more than offset the decrease. She added that over \$400,000 in savings had been identified by the School Board which will allow those funds to be allocated for current needs.



■ General Fund	\$40,482,901
■ School Fund	\$26,960,414
■ Textbook Fund	\$729,220
■ Debt Service Fund	\$3,154,531
■ Capital Fund	\$705,251
■ Piney River Water/Sewer	\$603,352

Ms. McCann concluded by stating that all of the funds that made up the county budget totaled \$72,635,669.

Following the presentation, Mr. Bruguire opened the public hearing and the following persons were recognized:

1. Tom Allen, Arrington VA

Mr. Allen noted he had moved to the County eleven years ago and he and his wife had worked for the last six years for the schools. He noted that the schools had continued to freeze the steps of teachers' pay and that the next year, he would continue to earn the pay of a first year teacher. He noted the County had lost quality experienced teachers and would continue to if that trend continued. He added that if teacher pay continued to decline, they would not be able to keep or attract tax paying families to the County.

2. Sandra Irby, Rockfish Valley and County Director of Special Education and Student Services.

Ms. Irby stated that if the budget moved forward as is, the proposed Behavior Interventionist position for the schools would not be possible. She noted that the position would provide a scientific approach to understanding behavior and would teach self-regulation to children. She added that the Behavior Interventionist would use applied techniques for building an individual's skills and reducing problem behavior. She added that it would be used in a structured situation, not like at recess and lunch and could be delivered one on one or in groups. She noted that the position would teach complex skills that were customized to learners. Ms. Irby then noted that this position was someone who had attained a Master's Degree or who would be a Ph.D. level professional and they would not be gotten easily as they were highly skilled. She further explained that they emphasized teaching skills to enable students to be

independent and successful; using multiple procedures to teach specific skills. Ms. Irby then noted that they relied heavily on CSA to put kids into private day schools and in hiring this position, they would be looking to reduce those placements. She reported that they had 284 Special Education students in Nelson with 73 needing behavior analysis. She noted that among those 73 students, 25% were in private day placements and for the coming year, there would be as many as 31% that would need external placement without the added position that would employ Applied Behavior Analysis. Ms. Irby then related that the cost per day for those day placements were \$205-\$610 per day. She then asked the Board to consider the data presented and the affected students.

3. Jennifer Sherwood, Board member of Special Education Advisory Committee (SEAC)

Ms. Sherwood read aloud the following prepared statement:

I am here to speak on behalf of the Board of Supervisors decision to cut the support staff position for a Behavioral Specialist. I am the mother of a special needs 5 year old son. A son in which was born to a woman who chose his future by her inability to put his needs above her own substance abuse. So you can say that my son was given a life that he didn't ask for and will spend the rest of his life conquering obstacles as the result. Finding resources and therapies for special needs children can prove to be a challenge. Parents rely heavily on the supports of the school system to provide services and help. While our school system is desperately trying to seek the supports to help families, it is apparent that it still lacks some of the major resources.

A behavioral specialist is one of the most valuable assets to a child with disabilities. Most families have to seek such a specialist outside of our county and spend many hours in travel that results in triggers for negative behaviors from our children or the inability to continue such behavioral services due to the cost. One therapy this specialist provides is ABA (Applied Behavioral Analysis) therapy. An extensive body of research documents that successful use of ABA based procedures increase appropriate skills for individuals with intellectual disabilities, autism and related disorders. ABA is not an experimental treatment. In fact, out of all the forms of therapy, ABA is the program that has the most scientific positive data and support for its principles, techniques, and overall effectiveness. ABA is currently the only autism therapy recommended for long-term benefit by the United States Surgeon General. Chapter 3 of the Surgeon General report on Mental Health states "30 years of research demonstrated the efficacy of applied behavioral methods in reducing inappropriate behavior and in increasing communication, learning, appropriate social behavior and employment. Results have also been reported to include "meaningful" outcomes such as increased academic performance and overall cognitive functioning."

