

**BOARD OF SUPERVISORS
REGULAR MEETING
MARCH 13, 2007**

At the regular meeting of the Board of Supervisors of Floyd County, Virginia, held on Tuesday, March 13, 2007 at 8:30 a.m. in the Board Room of the County Administration Building, thereof;

PRESENT: David W. Ingram, Chairman; Jerry W. Boothe, Vice Chairman (entered the meeting at 9:45 a.m.); Diane B. Belcher, J. Fred Gerald, Kerry W. Whitlock, Board Members; Daniel J. Campbell, 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 Supervisor Belcher.

Chairman Ingram led in the Pledge of Allegiance.

Mrs. Deronda Thomas, Treasurer, appeared before the Board. She presented the invested cash and cash in office report as of March 13, 2007. She commented that the in-office balance does reflect the School Board checks from their meeting the previous day. She also commented that the Board would need to set the rate again for the PPTRA, which was at 56% last year.

Mrs. Morris presented the revenue/expenditure summary and balance sheet as of February 28, 2007. She reported that at 58% through the year, General Fund revenues are at 60% and expenses at 73%.

The minutes of February 13, February 26, March 1, and March 7, 2007 were presented to the Board for review and approval.

Supervisor Belcher commented that in the March 1 minutes, bullet point #3 is unclear, as to the income, it should indicate a monthly amount instead of annual.

On a motion of Supervisor Whitlock, seconded by Supervisor Gerald, and carried, it was resolved to approve the minutes of February 26, March 7, 2007 as presented and March 1, 2007 as amended.

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

Mr. Wendell Peters, Clerk of Circuit Court, appeared before the Board. He commented that he was here to answer any questions that the Board might have. Do have a request in my FY07 budget for a plat cabinet, for \$6288. Finally got a guy up from Richmond last week, still trying to get grant money. I would like, if I can't get this grant approved by May or June, to carry this over to next year's budget if ok with you. Would also like to a change from a plat cabinet to a computer system. With regard to that, I think \$6288 will buy the system, but if I get the grant, I can do a lot more as far as putting more plats on record. One thing that he cautioned me on is to be sure that everybody understood that these plats have to be microfilmed. I thought you already understood this, but I do put that out there because the locality has to know that they are responsible for paying for the microfilming. We're already microfilming, but I want you to be aware of that. He did give me a positive idea that I might receive the funds, and I'd really like to save the County this much money if I can. We're going to have to do something, either a plat cabinet or a computer system. I just can't see continuing to stack the cabinets up. If we go to a computer system, I don't know what Lydeana's records, if there is any way they can inter-mingle, or take a disc from our system and if it would be any help to her or not, but we will work on it. I'm sure if I have a problem storing plats, you all do too.

Mr. Gordon Hannett, Commonwealth's Attorney, next appeared before the Board. He commented that he really didn't have anything to report. Will be attending a legal conference this coming Sunday through Wednesday in Williamsburg. You will notice that our budget was pretty much the same as it was last year, nothing outstanding there. That's pretty much normal for my office.

Sheriff Shannon Zeman next appeared before the Board. He had nothing to report this month.

On a motion of Supervisor Gerald, seconded by Supervisor Belcher, and carried, it was resolved to approve the minutes of February 13, 2007 as presented.

Supervisor Belcher - aye

Supervisor Whitlock - abstain - not present for entire meeting

Supervisor Gerald - aye

Supervisor Boothe - absent

Supervisor Ingram - aye

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

At 9:00 a.m., the Chairman called for the Public Comment Period. After no comments from the audience, the Chairman declared the Public Comment Period closed.

