AT A CONTINUED MEETING of the Nelson County Board of Supervisors at 9:30 a.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
Susan F. Rorrer, Director of Information Systems

I. CALL TO ORDER

Mr. Parr called the continued meeting to order at 9:37 a.m. with five (5) supervisors present to establish a quorum.

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

A. March 18th Work Session Follow-up

Ms. Staton reported on the contingency, noting that Recurring Contingency was at $504,528 and Non-recurring contingency was at $560,770, for a total contingency of $1,065,298.

a. MACAA Funding – Sarah Hanks, Executive Director

Ms. McGarry noted that MACAA had been invited to the work session. Ms. Hanks had not arrived so the Board moved on to the next item, with plans to circle back once she had arrived.

b. Community Investment Collaborative (CIC) Funding

Ms. McGarry reviewed the Community Investment Collaborative (CIC). She noted that the Board had authorized $5,500 to go to the CIC for the spillteam work that was done on the branding for Lovingston. She explained that was why the total FY24 amount was $9,500. Ms. Staton noted that the regular funding amount for FY24 was $4,000. She reported that the funding request for FY25 was $8,708. Ms. Staton noted that Nelson County funding was currently at 1.8 percent of municipal funding and the region-wide refund calculation to ask of Nelson was 3.9 percent. She indicated that CIC was basically was asking that Nelson double its percentage of municipal funding.

Ms. McGarry explained that the agency name was Community Investment Collaborative (CIC), but the program was the Central Virginia Small Business Development Center (CVSBDC). She commented that she thought they were just asking the County to pick up its percentage share of the agency cost, which was 3.9 percent. Ms. Staton noted that the current percentage was 1.8 percent. Ms. McGarry indicated that it was a per capita match. Mr. Rutherford noted that the Board had discussions in last five (5) to six (6) years regarding the entity, when they were trying to do small business classes at the community center, which were not well attended. He commented that the one positive interaction was the spillteam. He suggested if that were something that they replicated constantly, it would be a good thing. He noted that beyond that, he did not know if he had heard of any other things from them. Dr. Ligon noted that they provided counseling to people wanting to start small businesses. She commented that was pretty important and indicated that there was not really any other group to go to for that guidance. Mr. Rutherford noted that with Ms. Haydock in a leadership role there, they were seeing a better turn with the agency. The Board was in agreement to fund the Community Investment Collaborative as is at $8,708.

The Board then returned to Item II. A. a. MACAA Funding.

MACAA

Ms. Sarah Hanks was present to discuss MACAA's FY25 funding request and what MACAA was currently doing. Ms. Hanks asked if there were any particular concerns that the Board wanted her to highlight. Mr. Parr commented that there seemed to be a lot going on with MACAA and he asked for an update. Ms.

Hanks explained that in Nelson County, MACAA operated three primary programs. She noted that the addition of after school care in the current year had been challenging. She reported that Emergency Assistance had been an ongoing program in Nelson for decades. She noted that the program provided emergency assistance for utilities, rent and mortgage to Nelson County residents. She explained that the funds for the staff operation of the Emergency Assistance program, as well of much of the actual disbursement, was not covered by Energy Share. She noted that Dominion was not a primary provider in Nelson County, so those funds were either from the resources that the Nelson County Board of Supervisors provided, or from the state, to support those experiencing low income over time. Ms. Hanks noted that the goal was for families to remain in safe, stable housing. She indicated that many families had medical concerns, and noted that they dealt primarily with people ages 55 and older in Nelson. She noted it was not exclusive to that age group, but it was primarily their emergency assistance pool. She explained that many of the people were in need of specific and emergent utilities to make sure that their medical equipment was working properly. Ms. Hanks reported that the disbursement of funds for Emergency Assistance were either from the pool of funds provided by the County or from state funding. Ms. McGarry asked how MACAA received referrals. Ms. Hanks reported that the referrals could come from DSS (Department of Social Services), other services providers in Nelson County, or by directly contacting MACAA. She noted that they could do intake over the phone, electronically via MACAA's website, or in-person by appointment. She reported that most applicants in Nelson were requesting application by phone.

Ms. Hanks reviewed the second program operated by MACAA, which was Project Discovery. She noted that they continued to serve low income, first generation high school students in grades 9 through 12 in Nelson County, by supporting their post-secondary academic careers. She reported that campus visits were one of the highlights of the program. She noted that they had ongoing workshops that were coordinated between guidance counselors and MACAA staff at the high school to provide an on-site monthly connection through a variety of virtual workshops to explore career opportunities, scholarship funding, and other needs for post-secondary education, as well as a variety of campus visits each year.

Ms. Hanks then reviewed the third program, Headstart, which she noted had been a primary service of MACAA's in Nelson County for many years. She reported that the Board was likely aware that the Headstart operation had shifted temporarily to CDI, an interim management organization appointed by the Office of Headstart. She reported that MACAA was in the process of applying for a $3.3 million grant to serve their service area, with a new scope and program model to be sure that they were responsive in new and different ways to the challenges that children and families were facing post pandemic. Ms. Hanks indicated that behavior reports, incidents of domestic violence and abuse and neglect in the home, and the needs for specialized services such as speech, IEP and more specific, specialized special education services for students had been incredibly increased. She reported that behavior reports were up about 50 percent this year and that was over about an 80 percent jump last year. Ms. Hanks noted that the increase in the students' needs post-pandemic had been significant. Dr. Ligon asked for more information on the Headstart program and how it operates. Ms. Hanks explained that Headstart was a federally funded preschool program. She noted that they served at Rockfish and Tye River Elementary, with a classroom at each school.

She explained that MACAA partnered with VPI in a coordinated enrollment initiative, which was required by Ready Regions Blue Ridge. Ms. Hanks then explained that families applied collectively to publicly funded preschool in Nelson County. She noted that their eligibility may determine which program was a best fit for them. She explained that MACAA was required to enroll the most vulnerable students. She noted that was typically 125 percent of the federal poverty level, and may also include other risk factors. She noted that students in foster care, students who were receiving TANF, SSI or SNAP benefits, or students who were homeless, were all categorically eligible and could be admitted automatically to the program. She then reported that other risk factors included incarceration, single-parent households, and long-term health concerns that then would give students eligibility for the program. Ms. Hanks explained that VPI was designed to be the program that serves students in that next tier of vulnerability. She noted that MACAA worked hand in hand with Ms. Douglas in the enrollment process to ensure that all students who are eligible for publicly funded preschool, have the right to that program. She indicated that it was the parents' choice in the end. Ms. Hanks indicated that they had up to 20 students at Tye River, and up to 20 students at Rockfish, which was the maximum capacity of any Headstart classroom. She noted that both classrooms were typically full annually. She reported that Headstart students were either transported by parent transportation or public school bus. She indicated that students were provided with breakfast, lunch, and an afternoon snack.

Ms. Hanks noted that the Headstart program utilized the creative curriculum for a structured, evidence based preschool program. She indicated that the things they were addressing as a part of the program were, and why Headstart was complicated and different than other programs, was because they were required to have an evidence based curriculum, a social emotional learning curriculum and a parenting curriculum (also evidence based). She noted that they had family support coordinators who worked with parents to address needs in the home like food scarcity, emergency assistance, or other parenting concerns. Ms. Hanks reported that they also partnered with parents to determine what assessments or evaluations were needed for students. She noted that a significant number of their students particularly post pandemic, had a much higher need for speech services which included socialization and development. She indicated that they had a BCBA on their team that worked directly with students, parents and teachers to develop individualized behavior plans to support the most aggressive behaviors of students in classrooms.

Mr. Reed asked whether CDI was performing all of the functions for MACAA, or if they were being split. Ms. Hanks reported that CDI was performing all operational functions of Headstart, she noted that their model may be a little different, but they were charged with operating the program per federal standards until the grant was awarded. Ms. McGarry asked if it was temporary. Ms. Hanks confirmed that it was temporary. Mr. Parr asked why it was happening midyear. Ms. Hanks explained that MACAA's Board of Directors made the difficult decision in January to relinquish the grant, in order to allow for the reapplication during the open notice of funding opportunity that was projected by the Office of Headstart for this spring. She indicated that the reason they found it important to do that, was because there were several instances that the Office of Headstart would provide a monitoring review and indicate areas of operation in need of improvement. She noted that in the event that they were unable to demonstrate with evidence to the satisfaction of the Office of Headstart, to include their General Counsel and external review, then they may be ineligible to apply for those funds and retain them in their community. She noted that MACAA's Board took a proactive approach to allow them to maintain the opportunity for those funds to be permanently held in the locality and service to children and families.

Dr. Ligon commented that there was an assessment to keep funding going, and what she had heard was that MACAA thought they were going to fail that assessment, so they relinquished the money in order to apply again later. Ms. Hanks explained that when there was a monitoring review and corrective action was required, during a specific window of time, they must demonstrate correction. She noted that you could rarely be confident going into the review that you had done absolutely everything to satisfy to the burden of an external reviewer and General Counsel, and whether enough evidence had been provided for correction.

Ms. Hanks reported that there were two (2) deficiencies related to discipline. She explained that in two (2) instances in two (2) different classrooms and involving some external factors, there were times when a staff member picked up a child. She noted that there was a determination by the Office of Headstart that that was an inappropriate engagement. She also reported that it was unfounded as a concern by CPS (Child Protective Services) and unfounded as a concern by the Virginia Department of Education Licensing Division for Child Day Centers in Virginia. Ms. Hanks indicated that one of the challenges with the Office of Headstart was that the standards were different and far beyond any that VPI would be experiencing, and that any licensed child care center in the state would be experiencing. She noted that while MACAA had evidence from the local investigation with the Sheriff's Office, CPS, and Licensing that there were no violations, the Office of Headstart said that it was a violation of a health and safety standard and it had to be fixed in a short window of time. She noted that with the increase in challenging behaviors they had experienced, and the decrease in staff willing to engage in early childhood education services, it had been difficult to maintain the highest level of staffing across all of their centers in five (5) localities. She indicated that if they had not met that burden of evidence, then their grant could have been terminated, and they would have been ineligible to receive those funds back in service to the community. Dr. Ligon asked what the chances were of receiving the funding. Ms. Hanks noted that the chances were extremely high. Ms. McGarry asked what would happen if funding was in place from the localities for the program, but grant did not go through. She asked if funding for the program would be refunded to the localities. Ms. Hanks noted that the funds would be returned if they could not be used as intended or within a similar scope.

Dr. Ligon asked about afterschool funding. Mr. Parr noted that the afterschool program at Rockfish Elementary had transitioned from MACAA to the County. Ms. Hanks explained that it was separate funding, she noted that MACAA did not ask for funding to support any afterschool program. She indicated that the only current youth serving program was Project Discovery at the High School level. She reported that the application was only for preschool funding. She explained that MACAA was required to provide a 20 percent non-federal share match for all funds that were received for Headstart programming. Ms. Hanks noted that $3.3 million across every student served by MACAA broken down by student and by locality, was a very small fraction asked of localities to contribute in support of each student that participated and nowhere near the required match. She reported that MACAA did additional fundraising, and partnered for in-kind support, donated services and a reduction in contracted services. She noted that a lot of pieces came together to support the program fully. Ms. Hanks explained that the application request for Headstart was only a small fraction of the non-federal share cost required by the federal government in order to operate the program.