A Behavioral specialist would be a preventative measure in many aspects for our school system that would have lasting long term impacts. It is proven that looking for preventative measures as opposed to reactive measures is always more successful. Looking to preventative fundamentals should always be the first step in promoting good behavior at school as well. In both aspects, the best preventative measure is a Behavioral Interventionist/Specialist. Approaches aimed at improving school and classroom environments, including reducing the negative effects of disruptive or distracting behaviors, can enhance the chances that effective teaching and learning will occur, both for the students exhibiting the behaviors

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and for their classmates. In a lot of the cases now, teachers have exhausted their classroom management strategies without successfully eliminating the obstacles and learning what such behaviors will pose, therefore creating a serious impediment to learning for ALL students. Therefore the intervention, guidance, expertise and support of a behavioral specialist would be able to greatly provide services to offset these areas as well. It is also proven that many children who receive early intervention are able to develop skills that allow them to independently participate in mainstream school settings.

More long-term impacts to the school system by employing a behavioral specialist can allow the ability to serve as a support in providing training to other staff members' successful and effective techniques to lessen behaviors in a classroom. It would decrease the dependability and expenses that the school system currently has with other districts for consultation and sending our students to other districts to acquire what we could provide within our own district.

On a personal note, I have spent every day since our son was 2 years old at countless Doctors, therapy and neurology appointments, sit through MRI & EEG testing, battling endless meltdowns of a child who cannot express his needs, wants or hurts, warding off questions and endless stares from strangers as my son has uncontrollable fits, searching the internet in the middle of the night in hopes to find the next greatest advancement to help him successfully live on his own. I've also spent countless hours crying myself to sleep at night wondering what is going to happen to him when I am gone.

However, there is hope with ABA therapy that allows us to sleep a little better knowing that we will be able to come out of hiding with our children and allow them to go to public events and be able to function. We can teach them not to run off in a crowd or into oncoming traffic. We can train them not to escape out of the multiple locks and alarms on our doors for the fear of them wandering off. I could keep going but I've only been given 3 minutes to get in front of people who couldn't possibly understand what it was like to walk a day in the life of a special needs child and help you understand how important a behavioral specialist is to helping keep our children functioning in a society that doesn't understand how they even operate. Therefore, I extend an open invitation to all of you ... Come spend a day with my son. Watch his struggles and everything that goes into keeping him safe and functioning. I urge you to visit your local special education classrooms and experience what goes on in them and see for yourself just how much our school system would benefit from such a support staff. It would be in THOSE minutes that each of you would be able to see the importance.

I will end with a quote from someone that changed the Autism world, Temple Grandin. "It is so important to enable people to use their abilities and talents to support themselves." The question I will leave you with is, how will you help? Thank you for your time.

4. Joe Dan Johnson, Arrington resident and School Division Director of IT

Mr. Johnson noted that his real estate taxes went down 1% because valuations went down and the County did not raise the tax rate. He noted that he did not need that tax break and would have appreciated those funds being put towards other needs in the county.

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Mr. Johnson then stated he did not see an entertainment tax in the budget which had been discussed back when he was on the Board and Phil Payne had advised that when Wintergreen was sold, it was an option; which was about 1% of taxes every year and equal to half of the deficit indicated for 2023.

Mr. Johnson stated that ubiquitous Wi-Fi was needed in order to create jobs. He stated that the County should not turn down \$1 Million to rent space on the broadband network, which he stated he knew had occurred.

Mr. Johnson stated that the County was losing its young people and jobs for them were needed.

Mr. Johnson pointed to the 2% raise for County employees in the budget and noted that the Schools would receive \$35,000 in real money. He added that when he was on the Board, the state took \$2.5 Million out of education and Nelson was one of two school districts in the state that did not decimate the schools. He added that the schools should expand to include training for adults that was needed to compete in a world that had dramatically changed in the last dozen years.

Mr. Johnson reiterated he did not like the tax cut he got and the fact that there has been no progress on the entertainment tax. He added that he was embarrassed that they had held schools as important years ago and now when the state has put money back into education as it should, they have now cut it back to a level that custodians could not even get a raise. He added that they could serve the schools a little bit better if they only took half of the new state funding.

