

March 15, 2024

AT A CONTINUED MEETING of the Nelson County Board of Supervisors at 1:00 p.m. in the Former Board of Supervisors Room located on the fourth floor of the Nelson County Courthouse in Lovingston, Virginia.

Present: J. David Parr, West District Supervisor–Chair
Ernie Q. Reed, Central District Supervisor – Vice Chair
Thomas D. Harvey, North District Supervisor
Jesse N. Rutherford, East District Supervisor
Dr. Jessica Ligon, South District Supervisor
Candice W. McGarry, County Administrator
Amanda B. Spivey, Administrative Assistant/Deputy Clerk
Linda K. Staton, Director of Finance and Human Resources

I. CALL TO ORDER

Mr. Parr called the continued meeting to order at 1:05 p.m. with four (4) supervisors present to establish a quorum with Dr. Ligon arriving later.

Ms. McGarry presented the Board with the FY25 Budget Review Working Outline:

FY25 Budget Review Working Outline

- A. Anthem Health Insurance Plans and Rates Review
 - a. Consider Resolution Authorizing Anthem Renewal on **March 18th or 22nd**
- B. Expenditures Review
 - a. County Departments
 - 1. Note any Department Heads to Attend Future Work Session
 - b. Agency and Non-Departmental Expenditures
 - 1. Note any Agencies to Attend Future Work Session
 - 2. Consider Employee Compensation Increase
 - c. Capital Outlay Review
 - d. General Fund Transfers
 - 1. Reassessment Fund
 - 2. Virginia Public Assistance (VPA/DSS) Fund
 - i. Note if DSS Staff to Attend Future Work Session
 - 3. School Operating Fund and School Nurses
 - i. Note if School Staff to Attend Future Work Session
 - 4. Debt Service Fund
 - 5. Piney River Water/Sewer Fund
- C. Revenues Review
 - a. Local, State, Federal, and Other
 - b. Consider 2024 Tax Rates by **March 25th**
- D. Other Funds Review
 - a. Debt Service Fund
 - b. Capital Fund
 - c. VPA/DSS Fund
 - d. School Fund
 - e. Piney River Water/Sewer Fund
- E. Authorize Budget Public Hearing at **April 9th** Regular Board Meeting for May 14th Regular Board Meeting.

II. FY25 GENERAL FUND BUDGET WORK SESSION (AS TIME ALLOWS)

- A. Anthem Health Insurance Plans and Rates Review

Ms. McGarry reported that the health insurance renewal was due to Anthem by April 1st. She noted that staff would also need time to get the information together and uploaded into Anthem's system. She explained that staff would present the Board with three (3) different health insurance options to consider. She noted that the proposed options for the upcoming year were the Key Advantage 250 and Key Advantage 500 as they had been offering, along with a new option for a High Deductible Health Plan to provide employees with another choice.

Ms. Staton noted that the current FY24 Health Premiums were included for comparison purposes. She explained the three (3) proposed Plan options as follows:

Current FY24 Health Premiums:

Key Advantage 250 (KA250)

Key Advantage 500 (KA500)

* County paying full Key Advantage 500 Comprehensive Single Premium and Dependents at 31%

FY24 Cost: \$841,284

FY25 Proposed Plan Option 1:

Key Advantage 250

Key Advantage 500

High Deductible Health Plan (HDHP)

*County paying 100% HDHP Single Premium, or 90% KA 250/ KA500 Single Premium and Dependents at 31%

FY25 Employer Cost: \$902,748

FY25 Employer Cost **with HDHP**: \$919,200

Ms. Staton noted that when staff spoke with the Anthem representatives, they indicated that when employers elected to add a High Deductible Health Plan (HDHP) approximately 10 to 20 percent of employees opted for that plan which lowered the employer cost.

She showed an estimation of employees if 10% selected HD plan which would put eight (8) employees in the HDHP, with the rest remaining in either KA250 or KA500. She noted that the Employer cost calculated for the Option with High Deductible Health Plan, was based on the assumption that 10 percent of employees changed from KA250 and KA500 to a HDHP during Open Enrollment.

FY25 Proposed Plan Option 2:

Key Advantage 250

Key Advantage 500

High Deductible Health Plan (HDHP)

*County paying 100% HDHP Single Premium, or 93% KA 250/ KA500 Single Premium and Dependents at 31%

FY25 Employer Cost: \$943,428

FY25 Employer Cost **with HDHP**: \$924,540

FY25 Proposed Plan Option 3:

Key Advantage 250

Key Advantage 500

High Deductible Health Plan (HDHP)

*County paying 100% HDHP Single Premium, or 93% KA 250/ KA500 Single Premium and Dependents at 35%

FY25 Employer Cost: \$954,876

FY25 Employer Cost **with HDHP**: \$935,892

Ms. McGarry noted that the overall health insurance cost increase was 11 percent. Ms. Staton indicated that they had set aside \$90,000 to cover potential increases in health insurance costs. She noted that if they needed to make adjustments to that amount, they could. Mr. Reed asked what that meant. Ms. McGarry noted that in the Employee Benefits line of the budget, there was a placeholder of \$90,000 for the health insurance increase. Ms. Staton explained that currently, in all of the departments, the health insurance was based on current costs because the new costs were currently unknown. Ms. McGarry explained that this was handled similarly for employee increases. She noted that they lumped it all together in the Employee Benefits line and then once a decision was made, it would be divvied out to the departments during the year.

