

**BOARD OF SUPERVISORS  
ADJOURNED MEETING  
JUNE 25, 2007**

At an adjourned meeting of the Board of Supervisors of Floyd County, Virginia, held on Monday, June 25, 2007 at 7:30 p.m., in the Board Room of the County Administration Building, thereof;

PRESENT: David W. Ingram, Chairman (entered the meeting at 7:50 p.m.); Jerry W. Boothe, Vice Chairman; Diane B. Belcher, J. Fred Gerald, Kerry W. Whitlock, Board Members; Daniel J. Campbell, County Administrator; Terri W. Morris, Assistant County Administrator, Mr. James Cornwell, County Attorney.

The Vice Chairman called the meeting to order at 7:30 p.m.

Agenda Item 2 - FY07 year end disbursements. A list of disbursements was presented for the Board's review. Questions and discussion followed.

On a motion of Supervisor Belcher, seconded by Supervisor Gerald, and carried, it was resolved to approve the FY07 year end disbursements as presented.

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

Agenda Item 3 - FY07 carry-over requests to FY08 budget. A list of carry-over requests was presented to the Board. An additional request received from the Sheriff's Department that day was also added. Questions and discussion followed. All items followed the Board's policy of carry-overs only for grant funds or encumbered purchases.

Supervisor Ingram entered the meeting at 7:50 p.m.

On a motion of Supervisor Belcher, seconded by Supervisor Gerald, and carried, it was resolved to approve the FY07 carry-over requests, plus the one addition for the Sheriff's Department, as presented.

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

The Vice Chairman turned the chair over to the Chairman.

Agenda Item 4 - FY07 year end transfers. Mrs. Morris presented a departmental list of year end balances. Also presented was a report outlining the reasons for the few departments that over-spent their budgets. Questions and discussion followed.

On a motion of Supervisor Boothe, seconded by Supervisor Belcher, and unanimously carried, it was resolved to approve the FY07 year end transfers as presented.

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

Mr. Campbell presented a supplemental appropriation request received today, from the school system. They serve as fiscal agent for payments made to the Western Virginia Educational Consortium through funds from the State Teacher Mentor Program. This request was for additional funds received through this program, that flow in/out.

On a motion of Supervisor Belcher, seconded by Supervisor Whitlock, and unanimously carried, it was resolved to approve the supplemental appropriation to Floyd County Schools, in the amount of \$72,000 for the FY07 budget, for the State Teacher Mentor Program.

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

Mr. Campbell presented a request from the Commonwealth's Attorney for payment to his Legal Assistant for unused annual leave, to be paid from the Fines/Costs account. Questions and discussion followed.

On a motion of Supervisor Boothe, seconded by Supervisor Whitlock, and carried, it was resolved to table the decision on the request from the Commonwealth's Attorney for payment of annual leave for his Legal Assistant.

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

Agenda Item 5 - Library financing. Mr. Campbell presented a proposed resolution for the Board's review. He commented that there is also a loan agreement that will be considered by

the IDA Thursday night. There are also a number of other documents that are referenced in the documents for the Board and IDA. We do have the loan agreement, the prime lease, the lease agreement, the assignment of the bond, and are available if the Board wants to review them.

Mr. Cornwell - paragraph three of the resolution is the important one because it sets forth the criteria that the documents have to follow. The bond is not to exceed \$1 million. The bond shall mature no later than December 31, 2039, and the true interest cost of the bond shall not exceed 5.5%. The 5.5% is a safety figure, and they expect it to be lower than that.

Mr. Campbell - they were reluctant to give us a specific figure, because they've gotten the word that its creeping up of late. But I heard 4.3%, 4.6%, something like that. They indicated, as Jim stated, that they're trying to be conservative with that, because I don't know how many communities are in this pool, sometimes there are 15-20, they want to have a general rate, and hope it comes in slightly below.

Supervisor Boothe - in all that paperwork, you've got something worked out that the County will be reimbursed for its expenses?

Mr. Cornwell - the County will be reimbursed from the raised funds.

Mr. Campbell - it will work out that the County has a net of \$1 million.

Supervisor Boothe - but we have some type of agreement on the other expenses?

Mr. Campbell - we have an accounting of that, that Lydeana has kept.