Mr. Johnson noted that the school's IT Department has the same budget as twelve years ago and grant funds had gotten security cameras.

Mr. Johnson noted that he was not just concerned about raises for teachers and he concluded by stating that school support staff needed a livable wage and he urged the Board to raise taxes next year and to get a LOCKN/entertainment tax in place. He noted if that was done, they might be able to keep good teachers and he would love for ALL county employees to have the same level of raise.

5. Madalyn Bell, Amherst resident and NCHS teacher

Ms. Bell noted that she graduated in 2009 and came home to teach in 2013. She noted she was a fifth year teacher and had learned that the Board could make things happen. She asked the Board to provide additional funding for the school system and to protect the goals of the School Board.

6. Safia Elliot, Shipman resident and Nelson Middle School Teacher

Ms. Elliot noted that she has taught at Nelson Middle School for nine years and she was concerned about two things. First, she noted that she understood the importance of the SRO positions; however, she was concerned about how much focus was on them catching children rather than helping them when they were young and giving them the skills they needed. She noted that she worried about the budget as a parent of a three and one year old. She added that she felt that the community knew how to take care of

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each other and that was getting lost with the budget cuts. She added that it was a monetary argument and they were not focusing on values. Ms. Elliot then stated that she was stretched thin; that she taught, tutored, did homebound teaching, and may do summer school and she was still struggling.

7. Tonya Stewart, Chair NC SPED Advisory Board.

Ms. Stewart read aloud the following prepared statement:

Hello my name is Tanya Stewart and I am the chair of the Nelson County Special Education Advisory committee. I would like to address the Board's most recent announcement to cut the schools budget.

The cutting of this budget will eliminate a proposed position for a Behavioral Analysis, which is someone who can help children who have disabilities, mental health disorder, anxiety and depression. These numbers are on the rise and we are seeing more children in our school system needing extra support that a Behavioral Analysis can provide.

Everyday challenges can make it difficult for some children to self-regulate. For insistance a child with Sensory Processing Disorder may become over stimulated by aromas, fluorescent lighting and sounds. Meaning a fire drill, morning announcements, cafeteria noise, even a lawn mower cutting the grass at recess can all be triggers. Or a child that has anxiety may become nervous because of a test, project or change in class schedule. They may react to these situations with a natural fight, flight or freeze response resulting in behaviors or shutting down.

All too often these students may struggle to progress academically because their behaviors can impair their learning and the learning environment of their peers. Our Teachers are faced with dealing with behaviors while having to squeeze in their lesson plan to keep test scores up and every minute in the day counts. Our principles are not trained in behavior intervention making it difficult for them to manage a behavioral crisis situation. So the child is sent home from School causing the parent to lose work time and the child to miss valuable classroom time. If we can provide a trained Behavioral Analysis for these students they can help children develop social skills, improve their ability to learn in school, and eliminate or reduce negative or disruptive behavior.

I can say from my own Personal experience that I know the benefits of behavior intervention. My own child has a disability and we took it upon ourselves to place him into 2 years of Applied Behavior Analysis. It has completely changed our lives. I thought being a mother of 2 children and having 10 years of child care experience and training that I was a pro at children. Little did I know when I began this journey 5 years ago the types of behaviors he would present. We have dealt with physical aggression, self-harming behavior, noncompliance and elopement (which is .running away). With the support and guidance of Applied Behavior Analysis we are now able to understand and manage the behavior. This has allowed us to go from staying at home afraid of a possible outburst, to being able to attending public events. Applied Behavior Analysis truly changed the quality of life for my son.

We as parents, teachers and administrators have a duty to educate and encourage development of all children. Sometimes that requires a little more effort but providing each child with the opportunity to be the best person they can be is the least this school system can do. Please reconsider funding this position and making a difference in these children's education and lives.

8. Joe Lee McClellan, Lovington

Mr. McClellan asked the Board to consider the comments he made to the NCBA.

