

**Virginia:**

AT A CONTINUED MEETING of the Nelson County Board of Supervisors at 5:00 p.m. in the Bridge Conference Room 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  
 David Hill, Sheriff  
 Larry Cindrick, Major Nelson County Sheriff’s Dept.  
 Daniel Rutherford, Commonwealth Attorney

Absent: None

**I. Call to Order**

Mr. Bruguere called the meeting to order at 5 PM, with all Supervisors present to establish a quorum.

**II. FY18-19 Budget Work Session**

**A. Consider Revenue Revisions**

Mr. Carter referenced the following sheet provided to the Board:

**Adjustments to General Fund Revenues:**

Real Estate Tax	\$35,000
Personal Property Tax	<u>\$100,000</u>
	<b>\$135,000</b>

**Budgetary Impact: As Advertised With Tax Adjustments**

Recurring Contingency	\$797,106	<b>\$932,106</b>
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**School Considerations:**

	Original Budget	Reduced Budget	Amount
Cosmetology Position PT to FT	Yes	Yes	\$48,319
Welding Position PT to FT	Yes	Stipend for 2 blocks	\$24,372

School Considerations:	Original Budget	Reduced Budget	Amount
English 1/2PT to 2/3PT	1/2 Time	2/3 Time	\$11,853
.2 Gifted	Yes	Yes	\$11,623
PT Special Ed Secretary	Yes (absorbed)	Yes	\$34,538
<b>Behavior Interventionist</b>	<b>No</b>	<b>No</b>	<b>\$80,429</b>
.5 Data Specialist	Yes	No	\$45,624
In School Suspension	Yes	No	\$33,554
Health Ins. Participation Estimate	Yes	Yes	\$62,465
Salary Adj. mid yr. (Academic coach)	Yes	Yes	\$62,083
<b>2% Salary Adjustment</b>	<b>Yes</b>	<b>No</b>	<b>\$366,993</b>
Step Increases	Yes	No	\$183,016
Painting	Yes	No	\$50,000
Pavement Repair & sealing	Yes	No	\$35,000

Mr. Carter then advised that there had been changes in the revenues related to the real estate taxes and personal property taxes. He noted that the figures used in the budget were estimates until the actual figures were gotten from the books produced by the Commissioner of Revenue. He noted that they could add another \$135,000 based on the land and personal property book values and if the Board was amenable, staff could make the adjustment. He noted that the recurring contingency funds would increase as noted from the advertised amount of \$797,106 to \$932,106.

**B. Consider Expenditure Revisions**

Mr. Carter advised that the primary consideration was adjustments for compensation and anything beyond that.

The following revised School Budget in a Nutshell was provided to the Board:

*Nelson County Public Schools- Budget in a Nutshell*  
**TOTAL REDUCED BUDGET FY2018/2019: \$2 689,634**

*All Funds including Operational, Food Services & Textbook*

	<i>2017/2018</i>	<i>2018/2019</i>	<i>DIFFERENCE</i>
<i>STATE</i>	\$8,547,351	\$9,355,720	\$808,369
<i>FEDERAL</i>	\$1,663,933	\$1,830,234	\$166,301

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<i>OTHER</i>	\$1,509,959	\$1,653,616	\$143,657
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<b>REVENUE FROM NON-LOCAL SOURCES</b> :\$11,721,243		\$12,839,570	\$1,118,327
<b>REVENUE FROM COUNTY OF NELSON:</b> \$15,435,887		\$14,835,887	<u>-\$1,000,000</u>
<b>NET INCREASE IN PROJECTED REVENUE</b>			\$ 118,327
<b>Less: Increase to Textbook Fund</b>			<u>(\$82,629)</u>
<b>Increase attributed to General &amp; Cafeteria Funds</b>			\$35,698
<b>Less: Increase in cate Fund</b>			<u>(\$98,177)</u>
<b>Amount to be cut from General Fund due to loss of revenue</b>			<b>(\$62,479)</b>

*EXPENSES:*

*UNAVOIDABLE INCREASES:*

Increase in Health Insurance Participation { \$246,573.23 X 12 = \$2,958,878.76 current expenditure per year as of 4/17/18) **\$62,464.52**

**Base Salary Adjustments:**

Salary	Fica	VRS	RHCC	GLIP	WC	Health Ins.	Total
\$49,225	\$3,765.71	\$7,718.48	\$590.70	\$644.85	137.83		\$62,082.57

<b>Debt Service on Energy Contract</b>	<b>\$ 4,829.00</b>
<b>Piedmont Regional Education Program</b>	<b>\$ 26,510.75</b>
<b>Admin Software</b>	<b>\$ 6,301.20</b>
<b>OPEB VALUATION REPORT</b>	<b>\$ 2,971.00</b>
<b>UNIFORM &amp; FLAT WIPES CONTRACTS</b>	<b>\$ 2,769.30</b>
<b>Total Unavoidable Increases:</b>	<b>\$230,407.34</b>

**Avoidable Increases:**

Salaries and Benefits for the following positions are shown in order on the following table for Cosmetology, Welding, English, Gifted, and Sped Secretary and are totaled on the bottom row:

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Salary	Fica	VRS	RHCC	GLIP	WC	Health Ins.	Total
\$23,040.0	\$1,762.5	\$7,225.3	\$552.9	\$603.65	\$64.51	\$15,069.60	\$48,318.62
\$11,520.0	\$881.28	\$1,806.3	\$138.2	\$150.91	\$32.26		\$14,529.02
\$3,216.0	\$246.02	\$7,225.3	\$552.9	\$603.65	\$9.00	\$7,313.64	\$11,852.98
\$9,216.0	\$705.02	\$1,445.0	\$110.5	\$120.73	\$25.80	\$669.24	\$11,623.22
\$32,000.0	\$2,448.0				\$89.60		\$34,537.60
\$78,992.0	\$6,042.8	\$17,702.0	\$1,354.7	\$1,478.94	\$221.18	\$23,052.48	\$120,861.45

**Total Increase in Expenditures: \$ 350,314.64**

**LESS: SAVINGS IDENTIFIED IN THE BUDGET**

REDUCED POSITION	SALARY	FICA	VRS	GLIP	RHCC	WC	HEALTH	TOTAL
ADMIN ASST POSITION	\$46,634.00	\$3,567.50	\$7,610.67	\$610.91	\$559.61	\$130.58		\$59,113.26
ELEM TEACHING POSITION	\$48,759.00	\$3,730.06	\$7,957.47	\$638.74	\$585.108	\$136.53		\$61,806.91
TOTAL	\$95,393.00	\$7,297.56	\$15,568.14	\$1,249.65	\$1,144.72	\$267.10	\$0.00	\$120,920.17

UTILITIES/HEATING	\$ -66,254.00
HONEYWELL HVAC CONTRACTS	\$ -14,113.74
VRS RATE DECREASE FOR PROF GROUP (16.32% TO 15.68% for Prof Group)	\$ -74,156.00
RHCC RATE DECREASE (1.23% to 1.20%)	\$ - 3,919.00
UNEMPLOYMENT INSURANCE	\$ - 6,404.00
LAWN MOWER	\$ -7,500.00
VOIP IP PHONES	\$ -20,248.00
DUAL ENROLLMENT	\$ -10,000.00
CENTRAL OFFICE- OFFICE MACHINERY	\$ -1,500.00
FURNITURE REPLACEMENT	\$ -5,000.00
NETWORK SOFTWARE	\$ -4,068.77
INSTRUCTIONAL SOFTWARE	\$ -14,955.30
MISC REDUCTIONS	\$ <u>2,229.81</u>

**NOTE: THIS SCENARIO DOES NOT ALLOW FOR AN IN-SCHOOL SUSPENSION SUPERVISOR, DATA SPECIALIST TRAINEE NOR A BEHAVIOR INTERVENTIONIST.**

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Ms. McCann then reviewed the School Considerations on the sheet provided by staff and noted that the Schools used the Auto Mechanics teacher and pay stipend for an extra block and would use him at the bus garage to teach a second block for welding.

She then advised that the Part Time Special Ed Secretary had been hired in the current year, the costs were absorbed, and now this was an add-on for FY19.

Ms. McCann then referenced the Salary Adjustment mid yr. (Academic Coach) and noted it was titled as “base salary adjustment “on their new nutshell sheet. She noted that they went from having one coach this year to two for next year. She noted they had already hired the second coach in the current year and would not have enough for a full year for FY19. Mr. Carter explained these were the coaches that trained the teachers. Mr. Bruguire suggested that the coaches should train the teachers in the summer. Mr. Carter then advised that the Board had heard strong input on the Schools needing the Behavior Interventionist position and they had not funded it in their revised budget. Mr. Saunders noted he thought that the teacher cuts would pay for that position and Ms. McCann noted that they had used those cuts to fund the other new positions shown.

Mr. Rutherford inquired as to whether or not they had residual money from cost savings and Ms. McCann noted that was to be determined and that they showed other increases that were not on the previous nutshell sheet and Mr. Carter noted that the increases shown were offset by cuts.

Mr. Reed noted that the stickler was that if they wanted to see something funded, there was no guarantee that was where the funds would actually go; such as if they wanted to fund a 2% raise, it could end up being used for something else. Mr. Carter advised that it would be unlikely they would do that if the 2% raise were funded; however once the money was appropriated, that could not be changed. He added that they could increase their funding but not reduce it.

Mr. Reed noted that their salary problems were inherent to their step issue at this point and that everyone thought it needed to be fixed. He then supposed that hypothetically, if they gave a 2% raise, they could then in the following year devote money to getting equitable pay scales and the Board could work with them over the coming year on a solution. He added that may be a smaller amount next year.

Mr. Carter advised that the state budget compromise proposed a 3% raise for teachers July 1, 2019 and that would cost around \$500,000 with 75% of it being local money. He added they would have a greater issue than fixing the scale next year and he noted he was unsure of what the local and state splits would be yet. He added that Medicaid legislation would change funding for FY19 and additional lottery disbursements would be made. He noted they may know before the Board’s June 12th meeting. He then stressed that the longer term ramifications were at July 1, 2019 and that the raise would probably be by composite index. He added that the greater impact was the number of employees not funded by SOQ, as the County would pick up the total cost for non-state supported positions. Mr. Carter then noted that it was unlikely that the County could apply a 2% raise given in FY18-19 as a credit towards the local requirement of the 3% raise in FY19-20.

