

**BOARD OF SUPERVISORS
REGULAR MEETING
JANUARY 11, 2005**

At the regular meeting of the Board of Supervisors of Floyd County, Virginia, held on Tuesday, January 11, 2005 at 8:30 a.m., in the Board Room of the County Administration Building, thereof;

PRESENT: David W. Ingram, Chairman; J. Fred Gerald, Vice Chairman; Diane B. Belcher, Jerry W. Boothe, Kerry W. Whitlock, Board Members; George W. Nester, County Administrator; Terri W. Morris, Assistant County Administrator.

The Chairman called the meeting to order at 8:30 a.m. with the reading of the handicapping statement.

The Opening Prayer was led by Chairman Ingram.

Chairman Ingram led in the Pledge of Allegiance.

Mrs. Deronda Thomas, Treasurer, appeared before the Board. She presented the invested cash report as of January 11, 2005. She also presented a report on 2004 real estate and personal property collections. Real estate collections were at the rate of 96.35% and personal property collections were at 88.6%. Last year's collection rates were 94% on real estate and 88.97% on personal property. Real estate collections at the June 5 deadline were 94.35%. She commented that reminder letters will be sent tomorrow to those taxpayers who missed the December 5 deadline. She commented that with the Board's change in the dog tag rates, that it took her 3-4 days to work those 87 refund checks in the amount of \$554.00. Also request that the Board study the County sticker rates, especially trailers, to see if we could have one fee for each class.

The Board requested that Mrs. Thomas give them a list of the current rates, and her recommendation for changes.

Mrs. Morris presented the revenue/expenditure report for December 2004. Revenue collections, General Fund only, are at 67%, and expenses, General Fund only, at 50% of budgeted amounts. Two departments are over budget to-date, Assessors and Juvenile Detention. Due to some problems in December, a balance sheet is not available at this time.

Mrs. Morris also presented two requests for transfers from Contingency - one for \$ 1333 for the County's share of the new computer system for Social Services; and one for \$7000, for

the County's share of the CSA Coordinator's salary.

On a motion of Supervisor Belcher, seconded by Supervisor Boothe, and unanimously carried, it was resolved to transfer \$1333 from Contingency to 4-110-051030-4100; and \$7000 from Contingency to 4-110-051010-1000.

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

The minutes of December 14, 2004 and January 5, 2005 were presented to the Board for review and consideration.

On a motion of Supervisor Whitlock, seconded by Supervisor Boothe, and unanimously carried, it was resolved to approve the minutes of December 14, 2004 and January 5, 2005 as presented.

Supervisor Gerald commented that on page 10, item 9f, concerning the letter for Junior Goad, it shows that we discussed changing the letter, but did we accept it? Did we vote on it?

After discussion by the Board, it was determined that the vote was noted later in the minutes.

Supervisor Boothe - abstain - not present for entire meeting
Supervisor Belcher - aye
Supervisor Whitlock - aye
Supervisor Gerald - aye
Supervisor Ingram - aye

Sheriff Shannon Zeman and Commonwealth's Attorney Gordon Hannett were scheduled for 8:45 a.m., but did not attend the meeting.

The monthly disbursements were presented to the Board for review and consideration. A list of additional disbursements were also presented for the Board's discussion. Questions and discussion followed.

At 9:00 a.m., the Chairman called for the Public Comment Period.

