

**BOARD OF SUPERVISORS
ADJOURNED MEETING
AUGUST 23, 2005**

At an adjourned meeting of the Board of Supervisors of Floyd County, Virginia, held on Tuesday, August 23, 2005 at 7:00 p.m. in the Board Room of the County Administration Building, thereof;

PRESENT: David W. Ingram, Chairman; Diane B. Belcher, Jerry W. Boothe, Kerry W. Whitlock, (entered the meeting during closed session), Board Members; George W. Nester, County Administrator; Lydeana Martin, Director of Economic Development; and James E. Cornwell, County Attorney.

ABSENT: J. Fred Gerald, Vice Chairman.

The Chairman called the meeting to order at 7:00 p.m.

Chairman Ingram welcome Mr. Robert Smithwick and Mr. John Brogan of Branwick Associates to the meeting.

On a motion of Supervisor Belcher, seconded by Supervisor Boothe, and carried, it was resolved to go into closed session under Section 2.2-3711, Paragraph A.5, discussion concerning a prospective business or industry or the expansion of an existing business or industry where no previous announcement has been made of the business' or industry's interest in locating or expanding its facilities in the community; Paragraph A.7, consultation with legal counsel regarding specific legal matters requiring the provision of legal advice by such counsel; and Paragraph A.30, discussion of the award of a public contract involving the expenditure of public funds, including interviews of bidders or offerors, and discussion of the terms or scope of such contracts, where discussion would adversely affect the bargaining position or negotiating strategy of the public body.

Supervisor Boothe - aye
Supervisor Belcher - aye
Supervisor Whitlock - absent
Supervisor Gerald - absent
Supervisor Ingram - aye

On a motion of Supervisor Boothe, seconded by Supervisor Whitlock, and carried, it was resolved to come out of closed session.

Supervisor Boothe - aye
Supervisor Belcher - aye

Supervisor Whitlock - abstain - not present for entire closed session
Supervisor Gerald - absent
Supervisor Ingram - aye

On a motion of Supervisor Belcher, seconded by Supervisor Whitlock, and carried, it was resolved to adopt the following certification resolution:

**CERTIFICATION RESOLUTION
CLOSED MEETING**

WHEREAS, this Board convened in a closed meeting on this date pursuant to an affirmative recorded vote on the motion to close the meeting to discuss prospective businesses or industries, legal matters and contractual matters in accordance with Section 2.2-3711, Paragraph A.5, A.7 and A.30 of the Virginia Freedom of Information Act;

WHEREAS, Section 2.2-3712 of the Code of Virginia requires a certification by the Board that such closed meeting was conducted in conformity with Virginia law;

NOW, THEREFORE, BE IT RESOLVED, that the Board hereby certifies that, to the best of each member's knowledge (1) only public business matters lawfully exempted from open meeting requirements under the Virginia Freedom of Information Act were heard, discussed or considered in the closed meeting to which this certification applies; and (2) only such public business matters as were identified in the motion by which the closed meeting was convened were heard, discussed or considered in the meeting to which this certification applies.

Before a vote is taken on this resolution, is there any member who believes that there was a departure from the requirements of number (1) or number (2)? If so, identify yourself and state the substance of the matter and why in your judgement it was a departure.

Hearing no statement, I call the question.

Supervisor Boothe - aye
Supervisor Belcher - aye
Supervisor Whitlock - abstain - not present for entire closed session
Supervisor Gerald - absent
Supervisor Ingram - aye

This Certification Resolution was adopted.

Mr. Nester next gave a report regarding the capital funding of projects involving rolling stock and real estate. He reported that the financing earlier quoted was based on the loans being Bank Qualified. Each unit of local government is allocated \$10 million per year to be designated as Bank Qualified loans. This designation gives the lenders additional tax credits above the tax exempt status. As a result, the interest rates are usually .20 to .40 basis points lower than the current market rates. The Floyd County schools had a bond issue of \$12 million to be financed through the Virginia Public School Authority. As a result, the Bank Qualification of \$10 million would best be used for the sale of the school bonds. The County School financing would have exhausted the County's \$10 million cap for Bank Qualified loan. A new \$10 million cap would

be in place beginning January 1, 2006. Mr. Nester reported that for the rolling stock projects totaling up to \$787,000 quoted by the Bank of Floyd would still be the lower price quote. The written quote from the Bank of Floyd on the rolling stock changing the proposal to Non-Bank Qualified had not yet been received by the time of the meeting. The consensus of the Board was to table the matter until the written quote was received. It was suggested by the County Attorney that a special meeting could be requested to allow for the Board to approve the appropriate loans.

Mr. Nester next reported that the same limit on Bank Qualified loans for the real property including the Library expansion and the Indian Valley fire station expansion applied. A revised rate had been received from SunTrust Bank. Mr. Nester reported that the Rural Development Administration had indicated that a possible grant in some amount and a loan to finance the Library expansion was being drafted by that agency. As a result, it was recommended and the Board agreed, to delay the financing decision on the Library and the Fire Station expansion allowing Rural Development a little more time to complete their financing and grant proposal. The Board's consensus was to grant the additional time.

Mrs. Martin next presented several tourism advertising opportunities with Virginia Travel Guide. Discussion followed on the different advertising options.

On a motion of Supervisor Belcher, seconded by Supervisor Boothe, and carried, it was resolved to authorize the expenditure of \$3028.00 for an advertisement in the Virginia Travel Guide; and if a hot link could be incorporated into the ad an additional \$100 is authorized.

Supervisor Boothe - aye
Supervisor Belcher - aye
Supervisor Whitlock - aye
Supervisor Gerald - absent
Supervisor Ingram - aye

Mr. Nester next presented an advertising opportunity with the Virginia Review magazine. Based on the earlier action, Mr. Nester stated that he felt the Virginia Travel Guide offered the best option at this time. Since funding for advertising is very limited, the Board agreed not to initiate an advertisement in the Virginia Review this year.

On a motion of Supervisor Belcher, seconded by Supervisor Boothe, and carried, it was resolved to adjourn.

Supervisor Boothe - aye
Supervisor Belcher - aye
Supervisor Whitlock - aye
Supervisor Gerald - absent
Supervisor Ingram - aye