Ms. Hanks noted that the afterschool program was an entirely new endeavor this year, and separate and apart from Headstart. She reported that MACAA had taken on the afterschool program this year, with 13 students enrolled for most of the year. She noted that they had posted for hiring part-time staff on four (4) different occasions. She indicated that they had a difficult time hiring staff to run the program, and she noted that she herself had staffed the program personally, on a daily basis through February. She noted that she had a directive from the MACAA Board to transition the program and pause MACAA's operation on that program. Ms. Hanks reported that Nelson County Public Schools wanted to maintain the afterschool program and operation, and had been providing the staff to do so.

She explained that the last round of applicants received in the past week brought in six (6) applicants after paid advertisements and sharing information with various churches for distribution. She asked the Board if they had any resources or insights on how and where they could find part-time employees who were willing and able to engage in youth serving programs. She reported that they had received applications, but they were not receiving a response to an interview request and they had no show interviews. Mr. Parr and Ms. McGarry noted that they had also experienced no show interviews in their jobs. Ms. Hanks noted that she felt MACAA had exhausted lots of outlets and avenues to find part-time staff. She indicated that they had found that full-time staff positions with benefits generated viable employees. She noted that MACAA hoped to develop an onsite childcare center at the Nelson Heritage Center. She indicated that there was a need for childcare in Nelson County. She noted that part-time employment for an afterschool program at Rockfish River Elementary was not working. Ms. Hanks asked for any tips or tricks to getting people to apply. Ms. McGarry offered to also advertise the positions for MACAA on the County's employment page on the website, as well as on the Parks and Recreation Facebook page. Ms. Hanks noted she would send links to MACAA's boosted ads on Facebook, as well as graphics, job ads on Indeed, and links to MACAA's employment site.

Mr. Reed asked if there was a possibility to transition the afterschool program staff to full-time, and find other things that someone could do to provide additional support in the schools. Ms. Hanks indicated that MACAA would entertain that option if there was a means or mechanism to find that additional funding. She explained that the afterschool program generally needed to be a self-sustaining operation unless it had a subsidy. She noted that they were enrolling students who paid a tuition to be enrolled, and that covered the staff costs. She commented that having two (2) staff onsite made it a difficult numbers game, and they had not been able to bump that enrollment. Ms. Hanks noted that it was a numbers game. She stated that for those families who did not have support locally, an afterschool program was a necessity. She reported that the afterschool program did not have the robust following that the Y did many years ago.

Mr. Reed commented that there was no question that the school was in need of the type of support that MACAA could provide. Ms. Hanks hoped that with the advancement of a full early childhood learning center in Nelson, there would be that full-time capability and they could offer afterschool programming at the Heritage Center. She commented that may be more convenient for Tye River families. She noted they could maybe have a staff member that transitioned to Rockfish in the afternoon.

Ms. McGarry asked if the plans at the Heritage Center were to have a full day childcare option. Ms. Hanks confirmed that was correct. She explained that their centers would typically be open from 7:30 a.m. to 6:00 p.m. for infants and children from birth through five (5) years of age. She noted that the program would be open to anyone by fee or DSS subsidy. She indicated that there were more than 30 vouchers issued to Nelson County families for subsidized childcare, none of which could be claimed in Nelson County because there were no licensed childcares accepting subsidy. She indicated that the proposed childcare center would be the only place that families receiving DSS subsidies for childcare could enroll their child in Nelson County. She noted that those families receiving subsidies were currently being served in Amherst and Charlottesville because of the lack of childcare. Ms. Hanks noted that there were added benefits of being co-located with the Health Department. She also noted that there were food pantry distributions from the Heritage Center. She also indicated that there was a great partnership with the Heritage Center's Board for a custom designed space that would meet the needs of the community. She noted that because they were working locally, the center would be focused on Nelson County families, with Nelson County staff serving Nelson County kids. Ms. Hanks noted that it would not be open immediately, but she reported that the MACAA Board would be approving the lease agreement that evening for the space.

Dr. Ligon asked what a day at Headstart looked like for the students. Ms. Hanks reported that students arrived to school by bus or parent transport around 7:40 a.m. to 7:55 a.m. She noted that the students were met by their teachers, followed by breakfast provided in the cafeteria. She noted that both Tye River and Rockfish classroom times consisted of calendar, weather, large group time, a daily emotion check, and two (2) hours of center time. Ms. Hanks noted that they used the creative curriculum which augmented each of their centers with each of the learning objectives and standards required to meet the needs of three year olds, four year olds, and five year olds in program. She explained that students must be three years old by

September 30th to enroll in the program, which was the same requirement for VPI. She noted that students typically transitioned to kindergarten at age five (5).

Dr. Ligon asked if the program at the Heritage Center would replace Headstart. Ms. Hanks explained that the program at the Heritage Center would not replace the Headstart program in the schools. She noted that it would be separate funding all together. She indicated that they did not want to lose the Headstart funding for the region, she noted that they wanted that funding to be maintained. Ms. Hanks stressed that the $3.3 million in funding across all five (5) localities in MACAA's service area was an essential component of ensuring that all students received early childhood education. She noted that parents were not required to pay for any of the services during the Headstart program, family enrichment activities, or any of the offered family supports.

Dr. Ligon asked how funding MACAA would be asking the County for, if they were to have the program at the Heritage Center. Ms. Hanks indicated that they had not built a budget for it. She noted that they were currently in a feasibility stage. She commented that she had not envisioned asking the County for any money for the program at the Heritage Center.

Mr. Rutherford asked if MACAA had rescinded their grant prior to the budget request submittal to the County. Ms. Hanks reported that the grant was rescinded after the budget request was submitted. Mr. Rutherford asked if the County would realize any of the funding for the FY23-24 budget year as a result of the cancelled grant. Ms. Hanks noted that was a question for MACAA's finance department. She indicated that the effective date was April 1st, so they had not spent or utilized any funding to that point. She noted that would be navigating any funds that would need to be returned to a locality. Ms. McGarry noted those distributions to MACAA were done quarterly and in total for all of the programs, so they would have to piece that out. She noted that the allocation for the current fiscal year for Headstart was $5,000. Ms. Staton reported that the quarterly amount was $1,250.

Ms. McGarry asked about emergency assistance and whether anyone in Nelson had been turned away. She then asked if there was enough funding for emergency assistance and whether there had been an increase in people needing assistance in Nelson. Ms. Hanks indicated that there was an increase, but she noted that there had been an increase across every locality. She noted that the percent in Nelson was slightly lower than the percent in some of the other localities, in terms of increase. She reported that last year, there were 50 funded requests, with the majority being for utilities and a few for rent and mortgage. She indicated that was due to the housing challenges that families faced in Nelson. Ms. Hanks explained that there were typically three (3) cycles in which they could fund those assistance requests in Nelson. She assured that they did their very best to never turn a client away. She noted that there were sometimes wait times, or someone would apply for assistance the day they were scheduled for a disconnect. She indicated that they could not typically serve someone same-day, with a six (6) hour notice as there was not enough time to work with the utility. She explained that when someone said that they were unserved, it was typically found that they applied but failed to complete the required attachments after multiple follow-ups, and on the day of disconnect, they submitted their attachments and requested that MACAA ensure they would not be disconnected. She noted that was an impossibility. She also indicated that MACAA had disclaimers on their website that indicated that MACAA could not provide same day services, and she then noted that the utility companies did not authorize that in most cases. Ms. Hanks explained that MACAA could ask the client to call the utility company to request that they delay the disconnect. She noted that the request to delay had to come directly from the client to the utility, and they could only do that twice for most utility companies. Ms. Hanks noted that if MACAA did not have the proper documentation required by the state for the use of the funds, then they were unable to serve the client. She also reported that clients received a series of notifications regarding incomplete applications, prior to it becoming inactive.

Ms. Hanks expressed her appreciation to the Board for the opportunity to speak with them. She noted that they had faced some challenges this year, but she was excited for the work that the agency had done in conjunction with the partners in the community. Mr. Reed thanked Ms. Hanks for the detailed information that she provided. Ms. Hanks commented that she deeply regretted the challenges they faced this year. She noted that they were not the responsibility of any one individual, rather they were a really complex intersection of circumstances. She indicated that MACAA was pursuing all opportunities to ensure that their kids and families were served well. Ms. Hanks indicated that she would keep the Board apprised and continue talking about next steps. She welcomed the Board to reach out directly with any additional questions. She also noted that she would follow up with Ms. McGarry on next steps for supporting after school staff promotion.

The Board thanked Ms. Hanks for her time.

c. Local EMS Council Funding

Mr. Rutherford asked Mr. Parr if the Emergency Services Council meeting had taken place that week. Mr. Parr confirmed that they did meet. He reported that he did not attend the meeting, but he had spoken to the Council President and Curtis Sheets before the meeting. He noted that they had agreed that the funding needed to be adjusted for Gladstone as just a Fire agency, not a Fire and Rescue agency, which would reduce their request for funding by $5,500. Mr. Parr also noted that the regional EMS had been discussed, and he turned the conversation over to Ms. McGarry.

d. TJEMS Funding

Ms. McGarry noted conversations with John Adkins and Curtis Sheets about TJEMS funding. She indicated that Mr. Adkins and Mr. Sheets felt that the funding to TJEMS should continue for now. She reported that TJEMS did provide some on-site EMT training services in the County. She noted that TJEMS also helped rescue agencies apply for RSAF grants through the state to help with equipment and ambulance costs. She reiterated that Mr. Adkins and Mr. Sheets thought that maintaining the funding would be beneficial. Mr. Parr noted during the initial conversation on TJEMS funding, there had been a lot of feedback to cut the funding because one of the biggest things they provided was assistance with training. He noted that they had transitioned their training to online, and Nelson did not take advantage of that and had hired someone to continue in person training. He commented that a lot of the feedback had been to not support them because they were not taking advantage of that. Mr. Parr pointed out that there were other opportunities through TJEMS. He commented that he thought they should level fund TJEMS, rather than increasing funding. Mr. Rutherford was okay to level fund at $10,000. He suggested that the TJEMS Council needed to communicate with Board. The Board was in consensus to level fund TJEMS at $10,000, which was a reduction of $500 from their original request of $10,500.

<u>Local EMS Council Funding</u>

Mr. Parr reported that the EMS Council had reduced their request by $5,500. He noted that he did not think anything else needed to be done for that. Ms. McGarry indicated that staff would update the sheet to reflect the reduction. Mr. Parr reported that there had been conversations on the different items and how the budgets were presented for the agencies. He explained that the difference was that some departments were running on 100 percent electricity, while some used heating oil. He noted that they needed to add the electric and heat columns together to get an overall cost for utilities. Mr. Parr then explained that the oxygen reimbursement process had changed. He noted that the reason that the oxygen costs were blank on the budget request form for Gladstone and Rockfish, was due to them not submitting any reimbursement requests to the EMS Council. Mr. Parr then reported that the Roseland oxygen was more expensive due to the type of system they had and tanks they used. He commented that Roseland was aware of it and they were discussing options. He noted that phone and internet were also discussed. He commented that hopefully by next year, all departments would have Firefly. He indicated that the plan was to reach out to Firefly to see if they could negotiate a Countywide package for the volunteer agencies. Mr. Parr noted that Danny Johnson had reported that Lovingston Volunteer Fire Department was getting rid of their landline, and since everyone had cell phones, there was no need for a landline. Mr. Parr indicated that where the cost said Phone, it was the phone and internet cost. He noted that most agencies would go away from landlines. He indicated that Wingina did not have Firefly, and Faber had just gotten it. He commented that by this time next year, everyone would have Firefly, and hopefully, they would have a Countywide level fund for the departments.