Mr. Bruguire then asked if they could stipulate a 2% raise for teachers only and Mr. Carter advised they could designate the funds; however the Schools were not obligated to do it.

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Mr. Saunders noted that he did not agree on the order of things proposed by Mr. Reed and said instead they should give them a year to study how to fix the scale issue and then provide them with the 2% funding. Mr. Reed clarified that he was suggesting that the County work with them with the understanding of looking at what could be done next year. He added that it did not sound like they would have the ability to do it next year and the Board was not in a position to micromanage that scenario because they had not worked on it.

Mr. Harvey noted that the schools had worked on the scale and some employees had gotten 5%-6% raises and they had not adjusted it for older teachers. He added he was not a fan of the step system. Mr. Saunders noted he was not in favor of across the board raises either because those that made more money got more. He added he thought it was unfair to give raises to those making over \$90,000 a year. Mr. Reed noted he was not in favor of drawing a line there. Mr. Reed then acknowledged that whatever amount the Board decided upon, the Schools could do whatever they wanted and they had to set their own priorities.

Mr. Carter and Ms. McCann agreed that it made no sense to keep adding steps and not funding them. Mr. Bruguere added that step raises meant people got paid more for being there another year and it was not merit based.

Ms. McCann then noted in regards to the pavement repair and sealing, that could be paid for out of the \$280,000 they had left of the \$400,000 in capital funds. She noted that the school buses had not been ordered yet. Ms. McCann noted that those funds had been used for work on the old Alpha wing to reduce moisture issues and some was used for security cameras.

Mr. Harvey then inquired as to what the County's balances were looking like with one month to go in the current fiscal year. Ms. McCann noted she anticipated some underspending and excess revenue and that was in the budget already allocated for some nonrecurring items. Mr. Carter clarified that carryover funds had been estimated; however there may be more at the end of the year. He added that staff did those projections every year. Mr. Harvey asked if the County was over budgeted in the upcoming year and Mr. Carter advised that the County had reduced about \$600,000 in expenditures on the County side this year. He added that those calculations were not exact and it was the same with the schools. He noted that the County was doing well on its revenue projections with a couple of exceptions and the entire expenditure budget would not be spent. He added that staff could report back with more precision; however any excess would be one time money.

Ms. McCann noted that staff had carried forward recurring contingency, the nursing home sale money, the balance of EMS vehicles of \$279,000, and \$419,243 in anticipated carryover. She added that everything had been allocated within the budget except for the nursing home balance less the Piney River accelerated debt payment.

Mr. Harvey noted he thought the cosmetology program was needed. Mr. Saunders then questioned how the salary listed by the schools for that position was \$23,000 and the Health Insurance they would pay on that was \$15,000. He added that the base salary adjustments showed a basic salary of \$49,000 with taxes and the Health Insurance cost was not included there. He noted with that, it was nearly \$75,000 which was a heck of a salary for a new teacher. Mr. Harvey noted he did not disagree and stated that the Rockfish River Elementary Principal that spoke at the public hearing was now gone. Mr. Saunders then noted that the majority of school employees did not even live in the county and did not contribute to the salaries paid by Nelson residents and he did not think that was right.

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Mr. Reed noted that there were many people that lived in Nelson and worked elsewhere and it could also be viewed that way. Mr. Saunders noted that since Nelson paid more, they moved jobs from Amherst to Nelson and Mr. Reed stated they should pay teachers so they could have the best schools possible. Mr. Saunders then reiterated that Tye River Elementary School was not yet accredited, they had coaches for the teachers, and he questioned where it would stop. Mr. Reed noted that there were significant family issues in that part of the county to deal with.

Mr. Reed then suggested providing the 2% raise amount of \$367,000 and they could do 2% or half of that and then use the other half to fix the steps or allocate funds for a Behavior Interventionist. He added that position affected every level and would be beneficial in providing for better outcomes.

Mr. Harvey noted that the 5-year olds had been the worst and they needed discipline that the Schools could not provide. He added that he was 100% behind funding the Behavior Specialist. Mr. Brugiére then suggested that teachers be trained during the summer and he was against paying so much for the Behavior Interventionist position. He added that the position may direct more to special education services and CSA, which would cost more. Mr. Harvey countered by noting that they may be able to educate more kids in the county versus sending them out. He added that was their projection and hope.

Mr. Carter then suggested that the Board not focus on categories and come up with a number to provide them. Mr. Reed suggested providing enough funding to give them a 2% increase. He noted that would be equitable and they would know the Board's intentions.

Mr. Harvey asked for the amount of local funding to schools and it was noted to be \$15,435,887 last year plus \$235,000 for School Nursing. It was noted that the FY19 budget was \$14 Million plus school nursing as well as debt service, and capital improvement funds. Mr. Harvey inquired if the capital funds were money they saved last year and Ms. McCann noted she would have to look.

Mr. Rutherford note he was okay with providing for a 2% raise with the Schools to prioritize what they would do later. He added they should provide them with a flat \$366,000 and he would like to see it go towards fixing the step increases.

Mr. Harvey suggested they provide half of the difference between this year and last year. Mr. Reed reminded the Board that they were also providing funding for SROs.