9. Clay Stewart, Stewart Computer Services

Mr. Stewart noted that he had children in special education that had specialized training offered in Nelson County and he urged the Board to keep it up.

10. Dr. Jeff Comer, Out-going School Superintendent

Dr. Comer thanked the Board for their great support of the school division over the years. He added that this had been the first year of not having to ask for a local appropriation after the state budget had been announced. He noted that the decrease in the Local Composite Index was the reason. He further noted that he just knew school employees would get a salary increase until about mid-March. He added that he understood the Board's position; however he questioned the ground rules and stated that they had not known them this year. He noted that they had always asked for additional funding and this year he thought that if they had asked in prior years when revenues were tight, that it should be a simple request to provide level funding. He then suggested that a better approach would have been to speak to them about the revenue situation and they could have developed a plan together, such as cutting them by \$500,000 now and another \$500,000 later. He added that they would have played by the rules had they known them earlier in the game and they thought they were fair; however he did not agree they were fair. He noted he understood why the Board did it, but he did not agree with it. He thanked the Board for the funding of the SROs and appreciated the compassion he had heard that night. He concluded by noting that their staff was under a tremendous amount of pressure as it was not easy to work in any part of a school system. He stated it was demoralizing to know that your check would not increase in the next year and it was sad that he was leaving Nelson County knowing that.

8. Shannon Irvin, Amherst resident and School Finance Director

Ms. Irvin provided the Board with an update on the budget process. She noted that when they had started the budget process they had identified that they would have an additional \$1,118,327 dollars at the schools disposal for the coming year from non-County appropriations. She noted that amount would be spread among three funds; the cafeteria fund which was a self-funded program, and the textbook fund which was a revolving account allowed by the state for large textbook adoptions, and then the general operating fund. She noted that after the \$1,118,327 they add in the County appropriation, which they learned would be \$1 Million less, which left them with \$118, 327 among the three funds. She noted that the increase to the textbook fund took \$82,620 and there was an increase of \$98,177 to the cafeteria fund;

which left a deficit in the general fund of \$62,471. She added that in addition to the loss in revenue, they had to account for an increase in changes to health insurance of \$62,464. She added that in addition to that there were salary adjustments for employees that had been hired since last year and during the course of last year of \$48,871 plus benefits for a cost of \$61,000. Ms. Irving then noted that some expenses had been updated since presented due to renewals coming in; Debt Service on Energy Contract: \$4,829, Piedmont Regional Education Program participation \$26,510, and they needed to budget more for OPEB evaluation of \$2,971, Uniform and Flat Wipes Contract \$2,769 for a total of unavoidable increases of \$229,453. She looked at programs that impacted children and she noted they had kids in year 1 of cosmetology and welding programs so funding had been include for those to allow for more to be done by existing staff members. She noted that there was a need at the High School for additional English help due to a part time person retiring and for \$11,000 more they could hire a full time teacher. She then noted to meet SOQ for the gifted program, they were supposed to have 1 per 1,000 and had 1,700 and that would put them at 1.2 with additional payments to those working beyond contract hours. She noted the need for a part time Special Ed support position of \$34,000; totaling \$100,000. She then noted that made them \$350,000 in the hole. In looking at the budget to find \$350,000, they looked at cutting an Administrative Assistant position in the School Board Office, although that was a concern at \$60,000 and an Elementary teaching position at \$61,860 which essentially paid for the new positions that they wanted to add and was a wash.

Ms. Irvin then noted savings found in the budget of \$66,254 from utilities and heating, \$14,000 from HVAC contract, VRS rate decrease of \$73,542, Retiree Health Insurance Credit of \$3,622, Unemployment Insurance of \$6,400, they had cut a lawn mower, VOIP Phone contract, Central Office, Office machinery, Furniture Replacement, Network Software, Instructional Software, and other Miscellaneous Reductions.

She noted that would be the entire budget without any raises or step increases for their employees. She noted they wanted to make sure the Board knew where the cuts were coming from in order to make the budget balance. She added that they had presented the budget to the School Board and had asked their permission to issue employment contracts to teachers as soon as possible.