Mr. Rutherford asked if the High Deductible Health Plan had been floated around to staff. Ms. Staton noted that it had not, as they did not like to do that without discussing it with the Board first.

Ms. McGarry noted that a lot of employers offering a High Deductible Health Plan offered the option of a Health Savings Account (HSA) for employees. She indicated that if the County were to offer a HDHP, they may also offer the opportunity for employees to have a payroll deduction that would go into a Health Savings Account. She noted that would help build up a nest egg that could be applied towards any health care costs as the deductible amount was so high. She explained that the employee would have to pay health care costs until they met the deductible out of pocket. Ms. Staton reported that the deductible for an

individual was \$3,200. She noted that the reason for the Health Savings Account (HSA) was so that money could be contributed and be available to spend as needed. Mr. Reed asked if the HSA could earn interest. Mr. Rutherford noted that it depended on who the HSA was done through.

Ms. McGarry noted Dr. Ligon had mentioned that employers sometimes also contribute a certain amount to the employee's HSA. Ms. McGarry commented that at this point, she did not think they were looking to do that, rather just offering the opportunity for the employee to contribute would be the first step.

Ms. Staton also noted that the County's employer size limited them to only offering two (2) Key Advantage Plans and one (1) High Deductible Plan. She reported that each of the Key Advantage Plans offered a Preventative Dental option, which was a slightly lower premium than the Full Comprehensive Plans. Ms. Staton also noted that the Advantage 65 Medicare Eligible Retiree plans were increasing by \$6 per month. Mr. Parr noted that basically, a Key Advantage 500 Family Comprehensive was going to go from \$824 per month to \$1,056 per month in Option 1. Mr. Parr and Mr. Reed noted higher increases for the employees cost. Ms. Staton noted that last year, the County covered the full 9 percent increase and the employees did not see an increase.

Ms. McGarry reported that in Option 1, with no High Deductible Plan offering, the increase would be \$77,916 on the employer side. She noted that if they did include the HDHP and 10 percent of employees switched to that plan, it would be an increase of \$61,464.

Mr. Parr asked if there was a downside to offering a High Deductible Health Plan. Ms. McGarry noted that there were no known downsides, other than the fact they were using that as the base plan. She explained that if the HDHP was not the base plan anymore, then it would go back to the Key Advantage 500 again. Mr. Rutherford suggested that it would be a good option for young employees. Ms. McGarry commented that they thought it would be another alternative for employees. Ms. Staton noted that costs would not stop escalating. Mr. Rutherford noted they had a 20 percent health insurance cost increase in two (2) years. Ms. Staton noted if costs increased in the next year by another 8 to 12 percent, they would be back in the same position again. She suggested if they were to add the HDHP now, it would give them time to see if employees take advantage of the offering and how it affected the budget. She noted that they could then take a look at offering a subsidy to the health insurance for those on the HDHP, to get even more people interested in switching to it. Ms. McGarry indicated that at a minimum, the County was required to cover at least 80 percent of the employee single premium. She noted that they did not have to provide any dependent coverage, but they did continue to provide it because the costs were so high.

Mr. Reed asked if the Human Resources (HR) Department would be responsible for communicating the benefit options. Ms. Staton noted that the Anthem representative would be onsite to meet with employees to discuss the plan options and answer any questions. She indicated that benefit information would also be distributed to all employees. She noted that open enrollment would take place during the first two weeks of May.

Mr. Reed commented that someone opting for the HDHP would save money that could either be put into a Health Savings Account, or cash in their pocket. Ms. Staton noted that was how she understood it. She commented that the Health Savings Account would belong to the employee, not the County. The Board discussed the benefits of an HSA. Ms. McGarry noted that the funds carried over year to year. Ms. Staton noted that the County had tried Flexible Spending Accounts (FSA) in the past, but there were drawbacks to Flexible Spending Accounts. She commented that if the funds were not spent from a FSA within the 12-month period, the money was lost. Mr. Reed noted that funds could be drawn from a HSA to cover some health services that may not be covered by insurance. Ms. McGarry noted that main task for the meeting was to review the options and determine which one the Board wanted to choose. Ms. McGarry commented that she did not think any of the options were bad options. Mr. Parr noted that Options 1, 2 and 3 went from Good (1), Better (2) and Best (3), for the employee. Ms. McGarry indicated that Option 1 was better for the County on cost. She noted that it was a higher jump in cost for employees with dependents, but not as much for a single employee.

Ms. McGarry noted that in the previous year, the Board chose to absorb the total cost of the increase in health insurance. She commented that it was very generous on the Board's part, but she was not sure it was appreciated as much by the employees that the County take on all of that increase, versus considering the cost of living adjustments that may be possible. She noted that employees could better see a benefit to a salary increase, rather than the County picking up additional health insurance costs. Mr. Parr asked what the School Division's health insurance situation was. Ms. McGarry reported that the School Division's rates did not change, noting they had a 0 percent increase. Ms. Staton and Ms. McGarry both noted that the County had a few larger claim experiences in the current year.

Mr. Rutherford asked if there had been more discussion on combining insurance pools with the Schools. Ms. McGarry noted that that had not been any discussion for a long time. Ms. Staton noted that the County's insurance pool included the County, Social Services and the Service Authority. Mr. Rutherford asked whether there be any benefit joining with the Schools. Ms. McGarry noted when it previously looked at,

school systems tended to have a higher experience, which was not a benefit. She commented that even though they had a larger number of employees, their claims experiences were typically worse. Ms. Staton noted that the zero percent increase for the Schools was unprecedented. Mr. Parr noted it was a tight year.