Mr. Nolan Goad, Electoral Board Secretary, next appeared before the Board. He reported that he had recently attended an Electoral Board training and wanted to give the Board

an update on the legislative part of the elections. Back in 2002, the Presidential election in Florida, and with all the mess down there, the Federal government went in at a cost of \$798 million authorized funding. To date, they've not fully funded this. Right now, they've got bills up to try to finish funding it completely. Virginia Assembly, the last session, Senate Bill 40 and House Bill 2707 were passed and are now before the Governor for his signature. This legislation is supposed to go into effect July 1. As passed, it will prohibit the future acquirement of any kind of machines that we're using now. Its going to prohibit the use of Direct Record Election devices, as they wear out. Along with that, they said that as they wear out, you've got to go to optical scan. Optical scan, right now there are only two out there. One is ES&S, they did say it would cost about \$11,000/machine approximately. GIBO has one out, but what you do with those, you've got to have a monitor and computer at each polling place. You have a piece of paper with the ballot on it, and spaces to fill in. But you do it on the monitor. You run it through the monitor and then run it through a machine to count it. That machine is \$11,000. We would eventually have to have six of them and a back-up, so you're looking at seven. And we just spent all this money on voting machines now, and they're in very good shape. As to how it will affect us, you'll have the bigger deal, so we'll need a bigger place to store the machines, we'll have to train the officers on two different types, and it will cost the County more for machine programming, ballots, counting of the ballots, maintenance on two different types of machines, and there will be a great possibility of confusing mistakes. At that, the more places we have with different things going on, the more chances you have of errors. When we have two different types of machines in a precinct, its going to develop problems for the voters and for the poll workers. In fact, right now, they say that our current machines probably have a life span of 15 years but we don't know for sure until we get started using them, and we haven't used them that long. A split inventory of machines will necessitate additional training, additional election programs, additional maintenance. Split inventory will create the need for more machines than otherwise. We'll need backup machines of both types. Don't know if the Department of Justice would even let us use two different ones. One of the big things about the bill they passed - it had no money in it. So it comes back to localities, if its signed off on, to fund all of this. And we know what the budget is. We were one of the first in Virginia to pass this regulation. Nobody knows what's coming down from the Federal government yet, this may not even be constitutional. In my way of looking, we got the cart before the horse. One of the big things with the Federal government right now, they're looking at ways to create a paper trail. That's their main issue out there right now. What Virginia is doing still doesn't create a paper trail. To me, we're in better shape than most of them. They say paper trail, I know what they want, but they'll never get it, they want a receipt in their hands. They want to walk out, like an ATM, that says I voted for this. That's where fraud happens and they're not going to get that. But we're getting all this other stuff. Our voting machines, I printed off the ballot, the absentee precinct, that is 159 votes on that tape. So if it came back, in the original bill, they wanted to include that. That if you vote for a Supervisor, we had to buy a percentage, count so many off our machine. If it was a State Senator, you got so many you had to count, maybe more. If it was a Presidential race, you counted more. But that was taken out, which was good. Last weekend, the Virginia Electoral Board Association voted to ask Governor Kaine to amend the legislation to delay it for one year, to where we can see what is coming down. People that went to the hearings on this said they had their minds made up and they would not look at anything. They said the Secretary

of the Virginia State Electoral Board Association asked a question, and the government said I don't know what you're so concerned about, we only got one type of machines. We have seven different vendors certified in the State of Virginia, but he didn't know what it was. But he said this is the way we've got to go. He thought going from one to the other was no problem, but it is. We sent a letter or resolution, whatever you call it, to Tim Kaine from the Virginia Electoral Board Association asking him to delay this, and we would like the Board to either call or do something to ask the Governor to delay implementing this until next year. March 26 is the deadline for him to sign off on the bills, April 4 is the veto session, with the General Assembly called back into session. The next page is the one that we sent to Tim Kaine, there were 400 and some people there, they sent it out with 300 and some signatures along with the letter, so the majority of the people were in favor of delaying it. The next paper there is what the bill says. It says that as they wear out, they wanted to say that we couldn't even right now, we got a master machine. When we open up a poll instead of picking up the zeros from all the other machines, they do their own thing, but we have one machine that will do the whole group. They didn't want to do that. We're lucky that we didn't buy one of the machines that the vendor had that we could modem back in at the end of election day, but we figured that would be a good place for fraud. That was \$6000 and I'm glad we didn't do it. The next one is from the Registrar of Roanoke County and she's the legislative chairperson for the Registrar's association. I included a thing from the City of Manassas, what they have done, their resolution that they done, also I just got off that the City of Richmond voted today to send a similar resolution to the Governor. Right now, Federal government, before the Congress, Voter Registration Act of 2007, Voter Registration Act, Universal Right to Vote by Mail, Federal Election Integrity Act, Verifying the Outcome of Tomorrow's Election Act, and that's just some of the bills that's up and running. We, in our locality, they were three Senators that voted in the State of Virginia against this, Roscoe Reynolds was one of them. They was 13 legislators that voted against this, and Mr. Dudley voted for it. I appreciate your time and hope you can take a look at it and call or send a letter.