Mr. Parr reported that the turnout gear for the firefighters was not addressed by the County. He indicated that the average cost was $3,500 to $4,000 per individual. He noted that there were three (3) firefighters in Lovingston who were going through training and would need turnout gear. He pointed out that the turnout gear was not included in any of the funds. He indicated that some of the departments were a good financial position to absorb the costs, while others were not able to do so. He commented that he did not know if the County should look at getting turnout gear on a rotation similar to what was done with vehicles and school buses. Dr. Ligon noted that they had just said the TJEMS helped with grants for gear. Ms. McGarry noted that they did help. Ms. McGarry noted that the departments also received Four for Life Funds and Fire Funds to go toward purchasing that type of equipment. Ms. Staton reported that the County had just cut a check for the Fire Funds received this year, which was over $66,000 just for the fire departments. She then reported that Four for Life funds were just under $20,000. Mr. Rutherford noted if they cut out TJEMS, that would buy two (2) turnout gears per year. Mr. Reed commented that what had been happening was, when something was needed, they came before the Board and it was taken care of. He noted that he thought it had worked out fine, and the County had kept them covered when needed. Mr. Rutherford suggested that the EMS Council needed to look at how to handle turnout gear. Dr. Ligon asked about the Air-Paks, noting that there were only a few Air-Paks per department, and technically every firefighter was supposed to have one. Mr. Rutherford recalled that the Air-Paks were discussed by the EMS Council but they did not go through. Dr. Ligon commented that the Council decided to buy generators instead. Mr. Parr noted that different funds purchased the generators. Dr. Ligon commented that it was mandated by state to have them.

Mr. Parr noted that they had just backed out $5500 from EMS Council and $500 from TJEMS Council.

e. Omitted ECC Staffing Request

Ms. McGarry reported that after the budget had been built, staff discovered that John Adkins had submitted a staffing request for four (4) part-time dispatchers for the Emergency Communications Center (ECC). Ms. Staton explained that Mr. Adkins purpose for the request was to have part-time staff to assist during vacancy periods, as well as when full-time staff was out for an extended period of time on vacation or sick leave. She reported that they currently had 12 full-time dispatching positions. She noted that department typically had a large amount of turnover, with only a few staff staying past two (2) years. Ms. Staton noted that Mr. Adkins had inquired with Ms. McGarry as to whether it would be possible to hire a couple of part-time people to fill the vacancies, because there were two (2) or more vacancies at a time in the department which caused the current staff to have overtime. She indicated that working a regular day in that kind of position was stressful, and to work constant overtime was even more stressful. Ms. Staton reported that the County had utilized, in place of vacancy positions, two (2) part-time people since December 1st. She explained the Mr. Adkins' request for four (4) part-time dispatchers, in addition to the current staff. She noted that Mr. Adkins was proposing that the part-time position be available even when the center was fully staffed, not just during vacancy periods. She reported that the four (4) positions at a base rate of pay, for an average of 25 hours per week, would be approximately $26,086 per person, including FICA costs. She noted to hire four (4) people in those positions, it would cost a total of $104,344. Alternatively, she noted that two (2) part-time people would cost $52,172. Ms. Staton indicated that the concern from staff, was that they would be locking themselves into offering people up to 25 hours per week, which would be a continual item, versus on a temporary basis as needed, which was currently being done. She suggested that it would be more difficult to ask someone to work on a temporary basis indefinitely. Ms. Staton noted that if they were to bring people in a part-time basis, they would pretty much have to already be certified to be effective in covering for absences. She echoed comments made earlier in the meeting that it was difficult to get people to apply for jobs and to show up for interviews. Ms. McGarry commented that she was not sure how feasible it would be to have these part-time positions. She noted that they did have a few people leave full-time positions, and they said that if the County needed someone to fill in, to give them a call. She indicated that those people were already certified and they knew the County's system. Ms. Staton noted that those who had left, were going to full-time positions, so they may not be available when the County would need them. Ms. McGarry reported that they were almost fully staffed with full-time positions. She noted it was difficult enough to get full-time people hired, and whether they stayed on was another issue.

Dr. Ligon commented that if they did not have enough people to cover when someone left or was on vacation, then they were not adequately staffed. She stated that four (4) part-time positions was wrong. Mr. Rutherford noted that Dispatch had issues filling vacancies over the years. He commented that some of that was due to funding, which the Board had worked on. He noted that some of it was due to leadership issues prior to Mr. Adkins. Mr. Rutherford suggested that maybe one (1) more full-time person would solve the problem. Ms. McGarry noted that she was not sure, as that was not what Mr. Adkins had asked for. She indicated that they were just presenting what had been requested. She commented that she did not really feel like the four (4) part-time positions were feasible, or the best way to go. Mr. Rutherford thought more information was needed from Mr. Adkins. Ms. Staton reviewed Mr. Adkins' justification for the request which stated that part-time positions would allow them to coverage vacations and sick callouts, without the need for overtime rate pay. She noted that the request stated that without part-time positions, the full-time employees had to cover outages and shortages at the overtime rate. She reminded the Board that these were not 9 to 5 positions, these were 24/7. Mr. Rutherford suggested that Mr. Adkins needed to interact more with the Board, and he also suggested that they may need one more full-time person. Dr. Ligon noted that she would rather spend the $104,000 on decent pay and one extra full-time person, rather that underpaying people. Ms. McGarry commented that she did not think it was a pay issue, noting the pay study had just been done. She commented that she did not think it was the pay necessarily, but more the nature of the job. Ms. Staton noted changes and increases in pay over the last few years. She indicated that the starting pay two years earlier was $13.47 per hour, which was $28,000 per year. She reported that the starting pay now was over $18 per hour, and they were starting out at $38,000 plus. Ms. Staton and Ms. McGarry noted that the starting pay was for an uncertified person. Mr. Parr and Mr. Rutherford suggested getting more information from Mr. Adkins and having him attend a subsequent meeting. Ms. McGarry noted the request amount was not included in the budget, so there was nothing to adjust at this time.

The Board took a brief recess before discussing Capital Outlay items.

f. Capital Outlay Items to Revisit

1. IT Microwave Network Upgrade – Replace 8 Antennas and Waveguides $292,900

Ms. Susan Rorrer was present to revisit the microwave network upgrade. She noted that the Board had asked for her to look at Nokia for alternatives to replacing all eight (8) antennas at the same time. She reported that she did speak with a project manager and an engineer with Nokia, and they indicated that the antennas could be replaced as they failed. She indicated that a lot that goes into replacing an antenna. She explained that once they had a failure, they would have to call someone to come out and climb the tower and figure out the problem. Ms. Rorrer noted that with the current planned path replacement, they had spent $7,000 to $10,000 to have someone climb both ends and sweep the waveguides, only to find out that the antennas were the issue. She reported that the lead-time from purchase to delivery of microwave antennas was currently 8 to 12 weeks. She noted that the antenna had to be spec'd by an engineer. She suggested that they could stock a spare antenna or two, but then they would have a piece of equipment sitting, that would potentially run out of warranty before it would even be installed on a tower to see if it worked. She indicated that there were a lot of considerations. She commented that she did not think the FCC licensing process was any cause for delay. She noted that under emergency circumstances, they could proceed with the installation, they would still need to complete the FCC licensing process. Ms. Rorrer indicated that the County would need Nokia's assistance to file paperwork with FCC. She noted that the biggest hurdle was getting a tower crew on site in a timely manner, because tower crews were booked months in advance.

Dr. Ligon noted they had a tower that was still a problem. Ms. Rorrer explained that the tower was not within the range and if it drifted further out of range, it would fail. She noted that it was hard to know how long it would hold the connection. She pointed out that things could happen to the tower suddenly that would not provide any grace period like they currently had to deal with the issue. Mr. Reed asked the length of the warranty. Ms. Rorrer estimated that it was about a year, but she was not sure. Ms. McGarry noted that was the issue with stockpiling spares, noting that by the time they used it, it may be out of warranty. Ms. Rorrer explained that having a spare waveguide on hand was probably not practical as they had to be protected from moisture. She commented that she thought getting a waveguide on demand was probably easier than an antenna.

Mr. Reed asked if the lead times would still be the same if they had a warranty issue. Ms. Staton asked if they ever had a warranty repair. Ms. Rorrer commented that she did not think they had ever had an issue while the warranty was in place. Ms. McGarry noted the towers had some redundancy, but if there was more than one issue, they would be in trouble. Ms. Rorrer referenced Devils Knob, noting that it had two (2) antennas, with one (1) antenna talking to a tower in one (1) direction, and the other antenna talked to a tower in another direction. She explained that in the event one (1) antenna was down, and in the process of getting it replaced, the other one failed, that site would be down completely and no radio communications could be transmitted or received out of that site. She noted that the sites were positioned to cover certain areas of the County and if one tower went completely down, they will have lost communication for an area. Ms. McGarry stated that it was just not worth the risk. Ms. Staton noted that the $292,900 price for eight (8) towers was $36,612.50 per antenna. Mr. Reed noted it sounded like a necessary cost that the County could not afford to not do. Mr. Parr agreed. The Board had no other questions.

2. IT Network Event Logging Solution $12,000

Ms. Rorrer explained that she had reached out to the company that assisted the County with network management, and they took another look at the County's options related to log files. She commented that she did not think it would be cheap solution to accomplish, but she felt it was important. She noted that there were requirements from the state, that they would need to determine whether they were going to comply or not. Ms. Rorrer explained that they would have to submit a remediation plan for anything they were not in compliance with, each year during the annual assessment.

Ms. McGarry explained that if there was a cyber-security event, VACORP Insurance would ask the County for event logs to track and see what had occurred. Mr. Rutherford noted there had been entities related to the County where they were basically held hostage for money. Mr. Reed commented that it happened to one of the Boards he served on, and fortunately, they had systems in place to keep that from happening, but it took about a week to make sure they had everything back. Ms. Rorrer noted that while it was difficult to comply with the standards, it was a good thing that they were starting to address the requirements but it was nearly impossible to address them all immediately. Ms. McGarry asked Ms. Rorrer how confident she was in the $12,000 price. Ms. Rorrer indicated that it cost $13.75 per month, per endpoint, if they were to go with a vendor solution. She estimated a cost on 150 endpoints, to be about $2,060 per month, which would be well over $24,000 per year. Ms. McGarry asked if the Board were to be agreeable to the solution, whether they would need to increase that amount from $12,000 to $25,000, or just wait. Ms. Rorrer noted that the company assisting them had asked if the use of open source software in government was something to be frowned upon. She explained that open source software was basically free software. She noted that the company thought for $12,000, they could configure servers to generate the log files, and then they would have to look at storing the log files and having access to them if an event occurred. Ms. Rorrer indicated that the company would have to look further before they knew what could be done for $12,000. Ms. Staton asked if it would be an ongoing annual cost. Ms. Rorrer confirmed that it would. Dr. Ligon asked for the company name that Ms. Rorrer was working with. Mr. Rorrer noted it was Helix Computer Systems in Charlottesville. Ms. McGarry pointed out that the logging solution was in Capital Outlay for FY25. She noted that if it were to be a regular recurring expense, it would need to go into the regular departmental budget next year. Mr. Rutherford noted it was worth exploring. He and Mr. Parr noted that they were spending around $1,500 to $2,000 for their businesses. Mr. Rutherford commented that the price was a good deal.