Supervisor Boothe - but does the IDA and the County need to have some type of written agreement between us and the Library Board on that?

Mr. Cornwell - you have a prime lease, you have an assignment agreement, and a bond, and a loan agreement which covers both entities, and you have a lease agreement. The reimbursement is coming from the raised funds.

Supervisor Boothe - I understand that, but I think we need a written agreement so everyone understands.

Mr. Cornwell - I'll talk to Lydeana about it.

Mr. Campbell - we do have an accounting of it. We may have to backtrack to account for some of Jim's time.

Supervisor Boothe - exactly, the items that we paid up-front for and supposed to be reimbursed back. We first talked about taking it off the million, then they switched over to the raised funds, and that's fine. It doesn't matter to me which side it comes out of, as long as we

get reimbursed, and it stays at the million.

Mr. Campbell - there was discussion at some point, I can't remember if it was \$6000 or \$16,000, where the Board agreed to an additional amount of money because there was going to be some additional local costs related to the RD debt issuance. Do you recall anything like that?

Supervisor Boothe - I think we still talked about that we would get reimbursed by them. The million has always been the locked in number from day one. Anytime I've been at the regional meetings and they've talked about things they want to get, and I said fine, as long as its within the million.

Mr. Cornwell - I don't know, because I haven't seen the accounting that Lydeana did, but I think we have around \$200-250,000 in soft costs, and I always thought it was including the reimbursement.

Supervisor Boothe - when they talk about soft costs, they talk about furniture, and

Mr. Cornwell - no, its not the furniture.

Supervisor Boothe - I know what you're saying, I'm just talking about people on the other side, they refer to soft costs for things such as furniture.

Mr. Cornwell - soft costs are the costs related to financing. I have not seen an accounting of it, but that was my impression of what Lydeana was talking about, was the \$250,000 soft costs to be reimbursed to you for up-front costs and expenses that you paid. My understanding is that Lydeana had a conversation with the Library representatives and told them that we did not have any money for furniture, and it would have to be raised by individuals.

Supervisor Boothe - it doesn't matter to me as long as we're reimbursed, whether it comes from the raised money or we take it off the top of the money that we're borrowing.

Mr. Cornwell - that's what Lydeana has told me, I didn't take care of this part.

Mr. Campbell - the figures that I have, and you're right, are architectural/engineering fees, and the T&L contract is \$155,916, there have been some additional fees, and we do have an addendum to their agreement. The total engineering now is \$161,916. They put a lot of extra time into the negotiation process and getting the project to this point. The amount we paid them so far, according to this tally, is \$126,114. Now, this is what I think Mr. Boothe is asking about. We have received thus far, from the library fund-raising, \$110,216.80. So what I think you're getting at, is that additional \$26,000 that has to accounted for, and we need to be made even, and we need to hold it at a million.

Supervisor Boothe - and we need to be made even before the first spade hits the dirt down there.

Mr. Campbell - I think they have received a couple of additional grants, you may be aware of this. I think the fund-raising has gotten a couple of shots in the arm.

Mr. Cornwell - I thought they had the \$300,000.

Mr. Campbell - I think they may be approaching \$450,000. The only thing that I don't think we have accounted for in this is the amount of time that Jim has helped us.

Mr. Cornwell - it should show separately on our bills, but if not, it should be easy to pick out.

Mr. Campbell - the dates of the invoices go back to February 2005 through this month. One other amount was paid to T&L, that was paid by the County, back in November 2004, which is not in that, was for \$3500 for the initial geotechnical stuff.

Supervisor Boothe - all of that goes into those figures.

Mr. Cornwell - for the T&L work, and legal work, was started way back down the road with Rural Development.

Mr. Campbell - we have received, on July 19, 2006, a check for \$110,216.80 from the fund-raising.

Mr. Cornwell - I did ask you several months ago if you wanted a reimbursement resolution. I did talk to Lydeana about how we would handle the reimbursement, and she said that we would take it out of the money that the group was raising. I would suggest that if you adopt this resolution tonight, that you also make a motion that you be reimbursed for the funds you've expended. All the documents are available for the Board's inspection. You are leasing the property to the IDA, the IDA is assigning the lease to Wells Fargo Bank, and the IDA is doing a bond, and the IDA is leasing the building back to you for whatever it takes to pay the debt payment. You are not making a full pledge of anything.

