Virginia:

AT A CONTINUED MEETING of the Nelson County Board of Supervisors at 2:00 p.m. in the Old Board of Supervisors Room located on the fourth floor of the Nelson County Courthouse, in Lovingston, Virginia.

Present: 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
Linda K Staton, Director of Finance and Human Resources
Amanda B. Spivey, Administrative Assistant/Deputy Clerk

Absent: J. David Parr, West District Supervisor - Chair

I. CALL TO ORDER

Mr. Reed called the continued meeting to order at 2:01 p.m. with three (3) Supervisors present to establish a quorum with Mr. Parr absent, and Dr. Ligon arrived shortly after.

II. FY25 BUDGET WORK SESSION

A. Staff Updates

Ms. McGarry commented that there was nothing much new to report. She noted that she had forwarded some information to the Board about the General Assembly not overriding the veto regarding the one (1) percent sales tax option for localities, so that was off the table for the current biennium. She also reported that the General Assembly was likely not going to finish their work on the budget until May 15th. She suggested that the Board make its final decisions on the items left to work through, and then they could go ahead and advertise that budget for the public hearing. She noted that once they had the public hearing, they would hopefully have more information on the state budget, along with final property tax numbers, and they could make some adjustments after that if the Board chose to do so. She indicated that there were not any changes to the contingencies after the last work session.

B. Other Fund Budgets
1. VPA/Social Services

Brad Burdette and Allison McGarry of Nelson County Department of Social Services were present to discuss the new position included in their budget request. Mr. Burdette noted that what they had requested was around $79,000. He explained that what they were requesting was not necessarily a new position, as it was really a true-up of their budget. He noted that they were now at the point where they were almost fully staffed. He explained that it was not necessarily a request for a new position per say, it was more so the actuals for the salaries and benefits that they were projecting for the upcoming year. He noted that the amount was actually a pass-through amount so it provided DSS the ability to cover salaries, should they deplete their 855 budget line, which he projected that they probably would. He explained that was their base budget for all things Social Services staff related. He noted that it would be a pass through, and the issue with pass through was that it was the difference in what was pulled down from the state. He reiterated that they were not necessarily requesting a new position, as it was more for staff and operations.

Mr. Rutherford asked what the requested amount was. Mr. Burdette noted the total was $79,000. Mr. Rutherford asked if the state was going to contribute to any of that amount. Ms. Allison McGarry reported that the local match was about $60,000. She explained that they had to expend the first budget line which was a 15.5 percent local match, and then they went to the next budget line which was a 74 to 76 percent local match. She commented that the amount was based on what the state gave them, which they really did not know yet. Mr. Rutherford noted the state budget status. Ms. Allison McGarry noted that she based the amount on what DSS had received for the current budget year and what their current salaries were, being fully staffed. Mr. Rutherford asked when DSS needed a decision from the Board. He suggested that it may make more sense to wait until after the State budget was completed, so they would know if there was more or less funding provided by the state. Mr. Burdette noted that it would not hurt them to wait. He explained that they were trying to prevent having to come back to the Board later to request funding in January/February if they were looking at a possible budget shortfall for staff and operations. Mr. Rutherford asked that Mr. Burdette and Ms. Allison McGarry update the Board once they had an answer from the state. Mr. Burdette noted they may not have an answer until May, or possibly later. Ms. Allison McGarry noted that the DSS budget ended on May 31st. Mr. Rutherford suggested that once they get the State budget back, they could have the funding amount needed narrowed down to see where the Recurring Contingencies were at, and determine whether they would fund the additional request then, or in January. Mr. Reed agreed and thought Mr. Rutherford's suggestion made sense. He noted they would likely end up amending the budget in the upcoming year.

The Board thanked Mr. Burdette and Ms. Allison McGarry for their time.

2. Debt Service

The Board discussed the joint meeting scheduled to take place that evening with the School Board. Mr. Reed suggested that they may want to brainstorm any questions they might ask at the meeting. He noted that they may be able to get answers sooner.

Ms. McGarry reported that Debt Service was another piece of the budget left for the Board to work on. She noted that staff had printed some other scenarios which were still based on a $57 million debt capacity that really starts in FY29. She explained that was based on the timing of some of the projects that had been discussed with Davenport.

Ms. McGarry reviewed the first scenario, which was the original from Davenport that showed the County did not contribute the additional $610,000 in FY24. She indicated that in 2025, the scenario did input the $610,000, for a total Transfer to Debt Service of $3.9 million. She explained that this scenario did not require any other adjustments through 2053 in order to accomplish the $57 million and pay for that debt through 2053. Ms. McGarry noted that the strategy used the County's declining current debt service payments and kept it within the Debt Service Reserve, so that it could be pulled from at times when what was being paid out was exceeding more than what was being put in. She indicated that the scenario did not require any new tax incentives or additional revenue, other than maintaining a contribution of the $3,935,284 starting in 2025 and going through 2053.

Ms. McGarry then reviewed the next scenario, which she noted that the Board had seen before. She explained that the scenario showed no contribution in addition to what they were already contributing, so they would have $3,325,284 in Transfer to Debt Service. She noted that in order to keep with the $57 million in debt capacity, they would need to provide an additional $610,000 in 2038 for a total of
Mr. Reed asked if that would be another $610,000 in addition to the $610,000 in additional revenue for Debt Service for a total of $1,220,000 to Debt Service. Ms. McGarry confirmed that was correct.

Ms. McGarry reviewed a third scenario that still worked with the $610,000 but they would not start contributing that until 2027 to get to the $3.9 million contribution. She noted that around FY2031, there would be some requirement to make an additional contribution besides the $610,000. She indicated that she was not sure how much would be required.

Ms. McGarry provided an overview of a fourth scenario which took into account a reduced contribution amount of $388,623 in FY25. She noted that additional funds would need to be put in around 2047 in order to stay in the black for that scenario.

Ms. McGarry then reviewed a fifth scenario that looked at no additional contribution in 2025, a reduced additional contribution of $388,623 in 2026, and picking back up the additional $610,000 in 2027. She noted that would require an additional contribution in 2033.

Ms. McGarry then looked at a sixth scenario which pushed the $388,623 contribution to 2027, with no additional contributions in 2025 or 2026. She noted that the $610,000 contributions would resume every year following 2027. She indicated that some additional contribution would be needed in FY2030. Mr. Reed asked if the additional contribution would be more or less than $610,000. Ms. McGarry said that it would probably be more. Ms. McGarry noted that she felt the more important decisions were what the Board wanted to do in FY25 and FY26. She noted that they would be in the same boat they were in, the same budget, and probably not a lot of incremental increases in the County's local revenues, unless some other things fell into place. She suggested that it may be wise to look at 2025 and 2026 as being potentially reduced, and then they would get to 2026, which was the next reassessment year.

Dr. Ligon stated that she was not a fan of punting a problem down the road. She commented that if they already had a problem, what would it be in a few years. She asked why Ms. McGarry was presenting those options. Mr. McGarry noted that Mr. Reed had asked her to. Dr. Ligon asked what had brought about the request. Mr. Reed noted looking at the budget in the biennium, they would be stuck with the same local composite index (LCI) for the next two years. He commented that at best guess, they would have over $1 million less than last year from the state. He noted it was possible that if nothing changed with the composite index, they could be looking at a much higher LCI in two years. Ms. McGarry agreed and indicated that should be expected. Mr. Reed commented that it was hard to think that what they had now was almost a best case scenario for the next two years. He noted that in terms of revenue that would be available, the scenarios made sense. He suggested that the only other possibility would be if there was a more conservative debt service limit than $57 million.

Ms. McGarry noted that there were two (2) other variables in the current analysis could be tweaked so that they had a better sense of what it could look like. She explained that the current analysis assumed that they were going to have $57 million in debt by FY29. She reported that the current committed debt was $35.1 million which included the repayment of the Larkin interim financing, the building for Social Services and the High School renovation. She noted that they could look at setting a limit of less than the $57 million, between the $35.1 million and $57 million. She also indicated that they could look at only needing $35.1 million by FY29, and they could build in some future capacity further out into the future. Mr. Rutherford commented that it would change with assessments. Ms. McGarry indicated that Davenport was looking at a cash flow analysis with it limited to the $35.1 million.

Mr. Rutherford commented on the funds pulled from the school system by the State and noted that the equivalent in terms of Debt Service by his estimate was over $100 million in Debt Service to the County. He noted that the shortage to the Schools of about $1.7 million in recurring need, instead of that money going to the Schools, that money could be worth that much in terms of Debt Service, if it were all to be utilized. He commented that the addition of homes at Wintergreen and Stoney Creek over the past several years equated to an increase in gross value. He noted that it was also important to determine how to attack the algorithm for the LCI.

Dr. Ligon commented that other school systems fundraised for money on their own. She noted that there were certain things that School Boards could do to make money for their schools and she suggested that maybe it was time for ours to get on that horse. She noted that she did not have any other information, other than it had been brought up in conversation with a School Board member. Mr. Rutherford asked how much money they were fundraising. Dr. Ligon commented that in Amherst, a lot of sales tax stuff went to their School Board. Mr. Reed indicated that Amherst's LCI was about half of Nelson's. Dr. Ligon commented that Nelson was in the top 15 for LCI.