Ms. Rorrer explained the IT Network Event Logging Solution would only deal with logging events and potential cyber breaches on County servers, County user workstations, routers, switches, laptops, desktops, application servers, network peripherals, network infrastructure and other network related items. Dr. Ligon commented that she thought asking one company was not enough. Ms. McGarry noted that they would still have to follow public procurement procedures. Mr. Parr explained that the number was just a place keeper. Ms. Rorrer commented that she thought if the County were to try to do something in house, possibly in combination with cloud storage, that would be the way to go, instead of paying someone monthly for the service. She noted that she was not sure how practical that option would be. Mr. Rutherford noted he was curious to see what other counties may be doing. Ms. Staton suggested that there could be a cooperative procurement contract available. Ms. Rorrer noted getting the funds in budget was the first step to identifying the best solution for the County. The Board was in consensus to leave $12,000 in the budget for the IT Network Event Logging solution.

Omitted ECC Staffing Request

The Board circled back to discuss Mr. Adkins staffing request. Mr. Adkins reported that they currently had one (1) part-time person, but they were using a full-time position to staff that. He noted that they had two (2) part-time people, but one (1) had decided to give up her part-time position due to nursing school and working for Centra. He explained that the part-time positions would all Dispatch to fill vacation slots, sick callouts, and special events, without having to pay an overtime rate for other employees. He noted that rather than bringing in a Senior dispatcher making senior pay at time and a half when someone called out, they could get someone to cover the shift at a lower rate and save a minimum of four (4) hours for an eight (8) hour shift, or six (6) hours of pay every time someone calls out sick.

Mr. Adkins noted that their idea was not to guarantee any hours per week, they would only be called in if needed. He explained that they were figuring that this would be cost saver to cut some of the overtime pay. Ms. McGarry asked if it would be more feasible to hire another full-time dispatcher, versus part-time. Mr. Adkins indicated that they had a one full-time vacancy, and one was coming in April to fill one (1) of the two (2) positions that they had open. Dr. Ligon noted that what Mr. Adkins and Ms. Staton had said were different. Ms. Staton noted that she had read from Mr. Adkins' narrative which requested four (4) part-time positions, which to staff meant, part-time positions. Mr. Adkins clarified that they would not be guaranteeing a set number of hours, and part-time staff would only be called in when needed. He indicated that he had a former employee that was willing to come in on an as needed basis. He noted that she had only left because it was more cost effective to stay home with her children than to pay for childcare. He explained that the part-time staff would only be called into to fill schedule gaps. He explained that in the event that coverage was needed, a call would go out to the part-time people first to see if they could cover any, or all, of the shift. The Board did not mind that concept. Ms. McGarry noted she did not think a budget adjustment would be needed to cover it. She noted it was more of a managerial decision, and there would also be vacancy savings along the way that could probably cover it. Ms. Staton agreed that they would not necessarily dedicate it as any certain number of part-time positions, rather it would be a list of temp on call people to call. The Board agreed having on call staffing was a good idea and no funds were required to be allocated.

3. Parks and Recreation Master Plan

Ms. McGarry indicated that the Parks and Recreation Master Plan had been marked to return to for more discussion. She noted that she thought the $140,000 price estimate may have come from another locality that had done a master plan. She indicated that she was not sure how she felt about it. She commented that she felt some of the components of master planning with recreation had already been done by the County, but it was not all put together. Dr. Ligon noted she was against it. Mr. Reed noted a that a master plan was not the same as a strategic plan. He commented that a master plan was a build out of what they currently had. Ms. McGarry noted that she thought the intention was for it to be a combination of both a master plan and strategic plan. She suggested that it could be looked at further during the year. Mr. Reed asked if a strategic plan would normally be done in house for Parks and Recreation. He commented that he thought it was almost part of the department's responsibility to keep an eye towards the future. She noted that she thought it was currently being done, but noted it was not necessarily done in a formal way. Dr. Ligon suggested it was similar to the Comprehensive Plan. Ms. McGarry noted that the Comprehensive Plan did have a strategy to complete a recreation master plan. The Board was in favor to remove the $140,000 for the Parks and Recreation Master Plan.

4. Sheriff's Vehicle Pricing Update

Ms. McGarry reported that after the budget meeting the other day, the Sheriff had spoken with Sheehy Ford, who informed him that the Sheriff's Association contract pricing was increasing immediately. She indicated that the additional amount required for the six (6) vehicles would be $37,776 due to the increase in the cost of the vehicles on that contract. She noted that Sheriff Embrey had offered to check on other pricing to see if he could get better quotes that what was on the state contract. Mr. Rutherford suggested bridging the gap, noting they had just found some savings. For informational purposes, Ms. McGarry noted that Sheriff Embrey had a little over $30,000 in his Asset Forfeiture fund. Mr. Rutherford commented that they had no authority to tell the Sheriff how to utilize Asset Forfeiture Funds. Ms. McGarry agreed that they did not, but they could suggest it if they wanted to. Dr. Ligon and Mr. Rutherford in agreement to contribute the additional $37,000 for the Sheriff's vehicles. Mr. Parr was also in agreement. The Board was in consensus to fund the additional $37,776 for the Sheriff's vehicles.

Ms. McGarry noted there was now enough funding for a Motorpool vehicle. She reported that the Parks and Recreation department's truck was out of commission. Dr. Ligon asked who owned the three (3) Inspections vehicles at the Building Inspections office. Ms. McGarry reported that the County did. Dr. Ligon noted that they only had two (2) people doing inspections for the County at the moment. Ms. Staton indicated that office included Jeremy Marrs, the Building Code official, an Assistant Building Code official vacancy, and two (2) building inspector positions, for a total of four (4) people who could be out of the office at the same time. Dr. Ligon commented that she only saw just one (1) vehicle gone when she came through. Mr. Rutherford noted part of that was likely due to how they scheduled morning and afternoon inspections.

B. Expenditure Review Continued

a. General Fund Transfers

1. VPA/Social Services

Ms. McGarry reviewed the VPA (Virginia Public Assistance) Fund. She reported that DSS had asked for a new position. She noted that she had contacted DSS Director Brad Burdette about the position. She indicated that Mr. Burdette had stated over the phone that he thought it was an optional position and he would follow up with an email to explain what that position would do. She noted that the position was a Family Services Specialist IV, so it would be an additional staff member. Ms. McGarry indicated that she had not heard anything back from Mr. Burdette regarding the position. Ms. McGarry noted she was not sure that the timing was great for them to have an additional staff person since they were currently out of space in Social Services now that they were fully staffed. Mr. Parr reported that they had hired two (2) local people out of the five (5) new employees hired. He agreed that they were packed in their current space. Mr. Rutherford asked if the County owned the units that the DSS office was located in. Ms. McGarry confirmed that the County owned the units.

Mr. Rutherford asked if they needed to do anything with the position requested. Ms. McGarry indicated that the Board could take the position out if they did not want to fund it at this time. Ms. Staton noted that the funding requested for the position was $79,299. Ms. McGarry indicated that the full increase DSS was requesting was solely the position they were requesting. Dr. Ligon and Mr. Rutherford asked for more information on the position. Ms. McGarry offered to mark the subject to come back for more discussion after staff had more information from Mr. Burdette. The Board was in agreed to circle back.

2. Debt Service

Ms. McGarry reported that the Debt Service Transfer was currently at the amount that had been recommended by the County's consultants. She noted that she had provided the Board with some information about the County's debt service in general which included a listing of the County's FY25 Debt Service payments. She explained that the list showed all of the payments that the County expected to make that were debt related in FY25.

FY25 DEBT SERVICE PAYMENTS

II D 2.

County Related Debt

Courthouse PH1	4-108-95100-9113	Courthouse-Pr		**$455,000.00**	VRA2013A Refinance of 2009 RD
	4-108-95100-9113	Principal prepayment October 2024			
	4-108-95100-9123	Courthouse-Int October 2024		$42,346.88	
	4-108-95100-9123	Courthouse-Int April 2025		$32,700.00	
Pay Check US Bank or Wire	4-108-95100-9150	RD Reserve		N/A	14 Year Term
			Subtotal	**$530,046.88**	**Last Payment 10/2027**
Courthouse PH2	4-108-95100-9115	Courthouse Ph2-Pr October 2024		**$245,000.00**	
	4-108-95100-9125	Courthouse Ph2-Int October 2024		$41,018.75	
Pay Check US Bank or Wire	4-108-95100-9125	Courthouse Ph2-Int April 2025		$34,740.63	15 Year Term
			Subtotal	**$320,759.38**	**Last Payment 10/2030**
Library Project	4-108-95100-9116	VRA2018C Library-Pr October 2024		**$205,000.00**	
	4-108-95100-9126	VRA2018C Library-Int October 2024		$29,084.38	
Pay Check US Bank or Wire	4-108-95100-9126	VRA2018C Library-Int April 2025		$23,831.25	10 Year Term
			Subtotal	**$257,915.63**	**Last Payment 10/2028**
EDA LR Bond	4-108-95100-9117	BAN2022 Larkin Property-Pr August 2027 (refi 2.6 mil.)		**$0.00**	Bond Principal
	4-108-95100-9127	BAN2022 Larkin Property-Int August 2024		$40,560.00	
Pay by Wire First National Bank	4-108-95100-9127	BAN2022 Larkin Property-Int February 2025		$40,560.00	5 Year Term
			Subtotal	**$81,120.00**	**Last Payment 8/1/2027 (must refi principal)**
		Total Gen.Fund Debt		**$1,189,841.89**	

School Related Debt

NCHS/NMS	4-108-95200-9116	LR2002/**2012/2021 (Suntrust/Truist**)-Pr August 2024		**$797,000.00**	Refinanced Debt Svc
	4-108-95200-9126	LR2002/**2012/2021(Suntrust/Truist)**-Int August 2024		$23,480.60	
Pay Check BB&T/Truist	4-108-95200-9126	LR2002/**2012(Suntrust)**-Int February 2025		$17,782.05	15 Year Term
			Subtotal	**$838,262.65**	**Last Payment 6/2028**
			Total School Fund Debt	**$838,262.65**	
			TOTAL ALL DEBT	**$2,028,104.54**	

Ms. McGarry reported that the total for all debt was $2,028,104.54. She noted that most payments were twice per year. Ms. McGarry then showed the County's FY25 Debt Balances along with when the debt was expected to be retired.