Mr. Harvey asked for the cost of the 2% teacher raise that was proposed and it was noted to be approximately \$366,000 as confirmed by Ms. Irvin and Ms. McCann.

10. Erin Kist, Arrington resident and Nelson County Schools Speech Language Pathologist

Ms. Kist noted that she teaches at all grade levels of students and prior to Nelson, she had taught in New York City, Albemarle County, and Waynesboro. She noted that the Schools were the lifeblood of a rural community and one thing every parent had noted to her was that they were driving a lot of the day for services. She noted that many could not afford to be driving and she noted that the schools should be providing those needed services. She stated that the Behavioral Interventionist - ABA position would greatly help everyone. She noted that Nelson had a high rate of suspension and needed someone trained on how to target those behaviors and to help others. She added that cutting the budget would greatly deteriorate the community.

11. Kathy Baron Stump, Amherst resident and Special Ed Teacher at Nelson Middle School

Ms. Stump noted she was a graduate of NCHS in 1997, is an Amherst County resident and Special Education teacher at Nelson Middle School. She noted that she brings her daughter to school at TRES and she had a horrible experience in kindergarten. She noted that if they had an ABA- Behavior Interventionist, her year would have been completely different. She added that the Schools were getting an increase in children with behavior issues and they needed help. Ms. Baron-Stump then noted that it was her 14th year teaching and she did not know the last time she had gotten a step increase. She related that her husband had a two-year degree and made significantly more money than her.

12. Kim Candler, Principal at Rockfish Elementary School

Ms. Candler noted not having seen Board members at the schools and she encouraged them to visit and to see the changes that had occurred over the past five years. She then noted that teachers deserved a pay increase because of the new challenges they dealt with. She added that there were significant drug issues in the County and they were seeing problems with five and six year olds that they had never seen before.

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

Mr. Bruguere advised the public that the Board would not be voting on the budget that night and they would consider all requests and thoughts expressed during the public hearing.

Mr. Harvey noted that the Board had heard loudly the concern regarding the ABA position. He then asked if that one person would take of the whole school system. Ms. Sandra Irby replied that the proposed structure of the program would include the one ABA in the district and funding for Special Education Aids and Teachers to become trained as Registered Behavior Technicians. She advised the cost for that would be \$5,000; which she noted to be a bargain for over forty people. She added that those people would be trained to implement the students' plans developed by the ABA and eventually, they would like to get all collaborating teachers trained.

Mr. Bruguere then asked if K-4 college teaching programs taught some of those methods. Ms. Irby replied that they were not taught Applied Behavior Analysis (ABA) and that Special Education licensing had changed and there were now two categories, General Curriculum an Alternate Curriculum which was 1% of the Special Education population. She added that the only disability specific endorsement was the vision impaired.

Mr. Rutherford asked what similar counties to Nelson were doing with ABA. Ms. Irby noted that it varied by school district and by size; some would have more and some less. She noted that the proposed program structure had been successful in Orange County and several others were going to the proposed model.

Mr. Harvey then inquired about the status of new school buses and whether or not they were being paid for out of the remaining capital funds that were provided by the Board. Ms. Irvin reported that no

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decision had been made, they had \$380,000 left and needed to make a decision by June 30th or those funds would be returned to the County.

Mr. Harvey then stated that the Board had always tried to mirror County raises across the board with the Schools and the Service Authority. He noted that in most cases, County employees were left behind and the school system had played catch up several years ago setting up scales where some got large raises and some did not. He added that the County had worked hard on getting starting teacher pay up and the School Board had devised the scale that kept pay the same for three to five years, which had now grown to ten years. He noted that the Board had many things to look at and the communication gap this year was from both sides. He then stated that the Board did not want to run the School system and their job was just to provide the funding. He noted that surrounding localities had let many teachers go and Nelson had not had to make those cuts due to lack of funding. He added they were willing to go back and look at some of those items discussed and he would support providing for a 2% raise for all County employees including the schools. He noted that the Board needed to make sure they were getting what they needed to have. He then noted that security was a number one priority for all, they wanted everyone to feel safe and having SROs was not foolproof and something could happen here. He reiterated that he was willing to go back and look at some things and then to have some communication. He thanked Dr. Comer for his services, noted he had been wonderful to work with, and they would miss him.