Ms. Staton reported that out of the County's full time staff, there were 15 people who waived health insurance coverage. She noted if they were to give funding to a particular benefit versus a pay increase, it would only be affecting the people who had the insurance. She commented that most people needed insurance and she was not advocating that they not do something. Mr. Parr commented that it was more of an equitable spend if they spent it on a salary, rather than a benefit.

The Board was in consensus with Option 1 to include the High Deductible Health Plan. Ms. McGarry noted that staff would return with a formal resolution at the next budget work session for the Board to officially approve.

Ms. McGarry indicated that staff would investigate HSA options. Ms. Staton noted that she had also spoken with the Schools to find out who they were using for the HSA services. She explained that the Schools were currently using a third party benefits company. She also noted she was speaking with the bank about their offerings. Mr. Rutherford suggested that staff may want to reach out to Davenport to learn more about their HSA offerings.

B. Expenditures Review

a. County Departments

The Board reviewed the General Fund Expenditures with staff. They discussed the funding amounts for specific budget lines as indicated below (line items only listed with the funding amounts were generally accepted and not discussed):

-Board of Supervisors \$173,472

Ms. McGarry reported that the Board's budget had 9.3 percent increase (\$14,792) to \$173,472 for FY25. She indicated that more funding had been built in for professional services, which included auditing services. She noted that auditing costs had increased for the next year. Ms. Staton explained that there were now more accounting standards and regulations. Ms. McGarry noted that more regulations required more time and greater costs. Ms. McGarry reported that the Travel (Subsistence and Lodging) line had been increased slightly.

Ms. McGarry asked if the Board wished to review department by department, or only review the increases and staff changes. Mr. Parr commented that he did not think they needed to review line by line. He suggested that they have explanations on staff changes and any substantial increases. Ms. McGarry asked what would be considered a substantial increase. She noted Technology was one line that had increased. Mr. Parr commented that Technology had increased by nearly 10 percent. Mr. Rutherford noted that some increases like the Regional Jail could not be controlled.

-County Administration \$379,892

-County Attorney \$100,000

-Commissioner of Revenue \$325,693

-Treasurer \$426,179

-Finance \$400,676

-Technology \$367,576

-Land Use Panel \$1,077

Ms. McGarry explained that Land Use Panel had been reduced because historically they were not spending that much money. She noted that staff would certainly fund them if they had more activity in the next fiscal year. She reported that they had decreased the Land Use budget by \$4,500.

-Board of Elections \$66,612

Mr. Parr asked about the 41 percent decrease for Board of Elections. Mr. Reed noted that primaries had taken place in the current year. Ms. McGarry explained that the Board of Elections budget was amended for primary stuff as it occurred. She noted that they would see decreases in departments throughout the budget. She explained that some departments were showing decreases in their budgets due to grant funding or some other affect in the current fiscal year versus the next year.

-Registrar \$288,758

-Courts (all) including Drug Court \$793,167

Ms. McGarry explained that the Circuit Court Compensation for Jurors and Witnesses budget line had been reduced by \$10,000, back to the \$15,000 level, instead of \$25,000. She indicated that they had not spent that much in the past and noted that Circuit Court may be catching up on their docket. She noted that they would keep an eye on that budget line to see how it goes. She then reported that Detention Homes Services had requested \$75,000, and staff reduced that amount down to \$50,000 which was the current year's budget. She noted that was another budget line that staff would have to keep an eye on. She commented that if utilization went up, they would have to cover it. Ms. Staton reported that the Detention Homes had used less than half of their funding in two-thirds of the year, so they were projecting that they would not use the whole \$50,000 for FY24.

-Commonwealth Attorney \$677,586

-Sheriff \$2,833,173

-Public Safety & Emergency Services (Dispatch) \$729,409

-Emergency Services Council \$633,779

-E-911 Program \$698,319

Ms. McGarry explained that the E-911 Program was reduced due to grant fund in FY24 that included a Dispatcher Recognition Grant that would not be in next year's budget.

-Forest Fire Service \$20,986

-Paid EMS \$1,618,223

-Regional Jail \$1,622,450

-Building Inspections \$405,433

-Animal Control \$364,841

Ms. McGarry reported that Kevin Wright had requested a large increase in funding for the Professional Services line which covered veterinarian care, as well as animal rescue groups that transport animals from Nelson's shelter to other rescues. She commented that she personally supported funding those things. She noted that she thought they had cut out half of what Mr. Wright requested on that line. Ms. Staton reported that Mr. Wright had requested \$10,000 more in that line and staff had reduced that amount by \$5,000.