Consensus of the Board was to discuss the matter further later in the day.

Mr. Carl Ayers, Social Services Director, next appeared before the Board. He commented that the main thing that he wanted to discuss was a memo that was mailed out last week with the Board packet. After mid-year budget review, there was some funding that was appropriated to continue running our programs through the end of the year. There's a total of \$86,000 that was appropriated. Of that, \$46,000 is completely State and Federal money, so there's no local match. It doesn't require anything from you all except appropriating it so that I can spend it and don't go over budget. The remaining \$40,000, \$25,000 is directly related to shortfalls in the adult protective services program, the auxiliary grant program, and the VIEW work and daycare program, which the State didn't allocate enough money for. For two of the programs, they're 20% match and for the other one, it's a 10% match. The total should have been \$4500 in local money. You have \$5400 on your memo, but that number was transposed, it should be \$4500. The remaining \$15,000 is for the legal expenses. If you recall, before this past budget year, I had turned over the legal expenses to the County, and the County had funded it out of the legal expense fund for the County. This past year I was able to locate a funding source to

match that approximately 24%. So basically, instead of paying the whole amount, we're paying 76% instead of 100%. But we were unsure whenever I was talking to Mr. Nester last year, we only appropriated \$15,000, when the actual costs were \$30,000. In totality, even though I'm asking for more money here, it's actually saving the County money because I'm matching it through a Federal match rate instead of using 100% local money. That's what the basis of the memo is, to explain it as simply as I can. As you know, every single budget line we have matches at a different rate and comes from a different source. That's what the purpose of the request is, to appropriate it so I can spend it, and it actually saves the County money in the long run. I budgeted the whole amount for this fiscal year so hopefully we won't run into this again next year. \$15,900 is the total local amount for the \$86,000. \$46,000 of the \$86,000 doesn't require any local match. The \$15,900 is actually related to \$40,000. If you separate the legal expenses out of it, it's just \$4,500 local funds for \$71,000. It's the legal expenses that we're trying to pull some money back into the County instead of 100%.

Supervisor Whitlock - in other words, the \$15,000 is to support the \$40,000, that's about a 40% match.

Mr. Ayers - the legal expenses are a 76% match. If you look at the \$15,000 just for legal expenses, \$11,400 is specifically for the legal expenses, where before, prior to this year, what we were doing is the whole \$15,000 local money. So now you have \$11,400 local money for \$15,000 instead of \$15,000 total. Prior to this year, it was 100% only local money. So if you're looking at \$15,000 and that's the reason I separated it out for you, last year you would have paid the \$15,000 straight up. Now, I found a Federal pass-thru line where we match that at 76% local money, 24% Federal money, so that \$11,400 local money is actually saving you \$3,600 over where you were last year. If you look at it over the full year for \$30,000, you're actually saving \$7,200 in local only money. I know it's complicated. \$15,900 total for the \$86,000, but the biggest part is related to the legal expenses. It sounds funny but it's actually saving you money. It was something that I found out last year in the budget cycle, where we have to submit so early, I didn't find this out until the end of April, we upped our request to the County by \$15,000, and went back and looked at it was actually \$30,000.

The only other thing that I wanted to let you know about is that I had mentioned to you back sometime last year about being appointed to the Health and Human Services Committee for VACO. I got notification last week that the appointment has come through, effective with the next meeting in November. Hopefully this will benefit the locality in some manner. There's only one Social Services representative for the State, so I'll be representing the League of Social Services on that committee. If there's anything specific that you would like me to take to the committee, just let me know.