Mr. Carter advised that the schools would be able to fully fund everything if they used this year's budget at \$15,435,887. He added that they were fully funded by the state and Mr. Harvey was talking about adding more from the County. Mr. Rutherford noted doing that put local funding close to \$2 Million and he was against that. Mr. Harvey then noted that was not his intent. Mr. Reed then questioned if it was his intent to give them \$500,000 more than what was in the budget. Ms. McCann noted that the increase in revenue was \$1.1 Million and Mr. Rutherford added that it could be more depending on the state budget. Mr. Carter then advised that they did not have the recurring funds to give any more. Mr. Saunders stated that he was in favor of keeping the funding as had already been decided.

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Mr. Carter advised that he Board should focus on the \$900,000 in recurring contingency funds that they had in the budget as far as their ability. Ms. McCann suggested using nonrecurring money if they wanted to fund capital type things. She added that the Schools had not provided a carryover funds amount to staff yet.

Mr. Bruguere stated that they had \$118,000 in new money and if they gave them enough for a 2% raise, they would then have well over \$400,000.

Mr. Harvey stated he wanted to make sure they were not being funded less money and Mr. Carter advised that the only way to do that was to provide the same total amount as last year. Mr. Bruguere noted that they would have new state money, funded school nurses, and 3 SROs. Mr. Carter reiterated that the SROs were funded with an amount reduced from the schools.

Mr. Saunders reiterated that they had originally looked at the budget and decided to cut \$1 Million and if they only cut \$.5 Million then they would be giving them \$.5 Million. Mr. Carter advised they had the financial ability to do that if they wanted to. Mr. Harvey stated he wanted to use new money but Ms. McCann and Mr. Saunders noted it was already included. Mr. Carter noted that with the \$1 Million reduction, they were at approximately this year's budget number. He noted just the source of funding was different, they had more from the state and less from the County. Ms. McCann noted they had basically been level funded. Mr. Saunders added that he thought they could find money if they wanted to.

Mr. Reed maintained the position of level funding and providing a 2% raise amount.

Mr. Harvey suggested a decision be put on hold until they got figures from the State and Mr. Carter noted they should know something before the June 12<sup>th</sup> meeting. He added that the schools had already sent contracts out and Mr. Bruguere noted that they could always add in to their contracts after the fact.

Mr. Carter noted that if they gave them \$366,000 more and if the State said they would get more, the Board could reduce the budget before it was approved and appropriated. Mr. Reed noted it made sense to either authorize the additional money and tweak it later, or to sit on it until what they had from the state was known.

Mr. Carter advised that potentially, they could decide on June 12th. Mr. Reed and Mr. Carter suggested that the Board meet to discuss it again before then and Supervisors agreed by consensus to have a continued meeting on June 11<sup>th</sup> at 5pm in the same conference room.

*Introduced: Sheriff Department Salary Scale*

Mr. Carter advised that staff had done a salary survey of counties on Sheriff's Department personnel and he referenced a salary scale that Ms. McCann and staff had devised. He noted that an average had been used to come up with the proposed scale as follows:



DOH	Position	Name	Salary	Grade	Salary Survey Range		
					Min	Mid	Max
1/1/2016	Sheriff (SHERO)	Hill, D. (#14)	\$ 79,781				
1/1/2016	Major (L12)	Cindrick, L. (#2)	\$ 61,396	14	\$63,118	\$81,374	\$99,831
2/1/2016	Captain (L12)	New, R. (#10)	\$ 57,714	13	\$56,017	\$69,993	\$83,970
	Captain (L11)						
6/9/2008	LE (L10)	Thacker, C. (#13)	\$ 42,957	12	\$49,170	\$61,089	\$73,007
11/2/2015	Sgt (L10)	Espinoza, B. (#1)	\$ 45,259	11	\$44,967	\$56,682	\$68,396
4/14/2014	Investigator (L10)	Tabler, J. (#8)	\$ 40,576	10	\$43,163	\$55,722	\$68,282
12/11/2017	Deputy (L9)	Craig, S. (#16)	\$ 43,500	9	\$37,039	\$46,953	\$57,229
1/15/2007	Deputy (L9)	Justus, C. (#6)	\$ 43,447				
7/1/2017	Deputy (L9)	Ross, T. (#20)	\$ 43,350				
1/7/2011	Deputy (L9)	Sanchez, S. (#5)	\$ 40,936				
11/1/2016	Deputy (CS9)	Barnett, Z. (#18)	\$ 39,456				
	Promote Grade 7 after 1 yr with complete LE certification						
7/1/2016	Deputy (L7)	Clarkson, Z. (#17)	\$ 33,052	8	\$34,588	\$43,350	\$52,081
7/1/2017	Drug Task Force (Local)	Brooks, D.	\$ 31,629	8			
3/1/2018	Deputy (Local) Uncertified	Wilson, D.	\$ 31,629	7	\$33,079	\$41,459	\$49,838
2/9/2011	Courthouse Security (Local)	Brooks, T.	\$ 33,292	7	\$33,079	\$41,459	\$49,838
11/1/2016	Courthouse Security (COMOP)	Harris, A. (#12)	\$ 31,629	7			

Note: L7 positions that are promoted to L8/Grade 8 will receive only one 4.56% salary adjustment.