FY25 BEGINNING DEBT BALANCES

General Fund Debt:	**Last Payment**	**Principal Bal. 7/1/2024**	
BAN 2022 (EDA LR Bond-Larkin Property)	8/2027 (FY28)	$ 2,600,000	Larkin Property purchase; BAN due in full 8/1/27 (FY28)
VRA 2013A (Courthouse Judicial Ph 1)	10/2027 (FY28)	$ 1,945,000	Judicial/Sheriff wing (J&D, General District Courts)
VRA 2018C (Nelson Mem. Library)	10/2028 (FY29)	$ 1,135,000	Nelson Memorial Library Expansion and Renovation
VRA 2015 (Courthouse Ph 2)	10/2030 (FY31)	$ 1,990,000	Current Courthouse renovation (Circuit Court,Administration)
	Total	**$ 7,670,000**	
School Debt:	**Last Payment**	**Principal Bal. 7/1/2024**	
BB&T Truist (NCHS/NMS)	08/2027 (FY28)	$ 3,284,000	Middle School & High School renovation -Refinanced 2021
	Total	**$ 3,284,000**	
Total Debt Balances at 6/30/2024	**$ 10,954,000**		
Total Debt Balances at 6/30/2023	**$ 13,711,000**		
Difference	**$ (2,757,000)**		
VPSA 2003 NCHS/NMS Project -Paid in full	*07/2023 (FY24)*	*$ 1,110,000*	*Middle School & High School renovation - Retired Debt*

Ms. McGarry noted that some debts would be coming off in FY28 and FY29, with the last coming off in FY31. Dr. Ligon asked what the interest rates were for all of the debts. Mr. Rutherford noted they were good rates, less than five (5) percent. Ms. McGarry indicated that some of them were older debts that had better interest rates at the time. She noted that they were happy to take questions, she noted it was mostly informational.

Ms. McGarry reviewed information from the most recent Debt Capacity Analysis that Davenport had completed in December. She noted that it was all the same information, except they had adjusted the School Renovation amount at #3 to reflect that the County would only be borrowing $22,500,000 for that project. She noted that would add the $2.5 million difference back into the County's balance of projects which was now $21,900,000. She indicated that was assuming the original $57 million capacity. She reported that the total projects for items 1 through 3 on the list total $35,100,000.

	Project	Amount
1	Land Purchase	$2,600,000[1]
2	DSS Building	$10,000,000
3	School Renovation $2,500,000 SCAP	$25,000,000 $22,500,000
4	Balance of Projects	$19,400,000 $21,900,000
5	**Subtotal**	**$57,000,000**
6	Additional Projects	$18,000,000
7	**Total**	**$75,000,000**

Mr. Reed asked what the additional projects were. Ms. McGarry noted that the additional projects had not been determined. She indicated that the line for Additional Projects was when the consultants were determining the maximum capacity that the County could take on, and $75 million put the County at the very max in terms of ratios. She noted that the $18 million was the additional to get from $57 million to $75 million.

Ms. McGarry reviewed the Debt Capacity Cash Flow Analysis provided by Davenport on December 12, 2023 for $57 million in Debt Capacity. She noted that it showed the FY24 Debt Service Transfer not including the $610,000, which was what the County did. She then noted that the analysis showed the $610,000 picking back up in FY25 and continuing through the whole term of 2053. Ms. McGarry explained that the green highlighted box on the analysis reflected the first year of a new State School LCI (Local Composite Index) Biennium. She then indicated that the gray going across represented the first year of an effective Real Estate Reassessment. She noted that the FY25 budget contained the $610,000 transfer. Ms. McGarry reported that the Debt Service Transfer was $3,935,284.

<u>Davenport $57 Million Debt Capacity Cash Flow Analysis</u>

FYE	(A) Beginning DS Reserve	(B) DS Budget	C Additional Revenue for DS	D (B+C) Total Revenues	E Existing DS	(F) Projected DS	G (E+F) Total Existing and Projected DS	H (F-I) Surplus (shortfall)	I (B +J) Ending DS Reserve
2024	3,237,412	3,325,284	0	3,325,284	3,357,550	0	3,357,550	(32,266)	3,205,146
2025	3,205,146	3,325,284	610,000	3,935,284	2,226,052	356,825	2,582,877	1,352,407	4,557,553
2026	4,557,553	3,325,284	610,000	3,935,284	2,242,797	1,631,200	3,873,997	61,287	4,618,840
2027	4,618,840	3,325,284	610,000	3,935,284	2,251,946	2,986,650	5,238,596	(1,303,312)	3,315,528
2028	3,315,528	3,325,284	610,000	3,935,284	2,109,015	2,986,650	5,095,665	(1,160,381)	2,155,147
2029	2,155,147	3,325,284	610,000	3,935,284	577,859	3,924,054	4,501,913	(566,629)	1,588,518
2030	1,588,518	3,325,284	610,000	3,935,284	329,922	3,924,054	4,253,976	(318,692)	1,269,826
2031	1,269,826	3,325,284	610,000	3,935,284	325,000	3,979,592	4,304,592	(369,308)	900,518
2032	900,518	3,325,284	610,000	3,935,284	0	3,979,592	3,979,592	(44,308)	856,210
2033	856,210	3,325,284	610,000	3,935,284	0	3,979,592	3,979,592	(44,308)	811,902
2034	811,902	3,325,284	610,000	3,935,284	0	3,979,592	3,979,592	(44,308)	767,594
2035	767,594	3,325,284	610,000	3,935,284	0	3,979,592	3,979,592	(44,308)	723,286
2036	723,286	3,325,284	610,000	3,935,284	0	3,979,592	3,979,592	(44,308)	678,978
2037	678,978	3,325,284	610,000	3,935,284	0	3,979,592	3,979,592	(44,308)	634,670
2038	634,670	3,325,284	610,000	3,935,284	0	3,979,592	3,979,592	(44,308)	590,362
2039	590,362	3,325,284	610,000	3,935,284	0	3,979,592	3,979,592	(44,308)	546,054
2040	546,054	3,325,284	610,000	3,935,284	0	3,979,592	3,979,592	(44,308)	501,746
2041	501,746	3,325,284	610,000	3,935,284	0	3,979,592	3,979,592	(44,308)	457,438
2042	457,438	3,325,284	610,000	3,935,284	0	3,979,592	3,979,592	(44,308)	413,130
2043	413,130	3,325,284	610,000	3,935,284	0	3,979,592	3,979,592	(44,308)	368,822
2044	368,822	3,325,284	610,000	3,935,284	0	3,979,592	3,979,592	(44,308)	324,514
2045	324,514	3,325,284	610,000	3,935,284	0	3,979,592	3,979,592	(44,308)	280,206
2046	280,206	3,325,284	610,000	3,935,284	0	3,979,592	3,979,592	(44,308)	235,898
2047	235,898	3,325,284	610,000	3,935,284	0	3,979,592	3,979,592	(44,308)	191,590
2048	191,590	3,325,284	610,000	3,935,284	0	3,979,592	3,979,592	(44,308)	147,282
2049	147,282	3,325,284	610,000	3,935,284	0	3,979,592	3,979,592	(44,308)	102,974
2050	102,974	3,325,284	610,000	3,935,284	0	3,979,592	3,979,592	(44,308)	58,666
2051	58,666	3,325,284	610,000	3,935,284	0	3,979,592	3,979,592	(44,308)	14,358
2052	14,358	3,325,284	610,000	3,935,284	0	3,256,232	3,256,232	679,052	693,410
2053	693,410	3,325,284	610,000	3,935,284	0	3,256,232	3,256,232	679,052	1,372,462
			17,690,000						

Ms. McGarry noted she had worked up a few different scenarios for the Board to review. She explained that Scenario #1 was basically the same scenario, except there was no additional $610,000 taken out in FY25. She noted that would necessitate an additional contribution of $610,000 to the reserves in about 2038. She commented that the cash used to maintain the strategy was $17,080,000 and they would end up in the same place at the end with a Debt Service Reserve of $1.3 million. She indicated that the total spent was still the $17,690,000. Mr. Reed asked if they were to skip the debt service payment for FY25, whether they would have 12 years to make it up. Ms. McGarry commented that was what it came out to be when she worked on the different scenarios. She noted that coincided with the reassessment year in 2038 for the additional $610,000.

<u>Staff $57 Million Debt Capacity Cash Flow Analysis Scenario #1</u>

FYE	A Beginning DS Reserve	B Addition to Reserve	C DS Budget	D Additional Revenue for DS	E (C+D) Total Revenues	F Existing DS	G Projected DS	H (F+G) Total Existing and Projected DS	I (E-H) Surplus (shortfall)	J (B +C+J) Ending DS Reserve
2024	3,237,412		3,325,284	0	3,325,284	3,357,550	0	3,357,550	(32,266)	3,205,146
2025	3,205,146		3,325,284	0	3,325,284	2,226,052	356,825	2,582,877	742,407	3,947,553
2026	3,947,553		3,325,284	610,000	3,935,284	2,242,797	1,631,200	3,873,997	61,287	4,008,840
2027	4,008,840		3,325,284	610,000	3,935,284	2,251,946	2,986,650	5,238,596	(1,303,312)	2,705,528
2028	2,705,528		3,325,284	610,000	3,935,284	2,109,015	2,986,650	5,095,665	(1,160,381)	1,545,147
2029	1,545,147		3,325,284	610,000	3,935,284	577,859	3,924,054	4,501,913	(566,629)	978,518
2030	978,518		3,325,284	610,000	3,935,284	329,922	3,924,054	4,253,976	(318,692)	659,826
2031	659,826		3,325,284	610,000	3,935,284	325,000	3,979,592	4,304,592	(369,308)	290,518
2032	290,518		3,325,284	610,000	3,935,284	0	3,979,592	3,979,592	(44,308)	246,210
2033	246,210		3,325,284	610,000	3,935,284	0	3,979,592	3,979,592	(44,308)	201,902
2034	201,902		3,325,284	610,000	3,935,284	0	3,979,592	3,979,592	(44,308)	157,594
2035	157,594		3,325,284	610,000	3,935,284	0	3,979,592	3,979,592	(44,308)	113,286
2036	113,286		3,325,284	610,000	3,935,284	0	3,979,592	3,979,592	(44,308)	68,978
2037	68,978		3,325,284	610,000	3,935,284	0	3,979,592	3,979,592	(44,308)	24,670
2038	24,670	610,000	3,325,284	610,000	3,935,284	0	3,979,592	3,979,592	(44,308)	590,362
2039	590,362		3,325,284	610,000	3,935,284	0	3,979,592	3,979,592	(44,308)	546,054
2040	546,054		3,325,284	610,000	3,935,284	0	3,979,592	3,979,592	(44,308)	501,746
2041	501,746		3,325,284	610,000	3,935,284	0	3,979,592	3,979,592	(44,308)	457,438
2042	457,438		3,325,284	610,000	3,935,284	0	3,979,592	3,979,592	(44,308)	413,130
2043	413,130		3,325,284	610,000	3,935,284	0	3,979,592	3,979,592	(44,308)	368,822
2044	368,822		3,325,284	610,000	3,935,284	0	3,979,592	3,979,592	(44,308)	324,514
2045	324,514		3,325,284	610,000	3,935,284	0	3,979,592	3,979,592	(44,308)	280,206
2046	280,206		3,325,284	610,000	3,935,284	0	3,979,592	3,979,592	(44,308)	235,898
2047	235,898		3,325,284	610,000	3,935,284	0	3,979,592	3,979,592	(44,308)	191,590
2048	191,590		3,325,284	610,000	3,935,284	0	3,979,592	3,979,592	(44,308)	147,282
2049	147,282		3,325,284	610,000	3,935,284	0	3,979,592	3,979,592	(44,308)	102,974
2050	102,974		3,325,284	610,000	3,935,284	0	3,979,592	3,979,592	(44,308)	58,666
2051	58,666		3,325,284	610,000	3,935,284	0	3,979,592	3,979,592	(44,308)	14,358
2052	14,358		3,325,284	610,000	3,935,284	0	3,256,232	3,256,232	679,052	693,410
2053	693,410		3,325,284	610,000	3,935,284	0	3,256,232	3,256,232	679,052	1,372,462
		610,000		17,080,000						
				17,690,000						