Ms. McGarry noted she was not sure if the two variables, in terms of either pushing any additional capacity out or limiting it, was something to be decided with the budget. She indicated that they could decide on the contribution for the year, and then work through the other pieces at a retreat. Mr. Reed commented that it might make sense to recommit to the level of debt service that they figured they would need and when. Mr. Rutherford commented that they were looking at saving about $200,000, when in his mind, the biggest concern they had was the $1.5 million yearly that the Schools were losing. Mr. Reed noted that they did not have much control over that, but they had to come up with a scenario. Mr. Rutherford commented that they could only do what they could do, noting that they were put into a system that they did not design and they wished they could correct. He noted that the question was always how could they bridge the gap, but there were also fiscal impossibilities.

Mr. Reed commented that for this year, they knew what they had to deal with. Mr. Rutherford noted that two (2) to four (4) years from now would be interesting. He stated that he was not a fan of putting off the dollars and cents as Dr. Ligon indicated, noting that he did not think that was a good practice. He suggested that they consider modifying the total amount of debt service. Dr. Ligon noted if they pushed the contribution any later, they would be increasing the contribution that would be needed later down the road. Mr. Rutherford noted it was not a healthy practice to put that on future boards. He commented that he was not a fan of kicking the can down the road and that he would rather consider going from whatever commitment they had now. He noted that they still needed to be cautious of utilizing the difference between the $35.1 million and $57 million. Dr. Ligon commented that she thought they could get more projects done with $35 million than just the Social Services building and the High School renovation.

Mr. Rutherford noted the possibility of refinancing debt in future but they did not know what the financial markets might look like then. He indicated that they had been able to refinance once before and they realized the same amortization, and year over year revenue savings. Ms. McGarry agreed that refinancing was a possibility. Mr. Reed commented that the only thing they knew was whatever they projected. Mr. Rutherford noted that they had built two elementary schools with the intention to fill them because that was the projection, and they were wrong. Dr. Ligon commented that when her generation was there, the elementary schools were full. Ms. McGarry asked if there were any other scenarios the Board wanted to run, other than where they were limiting the capacity at 2029 to what had already been committed.
Mr. Rutherford suggested limiting it down to what they had already committed to, Social Services and the High School, and see what that difference in Debt Service looked like year over year. He indicated that he did not think they needed to kick the can down the road for future Boards. Mr. Reed commented that he thought they should see what the options were, and then have a retreat to reassess what the capital commitments would be and when. He noted that they were existing in a situation to where they had a really different scenario of where they were at the last retreat.

Mr. Rutherford noted that when they had the initial retreat, they had not been hit with two (2) composite index changes where the state funding to the Schools had decreased. He commented that the cost of living increase for School staff at three (3) percent for last year and three (3) percent for the next year was getting bigger and bigger, and that three (3) percent would eventually be $1 million within the next four (4) years. Ms. McGarry noted that it could be. She indicated that the cost of the three (3) percent increase was currently around $600,000. She commented that was the same situation for every employer, including the County, as salaries grew. Ms. McGarry asked that the Board provide any scenario tweaks that they may be interested in by the next day so that Davenport would have time to work on it. Ms. McGarry noted that the $35.1 million Debt Service scenario was being determined by Davenport currently. Mr. Rutherford explained that when they went into their retreat, they would have Davenport present to review the scenarios. Dr. Ligon asked when they would hold the retreat. Ms. McGarry indicated that they would look to schedule that after things had settled down from the budget. Mr. Rutherford noted December/January was the best time to do a retreat before the budget time kicks off. Ms. McGarry indicated that they could do the same in the Fall and work to set the priorities for the next budget cycle and beyond. She noted that the problem for staff was that during that time period, they were finishing up the current year's audit with the auditors and also building the next year's budget.

Mr. Rutherford suggested that if there were ambitions to take on significant debt service, a unilateral cooperation with GO Virginia and Region 9 should be considered. He noted that if during the retreat, the Board decided that it wanted the Larkin property to be something that created jobs, there could be some partnerships across regions that would create a project with access to state funding. Dr. Ligon asked if the original intent with the Larkin property had been economic development. Ms. McGarry explained that there had been two (2) tracts with economic development components and recreational components. She noted that most of the economic development involved the other side of 29, not the side that the County was able to acquire. Mr. Reed indicated that there had also been some housing components as well.

3. School Division Operating & School Nurse

Ms. McGarry provided the Board with printouts from the State's calculation tool with the projected enrollment. She reviewed the total state and local funds, noting that at an enrollment of 1,430, it was based on the General Assembly's budget which was going to change somewhat. She reported that the FY25 State share was $9,594,358 and the local share was $12,618,196. She noted that the current year local funding was $18,544,772, including the school nurse contribution plus the main operating money. She indicated that amount was about $6 million to $7 million over the local share required.

Ms. McGarry explained that the State share and Local share were based on the Standard of Quality (SOQ) positions and programs that the State funds. Dr. Ligon noted her question may be for the Schools and not staff, she asked if there was a reason that the Schools were way above and beyond. She asked if that was due to having multiple elementary, or where the discrepancy was. Ms. McGarry noted that a lot of it was due to staffing, and what was funded by the state. She commented that because of the formula, they say that the County should only need a certain number of teachers and principals. She noted that it was formula driven, not necessarily what was actually needed in practice. She commented that was likely a lot of the problem, as well as enrollment numbers. Mr. Reed commented they were way below the level where they start to have economies of scale. He noted that everything was pretty much a fixed cost. He commented that for transportation, it did not matter how many students there were, they still had to run the buses. Mr. Reed noted that the formula did not consider that transportation.

Mr. Reed asked what the Schools had requested funds. Ms. McGarry reported that $1,786,209 was the shortfall. She indicated that the total request for FY25 from the Schools was $20,330,981. Mr. Rutherford estimated that the $1.7 million equated to over $150 million in debt service over time. Ms. McGarry indicated that the request was $7,712,785 more than what the state said the County's local share was.

Mr. Reed asked if there was anything else to discuss regarding the numbers or anything else before the evening session with the School Board. He asked if there were any specific questions that could be provided to the School Board ahead of the meeting to give them time to get the information.

Dr. Ligon asked if the Moseley facility study had been sent by the Schools. Ms. McGarry noted that it had not been provided but she was going to follow up.

Mr. Rutherford noted that the declining pupil issue in Nelson was not a unique one. He commented that it was happening across the state, noting that Southside and southwest Virginia, as well as other areas, were seeing the same problem. He indicated that he was curious to know whether the schools met regionally, similarly to the TJPDC, and whether they discussed enrollment issues. Ms. McGarry noted that Dr. Hester attended regional meetings. He noted that the TJPDC discussed economic stuff, Internet, and the VATI grant, and he asked if the School Board had a similar level of discussion regionally. Mr. Reed noted that they had the Virginia School Board Association where Ms. Janet Turner-Giles was the Chair for the last few years. He commented that he assumed that was one subject that they discussed.

Mr. Rutherford noted that they would likely run into the interaction of what the Board was going to do to increase the school populations. He commented that the conversation usually went that direction every time. Ms. McGarry noted that with the LCI, until the funding formula is fixed, more kids would cost the County more because the County paid a higher proportion per student than the state. Mr. Rutherford commented that the economies of scale should already exist. He noted that the state was always committed to funding their determined share every year. He commented that if funding need increased, the County did not necessarily need to bridge the gap, because they were already meeting the threshold for the required minimum local share. Ms. McGarry noted that was correct, as the County was paying over what was required. Mr. Rutherford commented that he did not understand how more kids would cost the County more. He provided an example of a kindergarten class with 10 students and one teacher, noting that if five (5) more students were added to the class, then the state amount would contribute whatever its portion was, but we had already bridged that gap. Mr. Reed noted that they may not have to increase their expenses as incrementally, but there were two sides to the balance sheet. Mr. Rutherford noted in seven (7) years, they had lost more than 200 kids. Ms. McGarry commented that it was more than that. Mr. Rutherford noted that was a lot of kids and some serious conversations needed to be had. He noted that his questions were not necessarily something that could be pulled out of the School Board office that fast. He indicated that he was interested to hear about the conversations that took place regionally and on what level.

Dr. Ligon noted that she had spoken with Dr. Hester because she felt that Dr. Hester should engage the homeschool groups to ask why they were not sending their kids to school. She commented that Dr. Hester complained that there was no parent engagement in the schools, and there were not enough bus drivers. Dr. Ligon noted that the parents who had time to help at the schools were the ones homeschooling their kids. She commented that if they were to get a homeschooling family back, they would have more community involvement. Dr. Ligon noted Dr. Hester was not willing to reach out to the homeschooling groups and she was negative about it. Mr. Rutherford noted that was a shame because there were specific resources that certain homeschool families could likely only utilize through the public education system. Dr. Ligon noted that what she understood was that if a homeschooled child wanted to participate in band or FFA, the schools are supposed to allow them, and they are then a part-time student and the school would receive funds from the state for the part-time student. She commented that they had to engage the homeschooling crowd, but Dr. Hester was unwilling to do so. Mr. Reed noted when he was running his school in Charlottesville, they had that exact discussion. He noted that the resources open to them because while they were a private school, they were unaccredited so it was more like homeschooling, was PVCC. He explained that his students could attend PVCC and take advantage of all of the amenities there as long as they showed proficiency in being able to do it. He noted during that time, Charlottesville High School decided to make an exception to allow some classes to be made available. Mr. Reed stated that he thought it was not the public schools' responsibility to reach out to those who are not using their services, he noted that he thought it was up to the homeschooling community to reach out to the schools to see about creating something that they could do together and create another source of revenue. He commented that it was really hard for a public school to do that because they were a public school.