Mr. Rutherford noted he appreciated everyone that came to express their concerns. He then related that in speaking for himself, in looking at the school budget and looking at how the County operated its budget, they looked at different taxes etc. and sometimes they could not find a balance. He noted that some concerns he had going into the budget was comparatively, the cost per pupil was astronomically bigger than others. He noted his colleagues in Fluvanna, Greene, and Orange that modeled their budget after Nelson's. He then stated that he thought teachers did need to be paid more, however what happened was when a 2% increase was done, those at the top of the pay scale got a huge increase and he found that painful. He added he would love to see how they could address that issue and make it more reasonable and put them in a more competitive market. He concluded by stating he would like to sit down and talk some more and get educated.

Mr. Reed then echoed previous comments and noted his thanks to all for coming out to the meeting. He noted that this was his first round with budgets and he had heard from a lot of different people about the process and priorities going into it. He noted it was especially interesting to hear from Ms. Irvin how they had responded to the reduction in the money in the budget presented to schools. He noted that was one of the driving forces; however to see the response to that and what the priorities were was something the Board did not have a sense of before that night. He added that he had dealt with budgets all of his life; however he believed that there were some things that were more important than money, and one of those things was trying to take the place they were in right now and project something positive and to deal with the tone. He added that the tone at the School Board meeting that night showed that there was a real need to set a positive tone for the schools and it was not too soon to do that. He added if it was not done now, they would have to come up with some other process to do it in the future. He added it was important that they did not just prioritize a budget from year to year, that they had to look a few years into the future and the Board did that with their budget. He noted that there were things that they were able to do now to set

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a positive tone and it was their responsibility to do them. He added that those things that were decided could not be implemented in the short term, they should make a commitment to doing them in the future and have something to project towards. He added he was looking forward to working with his colleagues on next steps.

Mr. Saunders noted he had a reputation of being against education and that was far from being true. He stated that as a businessman he had to live within a budget. He stated he could do more things if he had a good year and if he had a bad year there were things he had to cut out. He noted that they probably needed the Behavior Interventionist- ABA position, however, there must be someone else that they did not need as badly. He then noted that the student to teacher ratio was almost 12:1 based on their numbers right now and Tye River Elementary School had not met accreditation for four years even though they had hired coaches for the teachers there according to the newspaper. Mr. Saunders then noted that Nelson County had the reputation of giving at least \$500,000 more to the Schools every year since he had been on the Board and they were always given more than what was asked. He supposed that if the Board had cut some funding in the past, there would not be this large of a cut now and there would not be that expectation. Mr. Saunders explained that the County was already providing \$8 Million more in local funding than was required by the state and no other counties around were doing that. He further noted that 56% of the County's revenue went to the Schools and there must be ways for them to cut costs and still have a good school system. Mr. Saunders noted that their starting salaries were as much as a Virginia State Police officer's and more than a Sheriff's Deputy. Mr. Saunders noted he was just stating facts and not imparting how he felt about them getting a salary increase or not. He then gave the example of the previous year when the School Board said they needed money to help keep the FFA program going through the summer. He noted he had not voted for it, but the Board gave them \$65,000, and it turned out they did not need it to begin with. He stated he wanted to be sure that what the School's said was needed really was and based on the past, he had to be sold that they were being truthful. He reiterated he was not against education and would be glad to sit down and look at it all again.