Ms. McGarry also noted staff changes that reduced the Overtime line amount requested by \$6,000. She explained that part of the Overtime reduction was tied to some personnel changes that staff was looking at to make the department more efficient. She reviewed the Animal Control Department staff noting that Kevin Wright and Jesse Johnson were serving as Animal Control Officers (ACOs). She then noted that Ethan Wood was the Shelter Manager, but he was also still certified as an ACO, to be able to provide some ACO field work when he was available and not needed in the Animal Shelter. Mr. Parr asked if the current operation was working well, and whether they were still looking to fill Mr. Wood's former ACO position. Ms. McGarry noted the staffing set up was working well, but part of the personnel change that she was looking to do, was to make the part-time Shelter Attendant a full-time position. She noted the shift from part-time to full-time for the Shelter Attendant would provide 10 more hours from that position to help with the shelter and free up Mr. Wood a little more to do ACO work. She indicated that the change should help with the Overtime in the Animal Control department. Ms. McGarry indicated that she was looking to make the position change in April. She noted that they could do it in the current budget and have some savings left over. She commented that they would not be spending any more money in the current fiscal year, because they would not be filling the ACO position, which was a higher position than the Shelter Attendant. Ms. McGarry reiterated the reductions to Mr. Wright's request by \$5,000 for Professional Services and \$6,000 in Overtime.

-Medical Examiner \$160

-Waste Management \$1,541,632

-Building & Grounds \$955,339

-Motor Pool \$247,000

Mr. Parr asked about the increases in Motor Pool. Ms. McGarry reported that they were expecting an increase in vehicle insurance. She explained that the vehicle repair and supply line had been increase by

\$10,000 (from \$50,000 in FY24 to \$60,000 in FY25). She noted that as of February, the County had spent \$48,800 in the Vehicle Repairs and Supplies line. She also reported that they had budgeted \$115,000 in FY24 for Gas, Oil and Grease, and they were expecting to spend \$145,000, so that it what they budgeted for FY25.

Ms. McGarry noted that they could go back and review anything that the Board wanted to discuss more. Mr. Rutherford indicated that he did not see anything currently that he wanted to modify.

-At Risk Youth & Families (CSA) \$2,032,511

-Parks & Recreation \$360,283

-Extension Service \$57,216

Ms. McGarry reported that the Extension Service had requested a Program Manager, which would be a locally funded position only, with no State funding commitment. She noted that staff did back out that request, which reduced the requested budget by \$34,775, to a total budget of \$57,216 for FY25.

-Tourism & Economic Development \$513,506

Ms. McGarry reported that Tourism & Economic Development had a \$120,000 grant for their department for the current fiscal year (FY24), which was not in next year's budget. She noted that it was not a reduction to their budget. She reported that another position was requested and it was included in the budget. Mr. Reed asked Ms. McGarry's opinion on the new position. Ms. McGarry commented that she felt it would be very beneficial for the department. She noted that she had not spoken with Maureen Kelley in terms of her plan for the department other than what was submitted with the budget. Ms. McGarry commented that she wondered if the new position would be some sort of succession planning. Mr. Reed commented that he hoped so. Mr. Rutherford noted that the Tourism Director position was an important role and had important relationships. Ms. McGarry noted that Ms. Kelley had been particularly busy over the last year, and the new position would be a great help to her and the County. Ms. Staton noted that in the description for the position request, Ms. Kelley described the position of Assistant Director of Special Projects with work relating to: Historic Districts, VA 250, Lovingson DHCD Main Street Grants, AFID, Virginia Tourism, DHR, Reporting, Data Analysis, Business Retention, Public Information office duties, and website management. Ms. Staton also noted the reason given for the new position was because the Director could not maintain the current level of activity with current staffing. Ms. McGarry commented that with the Transient Occupancy Tax revenues (TOT), a certain amount of the revenues needed to be used towards Tourism and Economic Development activity.

-Planning and Zoning \$235,994

Ms. McGarry noted that staff had reduced Planning and Zoning's budget request by \$4,450. She explained that \$6,300 had been requested for Planning Commission remuneration, and staff reduced that by \$2,250 because it had not reached that level in the past. She noted that it looked like they would spend \$4,000 in the current year for Planning Commission remuneration. She also indicated that the Board of Zoning Appeals remuneration had been reduced by \$450 for the same reason. Mr. Reed asked if that was due to absences at the meetings. Ms. McGarry noted it was mainly based on how the funds were tracking for the year. Ms. Staton noted that the Planning Commission and Board of Zoning Appeals did not always have meetings. Ms. McGarry reviewed other reductions to Printing and Binding (reduced by \$500), Advertising (reduced by \$500), Postal Services (reduced by \$400), Travel (Subsistence and Lodging reduced by \$300) and Training (reduced by \$50). Mr. Rutherford asked how much professional development the County ended up compensating for employees. Ms. McGarry noted that it was not a lot. She indicated that the main departments were Planning and Building Inspections. She explained that those departments had to maintain Continuing Education requirements for their certifications. She also noted that Solid Waste had some Continuing Education requirements.

Mr. Reed asked about the increase in the Board of Supervisors budget. He noted the costs of the Homestead were going up and the VACo meetings. Ms. McGarry confirmed those were in the Travel (Subsistence and Lodging) line in the Board's budget. She noted that the main increases were in the Professional Services line for auditing services.

Ms. McGarry noted in the Planning and Zoning budget, the \$5,000 in Junkyard Grant funds were not used in the current year, so they were rolling into next year. She indicated that things did not work out for Ms. Bishop to implement the program in the current year. Ms. McGarry explained that they were going to be using year-end balance funds for the Junkyard Grant. She noted it was kind of a one-time pilot program, so they were going to supplant the recurring funding with some of the carryover funds expected from FY24.