Mr. Rutherford noted that he was homeschooled. He commented that his oldest brother was essentially a nuclear engineer, who attended PVCC at 15 years old because public school in Nelson could not help him to escalate to the level he needed. He noted that particular niche would be really hard to satisfy for people who would be willing to compromise lifestyles, time and energy, to see that their children were able to go that far. Mr. Rutherford noted that when he was between the ages of 11 and 15, he was playing soccer and travel soccer. He indicated that he had reached out to David Parr to see if homeschool kids could participate, and there was a litmus test of reasons why they would not let homeschool kids participate. He noted that then he reached out to Connie Brennan, and then some of the mothers reached out as well because some of the kids wanted to be a part of Drama, or take an advanced math class. Mr. Rutherford noted that model was not unique in America. He indicated that many schools across the country allowed homeschoolers to participate. He explained that in Virginia, homeschoolers were allowed to participate at the local board's discretion. He noted that they could work to allow homeschoolers to participate, but maybe with a minimum amount of two (2) classes and then they would meet the ADM requirement and have 50 more kids.

Dr. Ligon reported that she had attended the mental health program at the school. She noted that there were a lot of complaints from parents about not having baseball and other programs. She suggested that if they were engaging homeschoolers that would love baseball, they would have a team. Mr. Rutherford commented that he wished he could have played soccer. Dr. Ligon commented that she had been on a farm call and there were some homeschool kids who were a part of drama, and they had learned that was an option through 4-H program, rather than the County. Mr. Reed noted that understanding the structure, he would say that was not a question for Dr. Hester, rather it was for the School Board because the School Board hired Dr. Hester and he School Board set the policies. Ms. McGarry suggested that may be a good question for the joint meeting that evening.

Dr. Ligon commented that every child on her road went to Charlottesville or Lynchburg for school. Ms. McGarry asked if she knew why. Dr. Ligon noted that two (2) of the children fell behind and it was not recognized by the teachers, and it was not told to the parents. She indicated that another child was due to a bullying situation that the family felt was not handled well. She commented that the other situation, the child wanted to go to private school but there was not transportation initially, but now they can carpool with the others. Dr. Ligon noted that her brother's children go elsewhere due to the poor literacy rate in Nelson. She commented that a School Board member had indicated that if they did not get the money needed, they would not be as successful educating the kids. Dr. Ligon noted a 30 percent literacy rate in 6th grade and commented that it did not seem successful. She asked what they were paying for. Mr. Reed noted they did not buy their demographics, they had the demographics they had, and they had to serve the people they had. Dr. Ligon commented that the Schools' thoughts of success and hers may be a little different.

Ms. McGarry asked Mr. Harvey what kind of questions he might have for the evening. He noted he was there to observe.

C. Additional Budget Work Session Dates

The Board discussed future work dates. Ms. McGarry indicated that Mr. Parr had wanted to keep the work session on April 22nd at 2 p.m. scheduled. Ms. McGarry noted that the state budget would not be done until mid-May. She suggested that if they could work through the last few pieces, they would have a budget ready to go to public hearing, and they could make changes after they knew the particulars. She noted that if they needed more work sessions after April 22nd, they could consider them at that time. She asked the Board if they thought they could be at a point to make decisions on Monday, April 22nd. Mr. Reed and Mr. Rutherford commented that they should be ready. Dr. Ligon asked if that also included making a decision on how much funding to give the Schools. Ms. Staton indicated that it did. She explained that they would need to know that so they would have a budget to advertise. Ms. McGarry indicated that they could make changes after the public hearing took place before the budget was adopted. She explained that the major decisions left were the Debt Service and what level of transfer they were going to do, and the School funding.

Mr. Rutherford also noted the Social Services increase for their position. Dr. Ligon asked about the position. Ms. Staton noted that it was not really a new position. Ms. McGarry noted that it was characterized as a new position in the budget submission. She explained that it was a position that Social Services had for years, but they were not at their base staffing, so they never filled it. She commented that someone was actually already in that position. Mr. Rutherford asked why they were even funding it then, noting he did not understand. Ms. McGarry commented that she did not know they had hired someone until recently. She noted that the way it had been explained to her in a side conversation was, that they were rarely fully staffed, so throughout the year they could tap into vacancy savings to cover that position if they do not get the funding requested. Dr. Ligon suggested that they do that just as a reprimand. Mr. Rutherford noted that he was a little confused as he had thought it was a whole new position. He commented that Social Services could have brought the person in the position to the meeting for the discussion. He suggested that they discuss the Social Services funding more on Monday at the next work session. Dr. Ligon asked if she could have the minutes regarding the Social Services position discussion from earlier in the meeting to review before Monday's meeting. Ms. Spivey noted they could provide those. Ms. McGarry indicated that Mr. Burdette had explained that Social Services used their main budget line item to pay for positions, and then once that funding is gone, they move to a second line that was more of a pass through funding situation. She noted that the second line was funded at a different ratio, local to state, so it was at a higher local rate of 76 percent, which equated to the $60,000. She explained that Social Services had put the position funding in the request because they did not want to come back later and ask for more money during the year if they stayed fully staffed and went through all of their regular personnel funding budget line. Mr. Reed commented that it was budget season, and he thought they just wanted to make sure they got everything in that they needed to get.

Dr. Ligon commented that she had met with Curtis Sheets, and it sounded like on the things that Susan Rorrer had asked for was not likely going to happen. She noted it was in regards to moving something from Wintergreen. Ms. McGarry indicated that she would check with Ms. Rorrer on that. Dr. Ligon noted it had to do with moving a console from Wintergreen and putting a new console at Wintergreen. She reported that Chief Sheets told her that a meeting had taken place the previous week and they were not sure it would happen. Ms. McGarry noted that she would check in with Ms. Rorrer on that. Ms. Spivey commented that Ms. Rorrer had been dealing with radios. Ms. McGarry noted that Ms. Rorrer had been distributing new radios. Dr. Ligon commented that it sounded like Dispatch moving to cell phones was going okay.

III. ADJOURN AND CONTINUE – EVENING SESSION AT 6PM FOR A JOINT MEETING WITH THE NELSON COUNTY SCHOOL BOARD.

Mr. Rutherford made a motion to adjourn and reconvene at 6:00 p.m. and Dr. Ligon seconded the motion. There being no further discussion, Supervisors approved the motion unanimously (4-0) by roll call vote and the meeting adjourned.

Virginia:

AT A CONTINUED MEETING of the Nelson County Board of Supervisors at 6:00 p.m. in the Former Board of Supervisors Room located on the fourth floor of the Nelson County Courthouse in Lovingston, Virginia.

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

School Board
George Cheape, East District – Chair
Margaret Clair, Central District – Vice Chair
Shannon Powell, West District Trustee
Dr. Amanda Hester, Superintendent of Nelson County Public Schools
Shannon Irvin, Assistant Superintendent for Administration
Tammy Ponton, Administrative Assistant to Superintendent

Absent:
J. David Parr, West District Supervisor–Chair
Thomas D. Harvey, North District Supervisor
Ceaser Perkins, South District Trustee
Janet Turner-Giles, North District Trustee

I. CALL TO ORDER

Mr. Reed called the meeting to order at 6:05 p.m. with three (3) Supervisors present to establish a quorum, with Mr. Parr and Mr. Harvey absent. Mr. Cheape also called the meeting to order with three (3) Trustees present to establish a quorum, with Mr. Perkins and Ms. Turner-Giles absent.

II. JOINT MEETING BETWEEN BOARD OF SUPERVISORS AND SCHOOL BOARD

The meeting agenda was approved with a consensus from both Boards.

A. FY25 Budget Discussion

Mr. Reed asked if Ms. McGarry would like to start the discussion. Ms. McGarry deferred to Dr. Hester, noting that she had a presentation.

Dr. Hester provided a PowerPoint presentation to both Boards on the FY24-25 Budget.

She noted that the School Division's Focus included the following:

- Safety and maintaining an environment conducive to learning
- K-12 Literacy and addressing learning loss
- Innovation
- Best practices for excellence in teaching and learning
- Social and emotional learning support
- Career Exploration & Readiness

She then reviewed the goals of the School Board which included:

- Student Success
  - Individualized instruction
  - Diversified courses
  - Career Readiness

- Orderly, Safe, Healthy Environment
  - Utilizing appropriate mitigation strategies and safety procedures
  - Attending to the physical and emotional wellbeing of all in the school community

- Operational Excellence
  - Solid budget of need

  - Efficient Use of Resources
  - Accomplishing Goals of the School Board

- Highly Qualified Workforce
  - Competitive compensation
  - Attract and retain qualified and well educated staff

- Community Engagement
  - Technology innovations
  - Inform and update through variety of mediums

Dr. Hester discussed the proposed budget, noting that it was a part of the budget packet that was submitted, she noted that it was also on the School's website under the Finance Department. She explained the major differences between FY24 and FY25 impacting the budget. She indicated that salary was a significant portion. She indicated that a three (3) percent raise for all employees, not just SOQ positions, was in the budget. She reported that the LCI was the biggest impact, with $1.1 million less in revenue from the State. She noted that Health insurance had zero increase for FY25. She also reported increased costs in electricity and propane. She indicated that due to the increases in Kindergarten registration, the School Division was looking to add an elementary school teacher. Dr. Hester reported that they were seeing increases in the frequency and severity of behaviors, particularly in younger students and were looking to add a behavior specialist. She noted that they had two (2) behavioral specialists, one (1) being paid with ESSER funds, which would be exhausted this year. She then reported that their English Language Learner (ELL) numbers were increasing and they would need an additional ELL teacher to maintain ratios. She noted the ELL teacher position was being offset by the Foreign language teacher position. She then noted that the budget included an Ag teacher, which was being offset by a part-time CTE welding teacher. She indicated that they had an increase in needs, as well as interest in supporting workforce readiness and preparation for different industries.