Mr. Mike Lawless, Draper-Aden & Associates, next appeared before the Board. He reported that not a lot had changed since the last time I appeared before you. Since we are in corrective action mode out there, we thought it would be prudent to keep you informed more frequently than we have in the past. The annual report went in at the end of the February, so the March 1 deadline was met. The last sampling event at the landfill was in November. The good

news is that we finished the first year of corrective action which required quarterly monitoring, so now we're back on semi-annual monitoring schedule. A couple of key points to note - last summer we put in some new wells, #19 which is a deep well, #17 is a deep well and then monitoring well #18. We did detect impact in each of those wells. The good news is that in this deep well, the levels are much lower than they are in the shallow well. So DEQ's argument that everything is going deeper and we're missing it, is not true in this area. Down here, #8 and #17, #8 is shallow and #17 is the deeper, the wells are about the same. So again, we're not seeing anything moving at a significant depth where DEQ is going to say keep chasing it until you find it and make us do something about it. We've demonstrated that we have a pretty good definition of the vertical extent.

Supervisor Boothe - are these the same organic contaminants that are in #8? In all of them?

Mr. Lawless - yes, #8 has the highest number of those contaminants. What we're seeing in these other impacted wells, we're also seeing in #8. But we're only seeing 2-3 instead of 8-9 organics. So there's fewer of them, and they're generally at lower levels than they are at #8.

Supervisor Boothe - what about #15?

Mr. Lawless - #15 has some low levels, there were no groundwater protection standards exceeded so we have some low levels but nothing exceeding the standards so that starts to define the direction. So one concern is the off-site wells. On the last couple of events, we have seen methylene chloride go above the groundwater protection standards. So that may cause DEQ some concerns. The good news is its just above the GPS, the GPS is 5 and we're at 6-7. So again, its still trace levels. Five is what EPA says you can have coming out of your tap water, drink it and be ok. We're just slightly above that here. Where we're off-site, DEQ may or may not look at it. Its very difficult to predict. The reality of the situation is that no qualifiable risk to human health is here. We're looking at very low levels so we need to look at the reality of what we're looking at as well. From a regulatory perspective, DEQ is looking at drinking water standards. Nobody's drinking that water so the risk is controlled. The annual report does list this data. DEQ will review that report and submit comments back, probably in June or July. Like I said, they may or may not talk about this off-site groundwater protection standard exceedance, but its something to be aware of, that they may have some increased focus on that. The corrective action program is set up so that every four years we submit a corrective action status evaluation report, where we look at what's happened over four years of data, and determine if the natural system is cleaning itself up adequately or if we need to look at alternative methods. We still have essentially three years worth of data to collect before we even get to that point, so I think DEQ may draw some attention to that, but the likely response will be watch it as you collect your data, and if the levels increase, to see if you need to do something. It doesn't appear to be a situation where they'll want us out there immediately to start pumping groundwater, we're not anywhere near those types of concentrations.

Supervisor Whitlock - if they do force us to go to pumping, what would we have to do,

run it through a filtration system there on the landfill itself?

Mr. Lawless - yes, it would be an air stripper type of system until the levels even off and then maybe put it through a carbon filter and then either pump and haul it or get a discharge permit and discharge on site.

Chairman Ingram - we're not even close to that.

Mr. Lawless - no we're not even close to that. The trends that we're seeing, we're seeing some decreasing trends, some increasing trends, and some stable trends. The increasing trends are generally the break-down of products, the organics, and you want to see those increase because that demonstrates that the chemicals are breaking down. So yes. The one other issue that DEQ has still not made any decision on is the surface water discharge coming out of S4, at the underdrain from the debris area, where we detected some low levels of organics. We submitted data to them about two years ago, asking for them to make a decision about whether the Waste Division was going to handle it, or the Water Division and that's still being debated internally at DEQ. Obviously we're not pressing them to make a decision because whatever decision they make is going to require money, so we're just letting it lie until they do make a decision. There are numerous facilities across the State, several that we're working on, with this exact same issue and they have not made a decision on how they want anybody to handle it. At this point, the best strategy is not to do anything, let them make their mind up. Again, the levels are extraordinarily low.

Supervisor Whitlock - the variables that are coming out of there, is it any different than the natural environment?