-Economic Development \$20,000

-Refunds \$32,000

-Employee Salary Adjustment/Benefit Cost \$361,479

-Worker's Comp Premium Increase \$15,669

-Transfer to Social Services (excludes CSA) \$2,190,378

-Transfer to Debt Service \$3,935,284 (flagged)

Mr. Reed asked to flag Transfer to Debt Service. He commented that he knew that was what they were doing, but he noted that it was significant expense in a year that was tight. He indicated that he did not want to change the transfer amount and he was not suggesting that they do that, but he wanted to flag it. Ms. McGarry noted that the debt capacity strategy was to build enough to fund \$54 million in Debt Service. She commented that if the Board thought Davenport needed to run some more numbers on a lower debt capacity amount, they could do that. Ms. McGarry explained that there was a bill in the works that would allow localities to do a one percent local option sales tax by referendum, if it were to pass. She noted that those revenues could be used for School Capital or School Debt Service. Mr. Reed asked if it could be used for Transportation. He noted that was one of the things in the Rural Transit Governance Study. Ms. McGarry noted that she had not seen that. Mr. Reed commented that he thought it was in there. Ms. McGarry noted they would look at it. She noted if the one percent local option sales tax were to pass and the County held a referendum, in which it passed, that would be about \$1 million in new money that could go towards School Construction Debt Service. She indicated that could free up some of the County's debt capacity related to the School renovation project. She noted that staff was keeping an eye on the status of the bill. She reiterated that if the Board wished to get information on a different debt capacity amount from Davenport, staff could do that. Mr. Reed noted that he did not know how the rest of the Board felt, but it seemed that the only place for wiggle room was the Transfer to Debt Service.

-Transfer to Piney River Water and Sewer \$350,000

Ms. McGarry reported that the Transfer to Piney River Water and Sewer included \$350,000 from the year ending balance for replacement of the Piney River Pump Station, which needed to be replaced in the near future. She explained that staff would coordinate with the Service Authority on that. She noted that the Service Authority used Smith and Lovelace pump stations, which they had indicated that they had no issues with them. Ms. McGarry indicated that she was not sure the \$350,000 was enough money. She reported that the quote for the pump station was about \$220,000, and they would still have other costs related to the installation.

-Transfer to Reassessment Fund \$100,000

Ms. McGarry explained that the Transfer to Reassessment Fund was increased from \$85,000 to \$100,000. She noted that the costs for reassessments was increasing. Ms. McGarry indicated that staff would start the process of hiring an Assessor in the fall, with the next reassessment to be effective in 2026.

b. Agencies & Non-Departmental

The Board opted to review Agency Requests and Non-Departmental Expenditures another day.

c. Capital Outlay

Ms. McGarry explained that the items in Capital Outlay came from the Department Heads with their budget submissions.

-Voting Machine Replacement \$151,200

Ms. McGarry noted that Registrar Jackie Britt had requested the replacement of voting machines for the Registrar's Office. Mr. Rutherford asked if the County always paid for that expense and whether the State covered any of the costs. Ms. McGarry noted that they were not aware of the State paying anything for the machines. She indicated that Ms. Britt had obtained three to four quotes, with the \$151,200 quote being the lowest one. Ms. Staton noted that another quote was just under \$190,000. Mr. Parr asked if the purchase would provide new voting machines Countywide. Ms. McGarry noted it would.

-IT Network Server Replacement

Ms. McGarry explained Susan Rorrer had requested a replacement network server for \$30,000. Mr. Rutherford asked if the County was on the cloud or running their own terminal services. Ms. McGarry commented that she thought it was a little of both.

-Circuit Court A/V Replacement \$18,000

Ms. McGarry then reported that Circuit Court was requesting an audio/visual equipment replacement for \$18,000. Mr. Reed mentioned a recommendation from Dr. Hester that they should have a monitor in the General District Courtroom so they could see what was being projected online in real time during the Board meetings. He noted that it would also show those in attendance that there were additional options for access to the meetings. He asked if that would be helpful. Ms. Spivey noted IT did monitor the meeting streams and if something was not working, an effort was made to resolve it when possible. Dr. Ligon arrived at 2:12 p.m. and joined the meeting.

Mr. Reed noted that nothing else needed to be added, but he just wanted to mention it. Ms. McGarry noted that the Circuit Court A/V replacement was also through local funding, with no State funding to cover costs. Ms. Staton explained that Susan Rorrer was assisting with the A/V equipment in Circuit Court. She noted that Ms. Rorrer had indicated that the equipment in the Courtroom currently was not well supported and the Supreme Court was wanting the Court to update their equipment. Ms. Staton reported that the Supreme Court had not yet provided a list of the approved updated equipment so they recommended that until new equipment is installed, a maintenance agreement should be in place to cover that. Ms. Staton noted that for the current year, the maintenance agreement was taken care of in another part of the budget. She indicated that the maintenance would be an ongoing item so it would be moved into the Circuit Court budget going forward. She reported that the current year maintenance agreement was \$9,400, with a costing projection of a 5 percent increase, so it would be just under \$10,000 for next year. She noted that the maintenance for next year was already built into the budget, but the \$18,000 was being requested for the new equipment. Ms. Staton noted that Ms. Rorrer had put together the information for the A/V equipment from Polycom, so she would be able to provide more information to the Board if needed.