Mr. Carter noted the cost of moving everyone to 100% of the midpoint would be \$50,000 and 33% would be \$12,000. Staff noted that if 33% was used, there were six positions that did not come up to the minimum of the scales and they would need to bring those up to the minimum. The cost of doing that was noted to be \$9,500 and the total cost of 33% would be \$21,318. Mr. Carter added that the scale would not be the highest, but it also would not be the lowest. He added that the scale would provide for \$6,000 more in salary than that of the current lowest entry level Deputy.

Ms. McCann added that once certified, the Compensation Board provided deputies a raise of 4.56% and that was how they had come up with Grade 8. She noted when they were fully certified, they move to a Grade 9.

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Mr. Rutherford expressed his concern that the scale would be behind the minimum in three years and Ms. McCann advised that it would increase with cost of living adjustments given by the County or the state. Mr. Carter advised that it did not have to be done immediately and staff had just begun looking at it.

Mr. Saunders asked how much it would cost to go to the midpoint and Mr. Rutherford agreed it would be more beneficial to look at that. Ms. McCann explained that in the human resources world, the midpoint meant that a person was able to fully complete the job and had experience. She noted that the Compensation Board had a high end; however the state minimum was \$31,629.

Sheriff Hill advised the Board that the Police Academy was twice per year and the issue was when they got applicants who were already certified, they were beyond the budget and he could not afford them. He added that getting seven spots filled would be tough because of the Academy, although they were looking at adding a third cycle because of many jurisdictions hiring new SROs. He added that they could only afford green people even with applying salary savings.

Mr. Harvey stated that they did not want green SROs in the schools. Sheriff Hill then advised that he had a couple of road deputies that wanted to go into the schools and that would be ideal. He noted that the current SRO had a master's degree and he would hate to see him leave.

Mr. Saunders asked when was the latest that they could hire someone and make the July Academy session. Sheriff Hill noted that mid-June was the orientation and physical and Mr. Saunders stated the scale would have to be approved by then.

Mr. Rutherford asked if the Sheriff would have the liberty to choose a hiring salary from the ranges and Ms. McCann advised that it would be controlled by the budget. Mr. Harvey added that he had been allowed to use vacancy savings or salary savings to hire people with. Sheriff Hill noted that it had been their hope that doing that would allow them to make offers and get people, but it had not worked out. Ms. McCann advised that if the Sheriff were going to offer a job, he could work with staff or the Board if the money was not in the budget. Mr. Carter noted that the supplement policy money was there, the Sheriff had discretion to use it during the year and if it wasn't used, it went back to the General Fund. Ms. McCann then advised that all vacant positions except for one were local positions and the money would roll over; however there may not be enough of a pot.

Mr. Rutherford again expressed interest in knowing the cost of moving to the midpoint. Ms. McCann noted that was unclear because if they looked at education and experience, they moved up the scale above the minimum. Mr. Carter reiterated the \$50,000 cost. Ms. McCann noted that they had equated education relative to the job and if a person had job specific education, they got full credit and if it was in another area, they got half credit. He added that in the 33% scenario, that was considered.

Mr. Carter then suggested that the easiest decision was to either put everyone at the minimum or consider education and experience.

Mr. Harvey noted that they could not get people hired and could not keep them; and if they were green, they could not do the job for six months.

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Mr. Rutherford then suggested that they consider 100% of the pay study.

Mr. Carter noted this was a problem across the state and Sheriff Hill noted that the state average for people leaving every year was eight. He added that they did do exit interviews and had found that when new deputies started to establish families they started analyzing things and their priorities changed. He noted that their pool of applicants was dwindling; however those going to school in criminal justice was increasing. He added that it took 1.5 years before a new deputy could take calls on their own.

Mr. Carter advised that the salaries could be tweaked up and he noted that Fluvanna and Greene counties were the highest. Mr. Saunders supposed they should be paid more and similarly to starting teachers.

Sheriff Hill then noted that if they could limit how much drugs were trafficked in the county the quality of life would pick up, kids would not be impacted as much, not as many would be in Foster Care, and teachers would not be disciplining kids. He added it would benefit everyone if drugs could be kept out of the county.

Mr. Carter advised that staff could just adjust the scale upwards if the Board wanted and Mr. Saunders and Mr. Rutherford noted they would like to be more aggressive in approach.

Ms. McCann referenced the chart provided that showed the starting salaries and she noted that the difference between a Grade 8 and 9 was that Grade 9 was a senior professional and was somewhat beyond the minimum.

Mr. Harvey stated that he wanted to hire people who were certified with five years of experience. It was noted that in that case, Ms. McCann and Sheriff Hill would look at the candidates experience, decide where they would fit, and then ask for any funds that were needed. Mr. Carter suggested that they go with the presented scale and then deal with hires on a case by case basis. Ms. McCann advised that the ranges that were out of whack pertained to new deputies.

Mr. Harvey then inquired of the Sheriff, the minimum experience wanted for SROs. Sheriff Hill advised that he had a deputy with ten years' experience that was interested, one that had expressed interest, and several that he thought would be good at it.