Dr. Hester reported that the biggest impact to their budget was the Local Composite Index increase from .5888 to .6645, resulting in a difference of $1.1 million in incoming revenue from the state.

Dr. Hester indicated that one of the questions they got frequently was regarding per pupil expenditures. She noted that the per pupil expenditures were available on the VDOE (Virginia Department of Education) website, however the website was not reporting and including certain expenses such as: non-regular day school programs, non-LEA programs, Debt Service, or Capital Outlay Additions). She reported that the blended, raw data for all students came to a cost of $22,352.26 per student. She noted that the regular education students only came to a per pupil cost of $19,532.51, while the Special Needs Students only came to a cost of $34,105.03 per pupil. She indicated that the JLARC study alerted to the fact that for special needs students it required more resources at higher costs to be able to educated students, due to their specific needs that were important to fulfill for the success of the students, but also mandated through policies and codes. She noted that there was a varied difference between the cost of SPED (Special Education) versus General Education students.

Dr. Hester reviewed the factors that increased up per pupil costs:

- Smaller class sizes
- Competitive salaries
- Geography and Topography of locale
- At Risk student populations
- number of Special Education students
- School Improvement and Facility Enhancements
- Energy costs
- Size and age of schools in the Division
- Size and age of Transportation Fleet
- Extracurricular offerings
- Number of Academic Pathways & Course offerings
- Add on Costs for Grant Purchases
- Collaborative efforts with County agencies such as facility/field use, vehicle maintenance, shared transportation

Dr. Hester then reviewed the Fall versus Spring enrollment numbers. She noted that for FY2024 their number as of March 31st was 1,421.25 where in FY2023 they had 1,415.57. She indicated that was a variance of 5.69. She noted that they did have a drop from Fall, which had 1,427 students. She explained that there was a decrease from the Fall, but that was pretty consistent from year to year. She reported that they had more enrollments coming in over the last two (2) weeks, some special needs students and others moving into the School Division. Dr. Hester indicated that a change in one (1) student would equate to $5,135 in state revenue and a $10,174 change in the local match.

Dr. Hester reviewed the enrollments by School. She noted that they had seen a drop in enrollments over time. She indicated that they had seen some upticks in enrollment at Rockfish over the last two (2) years. She noted that they also had some increase at Tye River. She reported that they had a projected drop in enrollment at the Middle School due to a smaller current Fifth grade class. She noted that they also had some increases at the High School.

Dr. Hester then reviewed the projected funded Pre-K through 12th grade enrollment for FY24-25. She noted that they were projecting to have 113 Kindergarteners. She indicated that they were still in the process of Pre-K registrations.

GRADE	23/24 actual	24/25 proj.
Pre-K	48	48
K	113	113
1	111	113
2	93	111
3	97	93
4	99	97
5	90	99
6	124	90
7	113	124
8	122	113
9	131	122
10	134	131
11	111	134
12	109	111
Total PK-12	1,495	1,499
PreK (K-12 only)	PreK (48) CSA (14) PREP (6)	PreK (48) CSA (14) PREP (7)
Funded K-12	*1,427*	1,430

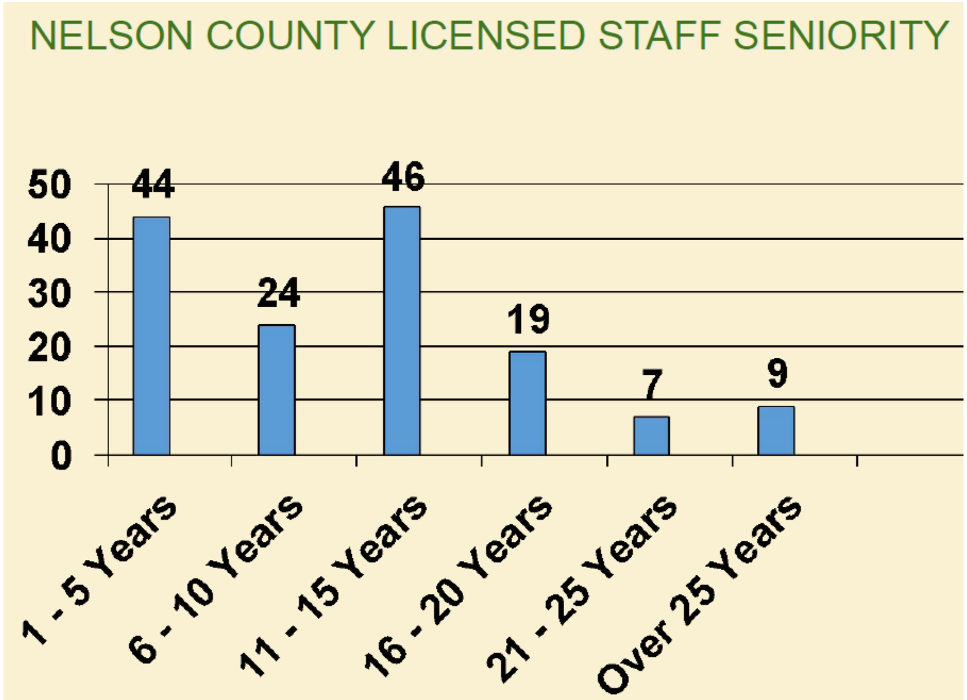
She noted that they had had some challenges with their Head Start program and the managing agency, MACAA, transitioning out of that responsibility and bringing in a new organization to work through that.

Dr. Hester reported that they were starting to see an increase in ages 0 to 4 in the increasing SPED (Special Education) populations that they would see. She indicated that would have an impact on classes like Early Childhood Education (ECSE) because it would affect the class sizes which had different ratios. She noted that would increase costs related to transportation and staffing.

Dr. Hester reported that they did have additional funding structures through Section 611 and 619. She noted that the School Division utilized all of the different available funding structures that they could, particularly for their special education students.

Dr. Hester indicated that they were seeing an increase in English Language Learner (ELL) students. She noted that while there was a decline in enrollment, they were seeing an increase in the ELL student population which made up a bigger percentage of their population. She reported that they were starting to see a need for an additional ESOL teacher. Dr. Hester then indicated that they had seen a 31.91 percent increase in ELL enrollment between FY23 and FY24. Ms. Irvin reported that the ration for SOQ was 50:1, so at 62 ELL students, they would be out of compliance if they did not hire another teacher. Dr. Hester noted that the ELL populations, SPED population and Disadvantaged population were also considered subgroups, so when they talked about accountability and accreditation for schools, those populations made up their own subgroups that contributed significantly to the components of accreditation. She noted that the number of disadvantaged students had decreased and then, increased again possibly due to the pandemic. She indicated that disadvantaged students typically required a little more funding because they were coming to the School Division with some disadvantages through exposure to learning, lack of it, and many other contributing factors.

Dr. Hester discussed the teacher shortage. She noted that it was not just affecting the School Division locally, it was also a problem statewide and nationally. She commented that there were people, but there were not necessarily qualified, endorsed, licensed and trained teachers. She noted reasons why were due to lower pay and fewer candidates. Dr. Hester showed the chart of Nelson County License Staff Seniority.



She reported that there were 44 staff in the 1-5 years, and 46 staff in the 11-15 years' categories. She noted that there were 68 teachers in the pretty early stages of teaching, and a lot of times, new teachers required more support and training to be able to bring them along to the master teacher level. She commented that in the past, if they could bring a teacher to 5 years, they would keep them. She noted it was getting tougher and tougher to do that, because once they reached that point, their skill level was more competitive. She reported that when they lost staff, they were losing them to institutions of higher education. She noted they had lost four (4) staff to Nelson County, and they were also losing staff to the private sector. She commented that those going to the private sector had found that they could make a lot more money, with less responsibilities and less stress. Dr. Ligon asked at what year teachers were fully vested. Ms. Irvin reported that teachers got tenure after three (3) years, but vesting was with retirement. Dr. Hester noted if teachers went to UVA or JMU, their retirement with VRS carried over.

Dr. Hester showed Nelson County's salary rankings as compared to other divisions across the state. She indicated that the School Board had established a goal to be in the top 25. She noted that in green, it showed where Nelson County had improved in ranking from FY23 to FY24. She reported that last year, they were ranked fourth for beginning teachers, and this year they were ranked #3 for 2024. She explained that when they got to year 5, they saw that the more experienced the teachers were, the more competitive the School Division needed to be with their pay.