Ms. McGarry then reviewed Scenario #2 which showed no further contributions or additional revenue for Debt Service until 2027. She noted that it would show an addition to the reserve of $350,000 in 2026. She indicated that 2026 was the County's next effective reassessment year, so that contribution would coincide with that. She noted that in 2027 they would make an additional contribution of $305,000 for Debt Service, and then in 2028, they would pick back up with the $610,000, until they got to 2030, when they would have to make an additional contribution of $375,000. She then indicated that they would need to contribute an additional $350,000 in 2034, and then another contribution of $350,000 in 2042. She noted that the contributions were in addition to the annual $610,000 transfer. Ms. McGarry showed that in 2050, the additional contribution would be $100,000 towards the reserve. She explained that they would basically be using $1,525,000 over the term period, in addition to reserve, which could be Non-Recurring funds going towards that. She pointed out that the Additional Revenue for Debt Service was more of a Recurring cash infusion. She noted in Scenario #2, the cash infusion amount was $16,165,000, for a total of $17,690,000. She indicated that they would end up in the same place with $1.3 million still in the Debt Service Reserve, but it gave them a little more time upfront. Mr. Reed commented that the different scenarios were based on how soon they might want to use some of their Debt Service and based on how much they would have to put in, in order to do something. Ms. McGarry explained that the scenarios maintained the financial ability and the timing as well.

Staff $57 Million Debt Capacity Cash Flow Analysis Scenario #2

FYE	A Beginning DS Reserve	B Addition to Reserve	C DS Budget	D Additional Revenue for DS	E (C+D) Total Revenues	F Existing DS	G Projected DS	H (F+G) Total Existing and Projected DS	I (E-H) Surplus (shortfall)	J (B +C+J) Ending DS Reserve
2024	3,237,412		3,325,284	0	3,325,284	3,357,550	0	3,357,550	(32,266)	3,205,146
2025	3,205,146		3,325,284	0	3,325,284	2,226,052	356,825	2,582,877	742,407	3,947,553
2026	3,947,553	350,000	3,325,284	0	3,325,284	2,242,797	1,631,200	3,873,997	(548,713)	3,748,840
2027	3,748,840		3,325,284	305,000	3,630,284	2,251,946	2,986,650	5,238,596	(1,608,312)	2,140,528
2028	2,140,528		3,325,284	610,000	3,935,284	2,109,015	2,986,650	5,095,665	(1,160,381)	980,147
2029	980,147		3,325,284	610,000	3,935,284	577,859	3,924,054	4,501,913	(566,629)	413,518
2030	413,518	375,000	3,325,284	610,000	3,935,284	329,922	3,924,054	4,253,976	(318,692)	469,826
2031	469,826		3,325,284	610,000	3,935,284	325,000	3,979,592	4,304,592	(369,308)	100,518
2032	100,518		3,325,284	610,000	3,935,284	0	3,979,592	3,979,592	(44,308)	56,210
2033	56,210		3,325,284	610,000	3,935,284	0	3,979,592	3,979,592	(44,308)	11,902
2034	11,902	350,000	3,325,284	610,000	3,935,284	0	3,979,592	3,979,592	(44,308)	317,594
2035	317,594		3,325,284	610,000	3,935,284	0	3,979,592	3,979,592	(44,308)	273,286
2036	273,286		3,325,284	610,000	3,935,284	0	3,979,592	3,979,592	(44,308)	228,978
2037	228,978		3,325,284	610,000	3,935,284	0	3,979,592	3,979,592	(44,308)	184,670
2038	184,670		3,325,284	610,000	3,935,284	0	3,979,592	3,979,592	(44,308)	140,362
2039	140,362		3,325,284	610,000	3,935,284	0	3,979,592	3,979,592	(44,308)	96,054
2040	96,054		3,325,284	610,000	3,935,284	0	3,979,592	3,979,592	(44,308)	51,746
2041	51,746		3,325,284	610,000	3,935,284	0	3,979,592	3,979,592	(44,308)	7,438
2042	7,438	350,000	3,325,284	610,000	3,935,284	0	3,979,592	3,979,592	(44,308)	313,130
2043	313,130		3,325,284	610,000	3,935,284	0	3,979,592	3,979,592	(44,308)	268,822
2044	268,822		3,325,284	610,000	3,935,284	0	3,979,592	3,979,592	(44,308)	224,514
2045	224,514		3,325,284	610,000	3,935,284	0	3,979,592	3,979,592	(44,308)	180,206
2046	180,206		3,325,284	610,000	3,935,284	0	3,979,592	3,979,592	(44,308)	135,898
2047	135,898		3,325,284	610,000	3,935,284	0	3,979,592	3,979,592	(44,308)	91,590
2048	91,590		3,325,284	610,000	3,935,284	0	3,979,592	3,979,592	(44,308)	47,282
2049	47,282		3,325,284	610,000	3,935,284	0	3,979,592	3,979,592	(44,308)	2,974
2050	2,974	100,000	3,325,284	610,000	3,935,284	0	3,979,592	3,979,592	(44,308)	58,666
2051	58,666		3,325,284	610,000	3,935,284	0	3,979,592	3,979,592	(44,308)	14,358
2052	14,358		3,325,284	610,000	3,935,284	0	3,256,232	3,256,232	679,052	693,410
2053	693,410		3,325,284	610,000	3,935,284	0	3,256,232	3,256,232	679,052	1,372,462
		1,525,000		16,165,000						
				17,690,000						

Ms. McGarry then explained that Scenario #3 attempted to keep the same capacity analysis and the timing. She noted that it attempted to time additions to the Debt Reserve with reassessment years as well as the first year of the School LCI Biennium. She explained that they would be using more Non-Recurring money in those instances, and it would split the $610,000 between the use of addition to reserve non-recurring funds, with the cash infusion. Ms. McGarry indicated that the $610,000 would come into play the first and second years following the reassessment. She noted that the lesser cash infusion was the next two years before they got to the next reassessment, but she indicated that they would have to put in the $305,000 from the Non-Recurring funds to accomplish the strategy. Ms. McGarry indicated that they would be spending more of their reserves by adding $4,270,000 in Non-Recurring funds to the Debt Service Reserve to make it work. She noted that they would be spending $13,420,000 in cash for the same total of $17,690,000 which would put them at $1.3 million in reserve.

Ms. McGarry noted that the options would maintain the Debt Capacity and timing. She explained that the options provided up to $57 million in debt capacity but they had only committed to $35 million in projects. She noted it did not have to be decided today. Mr. Reed noted it was definitely worth considering.

Staff $57 Million Debt Capacity Cash Flow Analysis Scenario #3

FYE	A Beginning DS Reserve	B Addition to Reserve	C DS Budget	D Additional Revenue for DS	E (C+D) Total Revenues	F Existing DS	G Projected DS	H (F+G) Total Existing and Projected DS	I (E-H) Surplus (shortfall)	J (B +C+J) Ending DS Reserve
2024	3,237,412		3,325,284	0	3,325,284	3,357,550	0	3,357,550	(32,266)	3,205,146
2025	3,205,146		3,325,284	0	3,325,284	2,226,052	356,825	2,582,877	742,407	3,947,553
2026	3,947,553		3,325,284	610,000	3,935,284	2,242,797	1,631,200	3,873,997	61,287	4,008,840
2027	4,008,840		3,325,284	610,000	3,935,284	2,251,946	2,986,650	5,238,596	(1,303,312)	2,705,528
2028	2,705,528	305,000	3,325,284	305,000	3,630,284	2,109,015	2,986,650	5,095,665	(1,465,381)	1,545,147
2029	1,545,147	305,000	3,325,284	305,000	3,630,284	577,859	3,924,054	4,501,913	(871,629)	978,518
2030	978,518		3,325,284	610,000	3,935,284	329,922	3,924,054	4,253,976	(318,692)	659,826
2031	659,826		3,325,284	610,000	3,935,284	325,000	3,979,592	4,304,592	(369,308)	290,518
2032	290,518	305,000	3,325,284	305,000	3,630,284	0	3,979,592	3,979,592	(349,308)	246,210
2033	246,210	305,000	3,325,284	305,000	3,630,284	0	3,979,592	3,979,592	(349,308)	201,902
2034	201,902		3,325,284	610,000	3,935,284	0	3,979,592	3,979,592	(44,308)	157,594
2035	157,594		3,325,284	610,000	3,935,284	0	3,979,592	3,979,592	(44,308)	113,286
2036	113,286	305,000	3,325,284	305,000	3,630,284	0	3,979,592	3,979,592	(349,308)	68,978
2037	68,978	375,000	3,325,284	305,000	3,630,284	0	3,979,592	3,979,592	(349,308)	94,670
2038	94,670		3,325,284	610,000	3,935,284	0	3,979,592	3,979,592	(44,308)	50,362
2039	50,362		3,325,284	610,000	3,935,284	0	3,979,592	3,979,592	(44,308)	6,054
2040	6,054	375,000	3,325,284	305,000	3,630,284	0	3,979,592	3,979,592	(349,308)	31,746
2041	31,746	410,000	3,325,284	305,000	3,630,284	0	3,979,592	3,979,592	(349,308)	92,438
2042	92,438		3,325,284	610,000	3,935,284	0	3,979,592	3,979,592	(44,308)	48,130
2043	48,130		3,325,284	610,000	3,935,284	0	3,979,592	3,979,592	(44,308)	3,822
2044	3,822	375,000	3,325,284	305,000	3,630,284	0	3,979,592	3,979,592	(349,308)	29,514
2045	29,514	410,000	3,325,284	305,000	3,630,284	0	3,979,592	3,979,592	(349,308)	90,206
2046	90,206	0	3,325,284	610,000	3,935,284	0	3,979,592	3,979,592	(44,308)	45,898
2047	45,898		3,325,284	610,000	3,935,284	0	3,979,592	3,979,592	(44,308)	1,590
2048	1,590	375,000	3,325,284	305,000	3,630,284	0	3,979,592	3,979,592	(349,308)	27,282
2049	27,282	410,000	3,325,284	305,000	3,630,284	0	3,979,592	3,979,592	(349,308)	87,974
2050	87,974		3,325,284	610,000	3,935,284	0	3,979,592	3,979,592	(44,308)	43,666
2051	43,666	15,000	3,325,284	610,000	3,935,284	0	3,979,592	3,979,592	(44,308)	14,358
2052	14,358		3,325,284	610,000	3,935,284	0	3,256,232	3,256,232	679,052	693,410
2053	693,410		3,325,284	610,000	3,935,284	0	3,256,232	3,256,232	679,052	1,372,462
		4,270,000		**13,420,000**						
				17,690,000						

Mr. Reed indicated that if they needed some extra revenues to cover expenses, the strategy scenarios showed some options as to how they could do that and still maintain the Debt Service. Ms. McGarry noted that it would be nice to commit to a strategy and stay on that path. She commented that things changed from year to year on what the County's ability was to do. She noted that the strategy could adjust, along with those needs.