Ms. McCann advised that the County typically looked at a hiring range of 6 steps, so they could look at six years of experience and calculate what that salary would be and authorize the Sheriff to hire in that range without asking; however, if he did not have the funds within the budget, he would have to ask for an appropriation. Mr. Carter advised it would be similar to a County plan. Sheriff Hill noted that advertisements had not listed a cap and Ms. McCann noted that they could advertise a full salary range and she reiterated that the County advertised the first six steps. She noted that if based on 24 steps that would be halfway between the minimum and midpoint. Mr. Harvey then supposed they would have to be considerate of being fair and equal in making decisions.

Sheriff Hill then advised that the SROs would take vacation in summer and would break road deputies on their vacations.

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Supervisors discussed going with the presented payscale and authorizing the Sheriff to offer from the minimum to midpoint. Ms. McCann then noted that they needed to put people where they needed to be on the scale or they would lose them. She added that 100% of the pay study in most cases was above the minimum.

Mr. Carter suggested that they focus on the scale and not individuals and if the scale was not competitive enough, they could adjust them upwards.

Supervisors agreed by consensus to have a scale with higher starting pay and staff advised they would look at the peers that were the highest such as Fluvanna and the scale would be made competitive. It was noted that staff and Sheriff Hill would work together to come up with something. Ms. McCann then added that Greene County had the highest salaries for certified deputies.

### **III. Piney River Water System (TTHM Compliance)**

Mr. Carter advised that the County was working with Bowman Consulting to work on the TTHM issue and the County had received a consent order to fix it. He added that the order just directs the County to fix the problem and the County needed the Board's approval to accept the consent order.

He reiterated that the County had submitted a grant application for funds to implement the fix and the Virginia Department of Health had come back and asked questions of applicants as noted in the following correspondence:

Mr. Stephen A. Carter, County Administrator  
Nelson County  
PO Box 336  
Lovingston, VA 22949

Re: 2019 Drinking Water Construction/Financial Assistance  
DWSRF Preliminary Review Letter

Dear Mr. Carter:

In response to our DWSRF FY2019 solicitation ODW received and evaluated 38 construction projects requesting a total of \$66.2 million. Of these, 21 applications were for small projects less than \$300,000. ODW is currently conducting our preliminary review that will be completed once additional information has been provided.

At this time, ODW is writing to all small projects requesting additional information. Please let us know if your waterworks:

- Has completed (or updated) its Asset Management Plan (or Capital Improvement Plan) within the past 5 years, or will commit to completing one prior to project completion,
- Has more than one active DWSRF project,
- Is willing to undergo (and expects to pass) a credit review by VRA,

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- Is willing to adjust/raise current user rates if they are less than the target of 1% of MHI,
- Is willing to a commitment to adjust rates to ensure minimum compound revenue increases of 3%<sup>1</sup> each year for the next five years.

If you believe your waterworks cannot meet these expectations we ask that you consider withdrawing your application(s) and re-applying next year or accept 100% loan funds for a term of 20 years (or the life of the project, whichever is less) at below market rates. As a reminder, VDH reserves the right to by-pass any project that has not executed the assistance agreements/initiated construction within 12 months of the original award date.

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<sup>1</sup> Alternatively owners may commit to using an inflationary linked index such as the Consumer Price Index (CPI) or the Personal Consumption Index (PCE).

The general philosophy underlying the determination of the funding package is to make the best use of limited funds to resolve public health problems. The financial assistance that is available under each funding cycle must balance affordability (the ability of each borrow to repay new debt) and long term financial viability of the SRF program. EPA intends that each state's SRF program be self-sustaining in perpetuity through the use of loan repay funds to be used exclusively for funding future drinking water capital improvement projects.

VDH recommends waterworks owners implement a revenue growth model that includes automatic annual rate adjustments that exceed inflation. VDH recommends waterworks self-evaluate their financial position using the attached Building Financial Sustainability/Financial Health Indicators to ensure they are able to provide for financial sustainability. The federal Drinking Water State Revolving Fund (DWSRF) appropriation and formal requirements have not been finalized yet. However, all recipients should expect complying with the American Iron and Steel Provision, The Davis Bacon Prevailing Wage Rates, and other provisions that will be required.

Please notify me in writing as soon as possible but no later than June 4, 2018 at the address above of your ability to meet the expectations listed above. Failure to notify me can be deemed as your withdrawal from this program. Please use the above referenced project number and name on all correspondence. If necessary, I can be contacted at (804) 864-7489 or at [steve.pellei@vdh.virginia.gov](mailto:steve.pellei@vdh.virginia.gov).