-IT Network Penetration Testing \$21,000

Ms. McGarry reported that the IT Network Penetration Testing was slightly higher than what was in the budget for the current year. She explained that the County had a company that did testing of the County's IT network for hacking vulnerabilities. She noted that a lot of the cyber security done by the County was necessitated by the Board of Elections to ensure election security. Dr. Ligon asked if that service was shopped around for. Ms. McGarry indicated that it was. Dr. Ligon asked if the company was changed frequently. Ms. McGarry noted that she was unsure and could check. Ms. Staton noted to Dr. Ligon that any of the Department Heads could be asked to attend and answer any budgetary questions that the Board may have.

-Phone System Configuration (Federal Standards) \$10,000

Ms. McGarry explained that the request for \$10,000 was to reconfigure the County's phone system to meet Federal Standards that the IT department was aware of.

-Microwave Batteries DC Plant \$98,850

Ms. McGarry explained that the batteries were for the County's microwave system towers.

-Replace CAD/Mapping Workstation \$6,000

Ms. McGarry explained that \$6,000 was being requested to replace a CAD/Mapping Workstation in the ECC (Emergency Communications Center).

-Sturt Park Development (Moved from Non-Departmental) \$71,600

Ms. McGarry noted that they were including the Sturt Park Development and carrying it forward every year they had money that was dedicated to the development. She noted that they had \$71,600 remaining in that line. Dr. Ligon asked if anyone had pursued the logging that encroached on the Sturt property and if anything had been done. Ms. McGarry noted that staff would have to check. Dr. Ligon commented that the Parks and Recreation Director was at the meeting in Wingina and it sounded like he knew about the logging.

-7 Sheriff Vehicles & Equipment (flagged)

Ms. McGarry reported that Sheriff Embrey had requested seven (7) new vehicles at a cost of \$448,000 (estimated \$65,000 each). She noted that staff had reduced the request down by three (3) vehicles at \$192,000 to four (4) vehicles at \$256,000. Mr. Parr noted that after a pursuit the night before, the Sheriff may need nine (9) vehicles. Ms. McGarry indicated that staff was waiting to hear the status of the vehicles involved so they could proceed with any necessary insurance claims. Mr. Rutherford asked how many totaled cars they had insurance claims on each year. Ms. Staton and Ms. McGarry noted they had lots of damage claims each year, but maybe one (1) or two (2) totaled vehicles per year. Ms. McGarry and Ms. Staton noted that they did not get full vehicle value on totaled vehicles. Ms. McGarry noted that the

Sheriff's Office claims were isolated from the County's claims, so the County's claims had not been unusual.

Mr. Reed noted that the Sheriff's vehicles were considered in Capital Outlay and Non-Recurring expenses. He commented that it was his understanding that School Buses were part of the Capital Program. He noted that they were not part of the School budget, they were part of the Capital budget. He commented that the School buses should be part of the Capital because they were ongoing expenses and they had to have them when they needed them. Ms. McGarry noted she understood where Mr. Reed was coming from. She noted that it made sense because it was a recurring cost, but buses were a Capital asset, so that was why it was done that way. Ms. McGarry noted that the Schools could request funding for four (4) School buses along with their Operational budget.

Ms. Staton noted that the Sheriff had asked for seven (7) vehicles and staff recommended only four (4) vehicles. She explained that part of the thought was that the Sheriff's vehicles were in high use, and they were in a rotating cycle, so if they put seven (7) vehicles in this coming year, it would mean that soon they would need seven (7) again in probably another four (4) years. She noted in previous years, they had budgeted for four (4) vehicles because they could generally afford that annually in keeping that rotation going. Ms. McGarry noted that the costs included the striping, lights and equipment needed. Dr. Ligon noted that there were many vehicles over mileage, she pointed out that four (4) vehicles per year may not be enough. Ms. McGarry agreed and noted that the fleet management needed some work. Ms. Staton noted that part of the probably had been due to shortages during COVID really affected the ability to get vehicles. She noted that some purchase orders took two (2) years from the time of the order to the delivery of the vehicle. Ms. McGarry noted it was up to the Board to decide whether they wanted to make any changes to the vehicle funding to include additional vehicles.

Mr. Rutherford noted concern that if all seven (7) vehicles were replaced, in four years, they would have to buy seven (7) vehicles again. He suggested that they would need to determine a reasonable fleet replacement cycle. Dr. Ligon commented that a four (4) vehicle replacement per year seemed outdated and she noted that the vehicles were getting more expensive. Ms. McGarry noted when a police vehicle was retired, they tried to utilize as much of the equipment as possible and move it to the new vehicle. She noted that 100,000 miles was the standard for replacement so that the older vehicle still had some value and they could potentially recoup some of that to apply to the new vehicles. Mr. Rutherford explained to Dr. Ligon that when they retired police vehicles they typically moved them to another department for use when possible. Ms. McGarry noted that the custodial staff typically used the older vehicles. Ms. Staton noted that they were sometimes used by the Schools as well.

Ms. McGarry reported that everything in Capital Outlay was currently funded from the anticipated carryover from the current fiscal year. She noted that these were Non-recurring funds going toward one-time purchases. Mr. Reed noted that they could flag any of the items being discussed and return to them when they had more information. Dr. Ligon asked if a Motor Pool vehicle would still be needed if they were going to retire several police vehicles. Ms. McGarry noted that they did need something reliable to drive to conferences in places like Richmond or Roanoke. She indicated that the retired vehicles were mainly used for local driving.

The Board flagged the Sheriff's vehicles for further discussion.