Mr. David Rundgren, New River Valley Development Corporation - we are really speaking to the funding request that is on the County Administrator's Report, item c. A quick background on the Development Corporation, it was formed in 1983 by the eight localities that then belonged to the Planning Commission, as a non-profit arm of the localities to do economic development activities, small business development kinds of activities. Over the years, we have

worked with the Small Business Administration in developing small businesses in their loan programs, did some of the first regional marketing for the New River Valley back in 1984, those kinds of activities. The Corporation really has about three functions that it carries on today, one is still a small business loan pool, to assist businesses. It is not very well capitalized but we do have some money that assists small businesses. And as a non-profit organization, it has been utilized to provide funds into the region that we can't access either as a Planning District Commission or as localities directly. Most recently has been the funds to put together a regional water supply plan. Initially, we looked at inter-connecting the systems that we already have involved. We looked at little bit at Floyd's system and how it exists at the moment. Inter-connection is a little more difficult. This current year we are looking at how that inter-connection can occur and out of both of those grants, that's about \$140,000 that came into the region under the Development Corporation that we didn't have to find match money or get the localities to put up money for undertaking those water studies. The third item looks like the biggest item and it is the business incubator program, the New River Valley Competitiveness Center and that's what we really wanted to talk to you about, in terms of the funding request today. With that, to back up one step, who is the corporation? This Board appoints the four members to the corporation and one member of each jurisdiction serves on the Board of Directors of the Corporation and currently Leon Moore is your representative on the Board. So you've got four representatives from the County, either actively appointed or slots for them. So its really your organization to do things as a non-profit that we can't do otherwise, and it's a part of the economic development activity within the region. So, at this point, the corporation has existed and done the things that its done without having to request dollars from the localities to support the activities. I would like to introduce Wayne Carpenter who is the Incubator Competitiveness Center Manager, to go through some pieces of information with you relative to the Center.

Mr. Wayne Carpenter - I know that several of you have been to the Competitiveness Center, and hopefully, all of you have been there. As Dave mentioned, the Development Corporation, having been in existence over twenty years, has never been to the localities for funding. However, we have invested in the Competitiveness Center, something over \$6 million. \$4 million of that came from grants from the Economic Development Administration, \$1 million came through a loan from Rural Development, and another \$1 million came through a loan from the National Bank of Blacksburg. I'm going to leave a package with Mr. Nester that has a lot of the details and I'll be glad to give you answers to questions with as much detail as you desire. I would like to start with an overview of how we came to be where we are. If you go through the package, there are a couple of things that I would like to point out. The first one is our assets from the Development Corporation were essentially at zero, or actually \$3000-4000 back before we began building the Competitiveness Center. In 1999, the Competitiveness Center came on line with its first 30,000 square feet which cost approximately \$3 million to build. Within 18 months, that building was full, we had a waiting list with four businesses looking for space, EDA had more money they wanted to give us, so we started Phase II. If you look at the graphs, you can see that in 2002, there was another large increase in assets, which was due to the second phase for an additional \$3 million plus was added. The interesting thing about our financial situation is that from an asset standpoint, practically the entire asset base is

the fixed assets, which is the Competitiveness Center. We've never been well capitalized from a cash standpoint. The problem that we face really, resulted from adding the 23,000 square feet of incubator space, and having that plan based on what success we had in Phase I, and then September of 2001, with 9/11 and the downfall of the economy, we faced a number of challenges in bringing small businesses into the Center. Fortunately, just since November, we've actually had the best success we've had recently and we've actually added four tenants in the last two months. We have another tenant who is planning to come in by the end of February or first of March. We also have some other prospects. If those work as well as they seem to be working right now, hopefully we can come back and say that this money that we needed from you, we don't need quite as much. But, unfortunately, I think there will be some need for at least the next six months. The real need is for support of the operation. We are looking for the funds to be advanced to us on a loan basis, so the idea is that once we reach 85% occupancy, we'll be self-supporting, and once we exceed that, and hopefully at 100% occupancy, we will re-pay the funds to you. So the concept we have is that you are the owners, we asking the owners for a loan to help us through a tight period, and then in about 12-18 months, we hope to be paying you back, and giving the money back to invest in other programs, wherever it is needed.

After no further comments from the audience, the Chairman declared the Public Comment Period closed.

Further discussion and questions followed on the monthly disbursements.