Mr. Bruguiere noted that in Nelson County the \$.72 real estate tax rate was high compared to some counties, lower than some, and not everybody could pay the extra \$.01 that Mr. Johnson stated he could. He noted it bothered him that everything was on the back of the taxpayer. He noted that there were many taxpayers that did not have children in the school system and still paid taxes that primarily went to the schools. He noted that the County had to live within its means and they had a public hearing the previous night about the admissions tax and that had not gone well and was not guaranteed. Mr. Bruguiere then noted that if incomes decreased, less people would go out to eat and the meals taxes could decrease. He then stated they had to look at the grand scheme of things and they were discussing adding on to the library that had a preliminary price tag of \$2 Million. He noted that the library benefitted the general populous as well as the schools and the Board had other capital projects that needed to be done. He noted they had the funds from the nursing home sale that could be used and they could easily spend it all on the library without doing anything else. He added there were capital projects that needed to be done at the schools as well. He then stated that it was hard to come up with money in the present tax scheme especially when real estate values went down. He added that his wife was a teacher for 33 years and went years without a step raise or any raise and he personally knew how that felt. He then recalled the time the

County gave everyone a bonus at Christmastime and he had gotten more calls about that than anything else.

Mr. Bruguere concluded by noting that he thought the Board would go back and take everyone's comments into consideration and look at it harder. He advised they may be able to do something more and they may not. He then thanked everyone for coming and for their comments. He noted it was the largest crowd for a budget meeting that they have had and he appreciated their input.

Mr. Harvey then stated he wanted to see everyone leave with a positive attitude, that they appreciated what the teachers did as he could not handle the job. He advised that whether or not they got a raise had nothing to do with how they were valued. He reiterated that the Board appreciated them and he noted they had a great school system and the Board would do everything it could.

III. New/Unfinished Business

A. Endorsement of Transfer of Fiber Optic Broadband Network to CVEC (R2018-31)

Mr. Carter advised that he had presented to the Board the previous Tuesday on the subject and asked them to approve a resolution to allow staff to draft a letter to NTIA in order to begin the process to explore transferring the County's fiber network to CVEC. He added that the resolution would substantiate the letter. Mr. Carter then advised that the Broadband Authority had acted to approve a similar resolution and he recommended the Board's favorable consideration of resolution **R2018-31**.

Mr. Reed then confirmed that the \$5 Million local contribution that CVEC referenced allowed for in kind contributions and he assumed the County's network would be in-kind. He noted in that case, there needed to be some valuation of the County's network, which Mr. Carter noted was understood by staff. Mr. Reed added that the County knew the amount of money put into the network and what steps it was planning to take to estimate the value and then conversely what amount would be required to be put up to meet the \$5 Million. Mr. Carter advised that all of that was to be determined, however County staff had inferred to CVEC that the value of the network should be sufficient to meet that goal. He added that would need to be worked out and they would get outside assistance if needed. He noted that the County staff could put together a valuation and that would be a task to be done with due diligence as part of the process of moving forward. He advised he was optimistic the value was \$5 Million or more. He concluded by noting that the discussions to date had been more general.

Mr. Harvey then moved to approve resolution **R2018-31** Endorsement of Pursuing the Evaluation of the Transfer of the Middle Mile Fiber Optic Broadband Network to Central Virginia Electric Cooperative (CVEC). Mr. Rutherford seconded the motion and 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 R2018-31
NELSON COUNTY BOARD OF SUPERVISORS
ENDORSEMENT OF PURSUING THE EVALUATION OF THE TRANSFER
OF THE MIDDLE MILE FIBER OPTIC BROADBAND NETWORK

TO CENTRAL VIRGINIA ELECTRIC COOPERATIVE (CVEC)

BE IT HEREBY RESOLVED, the Nelson County Board of Supervisors does hereby endorse pursuing the evaluation of the transfer of the County-owned middle mile fiber optic broadband network to Central Virginia Electric Cooperative for the following reasons:

1. The CVEC project will provide access to affordable and reliable high speed internet service and affordable phone service to 8,900—9,900 businesses and households in Nelson County within five years. Nelson County currently has 11,500 addresses for structures. Assuming the structure addresses is a good comparison to the 9,900 potential CVEC internet subscribers, eighty-six percent (86%) of business and residents in Nelson County will have access to affordable, high speed internet service. It is almost a certainty that the local network will not be able to achieve this level of service(s) within the ensuing five years or, very probably within the ensuing 10+ years.
2. The CVEC project will enable the Board of Supervisors 2006 goal/objective of providing universal access to internet service in Nelson County to be substantially achieved.
3. NTIA staff have confirmed, subject to a period of due diligence, that federal regulation(s) do provide for the transfer of the local network to CVEC. The County and CVEC will have to agree to maintain the responsibilities the County agreed to in receiving federal funding for the construction of its middle mile network (e.g. open access, non-discrimination, etc.) in order for the network transfer to be approved. There was concurrence among the participants in the 4-20 conference call with NTIA, which included CVEC and County staff, that maintaining the NTIA requirements would not/should not be a deterrent for the network's transfer or for the success of CVEC's project.
4. Transferring the local network to CVEC will enable the largest CVEC service area in Nelson County to be among the first build areas within the Cooperative's five-year project. The first County build area could be completed by summer-fall 2019 providing for access to service to 4,500 current CVEC subscribers. The balance of the CVEC's 4,400 other subscribers would have access over the ensuing five-year construction period with determination of when service availability would be accessible to be decided by CVEC based upon potential subscriber levels.
5. Transferring the local network to CVEC will either achieve or substantially achieve the Cooperative's request for \$5.0 million in incentives requested from each of the local governments within CVEC's service area (cash, in-kind or tax abatement).
6. The CVEC project, as noted herein, will provide access to very affordable and reliable high speed internet service to the majority of Nelson County's businesses and residents. The federal FCC standard or objective for internet service is presently 25/5 mbps. The service levels CVEC will offer far exceed this service level.

7. No other entity broadband/internet service provider has entered or plans to enter the Nelson County market to provide internet service at the level CVEC has proposed.

8. CVEC is just a few weeks away from securing \$66 million in funding of the total \$110 million project cost to provide for its first three years of network construction.

9. Should the transfer of the local network to CVEC not be accomplished, the CVEC network will, essentially, be constructed in parallel to the local network and become a formidable competitor to the local network, even if competing with the local network is not a CVEC goal, objective or strategy.

10. The transfer of the local network to CVEC is considered to be in the best interests of Nelson County; its businesses, residents, and tax payers, as well as in the best interest of the Federal Government's interest in bringing high speed internet (broadband) to unserved and underserved rural areas.

BE IT FURTHER RESOLVED, the Nelson County Board of Supervisors does hereby authorize and direct that a letter be sent to the National Telecommunications and Information Administration (NTIA) requesting the transfer of the County's middle mile fiber-optic network assets that were constructed with federal NTIA/BTOP grant funds, to the Central Virginia Electric Cooperative (CVEC).

Mr. Harvey then asked if the Board of Supervisors had to consider the moratorium on the discount and amortization and Mr. Carter advised they did not.

Supervisors then thanked staff for their work on the budget.

III. Other Business (As May Be Presented)

There was no other business considered by the Board.

V. Adjournment

At 8:35 PM, Mr. Harvey moved to adjourn and Mr. Reed seconded the motion. Mr. Bruguiere asked if the Board wanted to come back and discuss things at another budget workshop and Mr. Harvey noted it could be done anytime.

Mr. Rutherford asked when the drop dead date was to approve the budget and Mr. Carter advised they had to have the budget approved in June and per the Code, the Board could not approve it that night. He added that they could have a work session to nail it down or amend the budget once it was approved. He confirmed the budget could be changed without another public hearing.

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Mr. Reed noted he thought a work session would be good and Mr. Carter noted it would be helpful to know how the Schools had revised their budget. He noted that staff had thought they had \$400,000 in ability and now they said they were in the hole.

Supervisors then agreed to meet again on Tuesday May 29th at 5pm and to ask the schools to provide them with an updated budget well before then.

Mr. Harvey then withdrew his motion and Mr. Reed his second.

Mr. Harvey then moved to continue the meeting until May 29th at 5pm in the Bridge Conference Room and Mr. Reed seconded the motion. There being no further discussion, Supervisors voted unanimously (5-0) by voice vote to approve the motion and at 8:45 PM, the meeting adjourned.