- 1 Motor Pool vehicle (flagged)

Ms. McGarry reported that the 2014 Explorer was the only vehicle in Motor Pool and it was available to other departments for use to travel to conferences and things. She noted that they could probably do without for the upcoming year, but it would be good to have something else.

The Board flagged the Motor Pool vehicle for more discussion.

-ECC First Response Vehicle (flagged)

Ms. McGarry reported that John Adkins was requesting \$72,500 for a 2024 Tahoe. Ms. Staton noted that the cost included all of the needed lights and equipment. Mr. Rutherford asked if Mr. Adkins was responding to calls. Mr. Parr noted that Mr. Adkins did respond, particularly to big things and he attended the Emergency Services Council meetings. Mr. Rutherford noted that \$70,000 was a big number. Ms. McGarry agreed. She noted that most of the vehicle quotes came from the state contract website or the Virginia Sheriff's Association because the County could purchase directly from their vendors without any procurement or competition. Ms. Staton noted the base price of the 2024 Tahoe was \$57,000 and then about \$15,500 for the cost to add the lights, striping, and equipment. Dr. Ligon asked if Mr. Adkins was

having issues with his current Tahoe. Ms. McGarry noted it had some issues. She explained that it was an older vehicle that was donated to the County by Wintergreen.

The Board flagged the ECC response vehicle for further discussion.

-Emergency Vehicles \$391,511

Ms. McGarry reported that the funding included a fire truck for Faber. She then explained that Curtis Sheets had proposed purchasing an ambulance from Rockfish Fire and Rescue. She noted that the cost would be \$50,000 but instead of having an outlay of \$50,000, Mr. Sheets had proposed that the Board consider relieving \$50,000 from Rockfish's current loan. She explained that they would not be spending \$50,000 but they would be writing it off. She then noted that the ambulance would need to have a new power cot and lift. She noted that the funds for the cot and lift were included in the Emergency Vehicle line with the Faber fire truck amount. Ms. McGarry indicated that they would be putting off a new ambulance for a year. Mr. Harvey indicated that he would like to speak with Curtis Sheets to understand his reasoning for it. Mr. Parr noted that the vehicle in question was Rockfish 56. Ms. McGarry indicated that she could have Mr. Sheets call Mr. Harvey. She noted if they were in favor of the \$50,000 loan write off relief, they would do something formal at a later date.

-Radio Improvements Wintergreen (flagged)

Ms. McGarry reported that Susan Rorrer had requested \$196,000 for radio improvements. Ms. McGarry noted that a lot of the capital was related to IT and public safety. Ms. Staton explained that Ms. Rorrer had described the radio improvements as a radio system reconfiguration for improved reliability and to better facilitate communication with Wintergreen. Ms. McGarry noted that staff would get more information and they could discuss it further.

-Animal Shelter Roof Replacement

Ms. McGarry noted that Kevin Wright had obtained a quote to replace the asphalt shingle roof at the Animal Shelter with a metal roof for \$38,982. Dr. Ligon indicated that the roof was currently leaking, and the location where it was leaking was in the isolation area and she noted that the State Veterinarian could have a problem with that. Ms. McGarry noted that the roof was something that could be taken care of in the current year, particularly if it was emergent. She asked if the Board had any preference for shingles or metal. Mr. Parr noted that metal was the best choice. Ms. McGarry noted that the \$38,982 was the only quote so far, just for budget purposes only. She indicated that Mr. Wright would still have to get at least three (3) quotes. Ms. McGarry indicated that roofing could be considered construction, and the Code of Virginia required sealed bids for construction projects.

-Phone System Upgrade \$7,800

Ms. McGarry reported that \$7,800 was requested for a phone system upgrade. Mr. Parr asked if that was just for the phone system in the Courthouse. Ms. McGarry noted that the County also had remote sites on the County phone system as well. She noted the upgrade would include those sites also. Mr. Rutherford asked if the Schools were also on the County phone system. Ms. McGarry indicated that the Schools were on their own system.

-Department of Elections Security Compliance \$36,900

Ms. McGarry noted the funding amount of \$36,900 was provided by Ms. Britt. Dr. Ligon asked if this was separate from the other funding request for IT Network Penetration Testing. Ms. McGarry confirmed that it was separate and she noted that it was multi-faceted as there was a lot with elections and cyber security.

-Transfer Station Tipping Floor \$260,000

Ms. McGarry indicated that the \$260,000 for the tipping floor was a ballpark price. She reported that Architectural Partners and Hurt & Proffitt were currently evaluating the tipping floor to provide a better cost estimate. She noted that the work was just for the tipping floor only, not including costs related to what would be done with trash during the 28-day concrete curing time. She noted that the floor was last done in 2006 and the rebar was now starting to show through. She reported that the engineers had said that the County got their money's worth on the floor. She noted that there was also a concrete wall that may also need to be replaced that runs alongside the tipping floor.

-IT Network Event Logging Solution \$12,000

Ms. McGarry reported that Ms. Rorrer had requested \$12,000 for an IT Network Event Logging Solution. She noted that part of cyber security was having a way to track any events or attempts to hack the County's IT system. She indicated that a lot of the need was precipitated by the Department of Elections.