Mr. Lawless - yes, because what we're talking about are organics that are naturally occurring, like vinyl chloride. But its either just at the drinking water level or just slightly above the drinking water level. Vinyl chloride, the drinking water level is two, and we're looking at concentrations between 2-6 ppb. Very, very small. That pipe discharges into a wetland and wetlands naturally clean chemicals up. We tested where it leaves the wetlands and where it leaves the property, and never detected anything. So the wetland is doing its job. Its discharging into the wetland and its naturally being cleaned up. But DEQ looks at that drinking water level and if they see something higher than that, then they require us to address that. But again, until internally they decide whether the Waste Division or Water Division will handle it, we're not recommending any action because there is no risk to anyone's health. Again, we'll be out sampling in May, and hopefully June or July we'll get some comments back on the annual report and we may have some more direction for you at that point, or it may be more of the same. If, in the meantime, we do hear something on that surface water issue, I'll let Mr. Campbell know so he can inform you right away about what it looks like.

Further discussion and questions ensued concerning the monthly disbursements.

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

carried, it was resolved to approve the monthly disbursements, plus additions, as presented.

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

Mrs. Lydeana Martin, Subdivision Agent, next appeared before the Board. She presented the subdivision plats she approved for the month of February 2007. She reported 20 surveys signed in the first two months of the calendar year, with 19 lots created. That's a bit ahead of last year at this time, but below the previous year. The Planning Commission will meet tomorrow night, but have no plats to review. They will be talking about the cluster requirement, and you will be hearing more about this and we would welcome your specific thoughts and comments before we draft any type of ordinance.

Supervisor Whitlock - is this in response to what the General Assembly or VDoT is wanting to do with the road funds?

Mrs. Martin - right, in the previous General Assembly session, they passed a requirement that all high growth localities would have to include clustering provisions in their zoning or subdivision ordinance. There have to be certain areas of the County, if not the whole County, where we allow cluster development by right. In other words, if somebody designates a certain amount of open space, we allow them to do them the same number of residences or more, depending on what the decision locally is, on that land, in other words, instead of a two acre lot size minimum for example, that could reduce in half, whatever your ultimate decision would be. It is all part, I think, of the State's move to link land use planning and transportation, and be more involved. This is in relation to designating open space permanently.

- We did cooperate in a business meeting lunch at the Jacksonville Center, it was a great success for tips for small business owners;

- Myra and I are participating in a tourism module, through the Patrick County Education Association, through a Federal grant. There are four more modules. Seven-eight people have also been attending. The goal is to make sure that all the folks that work in the tourism/hospitality industry know about all the things in the area and know how to answer people's questions. With the hope that they will stay longer and spend more money and do a return trip.

- Crooked Road - a lot of things are still going on and we're still involved. The Bristol race will be having a free Crooked Road concert. It will be a great way to promote the Crooked Road to all the people that come to that race. It is courtesy of the Tobacco Commission. There is also about \$500,000 in advertising that the Crooked Road will be doing in the next year or so, buying ads and doing all those kinds of things.

- The Library addition is being advertised, it was in the Roanoke Times last Sunday. The bids are due in April. You will also see a separate ad for replacement of the existing roof. That is also in the main bid document but we're going to compare the prices that come in on that.

- Mike Lawless mentioned DEQ and it being a couple of years and he hadn't heard back on some

stuff. We did the Solid Waste Management Plan and did a revision two years ago, and we heard back from them a couple of weeks ago. They have a few items that they want more information on, and we will provide that to them.

- Water Supply planning work that we are required to do by the State, we are staying in touch with that.

- Transportation Planning - there are more VDOT things coming down the pike in terms of planning that are going to impact us. We're trying to stay in touch with that also.

- Have not gotten an answer from Mr. Peters on the conservation easements and how we might streamline that process, but it is on my list.

On a motion of Supervisor Belcher, seconded by Supervisor Whitlock, and unanimously carried, it was resolved to amend the agenda to add Mr. John McEnhill from the Jacksonville Center at 10:45 a.m.