Mr. Carl Ayers, Social Services Director, next appeared before the Board. He reported on two items:

- Program Improvement Plan - the Governor's budget was about a tenth of what was requested. We will probably receive no reimbursement for the County. We will have to do the extra work with no reimbursements. \$27 million was requested, the Governor's budget showed \$2.1 million. Changes will be implemented with no staff changes.
- VIEW Program - used to support work value training. The New River Valley DSS agencies jointly applied for a grant in the amount of \$665,000, which was received. This program is to continue job training. Federal grant funds with no local match.

Further discussion continued on the monthly disbursements.

On a motion of Supervisor Boothe, seconded by Supervisor Belcher, and carried, it was resolved to approve payment of monthly disbursements, and additions, with the exception of vendor 280, invoice #2105634, pay only \$13.99; and invoice #2105642 - do not pay.

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

Agenda Item 8a - Subdivision plats as approved by Agent for December 2004. Mr.

Nester noted that seven new lots were created. Mr. Nester commented that the Planning Commission received two large plats at their recent meeting, with another large division expected at the next meeting. Their meetings have also been changed to the second Wednesday of each month.

Agenda Item 8b - Landfill Monitoring Compliance Report. Draper-Aden has advised that for the past five months, the gas test level has been below guidelines established by DEQ. They have recommended that Floyd County apply to be released from monthly testing.

On a motion of Supervisor Belcher, seconded by Supervisor Whitlock, and unanimously carried, it was resolved to authorize Draper-Aden to apply to DEQ for semi-annual testing of gas at the landfill.

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

Mr. Bob Beasley, Assistant Resident Highway Engineer, next appeared before the Board. He introduced Mr. Larry Chaffin, who will be assuming the position of Superintendent at the Willis VDoT office.

Mr. Beasley reported that a new Resident Engineer should be hired by January 25. He also commented that most issues from last month have been resolved and that he had personally ridden all roads mentioned last month.

Supervisor Boothe - appreciate the work you have been doing. Mr. Nester has some information on one of my roads that he will share later.

Supervisor Belcher - all my dirt roads need some help - machining;
- Route 783 - culvert needs some attention - I have called, and they told me the equipment was broken down;
- Potholes on all roads need attention;
- Brush cutter - is it in Floyd now? Mr. Beasley stated that it was - it works two weeks in each County and then switches.
- Appreciate all the work being done during the good weather.

Supervisor Whitlock - Route 635, County Line Road off of Thompson Road. The branch goes under the road, but water has gone over the road and down the road. Signage was there indicating the water problem, but it is not there any more. Someone may end up in the hole on the side of the road if the snow covers it.

- Route 639 - from intersection of Route 661 to Route 664. Brush is hanging in the road and really narrowing it.
- Appreciate work that you are doing, also appreciate the explanation of delays in the

Fall.

- Route 670, Twin Springs Road, one mile from Route 612 - major stream there, the lower side of pipe has been repaired since the last rain storm, but the outlet end needs attention.

Supervisor Gerald - Route 619, Horse Ridge Road from Maple Lane to Route 787 - potholes still need to be fixed.

- Route 688, Music Road - sharp turn past Coonhunters Club - culverts are washed out on right side, at least 2' of culvert is exposed.

- Appreciate Route 735 work, and all the other work you are doing.

Supervisor Ingram - appreciate work you are doing.

- secondary roads need some attention but I know you are doing as much as you can as time and weather allows.

Mr. Nester presented a request from the Town Attorney for VDoT and County officials to meet with Mr. Gene Adams concerning drainage problems on Needmore Lane.

Mr. Beasley commented that a meeting is set for January 19 at 9:30 a.m. at the site with our hydrological engineer if you are interested in attending.

Dr. Terry Arbogast, School Superintendent, next appeared before the Board. He presented the following:

- School Board meeting highlights of December 20, 2004;
- Child count for special education, down nine students from last year;
- Enrollment figures for last five years;
- December 2004 enrollment - 2074 students;
- Will have SOL scores for you next month;
- Board should receive invitations for the remaining school open houses soon.