Nelson County Salary Rankings as Compared to Other Divisions

(FY 24 Salaries are based upon salaries as of 7/01/23 which does not include any midyear salary adjustments)

NELSON COUNTY	NCPS Salary Fy 24	NCPS FY 2023 Rank	NCPS FY 2024 Rank	Fy 24 Salary Level at 25th in State	Proposed Salary FY25 with 0% COLA
Beginning Teacher	56,042	4	3	52,421	$57,163
5 Years	57,457	14	12	55,216	$58,606
10 Years	58,908	20	21	58,439	$60,086
15 Years	60,395	40	39	62,075	$61,603
20 Years	62,914	50	47	66,900	$64,172
25 Years	67,704	55	48	72,048	$69,058
30 Years	73,582	44	39	77,550	$75,054

Source: VEA SALARY STUDY January, 2024(may be subject to revision by VEA)

***Green in the table above in the Proposed Salary Column indicates NCPS is exceeding its goal of 25th in state; Red indicates that NCPS is not reaching its goal of 25th in the state**

Dr. Hester indicated that their biggest competition when recruiting was against Charlottesville and Albemarle. She noted that they had a significant number of certified teachers living in the Amherst, Albemarle, Augusta, and Charlottesville areas. She indicated that they were able to pull some of their classified and other certified staff from Nelson. She then showed the teacher salaries among divisions within their target group. Mr. Rutherford noted that they were out-competing Buckingham, Amherst, Waynesboro and Augusta. He commented that Charlottesville and Albemarle were out-competing them in salaries as usual.

	CHARLOTTESVILLE		ALBEMARLE		GREENE		BUCKINGHAM		AMHERST		WAYNESBORO		AUGUSTA	
0 YEARS	53,950	13	54,491	9	52,335	28	51,055	38	47,750	75	48,730	64	47,864	73
5 YEARS	56,984	13	58,116	8	55,004	30	51,055	63	49,113	86	50,555	67	50,306	71
10 YEARS	61,369	12	62,002	10	57,811	30	51,309	89	50,513	99	52,383	79	52,872	74
15 YEARS	66,502	11	66,135	12	60,759	36	52,387	106	51,821	110	55,428	76	55,569	75
20 YEARS	71,636	11	70,543	14	63,858	42	54,606	115	55,009	113	58,474	78	58,403	81
25 YEARS	76,225	12	75,255	16	67,115	55	57,270	117	59,309	111	61,520	90	61,382	92
30 YEARS	82,389	14	80,272	19	70,539	59	70,673	56	63,605	113	64,565	105	64,516	108

*Green indicates the division is exceeding the level of pay that NCHS pays its teachers at that level of seniority. Red indicates that NCHS is paying its teachers at a higher level of pay than the comparison division at that level of service

Dr. Hester showed the number of FTE (full-time employee) Nelson County Public Schools teaching positions and FY24 had 143.96 FTE teaching positions. She noted that over the years, the total FTE had dropped. She reported that last year, they had added back the Assistant Principal position at the Elementary Schools. She noted that they did see an increase, and that was primarily due to the pandemic and having additional staff on hand to deal with virtual learning and transitioning back to in person learning. She noted that there was a significant drop in FTE from FY22 (154.47 FTE) to FY23 (142.96 FTE).

Dr. Hester discussed student transportation needs. She noted that some of the components were the topography and geography of the County, along with the aging fleet and the need for more vehicles (buses or vans or other vehicles). She stated that the drivers were the people who got the students to and from school safely and noted that it was a tough job. She noted that staff recruitment and retention continued to be a priority. Dr. Hester reported that the combined evening routes at Tye River had been working well and had allowed for more instructional time in the elementary schools.

Dr. Hester noted that they continued to maintain the DOE recommended 15-year cycle for vehicles. She indicated that they had an aging fleet which would require replacing buses at higher numbers in the future, costing more money. She estimated that a typical bus with air conditioning cost about $135,000. She reported that 11 daily route buses and three (3) daily route cars were over 15 years old. She indicated that they had 35 daily vehicles (cars, vans, buses) that were a 2009 model or older. She commented that three (3) daily use vehicles had over 200,000 miles. She reported that they were able to purchase two (2) electric buses through a grant. She noted that the buses had arrived and were in use. She noted that they did see some positive data coming from that, but it would be important to spend the next year collecting data to determine whether it would be advantageous to use those buses on certain routes. She reported that those were the only new buses that had been purchased in quite a while. Dr. Hester noted that they had an increasing student population requiring special transportation. She indicated that they were running low on vehicles and if one were to break down, they would have to figure out a different way around it. She noted that price of diesel in January was about $2.64 per gallon.

Dr. Hester reported on the Maintenance and Operations Needs. She noted that the buildings were aging. She reported that the roof project had just been completed. She indicated that they had upcoming projects that needed to take place and they could not just keep kicking the can down the road. She noted that that the Middle School was built in 2003 and portions of the High School were constructed in 1954, 1975, and 2003. She indicated that Rockfish was built in 1999 and an HVAC replacement and controls upgrade were needed. She noted that Tye River was constructed in 1995. She reported that the price of propane continued to increase.

Dr. Hester summarized her presentation, noting that their staff were the critical aspect of what they are needed, in order to serve their students. She stated that the students were the most important thing, and they had to have staff be a high priority, which was why raises were listed first. She commented that a budget was a financial representation of what was valued, and that was a big value for them. She reported that they currently had five (5) teaching positions filled by long term subs and they were trying to find the right candidates for the jobs. She noted that the Great Resignation was very real and it was difficult to find candidates willing to drive the distance, particularly since affordable housing was not available in Nelson. She indicated that it was critical to provide salaries that could offset travel costs and appropriately attract high quality staff to work in NCPS, while also retaining current employees. Dr. Hester noted that they were competing at a higher level with the private sector, other public agencies, and Institutions of Higher Education to retain staff.

Dr. Hester reported that NCPS Schools and staff were experiencing the increase of behavioral and mental health needs. She noted that it was not just a Nelson County issue, it was experienced by schools and staff across the Commonwealth and the nation. She commented that everyone had problems, but NCPS's problems were more important, because they were their problems and their students. She stressed the importance of being able to provide the supports for their students, as well as the staff and families. She noted that without additional services and staff to support the needs, their students would continue to struggle socially, emotionally, mentally, and academically. She noted that staff were experiencing secondary trauma when they were witnessed their students suffering from major mental meltdowns. She commented that they needed to work together to find ways to support the needs, not just for academic performance, but for the overall needs of their students, families and community.

Dr. Hester noted that the School Division was a service industry and 80 of their budget was tied to personnel costs. She explained that this included the funding to cover the full year costs of a two (2) percent raise given January 1, 2024; a three (3) percent salary raise for all staff, not just SOQ positions, which was proposed by the General Assembly and agreed to by the Governor; and due to inflationary factors, the budget was adjusted to include some anticipated cost increases.

Dr. Ligon asked what percentage of students were disadvantaged students. Dr. Hester noted that they had 15.2% SPED students. She reported that they had around 58% at-risk/disadvantaged students. Dr. Ligon asked if there was a definition for disadvantaged students. Dr. Hester noted she could not quote the definition from DOE at the moment. She explained that for many years, the free and reduced meal applications helped drive the definitions of disadvantaged. She noted that the Schools were in a community eligibility program (CEP), so all students received free breakfast and lunch. She commented that they no longer collected applications for the program because it was automatic. She noted that did make it a little more difficult to capture that picture. She noted that in order for the Schools to participate in CEP, they had to have at least 50 percent of the students to be in the disadvantaged category. Dr. Ligon asked if this meant financially disadvantaged. Dr. Hester confirmed that it was economically disadvantaged. She noted that they could find the DOE definition of disadvantaged. Mr. Cheape commented that they typically were above the state average for SPED. Dr. Hester confirmed that they were above the state average for SPED, which was around 13 to 14 percent. She reiterated that Nelson was just over 15 percent SPED.

Mr. Cheape noted the cost per pupil for SPED students was much higher for Nelson than other jurisdictions because they had to transport some SPED students to another school, and then pay a per student fee for services at those schools. Dr. Hester noted that most of their SPED students were educated within the Nelson Schools. She indicated that there were some students who were participating in private day schools or Ivy Creek. She noted that they County paid for the slots for students. Ms. Clair commented that the County paid for the slots in a regional program that supports Special Education. Dr. Hester noted that it was called the Piedmont Regional Education Program (PREP) and they provided various services related to Occupational Therapy, Autism, alternative education, Ivy Creek. Dr. Hester explained that what impacted them was that they paid for the slots. She noted that at the end of next year, Ivy Creek would be moving from its Albemarle location and the costs may go up depending on the new location. She commented that they had a responsibility to provide services to the students that they needed and were required, by law. Ms. Clair noted that it was a lot cheaper to participate in the regional program than it would be to have to provide those services by hiring people. Dr. Hester noted that those people would have to be specifically skilled and endorsed individuals working with those student populations. Ms. McGarry asked if some of the costs for services for those particular students were covered through the Children's Services Act (CSA). Ms. Irvin noted that those particular services were not. Ms. Powell noted that it was very complex. Dr. Ligon asked about Ivy Creek. Dr. Hester explained that Ivy Creek was supported by the participating Schools in the PREP program. She noted that with more participants, the cost was better because with more slots and participants, it offset the costs. She indicated that if Ivy Creek moved further away from some of the participating School Divisions, then it would not be worth the transportation costs.