Ms. McGarry provided an update on the General Assembly legislation in reference to localities having the ability to have a referendum to implement a one (1) percent sales tax for school construction and school construction debt service. She reported that the legislation had passed both houses and it was in the Governor's hands. She noted that the Governor had a deadline to act on it by April 8th. Ms. McGarry noted that David Blount of the TJPDC said that counties that were more rural and more Republican, as well as GOP legislators who supported the concept, were weighing in with the Governor for him to approve the bills. She commented that it seemed like it was on a good track. Mr. Rutherford asked how much revenue that could provide. Ms. McGarry estimated that it would possibly generate about $1million per year for the County, and it could be utilized for school projects and debt service for schools. She noted that would change the whole debt capacity scenario. Mr. Rutherford noted that would impact the high school debt service. Ms. McGarry noted that she was unsure how quickly it could go to referendum. Mr. Rutherford commented that he was skeptical it would make the November ballot, but he noted that he was not sure. Ms. McGarry noted they would be researching the process.

3. School Division Operating & Nurses

Ms. McGarry reported that she had provided the Board with a history of the local funding for schools for operations from FY13 to FY24. She noted that it showed the transfers for operations, as well as the school nurses, and then a subtotal. She indicated that the information also provided the enrollment per year, which was based on their budget summary document, and the per student funding. Mr. Rutherford noted the significant decrease in the number of students during that period of time. He noted in the early 2000's there were 2,100 to 2,200 students. Ms. McGarry commented that she remembered there being over 2,000 students. Dr. Ligon stated there had been a stable number of children in the County, but the percentage seeking public schooling had decreased. Ms. McGarry noted that she did not have the answer to that, noting she did not know the component. Mr. Reed indicated that the information was included in the School's budget information. He noted it provided the number of children being served by home school.

Ms. McGarry reported that the Schools had not yet submitted a formal request because they were still waiting on the state to provide the calculation tool, which could be used for the General Assembly's version of the budget. She indicated that the Schools knew where they were likely going to land. She noted that the Schools were likely to be submitting a local ask close to $1.8 million. She indicated that the Schools wanted to check that number before they submitted a formal request.

Mr. Reed asked how they should handle the School revenue piece of expenditures. Ms. McGarry commented that they had a certain amount in Recurring Revenue contingency and she noted that was dependent on what the Board chose to do with debt service. Mr. Reed asked how they would cover $1.8 million. Ms. McGarry noted it was pretty tough. She indicated that if they used the Recurring Contingency that was currently at about $500,000, and they did not transfer the $610,000, they would have about $1.1 million in terms of Recurring Revenue. She noted that there may be additional changes in revenues to the Personal Property and Real Estate. She indicated that she did not expect it to be a lot, but it could change some once she received the new property book edits from the Commissioner of Revenue's office during the first week of April.

Dr. Ligon asked what the additional $1.8 million was. Mr. Parr explained that it was the additional amount requested by the schools over last year's funded amount. He reiterated that it was last years' budget plus $1.8 million. Ms. McGarry reported that the School's original budget contained a 10 percent health insurance increase which equated to about $304,000. She noted that she had inquired as to where in the new budget those funds had been absorbed. She reported that the Schools had included a three (3) percent Cost of Living Adjustment (COLA), including benefits, which was estimated to cost $675,000. She noted that the Schools would get a state reimbursement estimated at $109,000. She indicated that the net amount of $566,000 for the three (3) percent COLA was included in $1.8 million.

Dr. Ligon asked what the total school funding amount was. Ms. Staton reported that the Schools were asking for $20,235,149 which included the additional requested $1,855,312 plus the existing budgeted amount of $18,379,837. Ms. McGarry noted that amount did not include the School Nurse funding, just the operations funding. She noted that the main issue was the change to the LCI (local composite index). She reported that the County would now be paying nearly 65 cents for every dollar in state revenue, she noted that they had to match the state funding by that percentage. Mr. Rutherford noted that all of the County's Real Estate tax revenues would essentially be needed to cover the School's request. Ms. McGarry confirmed, noting that the Real Estate Revenue was about $20 million.

Ms. McGarry noted that they were in a little bit of a holding pattern until they saw what the number would be, but it would be close to the $1.8 million mostly likely. The Board had no further questions or comments on School Funding and it was noted that they would circle back to.

4. Piney River Water & Sewer

Ms. McGarry reported that the Piney River Water and Sewer operational budget had not been fully developed yet, but they had not included a transfer for operations for that fund. She indicated that $350,000 had been included to be transferred for a possible pump station replacement for that system. She explained that $350,000 was really just a best guess at the moment. She noted that they had one quote from vendor for $220,000, and there would be additional undetermined costs for installation. She reported that those funds would be coming from Non-Recurring funds in the budget. She noted that they would circle back, and at some point, they would need to discuss potential fee changes, to help offset some of the operational costs. Ms. McGarry indicated that it had been a long time since the Piney River Water and Sewer rates had changed. Mr. Parr and Mr. Reed agreed that would need to happen.

5. Reassessment

Ms. McGarry reported that staff had included an additional $15,000 for the FY25 Transfer to Reassessment Fund, for a total of $100,000. She explained that they included the additional $15,000 to account for an increase in services related to that reassessment. She indicated that they had two (2) years before the next reassessment would take effect, but she noted that they would be starting the process in the fall for hiring a mass appraisal firm to do the work.

Mr. Rutherford asked if the Certificates of Occupancy (CO's) were making it from Building Inspections to the Commissioner of Revenue in timely manner. Ms. McGarry commented that she assumed so. Mr. Rutherford noted that if they were delayed, there were missed revenue opportunities that could be significant. Ms. McGarry noted they could check on the current process to make sure it was getting picked up in a timely manner.

b. Employee Compensation

Ms. McGarry reported that the following information on Employee Compensation had been provided to show the costs for a one (1) percent, two (2) percent, and three (3) percent increase, including the equity adjustments recommended by MAG. She reported that there would be a net savings of $11,291 due to the Compensation Board reimbursement revenue on the three (3) percent COLA for constitutional offices. Mr. Rutherford asked what the Schools were doing for their staff. Ms. McGarry reported that the Schools had three (3) percent built into their budget. She noted that the Constitutional offices would all get three (3) percent from the state. Ms. Staton explained that the scenario also included the third piece of MAG's (Management Advisory Group) submission to the County for the pay study, which was an equity adjustment to move those employees within their pay range to the level they should be on, based on their years of service. Ms. McGarry explained that they were proposing to do either the higher of three (3) percent or the equity adjustment. She noted that people who had an equity adjustment would not get both.

Ms. McGarry then noted that the other piece she would include as part of the compensation adjustment as a whole, would be to take the pay scale and adjust the entire pay scale by a factor less than the COLA, to try and keep up with the market so that when the next pay study happened, they would not be so far off. Ms. Staton commented that she thought that was how the School's pay scale worked currently. Mr. Parr, Mr. Rutherford and Mr. Reed in agreement that it made more sense to do the three (3) percent increase. Ms. McGarry noted for Schools three (3) percent COLA, it was a net expense of $566,000 after they got $109,000 back from the state. Ms. McGarry noted that she hoped the JLARC study would help when they were looking at the formulas for the LCI in the future. The Board was good with the (3) percent COLA. Ms. McGarry explained that the three (3) percent adjustment would reduce the Recurring Revenue by $50,237, and increase the state revenue on the revenue side. She noted there would be a net reduction on the Recurring Revenue by $11,291.

	FY25 1% Increase		FY25 2% Increase		FY25 3% Increase		MAG Equity Adjustment
1% FT Salaries	$ 58,878	2% FT Salaries	$ 117,756	3% FT Salaries	$ 176,634		$ 43,935
Benefits	$ 1.2175	Benefits	$ 1.2175	Benefits	$ 1.2175	Benefits	$ 1.2175
	$ 71,683		$ 143,366		$ 215,049	FT	$ 53,491
PT	$ 7,959	PT	$ 15,918	PT	$ 23,877	PT	$ 11,303
Base Compensation	$ 79,642		$ 159,284		$ 238,926	Total MAG Adj	$ 64,794
MAG Adjustments	$ 64,794		$ 64,794		$ 64,794		
Total Compensation	$ 144,436		$ 224,078		$ 303,721		
Proposed Budget							
MAG Adjustments	$ 76,768		$ 76,768		$ 76,768		
2% COLA Adjustment	$ 176,716		$ 176,716		$ 176,716		
	$ 253,484		$ 253,484		$ 253,484		
Budgetary Adjustment	$ (109,048)		$ (29,406)		$ 50,237		
					$ (61,528)	Comp Board Revenue (on 3% COLA)	
					$ (11,291)	Budgetary Adjustment	

MACAA funding

The Board revisited the MACAA FY25 funding request of $38,665. Mr. Rutherford noted they should get a little funding back from the current year. He suggested level funding MACAA and Mr. Parr agreed. Mr. Reed stated that he was not in agreement, and he commented that he did not think anyone else would go along with them. The Board level funded MACAA at $36,000. Mr. Reed noted he would suggest that MACAA return when they had something to ask for.

C. Revenue Review – Local, State, Federal, and Other

Ms. McGarry suggested in focusing on the main items in the Local Revenue unless the Board had specific questions. She noted that federal and state revenues were mostly grant related or matching funds to local funds that were spent for Social Services or CSA. She indicated that there were six (6) or seven (7) local revenues that comprised about 85 percent of local revenues.

Ms. McGarry reviewed the following revenues:

- Real Estate Tax $20,890,068

Ms. McGarry reported that FY25 Real Estate tax was predicted to come in at an increase of $285,390 over the FY24 amended budget for a total FY25 estimated Real Estate Tax revenue of $20,890,068. She noted they were projecting slightly higher revenues for FY24 than what was budgeted.

- Public Service Tax $1,008,000

Ms. McGarry reported that the Public Service Tax revenue amount came from the SCC. She noted that the values that the SCC had submitted for the previous two (2) tax years had declined. She indicated that staff had built in a decline for the expected revenue from that.

- Personal Property Tax $6,013,768

Ms. McGarry reported that they were expecting a slight decline in Personal Property Tax. She noted that the vehicle values were coming in a little lower. She indicated that they estimated a 2025 tax amount using a one (1) percent increase.

- Local Sales and Use tax $2,190,076

Ms. McGarry noted that they received the Local Sales and Use tax number from the state. She reported that they had not received that number yet, so they used the FY24 amount of $2,190,076.

- Transient Occupancy Tax $2,268,000

Ms. McGarry noted that the rate had increase from five (5) percent to seven (7) percent. She noted that she used 90 percent of that$720,000 increase to estimate a $468,000 increase in TOT revenue from a projected $1.8 million FY24 revenue.

- Meals Tax $1,589,026

Ms. McGarry reported that they were projecting an increase of about one (1) percent in Meals Tax revenue from FY24 projected.