Sincerely,  
Steven D. Pellei, PE, Director  
Division of Construction Assistance, Planning & Policy  
cc: Keith Kornegay, PE, Project Supervisor, FCAP

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Mr. Carter then referenced the following memo from him to the Board:

Re: Piney River Water System (Consent Order from VA Department of Health and Status of Application for \$150,000.00 in 2019 Drinking Water Construction/Financial Assistance

With reference to the County's objective of addressing the Piney River Water System's exceedance of the Primary Maximum Contaminant Level (PMCL) for Trihalomethanes (TTHMs), please be advised of the status of the following subjects that are both pertinent to the resolution of the TTHM concern:

VA Department of Health Consent Order: Enclosed herein are the May 15, 2018 letter and Consent Order from the Department of Health. The order was revised several times, per the efforts of County staff in conjunction with Bowman Consultants (the County's engineering consultant for the TTHM project) and with the cooperation of VDH staff. As the Board will note, the objective of the Consent Order is to provide for the resolution of the TTHM exceedance(s) and is not an overly punitive directive from VDH. With respect to the May 25, 2018 date for the County's acceptance of the Order, County staff requested and received approval from VDH to have the Order accepted by the Board of Supervisors at the Board's June 12, 2018 meeting. As noted, the Order is a formal means of providing for the County's resolution of the Piney River Water System's TTHM exceedance(s) and requires the County's approval, which staff recommends the Board authorize either at the June 12 meeting or, alternatively, at the May 29th continued meeting.

VA Department of Health (Office of Drinking Water) - Drinking Water State Revolving Fund Program:

Also enclosed is the May 16, 2018 letter (received on May 2PI) from the VDH's Office of Drinking Water. The letter is an inquiry to local government applicants for DWSRF funding requesting their response to five questions that will enable ODW staff to make program funding recommendations (it is assumed that there are more funding applications than available funding and ODW is working to address this). As The Board will note, the two questions that are, seemingly, most pertinent to Nelson County's application (the County has applied for \$150,000.00 with an objective of realizing grant funding rather than loan monies) are Question 4 and Question 5. The responses to Questions 1-3 are easily addressed.

With reference specifically to Questions 4 and 5 and after conferring with Jerry Peaks, P.E. of Bowman Consulting, the County's responses can be:

Question 4 - Yes, the County is willing to adjust/raise current user rates if they are less than the target of 1% of MHI (Median Household Income). (Note that the County's current MHI, per the U.S. Census Bureau is \$50,994. At 1% of MHI, the Piney River Water System's water rate would, possibly, have to increase from the current \$29.90 per month for the first 4,000 gallons to \$42.50 per month). The County would not be consenting to adjust the PR Water System's service fee to 1% of MHI but, rather, would be willing to adjust the current rates because they are less than 1% of MHI (which then transitions from Question 4 to Question 5).

Question 5 - Yes. (And, staff recommends the Board give favorable consideration to addressing Question 5 affirmatively). This is, seemingly, the pivotal question. As noted above in Question 4, the current PR Water System monthly service fee is \$29.90 per month for the first 4,000 gallons (and \$6.10 per each 1,000 gallons above 4,000 gallons). Agreeing to increase the current service fee by 3% each year for five years would increase

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the monthly water fee at the 4,000 gallon minimum to a projected \$34.66 per month, an increase of \$4.76 per month, by 2023 (or \$0.95 per year). At \$35.00 per month by 2023 (or \$5.10 over five years), the overall increase would be \$1.02 per year.

The local ordinance for the PR Water & Sewer System was enacted April 13, 2004 with the water service fee established at \$21.20 per month for the first 4,000 gallons of usage. The ordinance was amended on August 8, 2006 to increase the rate to \$26.00 per month. And, the ordinance was most recently amended on June 11, 2013 to its current rate of \$29.90 per month. Agreeing to the 3% increase annually over five years (\$29.90 to \$34.66) versus increasing the water service fee to 1% of MHI (\$42.50 per month) is easily the better decision.

In summary, it is most unlikely the Consent Order from VDH can be set aside (not accepted). The order is not deemed to be punitive and is understood to be incumbent upon VDH to issue to the County, as resolving the TIHM PMCL has also been communicated to VDH by federal EPA. With respect to the County application for funding to VDH-ODW, staff cannot confirm that the County's responses to VDHODW, if consented to by the Board, as recommended, will result in an award of \$150,000.00 in grant funding. However, if the County's response to the five questions VDH-ODW has submitted are negative, particularly with reference to Questions 4 and 5 (Questions 1-3 are, as noted herein, easily addressed and not considered a concern), then it can be anticipated the VDH-ODW will likely pass the County's application by in favor of other application or, alternatively, offer the County a loan or request the County to withdraw its application and re-apply in 2019, which, given VDH's Consent Order, is not a realistic consideration.

It will be necessary for the Board to address the (two) above subjects, as noted, either on 5-29 or by the 6-12 regular session. In the interim, please advise if you have questions or concerns or require additional information. The Board's consideration of the subjects of this communication is appreciated.

Mr. Carter reiterated that the County needed to answer yes to questions 4 and 5. He noted that questions 1-3 were easy and should be answered: 1 yes, 2 No, 3 yes. He noted that number 4 simply asked if the County would be willing to adjust user rates if they were less than 1% of the median household income. He reiterated that the County's MHI was \$55,994 and he noted what 1% would be. He then advised that the questioned asked if they were willing to consider it, not if they would do it.

He then noted that question 5 asked if the County would commit to adjusting rates to ensure compounding rate increases of 3% every year for five years. He noted that would equate to \$1 per year in rate adjustments and \$5 total by year five.

Mr. Carter added that the County rates were lower than those of the NCSA right now. He advised that if they said "no" to question number 5, they probably would not get funded, would have to agree to the consent order, and pay the full cost of \$150,000 to implement the fix. He added that VDH would not rescind the consent order. He then advised that the consent order only applied to the Piney River 3 System.