Dr. Ligon asked if Ivy Creek was privately owned. Mr. Cheape and Dr. Hester indicated that it was not privately owned, rather it was a public regional program. Ms. Irvin noted that all of the different counties paid for services. Mr. Cheape noted that the services were provided by agreement and the costs were set by the costs incurred by the school. Mr. Cheape noted that if Nelson were to have to hire a specialist for one student, the cost would be extremely high. He explained that the program was a regional cost-sharing measure that the County was able to take advantage of. Ms. Powell noted that the challenge was, if Ivy Creek moved, the County still had those same legal responsibilities to the students, and they would have to find a solution. Mr. Cheape noted if Ivy Creek went away completely, they would still have the same responsibility to educate the children. Ms. Clair noted that the lion share of the services through the PREP program were within their schools. She indicated that they did not have that many kids at the Ivy Creek school. She commented that it was always nice to have a physical place for a kid to go that needed intense support, but the primary benefit was that the County got to have those teachers working with their classroom teachers. She noted that some of the things that the PREP teachers taught the classroom teachers was how to do modifications for students that needed them, and other kids benefitted from those as well. Dr. Hester noted that Ivy Creek was just one part of PREP, she indicated that there were many other resources available in in the program that they could access to help families and parents. Ms. Irvin noted that they also have services for physical therapy, behavioral therapy, occupational therapy, autism, vision and other specialty services that the County did not have the staff for.

Dr. Ligon asked what percentage of teachers were driving from outside of the county. Dr. Hester noted that they had been reviewing that and using Google Earth to plot it out. She indicated that she could get that information and provide it. She reported that they did have Nelson residents as employees in their schools, but not necessarily as teachers. She indicated that they had a lot of teachers coming from Amherst and other areas like Buckingham, Appomattox, Campbell, Staunton, Augusta, Waynesboro, Charlottesville, and Louisa. Mr. Cheape noted that not all, but some of that was driven by the lack of housing in Nelson County.

Dr. Ligon noted the MACAA (Monticello Area Community Action Agency) situation. She said that she felt there were a lot of false promises given by MACAA during their presentation to the Board of Supervisors. She noted it sounded like they are backing out of Headstart for next year. Dr. Hester explained that they transition to an organization called CDI. She noted that CDI was a national organization that took over Headstart programs on an interim basis, and was not designed to be a long term fix. She noted that her understanding was that MACAA did not satisfy the requirements of obtaining the licenses and there were some issues along the way that contributed to that. She explained that the Schools were informed that MACAA would transition those services. She noted that the incoming agency, CDI, pays significantly less. She indicated that CDI was waiting to get their license from the United States Department of Education, and they could not work in schools until licensed, so the Headstart students were not being educated at all. She noted some communication from MACAA seemed to indicate that if the licensing process could be fixed, they may come back. She commented that she was not sure about that. She reported that the School Division also had used MACAA for their afterschool program and MACAA gave four (4) days' notice that they would not be providing services for the Afterschool Program and they were going to try to hire a staff person. She noted that MACAA had been trying to hire a staff person since the end of February. Dr. Hester explained that the School Division had absorbed the afterschool program and they had been using School staff and funds to staff the afterschool program for 3.5 hours each afternoon, Monday through Friday.

Dr. Hester indicated that the issue with MACAA was not just in Nelson, it also affected Louisa, Fluvanna, Charlottesville and Albemarle. She noted that their teachers they had working Headstart had stated that they would stick it out for the rest of the year, because they loved the kids in Nelson. She indicated that she was not sure they would stick around next year if CDI was running it because the pay was so low. Dr. Hester noted that she appreciated CDI coming in and doing the program, it was just their business model. She commented that she did not have the confidence that MACAA would do it. She noted that they would likely need to find a new platform for afterschool care and Headstart, or they may have to determine how to handle those services in house.

Dr. Hester commented that they had a childcare desert in Nelson, noting that they did not have enough childcare or before and afterschool programs. She commented that bringing people into Nelson County was difficult, unless they lived here. Ms. McGarry asked if the VPI could absorb those students. Dr. Hester reported that there was a cap of 20 students in their VPI, and they were already at their cap, so it would require hiring more staff. Ms. Irvin indicated that would require all local funding as they were using all of the slots allowed from the state. Dr. Hester commented that in order to keep the 10:1 ratio, they would have to hire four (4) more people. Ms. Clair asked whether the Headstart students were currently coming into the school currently. Dr. Hester confirmed that they were not coming to school. Dr. Hester noted that MACAA could not get their license and had been gone since March 31st, and since CDI was a national company, they were in the process of getting their license from the state. She reiterated that until CDI was licensed, those Headstart kids were at home. She noted that burden that had been placed on the families and the students were missing out on time in the classroom.

Dr. Ligon commented that she hated that the cap was 20 students. She asked Dr. Hester what she thought the actual need was. Dr. Hester commented that it would be great to support three (3) classes of 15 students with a teacher and an aide. She noted that they were dependent on registration numbers to help anticipate how many students. She reported that they currently had 48 students in Pre-K.

Mr. Rutherford noted that the Board was proud to be able to cover the debt service for the High School, noting that it was probably one of the largest capital improvements the Schools had seen since building the Middle School. He commented that the County had taken on a huge amount of Debt Service for that and they were proud of that and excited about it. He asked where they were in the process for the High School renovation project. Ms. McGarry noted that they were signing Bond Anticipation Note (BAN) the next day and closing sometime before the end of month. She said that they would then be able to proceed with the Architecture and Engineering (A&E) work. Mr. Rutherford commented that hopefully they were not off by 30 percent. Dr. Hester noted that the architects knew they were working with a price tag and they had to determine what they could do within those funds. She commented that the architects worked with Schools and were very cognizant of projecting any increases.

Mr. Cheape expressed the appreciation for the funding from the County, but he noted that it had been 21 years since they had any significant capital expenditure and any building that was owned had to be maintained. He noted that the High School building at its core was 1955 with original floor tiles, subway tiles and lockers. He pointed out that the systems were also outdated and needed upgrades were a part of the project. He also indicated that the elevator was over 40 years old. Mr. Cheape noted that there would be more to come. He stated that the needs would not stop because they spent $20 million on this project. Dr. Hester noted at the end of the project, it was all mechanical and engineering upgrades, so they would not be coming out of the project with a new shiny building that can be seen from the road. She commented that they would be coming out with infrastructure that would take them into the future. Mr. Cheape commented that the average person would not realize the work that had been done. Dr. Hester explained that they would be replacing windows, pipes, and HVAC. Ms. Clair noted that they would be increasing the number of outlets per classroom. Mr. Cheape commented that the CTE wing had electrical that had been sized for 1975. Ms. Powell also expressed her appreciation of the funding from the County. She commented that the challenge the County was going to see moving forward was, as infrastructure is built, there needed to be a plan for maintenance and upkeep so that they did not have to spend millions down the road to just fix the internal workings of the buildings. She noted that the school buildings were not going away, and they would continue to have higher needs for those buildings as they age. She commented that the County would also run into the same issue. Ms. Irvin noted that new buildings had different costs. She commented that with today's HVAC systems, there were control upgrades required and programming, as well as sprinkler maintenance. She noted there were a lot of additional costs now versus years ago.

Mr. Cheape noted the need to take care of things now. He commented that the investment made in 2003 with the new building and addition to the existing building, it indicated that the campus was not going anywhere. He estimated that in order to build a new campus comparable to what they had, it would cost around $150 million or more. Mr. Rutherford noted he was grateful for the buildings the County had, and he agreed that they needed to determine how to forecast maintenance and recurring expenses year over year. Mr. Cheape suggested that they have more joint meetings, not just at budget times. Mr. Rutherford commented that they needed to be having more 1x1, 2x2 and joint meetings. Ms. Powell commented that it was not just about expenses. She stressed the need to discuss how to increase revenue streams as a County, and not just from the residents but much broader than that. She asked how they could come up with the funds to pay for things like infrastructure without relying on the citizens' real estate taxes. Mr. Rutherford noted that all of those factors were economically driven.

Dr. Ligon asked if the building maintenance was left to the Board of Supervisors, and not the School Board. Mr. Cheape noted that was not correct. Ms. Powell noted it depended on whether it standard maintenance like changing light bulbs, it would fall under maintenance, and if it were major improvements, it would fall under Capital Improvements. Mr. Cheape explained that they had an Operations budget and a Capital budget. He noted that the Capital budget was full of things that were immediate need, overdue need, things they would like to do, and things they wish they could do. Ms. Irvin indicated that the Maintenance budget included things like painting, stripping the gym floors, fixing water fountains, and lights.

Mr. Reed asked for copy of Dr. Hester's presentation, noting that it was really clear and succinct. He mentioned the challenges that Schools had discussed. He commented that having finished the Comprehensive Plan, the County had the opportunity to carve a direction to deal with some of the problems they had funding education and building a community. He noted that they had talked about providing housing, and they already had a community. He commented that the Schools did a great job tying events to the community. He stated that he thought there were some elements in the Comprehensive Plan, that if put together, could chart a course where they know they would be dealing with a Composite Index that would look even more dismal in two (2) years. Mr. Reed noted that Nelson County was a beautiful and attractive place for some people, but not a possible location for the people who could build a workforce or staff a school. He stated that the School and the County were the largest economy in the County. Mr. Cheape noted that the Schools were the single largest stakeholder in the County's budget. Mr. Reed indicated that they were also the biggest employer in the County. Mr. Reed said he thought that meant that the Board had to look at priorities differently than they had been looked at in the past, and maybe providing things that normally would not be assumed as things that local governments would be investing in. He commented that it was the only way that they could continue to build the biggest economy, the biggest business and the biggest community. He noted that he thought they had a lot of those things in place. He commented that they were looking at some things that could definitely do better than keep their heads above water in the short term, but they had some ability to invest in some things. He said that he thought there were probably some things they could invest in that could serve the community and the schools in a bigger way, but it was a long term commitment.