- Interest on Investments $1,345,860

Ms. McGarry reported that the FY25 Interest on Investments was estimated at $1,345,860, which was a $845,860 increase over FY24's amended budget. She noted the original FY24 amount was way under budgeted. She reported that they were projecting $1,373,610 for FY24. Mr. Rutherford asked how most of the funds were invested. Ms. McGarry noted that a lot was invested in the Local Government Investment Pool (LGIP) and CD's. She indicated that staff could get a breakdown on investments.

Mr. Parr asked about the Sheriff's fees. Ms. McGarry noted that those fees came through the courts when things were processed. Mr. Parr asked if they had taken into account the increased law enforcement activity that had been taking place, noting the additional ticketing.

- Court Fines $180,000

Ms. McGarry indicated that the FY24 projected amount was $166,074 which was based on the first part of the year. She noted that they were estimating $180,000 for FY25.

Mr. Rutherford noted one of the bigger complaints that he had heard from constituents was regarding personal property tax. He commented that it was important that the County take into consideration the depreciation of a vehicle. Ms. McGarry noted that the Commissioner of Revenue was still using JD Power to value the vehicle, it was just through a different entity. Mr. Rutherford asked who picked the method for appraisal. Ms. McGarry noted that she was pretty sure it was at the Commissioner of Revenue's discretion on choosing the appraisal method. She indicated that they were using 90 percent of the retail value for the vehicles.

Ms. McGarry noted that the County did have personal property tax relief that was applied annually to the tax bills for non-business vehicles. She reported that the current rate was at 39 percent and that still looked good based on what she had seen of the books so far. She noted that the Board could set the tax relief at a higher rate if they wanted. She explained that the relief was decided at the same time as the tax rates. Mr. Rutherford asked to look at a 40 percent or 41 percent relief amount for Personal Property Tax Relief.

Ms. McGarry reported that staff was proposing to use about $3.5 million in Year Ending Balance. She explained that was comprised of the following:

- $1,533,840 in FY24 net expenditure savings anticipated including:
  - Departmental Operations: -$381,006
  - Non-Departmental Operations: -$291,323
  - Unspent Capital Outlay: -$63,887
  - Capital Projects: -$149,570
  - Contingencies: -$648,054

- $1,499,021 in FY24 net revenue increase anticipated including:
  - Local: $1,176,576 (Recordation Tax, Meals Tax, Court Fines & Interest Earnings)
  - State: $19,806 (State Shared Expenses & CSA Reimbursement)
  - Federal: $11,116 (CARES Act, SCAAP, Misc.)
  - Other: $291,523 (Insurance recoveries, cancelled checks, NCBA Transfer)

- On the expenditure side, these funds are the balance of ARP funds from the NCHS Roof project which can be used with no restrictions, funding of Capital Outlay expenditures, carry forward of unspent FY24 miscellaneous funds, non-recurring costs and non-recurring contingency. Additionally, $350,000 in fund balance is proposed to be used for replacement of the Piney River pump station.

D. Consider 2024 Tax Rates

a. Authorize Public Hearing no Rate Increases for April 11, 2024 (If Applicable)

Mr. Rutherford made a motion to maintain the tax rates at $0.65 for Real Estate, $2.79 for Tangible Personal Property, $1.25 for Machinery and Tools, and $0.65 for Mobile Homes. Mr. Harvey seconded the motion.

Mr. Reed spoke in favor of a penny increase in the Real Property tax. He commented that the reason being was due to what had come directly out of Richmond. He noted the problems that they had with school funding last year, from a major mistake in computations, to the increased Composite Index they had to bear this year, and the Governor's budget which was so low in terms of school funding. Mr. Reed commented that the additional penny, and the $300,000 plus that would add, would go really far in being able to fulfill the staff increases across the board that the Schools had hoped to put in place. He commented that the new staff the Schools had put into place was incredibly vital. He noted that in sitting in on the budget hearings that they had and the discussions that the School Board had on their budget, there was not a lot of wiggle room anywhere else to deal with the decline they would see in their budget. Mr. Reed stated for that reason he would like to amend the motion and ask for a penny increase in the Real Property tax rate.

Dr. Ligon asked how much that would add. Ms. McGarry noted it would add $321,707. Mr. Reed commented that it was not a lot, but in this budget it was a lot because this was in some ways, one of the tightest budgets that he had seen that they had ever had. He commented that it seemed like a critical time when they were investing in the people of the County, all of the problems that the County might have, they would see them all reflected most directly and most immediately in the schools.

Mr. Reed commented that he knew they could not determine how the Schools would be spending the money but, he thought they had done an exemplary job in trying to give the Board a budget that was below need and certainly realistic. Mr. Reed noted that he knew the Board could not do everything that the Schools had asked for, but he thought it would be a positive move for the County to do that.

Mr. Rutherford commented that he made a motion and Mr. Reed made a motion to amend. Mr. Parr clarified that Mr. Reed had asked that the motion be amended. Mr. Parr noted that would have to come from Mr. Rutherford as he had made the motion. Mr. Rutherford noted he was not amending his motion, but if Mr. Reed made a motion to amend his motion and there was a second, then they would vote on his amendment.

Mr. Reed made a motion to amend Mr. Rutherford's motion to add a penny increase to the Real Property Tax. Mr. Harvey seconded Mr. Reed's motion. Mr. Rutherford commented that the current motion as it stood, would be bringing the Real Estate Tax from $0.65 to $0.66. Mr. Rutherford indicated that he still stood with his initial motion that it be level funded and maintaining all rates the same as they were last year. Mr. Rutherford confirmed that he would be in the negative on the motion. Mr. Parr asked if there was any further discussion on raising the tax rate from $0.65 to $0.66 per $100 on Real Property Tax, with the others remaining the same.

Ms. McGarry commented that the Board could advertise a higher rate and then adopt something lower. She noted that they could not go up once they advertised a certain rate. She suggested that the Board keep that in mind. Mr. Reed commented that was important because they may have more information on the budget once they have the hearing. Mr. Reed noted that it would be really interesting to hear from the public at a public hearing, about their feeling on all of the things they were trying to do as a County to benefit the County, and trying to finance that in as conservative of a way as possible, one of those vehicles being a raise in the Personal Property Tax. He commented that he was interested in hearing what a public response would be to that. Ms. McGarry asked if Mr. Reed's motion was to increase the Real Estate Tax Rate. Mr. Reed noted it was the Real Property Tax. Ms. McGarry confirmed that was Real Estate, noting she was making sure she understood.

Dr. Ligon commented that she had a thought on the Machinery and Tools tax. She noted that in Amherst, they required parts of their tax return as proof. Mr. Reed asked if they could talk about that separately, noting it was kind of like a different issue. Dr. Ligon commented that they were voting on all four. Mr. Rutherford commented that as the amended motion stood, it was flat lined, unless they were amending the amended motion. He noted at some point, they had to vote on the amended motion and they could revisit. Mr. Rutherford commented that they did have a lot of history with the Machinery and Tools tax, because he and Mr. Parr tried to get rid of it. He noted that they learned that it was actually almost illegal to get rid of it. He commented that they could make it a penny, but they could not get rid of it.

Mr. Parr returned to the motion on the table to level fund the three (3) taxes with the exception of Real Property tax at $0.66. He asked for any additional discussion on that. Ms. McGarry clarified that the Mobile Home Tax and the Real Property Tax were the same. There was no further discussion and Supervisors voted to approve the amended motion (3-2) by roll call vote, with Mr. Parr and Mr. Rutherford voting no.

Mr. Rutherford asked to return to his original motion that was on the table before the amended. Mr. Parr asked to do what. Mr. Rutherford noted his motion level funded all four. Mr. Parr noted they had just voted to increase the tax. Ms. McGarry clarified that they voted to amend the original motion. Mr. Rutherford commented that they had three nos. Ms. McGarry and Mr. Parr confirmed that there were three yesses. Mr. Rutherford commented that he did not hear Dr. Ligon. Ms. McGarry confirmed that the motion had been amended.

Mr. Rutherford asked Dr. Ligon if she wanted to talk about Machinery and Tools. Mr. Parr suggested that be discussed as a side conversation because they had approved it.

Mr. Parr asked if anything else needed to be discussed. Ms. McGarry noted that the motion had been amended, she noted they were voting to authorize a public hearing on a one cent Real Estate Tax Increase. Mr. Parr asked if that needed to be voted on. Ms. McGarry commented that she thought that was what they had just done. Mr. Reed, Mr. Parr and Mr. Rutherford agreed that was what they had just voted on. Ms. McGarry noted that she was just making sure. Mr. Parr asked if they had to have a separate vote on the rate versus having a public hearing. He wanted to clarify that they did not have to have a second vote on a public hearing. Ms. McGarry answered no, noting they were just authorizing the public hearing. Mr. Rutherford commented that all of the other rates stayed the same and they would only have the one public hearing related to Real Estate Tax. Ms. McGarry commented that any increase in the tax rate needed a public hearing. Mr. Rutherford agreed. Mr. Parr noted that Mr. Rutherford was just confirming that the only public hearing was on the penny. Ms. McGarry commented that she thought they were considering the others now. Mr. Rutherford noted that they voted on the all in a block.

Ms. McGarry asked whether the amended motion authorized the public hearing. The Board confirmed that it did.

III. OTHER BUSINESS (AS MAY BE PRESENTED)

Mr. Rutherford asked if they needed to meet the following week. Ms. McGarry commented that she did not think they needed to, now that they had the tax rate public hearing items completed. Mr. Rutherford asked if they could just adjourn the meeting. Ms. McGarry noted they could, unless they wanted to do anything else before then. She noted that they still had the other fund budgets to review with the Board, but they had a pretty good sense of what they were because it was the Debt Service Fund, Piney River Water and Sewer Fund, and the Capital Fund. She indicated that the School Fund was a decision to be determined. Mr. Rutherford asked if they wanted to get the School Board's official request before they met again. Ms. McGarry reviewed the calendar to make sure they were on track. She suggested that they could do some work sessions between April 2nd through April 5th. She noted the regular meeting was on April 9th and the public hearing on the tax increase would be April 11th. Mr. Rutherford asked when the

Comprehensive Plan vote would take place. Ms. McGarry noted that they would discuss it on April 9th. Dr. Ligon asked if they would discuss it or vote on it. Ms. McGarry noted that the Board could decide. Mr. Reed commented that the solar eclipse would take place on April 8th and the Schools had made it a green day so the bus drivers would not have to deal with kids saying "Look at the eclipse!"

Ms. McGarry explained that at the April 9th meeting, they had on the calendar to have the Board authorize the Budget public hearing for May 14th. She noted that the Board could continue working on the budget at the April 11th meeting, but they would need to have something finalized to publish for a public hearing on the budget. She indicated that they could make changes once they had the public hearing. Ms. McGarry noted that the Governor had to do his part with the State budget by April 8th and the veto session would begin around April 17th or 18th. The Board discussed potential budget work session dates and decided to hold the next work session on April 11th at 4 p.m. prior to the tax rate public hearing that evening at 7 p.m.

IV. ADJOURNMENT

At. 12:55 p.m., Mr. Rutherford made a motion to adjourn. Mr. Reed seconded the motion. There being no further discussion, Supervisors approved the motion by vote of acclamation and the meeting adjourned.