The Board recessed for lunch at Floyd Elementary School.

Agenda Item 8c - Funding request from New River Development Corporation. Mr. Nester reported that Pulaski County and Giles County have already approved the request for their share. Montgomery County was to meet last evening but we do not know the outcome. The Corporation is requesting \$3483.51/month from Floyd County for January - June 2005, and \$1672.08/month from Floyd County for July 2005 - June 2006, or indefinitely depending on occupancy rate. At 85% occupancy, they can begin re-paying the loan.

After extensive discussion, staff was instructed to obtain more information on the corporation itself, how it all fits together, what other localities have done, history of financial planning for the project, explanation of the six employees from Floyd County (where they are employed), any assistance that has been provided to Floyd County businesses, relation of employees between PDC and Development Corporation, explanation of \$17,000 operating costs,

results if everyone refuses to contribute, obtain copy of current budget. Item will be discussed again at the February meeting.

Agenda Item 8d - Landfill Inspection Report Summary - Mr. Nester presented a copy of the inspection dated December 17, 2004, report of December 30, 2004. DEQ does an unannounced inspection every sixty days. We do need to update the information for 2005, which is being done now.

Agenda Item 8e - Report - Tobacco Commission Special Projects Review - Ms. Lydeana Martin appeared before the Board and reported that the deadline is April 28, 2005 for public water facilities, such as the Rocky Knob area project. The Special Projects Committee will not be meeting until April 28, 2005, which is later than we had anticipated. The Director of the Tobacco Commission has requested to visit Floyd County to see what is going on. We're not sure of the reason for his visit but we are glad for the visit.

Agenda Item 8f - Report on Virginia Heritage Music Trail. Ms. Martin reported that a wayside spot needs to be identified in each County for a kiosk. We have identified an area around the fountain at the Courthouse for our County. Also, Patrick County has been added to the Crooked Road group. The Crooked Road Trail is now being re-routed out Route 8 to Route 58 to Stuart and Meadows of Dan instead of using Route 221. The General Assembly will have to approve the change. We have also submitted items for the Visitors Guide and should have a proof to review soon.

Agenda Item 8g - Virginia Tourism Commission staff visit to Floyd County - Ms. Martin requested that if the Board had any ideas for the visit, to please let her know.

Agenda Item 8h - Compensation for Board of Equalization members - Mr. Nester reported that Board members were paid \$80/meeting when they served in 2000. They were also paid the current mileage rate. The Department of Taxation has completed their training with the Board of Equalization.

On a motion of Supervisor Whitlock, seconded by Supervisor Boothe, and carried, it was resolved to authorize payment of \$150/meeting and mileage at the current prevailing rate to the Board of Equalization members; transfer amount expended from Contingency to 4-001-012100-1100.

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

After discussion, the Board set the date of February 5, 2005 at 10:00 a.m. at the County Attorney's Office for their planning retreat.

On a motion of Supervisor Whitlock, seconded by Supervisor Boothe, and unanimously carried, it was resolved to adjourn to Saturday, February 5, 2005 at 10:00 a.m. at the office of Sands, Anderson, Marks & Miller in Radford, Virginia.

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

At 3:00 p.m. on January 11, 2005, the Chairman called to order a Special Called Meeting of the Board of Supervisors of Floyd County, Virginia.

All members signed the waiver of notice of the meeting.

Discussion followed on changing of County decal rates as per the request from the Treasurer earlier in the day. Per a telephone call from the County Attorney, a reply was received that the situation could not be easily discussed per telephone or e-mail, and that he would research the matter further and report to the Board at a later date.

On a motion of Supervisor Whitlock, seconded by Supervisor Gerald, and unanimously carried, it was resolved to adjourn to Saturday, February 5, 2005 at 10:00 a.m. at the office of Sands, Anderson, Marks & Miller in Radford, Virginia.

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