Mr. Cheape stated that as a citizen, he thought the previous Comprehensive Plan that had been focused on Agritourism had been a roaring success. He commented that people wanted to come to Nelson County and take advantage of the beauty and hospitality. He noted that he was not sure that they had been able to capitalize on that revenue wise. He stated that the LCI was clearly unfair to rural localities. He noted that the state knew it, the legislature knew it, the County and it representatives knew it, and every other rural area in the state knew too. He commented that the problem was that the formula was applied to everyone the same way. He noted that the State said that the County set the assessment because they hired the Assessor, and the County set the tax rate and then collected the taxes, so they County must have lots of money. He commented that in the past, they had Hold Harmless, which helped rural areas like Nelson. He noted that this year, Hold Harmless had not been passed. Mr. Cheape commented that maybe it would come back around, but they were not hopeful that it would. He noted that was where the disparity came from. He commented that the State says the locality can pay a certain amount. He noted that he understood that the County had other departments in the County to serve, not just the Schools. Mr. Cheape commented that with inflation being five (5) percent to seven (7) percent, the School employees would still be behind with the requested three (3) percent raise. Dr. Hester reminded both Boards that with the State's biennium budget, the Schools needed to provide at least a 1.5 percent raise, or they would have to give the money back. Mr. Rutherford noted that the raises only applied to SOQ positions. He asked how many of the Schools' positions were SOQ positions. Ms. Irvin indicated that between one-third and one-half of their positions were SOQ positions. Dr. Hester commented that the LCI formula would not be changing any time soon and they still had some work to do now, or their employees could decide to work where they could make more money.

Mr. Rutherford commented that he understood the need to remain competitive with salaries. He noted that the County had made efforts to fund the Schools, and had given $2.7 million in new money over the last two (2) years to reduce some of the steps in the pay scale. Ms. Powell noted that the County was seeing some of the challenges with pay as they were wrapping up their own pay study. Mr. Rutherford noted that as a County, they wanted to be as competitive as they could, and he felt they had done a good job in the last few years by providing the Schools with $2.7 million in new money from Recurring Revenue. He commented that a lot of that was Real Estate revenue and that put a lot of burden on the local person. He indicated that he did not want the local person feeling more burdened. Mr. Rutherford pointed out that the utility rates at CVEC and AEP were going up, and he noted that affected the citizens as well as the Schools. He stated that he wanted to have a better year going forward in communicating 1x1 and 2x2. He noted that they were having a joint session when they were two-thirds of the way through with the budget. Ms. Powell noted they had requested a meeting as a group about six (6) months ago, and the idea was to wait until they were closer to the budget. Ms. Clair noted that when they had previously met in the fall, they suggested scheduling four (4) meetings for the year, but no one really wanted to do that. Mr. Rutherford noted that the joint sessions were important, but he stressed the need for talking constantly. Mr. Cheape agreed, but he noted they needed to do both. He they should meet more often so that they can discuss budget needs in advance of the budget work sessions and setting the tax rate. Mr. Rutherford commended the County and School Board staff for meeting regularly.

Mr. Cheape stressed the need for long term planning to establish framework to maintain the County's health and School System's health long after they were all gone. Mr. Rutherford noted that they had discussed that earlier in the day when reviewing the Debt Service and what they thought the future Boards after them would be able to afford. He commented that the Debt Service they took on now, would likely outlive their terms on the Board. Ms. Powell asked how they were going to grow revenue beyond the revenue sources they had now. Mr. Rutherford noted they could not address the workforce itself because it was really hard to attract businesses. He commented that in order to attract a workforce, they had to be able to afford to live here. Mr. Cheape noted that they had to have the education in place for them to do the work they were trying to attract. Mr. Rutherford indicated that a big piece of the Comprehensive Plan was trying to figure out what could bring 250 jobs to Nelson and then bring something else.

Ms. Clair noted that the conversation they were having was really good. She commented that she did not think the situation they were in was due to anything that anyone had done this year. She noted that the School Division's budget was fairly flat. She indicated that the issue they were facing was due to a combination of the LCI and other factors. Mr. Cheape noted that with the exception of the four (4) things they had been highlighting, they had a pretty level budget from last year. He indicated that they had put the one (1) behavior specialist in the budget, which had been previously funded through ESSER funds. Dr. Hester noted that they had one (1) behavior specialist in the Operations budget and the other was through ESSER funds, which brought them to a total of two (2) behavior specialists. Mr. Cheape noted that they needed four (4) behavior specialists. He commented that he could not stress enough that after COVID, there were a large number of students in need of all services like educational services, mental services, and counseling services, which were not provided in the community, that the Schools had to provide. He noted that they were having to provide those services on an emergency basis in schools just for good classroom management. Dr. Ligon asked if Region Ten was able to provide any services. Mr. Cheape noted that Region Ten was stretched thin just like everyone else.

Dr. Hester commented that the number of risk assessments, threat assessments and suicide assessments that keep growing, is very concerning. She said that there was a debate on why schools deal with it. She noted that they had to deal with it because they could not teach when their students were in an elevated state. She indicated that Virginia was behind the national average in salaries and they had to make that up. She noted that highly educated individuals impacted the community in terms of poverty, drug use, mental health, making good choices and economic future. She noted that this was a community concern and a Commonwealth concern. Dr. Hester noted that when she said they needed a behavior specialist in every building, they needed crisis counselors. She indicated that the state was now requiring that teachers be trained on mental health awareness for students. She noted that the teachers would say that the biggest challenge in the classroom in the last year or two was behavior.

Mr. Rutherford noted that the County participated in regional efforts with the TJPDC where they could get a good take on what was happening in the counties around Nelson. He asked if Schools had a regional equivalent that discussed what was happening with the future of pupil populations. He noted that the County's pupil situation was not unique. Dr. Hester noted that she was involved in a lot of different groups like regional superintendents' groups and statewide committees. She noted that it was not just a Nelson problem and the problems were bigger elsewhere. She reiterated that Nelson's problems were big because they were their problems.

The Boards discussed the future student and family population in Nelson. Dr. Hester explained that there was a migration out of Virginia and northern Virginia. She noted that there was an increasing number of younger couples with children with money, who could afford a better quality of life and. She noted that those families were deciding between public school, private school or homeschooling. She asked what Nelson had to offer a family with kids, and not just schools. Mr. Rutherford noted housing issues. Mr. Cheape asked what was in the new Comprehensive Plan to attract families with children and what was being done. Mr. Rutherford indicated that they were getting into work on the Zoning ordinance, and that was where the true meat of the conversation happened. Mr. Cheape asked if that meant work on the Subdivision ordinance. Mr. Rutherford said that would be dependent upon the appetite of the Board and how they saw the future of subdivision rights. Ms. Powell asked if part of the plan was to grow young families. Mr. Rutherford noted that he could say for himself, yes, but how they did that was complicated. He said that Nelson was a very attractive place with some of the best parks and river access areas and three (3) metropolis areas to work in. Ms. Powell asked if the plan would include building infrastructure for Parks and Recreation to attract families here. Mr. Rutherford noted that he did not think they would have a problem attracting people to Nelson, he commented that the problem was them being able to afford to get here. Ms. Powell asked if they would plan to bring jobs in that were comparable with the housing prices. Mr. Rutherford asked how they would do that. The Boards discussed housing prices in the surrounding counties. Ms. Clair commented that part of the housing issue had to do with supply. She noted that in her reading of the Comprehensive Plan, the goal was to create a variety of housing and other things to attract a variety of people, as well as for the people who already live in Nelson. She noted that they were not going to do just one thing to solve it all.

Dr. Hester announced that she had just received a message that Headstart would start on Monday with CDI.

Dr. Ligon asked what was needed, besides the money, from the Board. Ms. Powell stated that they needed a partnership with the Board that did not have everything fall back to the Schools. She explained that when they talked about the afterschool program, they needed a partnership that looks at early intervention, whether with families or kids, so that they stop the cyclical, multi-generational socioeconomically driven or drug related issues. She indicated that they needed a partnership much broader than just the Schools trying to carry that conversation. She said that they needed the Board's ear, an open mind, and maybe someone else to take leadership and responsibility in some things. Mr. Cheape explained that there were communities in Virginia where the governing Board says that the School System has a need, so they determine that they need to raise revenues to make that happen. He noted that was a partnership. He commented that in a small community like Nelson, the School System is the community. He noted that currently they were Parks and Rec, because the County did not own any fields. He agreed with Ms. Powell's comments. Mr. Cheape indicated that he wanted the 1x1 and 2x2 meetings, but he also wanted the joint meetings and long term planning.