On a motion of Supervisor Boothe, seconded by Supervisor Belcher, and unanimously carried, it was resolved to adopt the resolution as presented, referencing the financing for the Jessie Peterman Memorial Branch Library expansion; authorize appropriate County officials to execute same.

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

On a motion of Supervisor Boothe, seconded by Supervisor Whitlock, and unanimously

carried, it was resolved to authorize that the County be reimbursed for any expenses it has made or will make, related to the Jessie Peterman Memorial Branch Library expansion project, from either the borrowed funds or funds raised by the Friends of the Library, for a total County commitment of \$1,000,000.00.

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

Mr. Campbell commented that the executed contract has been received from Price Buildings in the amount of \$1,067,247.00 and it is ready to go.

Agenda Item 6 - Proposed schedule for reassessment. Mr. Campbell presented a proposed advertisement and specifications for the County's General Reassessment. If the Board continues on their current four year schedule, it could be advertised Sunday, with bids to be returned by July 20, 2007. The work would begin in September, and be completed by December 31, 2008, including hearings. Our ratio after three years is down to 70.5%

After discussion, it was the consensus of the Board for the County Administrator to proceed with the proposed schedule as outlined.

Agenda Item 7 - Discussion of VML/VACo Financing Program. Mr. Campbell presented two reports to the Board for their review - synopsis of revenue/expenses (cash basis) for the last year; and outline of County/Schools debt schedules. He commented that these reports indicate that the County operates four months of the year in the black, and eight in the red. The funds borrowed from VML/VACo are not subject to arbitrage. Discussion followed on the amount required for cash flow for the upcoming year, and the progress that has been made to-date in the Board's financial planning.

On a motion of Supervisor Boothe, seconded by Supervisor Whitlock, and carried, it was resolved to authorize the County Administrator to begin the application process with the VML/VACo Finance Program, in an amount not to exceed \$3,500,000.00.

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

Agenda Item 8 - Transfer from Fire/Rescue Fund to General Fund for cost allocation. Mr. Campbell presented a proposed resolution for the Board's review, and commented that the copies of the cost allocation plan were included in the Board's packet for their information. These costs are for staff time, equipment, etc. that have been paid from the General Fund, and need to be reimbursed from the General Fund. The Treasurer will first make the real estate and personal property transfer to the Fire/Rescue Fund, in an amount around \$835,000. Mrs. Morris

will then make the transfer back to the General Fund of the cost allocation amount, around \$617,000, for a complete audit trail.

On a motion of Supervisor Belcher, seconded by Supervisor Whitlock, and unanimously carried, it was resolved to adopt the resolution as presented, entitled “Resolution Authorizing and Directing the County Administrator and Auditor to Make an Authorized Transfer from the Fire/Rescue Fund and to Reimburse the General Fund for Expenses Paid by the General Fund for Support of Fire and Rescue Services” (Document File Number            ).

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

Agenda Item 9 - Proposed PPTRA Resolution. Mr. Campbell presented a proposed resolution for the Board’s consideration, setting the rate for the PPTRA Program for the year. He presented the calculation rate from the Treasurer, and commented that the rate is computed automatically by the Bright system, based on history.

On a motion of Supervisor Gerald, seconded by Supervisor Boothe, and carried, it was resolved to adopt the resolution as presented, entitled “Resolution Establishing the Method of Computing and Reflecting Tax Relief Pursuant to the Personal Property Tax Relief Act of 1998 - Specific Relief” (Document File Number            ).

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

Agenda Item 10 - Closed Session - delete from agenda, not needed.

Agenda Item 11 - VACo Annual Meeting - registration, November 11-13, 2007. Mrs. Morris reported that she had submitted registration requests for each Board member. The County is only guaranteed three rooms.

Mr. Campbell presented a letter from the Virginia Retirement System concerning an opportunity to raise the multiplier for the employees eligible for the LEOS program. This will be required beginning July 1, 2008, but optional at this point. The increase would cost approximately \$12,000 for the entire payroll, even though Sheriff’s Deputies are the only ones eligible for the program. No action taken by the Board.

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

Supervisor Belcher - nay

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