-BOS Meeting Streaming/Indexing/Transcription Solution

Ms. McGarry noted that the IT department had vetted vendors for a meeting streaming, indexing and transcription solution for an initial cost of \$76,000. She noted that annually going forward, the cost would be around \$22,000 after that. She indicated that the amount was just a placeholder to see if that was something that the Board may be interest in pursuing. Ms. McGarry noted that she needed to get more information on the services that the company offered. She indicated that the service would involve some additional equipment and cameras to enhance the streaming experience. She commented that the transcription solution was intriguing because that could be helpful with meeting minutes. She noted that they could discuss it more and have Ms. Rorrer provide a little more information on the services. Dr. Ligon noted that she would like to see a packet with the information on the service offerings. Ms. McGarry noted that Ms. Spivey was doing a lot of other things besides minutes and it would be nice to have a solution for that particular task. Mr. Parr noted that they were probably close to the point where Artificial Intelligence could take a recording and translate it into and transcribe it into minutes. Dr. Ligon noted that her office used a program that put notes into Microsoft Word. Mr. Parr noted that the technology was out there and it was something they needed to be doing.

-Marcus Alert System

Ms. McGarry noted that Ms. Rorrer had estimated a cost of \$20,000 for the Marcus Alert System. She explained that the Marcus Alert System had to do with mental health and possibly tracking mental health calls within the ECC (Emergency Communications Center). She noted that it was optional for certain size localities, so Nelson had not opted to do it yet. She commented that in case they did decide to proceed, Ms. Rorrer had included the \$20,000. Ms. Staton noted that the \$20,000 was a worst case scenario on cost. Mr. Parr suggested that Ms. Rorrer attend an upcoming work session, as there were several items through her department.

-Parks and Recreation Master Plan

Ms. McGarry reported that Jerry West of Parks and Recreation was requesting \$140,000 for a Parks and Recreation Master Plan. She noted that Mr. West had talked with several other localities and looked at other plans. The Board wanted more information on what the cost would include. Ms. McGarry noted that she would look for more information on what the plan would encompass and what the cost would include.

-IT Microwave Network Upgrade

Ms. McGarry reported that Ms. Rorrer had requested \$292,900 for the replacement of eight (8) antennas and wave guides for the microwave system. Dr. Ligon asked what the other microwave item in the budget was. Mr. Parr noted that it was for batteries. Ms. Staton explained that the request was due to the age and recent failure on one path of the microwave network.

Ms. McGarry noted that was the end of the Capital Outlay. She reported that it was \$887,675 less than last year.

The Board and staff reviewed the items to be brought back for discussion at the next work session. Ms. McGarry indicated that they would return on Monday with the Health Insurance Resolution. She noted that they would have Ms. Rorrer present to answer questions related to Capital Outlay items and anything else in her budget. She indicated that staff would get more information on the Marcus Alert system, she also noted that Ms. Rorrer may be able to answer any questions on that. Ms. McGarry noted that staff would send the Board some information on the Parks and Recreation Master Plan. Mr. Rutherford asked to discuss vehicles further on Monday. He suggested that the Sheriff be present during the Sheriff vehicle discussion. Ms. McGarry noted they would also discuss Agencies and Non-Departmental.

Ms. McGarry noted that they had listed to consider an employee compensation increase. She asked the Board if they wanted to have information ready for next time. Mr. Parr suggested that they should have the information available because that would be a big number. Mr. Rutherford asked if the School Division had an increase included. Ms. McGarry noted that the School Division had priced in a three (3) percent increase. She reported that the Compensation Board was also doing three (3) percent for Constitutional offices for both years of the biennium. She indicated that staff had included a two (2) percent increase and the last piece of the equity from the MAG study. She noted that the Schools had the option to do an average of a 1.5 percent increase each year, in order to get a pro-rated amount of the State funding. Ms. Staton pointed out that the Schools had budgeted for a health insurance increase, but since there was no increase,

that meant there were some savings. Ms. McGarry indicated that the School Division had adopted there budget the night before, based on the Senate version. She noted that they had no received a formal request from the Schools, but it should include a \$1.8 million deficit for them. She commented that she thought the Schools wanted to go ahead and adopt their budget to be able to provide something to the Board. She noted that they were still waiting to see where things settled with the State budget to be able to determine what work needed to be done. She pointed out that a lot of the budget issues were related to the Composite Index change, as well as the salary increases.

Mr. Rutherford stated that he had no interest in revenue enhancements on major tax rates. He noted the budget would be tight. Ms. McGarry asked if staff should look at some of the local fees. She noted that staff was working on getting updated information on the Revenue Recovery fees. She commented that the Building Inspections Department was also looking at increasing some of their fees. She asked if the Board would be interested in taking a look at some proposed fees. She noted that they would be a drop in the bucket and not impact a \$1.8 million deficit but it could help. Dr. Ligon indicated that she would be interested in looking at fees. Ms. McGarry noted that the only way to really put a dent in the \$1.8 million would be major revenue enhancements, or major expenditure cuts.

Ms. McGarry noted that the 100 percent value of the penny was \$321,707 which did not account for any collection rate reduction.

III. OTHER BUSINESS (AS MAY BE PRESENTED)

The Board had no other business to discuss.

IV. ADJOURN AND CONTINUE TO MARCH 18, 2024 AT 1 P.M. FOR A BUDGET WORK SESSION

At 3:14 p.m., Mr. Rutherford made a motion to adjourn and continue to March 18, 2024 at 1 p.m. for a budget work session. Mr. Reed seconded the motion. There being no further discussion, Supervisors approved the motion by vote of acclamation and the meeting adjourned.