Mr. Cheape commented that there were no frills in their budget. He explained that the guidance from the State said bus replacement at 15 years/300,000 miles. He noted that with a fleet of their size, they should be buying four (4) buses per year. He indicated that some time ago, the buses were moved into Capital. He noted that in the six (6) years that he had been on the School Board, they had purchased four (4) buses. He reported that two (2) buses were from ESSER funds, and the other two (2) buses came from a federal grant for electric school buses. He noted that they had not bought any buses on schedule, and that was because they had been shifted to Capital. He asked the Board to move four (4) buses per year into the Schools' Operational budget, at least for the next few years as a standalone, whatever the cost may be. Mr. Rutherford asked what a bus currently cost. Mr. Cheape indicated that a bus cost about $135,000. He noted that they were also behind on replacing cars. He pointed out that there were people in the School System who drove cars, and gave up their cars so they could be used to transport children.

Dr. Ligon noted that she had been mulling over consolidation of schools and she asked if a study had been conducted. Dr. Hester reported that Moseley had conducted a study and they were waiting for the final report, which was very through and about 101 pages. She noted that due to populations, they could not take one (1) school and put it into another because they did not have the capacity to be able to do that without significant investment and renovations. Dr. Hester indicated that the original capacity for Tye River was 600 students, and they currently had 486 to 496 students. Mr. Cheape noted that today's education standards were different than what they were when the elementary schools were built, so they could not fit as many kids in on today's standards as they could when the schools were originally built.

Dr. Ligon commented that the County's standards for SOL's kept dropping. Mr. Cheape and Dr. Hester reported that they were actually increasing. Mr. Cheape noted that they were happy to have the conversation about school consolidation, but it would be a really big conversation because it would probably lead to other things. He commented that the County had offered at the time to fund $50,000. Ms. McGarry noted that it had been in the budget for a few years, and then the study was not done, so it was removed from the budget.

Dr. Ligon noted that there were some school systems that helped generate their own funds. She asked if there had been ideas on renting space or other ways to make money. Dr. Hester noted that there had been considerations, but some of the possible solutions were not ideal or not well received in the community or by staff. She explained that renting out empty space within their school buildings was difficult, because they had to remember that they worked with children. She also indicated that they had to be careful of any changes that would need to be made to the structure, along with costs. Dr. Ligon asked if there were things that School Board did to generate money that did not come from the Board of Supervisors. Ms. Powell noted that School Boards could find sponsorships for things. She also noted that Ms. Irvin was always looking for grants. She explained that sponsorships aligned more with athletic programs and extracurricular programs. Dr. Hester noted that they also had consider resources in Nelson, other than money, that could help offset costs somewhere. She reported that their clubs and activities were fundraising all the time. She noted that private schools have galas to help raise funds for their schools. She commented that one of the regional committees had just discussed fundraising and the question was how could they bring in funds on a much larger scale than the typical candy bar sales. Mr. Cheape indicated that he had many discussions regarding corporate sponsorships for CTE programs to help purchase tools and equipment. He noted that those opportunities were not what they used to be, because profit margins have gotten tight and it was not as advantageous put their placard on equipment. Ms. Powell noted that some of the students had done some solicitations for donations. She explained that they struggle when they go outside of Nelson to seek donations from business because those businesses want to support their local schools. She noted that they had a small group of corporate sponsorships they could pull from that were in the County. She commented that some people had issues with sponsorships coming from the local wineries and breweries. Ms. Clair noted that some of the donors shared their pockets with other causes so the donors could sometimes be overwhelmed. Mr. Cheape referred to it as donor fatigue. Dr. Hester noted that there could also be business that want to be involved, but had not been asked, so they really needed evaluate that also. Ms. Powell noted that the Schools had a generous educational donor over the years, who at one point had donated many of the Chromebooks and MiFis. She commented that they had been able to find individuals who were very supportive of education in Nelson County and the Schools had received some generous donations to utilize toward equipment.

Mr. Cheape asked whether they should discuss budget numbers at all during the meeting, or would they be keeping the conversation to ideas and needs. Mr. Reed commented that they should numbers, noting that they had to come up with a budget. He noted that the Board could benefit from the School Board's input on what the Board should do and what priorities they should try to balance in order to try and meet the Schools' needs. Mr. Cheape indicated that the School Board recognized that money was a finite resource. He noted that they thought the Board recognized that the Schools had needs, it was just a matter of which needs the Board could fill at this time, and how they could go forward to try and plan better so that they could get more of those needs filled.

Mr. Reed noted that the School Board did a good job laying out the things they were asking for. He commented that he thought the Board was not good at getting a grip on that before they figured out what their revenues would be. He noted that they had the revenues they had, and the only tool they had was to juggle the County budget to see where there was money to work with. He commented that he did not think they could depend on Richmond in the biennium. He noted that in order for the County to do the things it needed to do, they needed to figure out ways to generate the funds themselves. He commented that it was a question to the Board, as to what they were willing to sacrifice in the long term that they thought they would be projected towards, now that they are looking at trying to do the right thing for the Schools. Ms. McGarry explained that some of those things that they were planning for in long term, if those needed to be scaled back right now, those were things that they had said would benefit the community and be attractive to young families and children that wanted to come to Nelson, and be the infrastructure that would help bring other jobs in. She noted that it was a pretty big balancing act right now, in terms of what Mr. Reed was saying. Mr. Cheape indicated that he understood completely, noting that they did not want to rob from the future to pay for the present.

Mr. Reed stated that the County had some significant assets, aside from their Debt Capacity. He mentioned land banks and land trusts, noting that they could provide opportunities to the County for exploring additional ways to raise capital, and additional ways to invest in the future. He commented that he did not think that anyone would come in and build the housing if the County did not provide a significant incentive to make something like that happen. He noted that they would have to be very clear about what they wanted and they would have to be fully committed to it. Ms. McGarry noted that even pursuing that would not change where they were immediately. Mr. Reed agreed.

Ms. Clair noted that she understood the balancing act but it was difficult because they did not want to lose an opportunity to improve the current situation they were in. Mr. Reed commented that if they all shared the responsibility for it, and had community buy-in for something that they really wanted to do, he did not see why it could not happen.

Mr. Cheape noted that the Board lobbying people from the State would be huge, particularly related to the LCI. He suggested letters and resolutions could possibly help. Ms. McGarry noted that they had been active in that way, particularly this year. Mr. Cheape and Ms. Powell expressed their appreciation to Ms. McGarry. Mr. Rutherford noted that Delegate Amy Laufer had put in an amendment for them.

Mr. Cheape noted that Nelson was ranked 15th in the state for LCI. Ms. Powell indicated that they were ranked with Loudon County as far as the locality's ability to pay. Mr. Reed commented that Amherst's LCI was half of Nelson's LCI. Ms. Powell commented that other localities around Nelson were also about half. Dr. Hester noted she felt that if they did not take care of their students and staff now, they inched closer to where it became a doom situation. She commented that did not mean that they did not recognize the balance that had to take place, she noted that her role was to advocate for the Schools. She noted that the decisions now, impacted both sides later. She commented that they had been put into an unfortunate situation by the state. Mr. Rutherford noted that the people that put them in this situation where they are, had never sat in the same room. Mr. Cheape commented that they had never set foot in a classroom either. Mr. Rutherford commented that it was a state created problem.

Mr. Cheape stated that he was impressed and thankful for the tone that Dr. Hester and Ms. McGarry had set in working together and meeting regularly. He suggested that the two boards needed to follow that lead and capitalize on it with 2x2's, 1x1's and joint meetings throughout the year. He indicated that he was interested in setting a meeting schedule going forward.

Ms. Clair asked for the Board to at least attend the School Board's streaming meetings. She noted that during those meetings they gave out awards, they had presentations from Dr. Yarzebinski and learned about all of the great things going on in the Schools. She explained that Dr. Hester's "Pathways to Success" gave an overview of the work in each department in the School Division. Ms. Powell noted that Dr. Ligon had not seen what would take place with the renovation with the High School. She suggested 1x1 meetings to tour the schools. Mr. Reed asked for electronic copy of the budget dilemma and Dr. Hester's presentation. Ms. McGarry noted that she had forwarded the budget dilemma information to the Board via email.

Dr. Ligon asked if they were serving the homeschooling students and why they were not sending their kids to school. She noted that she was under the impression that if a homeschooled child came to the school to participate in sports or drama, whether they were counted as a part-time student and how that helped with funding. Dr. Hester noted VHSL (Virginia High School League) which was the governing body for High School athletics, drama and debate in Virginia, did not allow homeschool students to participate and compete. She indicated that there were opportunities to participate in part-time classes and the students were counted in a certain way. She noted that she could not answer why homeschool groups did not come to the Schools. She stated that the Schools did offer opportunities for homeschool students to participate in some things, but athletics were not part of that. She commented that certain homeschool programs had debate clubs.

III. OTHER BUSINESS (AS PRESENTED)

The Board had no other business to discuss.

IV. ADJOURNMENT (CONTINUE TO APRIL 22, 2024 AT 2PM FOR A BUDGET WORK SESSION)

At 8:05 p.m., Mr. Rutherford made a motion to adjourn and continue the meeting to April 22, 2024 at 2:00 p.m. for a budget work session. Dr. Ligon seconded the motion. There being no further discussion, Supervisors approved the motion by vote of acclamation and the meeting adjourned. Ms. Powell made a motion to adjourn the School Board meeting and Ms. Clair seconded the motion. There being no further discussion, Trustees approved the motion by vote of acclamation and their meeting also adjourned.