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

Mr. McEnhill - Last month the President of the Jacksonville Center appeared before you and requested an increase in funding, and also asked the Board to submit a grant to the VCA. I'm here today to request that the Board submit the grant application for matching funds and answer any questions that you have about the grant. I have prepared the grant application, I apologize for not having it ready until today, I just got back from vacation. The grant application is for the Virginia Commission for the Arts, an official agency of the State government. The Commission's funds come from the Virginia General Assembly and the National Endowment for the Arts, which is the Federal agency. The Jacksonville Center has received general operating support from the VCA for a number of years. The Center has a strong relationship with the VCA and has consistently scored very high in our evaluations. What we're asking for today is authorization from the Board of Supervisors to apply for the local government grant which needs to be submitted by the County. The grant is designed to accommodate a variety of budget processes for the local government. Last year, our of 120 local government jurisdictions, 99 had not finalized their budget by the application deadline. This year, the deadline is April 2. This means that if the County of Floyd applies for local government grant match for \$5000, and the actual allocation from the County is less, the grant will match whatever funds are actually distributed by the County. The confirmation of the actual allocation only requires a simple sentence to the VCA once the budget is approved. The grant is non-competitive and the VCA will budget for it every year, which means the money is there if it is requested. The Center has prepared a grant application for the County to submit. This is often done by other arts organizations that receive local government challenge grant funds. What we are proposing is a grant application that would meet and match \$2500 for both the Crooked Road and the Jacksonville Center, assuming level funding is proposed for both organizations at this time. This would actually result in a net decrease in the proposed budget assuming that we get level funding of \$950 and the Crooked Road gets level funding of \$5000, that would mean a

savings of \$950 to the County. The way I've structured this grant proposal is that the County would only have to put out \$5000.

Mr. Campbell - wouldn't the Crooked Road Board have to be in concurrence with this?

Mr. McEnhill - I did e-mail them last night but have not heard from them. The grant is submitted by the County, not by the Crooked Road or the Jacksonville Center. If this was to go through, the Crooked Road would still get \$5000. It does not require approval by the Crooked Road or Jacksonville Center Boards. Now essentially the way it would work, once the County finalizes the budget and confirms what the actual allocations are, the money would be dispersed to the County to then disperse to the organizations involved. Both the Crooked Road and Jacksonville Center qualify for this funding.

Mr. Campbell - I think the Crooked Road requires the participating jurisdictions commit the \$5000 in local monies.

Mr. McEnhill - the effect of this grant would still provide \$5000 that comes from the County. The County receives the funds from the VCA.

Mrs. Martin - this might be of concern to the Crooked Road in terms that they use the local money as match for things that they are seeking. If \$2500 coming from Floyd was actually state money, it would limit their ability to match that to other things. It might be worth checking into this before we do it that way. Not commenting on the Jacksonville Center part, but just the Crooked Road part.

Mr. McEnhill - I will be happy to turn this grant application over to Dan so that the numbers can be tweaked. I was not aware of that. The bottom line is, if this grant application is submitted, it doubles whatever is allocated to the arts organizations that are funded by the County.

Mr. Campbell - my experience with these programs is that it would be a \$950 allocation from Floyd County and it would be matched by a like amount from the State.

Supervisor Boothe - was this presented to the Town in the same manner?

Mr. McEnhill - because the County has already approved submitting the grant, we have not submitted that grant application to them.

Supervisor Boothe - as far as using their contribution to the Crooked Road in this same way, is that how it was presented to them also?

Mr. McEnhill - the Town actually contributes to one additional arts organization. The way that it was presented to the Town, was that any organizations funded by the Town would be included also.

Supervisor Boothe - I was wondering because the same situation would apply to them with the Crooked Road money. This definitely needs to be worked out and reported back to them.

Supervisor Belcher - in submitting this, did you get the permission of the Crooked Road folks to do this?

Mr. McEnhill - no, I wasn't aware of what organizations were being funded until I spoke with Dan yesterday. I just returned from vacation. I have not heard from them. I was trying to put something together that would maximize funding. Maximize the County's contribution to the Jacksonville Center, while trying to preserve the money for the Crooked Road. Its designed to be as simple as possible for the local government. If there is concern about the Crooked Road, the numbers can be changed.

Chairman Ingram - I think we will need to look into this some more before we can make a decision. The County would have to submit the grant?

Mr. McEnhill - yes, the deadline is April 2, so that's why I'm appearing before the Board today. I'm concerned about that deadline.