Supervisors then agreed to by consensus that the County answer the questions posed by VDH in relation to the grant application as recommended by staff and see what happened with the grant/loan. In addition to answering the questions as advised by staff, the Board authorized acceptance of the consent order.

#### **IV. Other Business**

##### *Introduced: VACO Volunteer Life and Accident Insurance Coverage*

Ms. McCann reported that VACO had decided that they would not handle this insurance now and they had partnered with VFIS to offer a core policy and also a limited policy. She advised that the core policy was most like the current County coverage. She added that they were suggesting that the County take a workers compensation policy and accident and sickness policy for volunteers and she had also gotten a quote from Hartford. She noted the cost of each option as follows:

Option 1: VFIS Core Plan - \$46,230, Option 2: VFIS Limited Plan - \$42,485, Option 3: Option1 plus Worker's Compensation Plan -\$66,235, and Option 4: Hartford Plan-\$55,431.

Ms. McCann noted that with the Worker's Compensation option, the quote was based on no experience, however, once there was a claims experience the rates would increase. Therefore, Option 3 was not recommended.

Mr. Carter then advised that staff recommend continuing the same coverage as was currently in place; meaning Option 1. Ms. McCann advised that this insurance would be primary for the volunteers meaning it would pay first before any other insurance. It was also noted that the current budgeted amount for this insurance was \$47,000 and covered Option 1.

Supervisors then agreed by consensus to go with Option 1. Ms. McCann advised that claim forms would be distributed to the EMS Council.

Mr. Harvey then asked if volunteers still had to file with the Circuit Court Clerk and Ms. McCann advised that VaCorp had kept the list. Mr. Harvey noted he thought that they had to register with the Clerk and had to fill out a card naming beneficiaries etc. Staff noted that Ms. Bryant had noted that she had a list and the only thing it was used for was decals and personal property benefits, however they were checking into it. Ms. McCann then noted that the Code requirement was that volunteers had to complete 100 hours of service in the prior year and Mr. Carter advised that compliance was up to the Commissioner of Revenue.

##### *Introduced: Admissions Tax*

Mr. Reed noted he had looked further into the Admissions Tax and he noted the major problem with it was that it applied equally to small groups as it did to larger ones. He noted that a phrase associated with the tax was that the County could give "qualified exemptions for charitable events and nonprofit entities." Mr. Carter advised that the draft ordinance only addressed charitable events and that he would confer with Mr. Payne. It was noted that in that case, some groups could circumvent the tax by becoming non-profit organizations. Mr. Reed suggested that they check to see if the ordinance could be worded to exempt non-profits.

Mr. Harvey agreed that it would be a nuisance tax for smaller events. Mr. Saunders then noted that according to the estimates, the tax would bring in revenue equal to less than a one cent tax increase.



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Supervisors agreed there was no consensus to pursue the Admissions Tax at this time and Mr. Reed advised he was just providing information.

*Introduced: TJPDC Corporation Representative*

Mr. Reed advised he was now the TJPDC Corporation designated representative for the County. Staff noted this had previously been George Kreiger.

*Introduced: General District Courtroom AV System*

Mr. Carter noted that the County had gotten a quote of approximately \$5,000 for a wireless lapel microphone system that included 7 lapel microphones with battery packs, cabling, and a wireless receiver. He advised that the County was asking two to three others to provide quotes. He added that the current system could not be tweaked or overridden and so the new solution would have to be integrated into the current system. He noted that they had asked about increasing the range of the current microphones; however they had been advised that those were at their maximum. He reiterated that staff was working on it and were hopeful for a solution.

Mr. Saunders advised that Lynchburg Music was the company his church had used successfully.

*Introduced: Greene County Vietnam Memorial Museum*

Mr. Saunders reported that he had visited the Vietnam Memorial Museum in Greene County. He noted the museum was both outside and inside a 100 ft. x 30 ft. building and the tour took 2.5 hours. He described some of the exhibits there and noted they were only open on holidays, with next one being July 4<sup>th</sup>. He added that the tours were hosted by volunteer veterans, the owner was having to close it down, and he would like to move it to Nelson if possible. Mr. Harvey noted there was a committee of Nelson citizens that were working on it and there was tremendous interest, they just needed to find a location.

Mr. Saunders then noted that there was no government funding to the museum and it was a hands on experience. Mr. Harvey advised that his understanding was that the items would be on loan and the current owner wanted a commitment that it would be done right etc. It was noted that there was interest in expanding the museum to include the Gulf War and others. Mr. Saunders noted that there may have been ten or eleven Nelson people killed in Vietnam and none from the others. Mr. Saunders then noted that he thought the museum currently used about an acre of land.

Mr. Harvey advised that somewhere on Route 29 would be the preferred location and he knew some people that would put some serious money into it.

## **V. ADJOURNMENT**

At 7:20 PM, Mr. Harvey moved to adjourn and continue the meeting until June 11, 2018 at 5PM in the Bridge Conference Room of the Courthouse in Lovingson and Mr. Rutherford seconded the motion. There being no further discussion, Supervisors voted unanimously by voice vote to approve the motion and the meeting adjourned.