Supervisor Belcher - as you've given it to us today, you're not certain that this is ok with the Crooked Road? So it would be really hard for us to use this document and approve anything without verification. Do you understand?

Mr. McEnhill - will the County still be able to take action on approving the grant without me appearing before the Board again?

Supervisor Belcher - I don't know. I don't know if we'll even meet again before the deadline. That's probably the biggest question.

Mr. Campbell - I've worked on these a little bit and this is very different. Generally, I think it's a dollar for dollar match for what the County is committing, which is \$950. That would allow a \$950 match from the State. It is a fairly straight-forward application. The confirmation that the local appropriation is there comes later on, and its basically a letter from the Board and an attachment of a budget page that shows the appropriation of \$950 for the Jacksonville Center. To do it as you've outlined, I really don't know if its possible.

Mr. McEnhill - I originally proposed a \$1000 match for the Jacksonville Center and \$4000 for the Crooked Road, which meant if the County allocated \$5000 to the Crooked Road, \$4000 would be matched, which would mean the Crooked Road would end up with \$9000 and the Jacksonville Center with \$2000.

Mrs. Martin - I would suggest that the Crooked Road be deleted from the application

because they leverage local funds. I believe they apply for VCA grants themselves. There may be a separate program that they are able to utilize, but it over complicates the issues.

Supervisor Boothe - they may already be using the full \$5000 somewhere and if we cut that, we would be in reality cutting them.

Mrs. Martin - that would be my concern. I would separate the two in discussions of allocations to them.

Chairman Ingram - I think what we're looking at is the request to the County, would be if we're willing to help with the \$950 that is in the budget. Those are the dollars that we'd be talking about and hoping that we'd get that amount matched back. I think that's what we'd have to look at, as a Board today, instead of what you've presented. I understand what you're trying to do, to maximize dollars, but I also understand what Lydeana is saying also, that we wouldn't want to do anything to hurt any other organization in the process of trying to help you either. I hope you understand our position. We might try to discuss the issue later today.

Mr. Gene Dalton, EMS Operations Manager, next appeared before the Board. He reported for February 2007, a total of 43 EMS calls, with 38 patients, 23 transported, 15 refusals, 0 Life Guard calls, 0 public service calls, 2 fire standbys, 3 cancelled calls. There were an additional 23 night and weekend ALS calls answered with the volunteers, with 14 assists with transports. Those 23 calls will be reported by the volunteers.

Mrs. Myra Grim, EMS Administrative Clerk, appeared before the Board. She reported that deposits are picking back up from the previous low amounts. Plan to have a percentage of collections amount for the Board next month. The end of Federal fiscal year always shows a decrease in deposits, but it did last longer this year than previous years.

Mr. Ford Wirt, Emergency Services Coordinator, next appeared before the Board. He reported:

- Just received a call from the Regional Jail Superintendent regarding the State's change in the reimbursement formula for construction costs, so plans will have to be revised.
- The local amount in the FY08 budget for the inmate payments should still be ok.
- Mr. Campbell and I visited all fire stations and rescue squads recently. We do have a water situation at Station #4 fire department. We are researching options and will report back to you. The well is only producing one gallon/minute now.
- Applied for wireless grant - have received preliminary approval of \$63,430, match is included in FY08 budget line item under GIS.
- Communication Center - had a scheduled console replacement in the FY07 budget. We were hoping for grant funds to pay for the replacement, but the application was denied. They usually have a 6-8 year life, and we have exceeded that time.

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

- Presented copy of School Board meeting highlights from March 12, 2007 meeting;
- Presented copy of school calendar recently adopted by School Board;
- Public Hearing on proposed FY08 school budget is scheduled for April 10, 2007.
- Presented copy of school enrollment report at 2058 students at February 28, 2007.

The Board recessed for lunch at Floyd Elementary School.

Mr. Bob Beasley, VDOT Residency Administrator and Mr. Johnny Hurst, Contract Administrator, next appeared before the Board.

Mr. Beasley - we'd mentioned that there would be some adjustments that would put us in line with the revenue. We received those figures and they are still subject to change, but there is a 28.8% reduction in secondary funding. An additional 28.8%. Could be temporary but I'm hearing that gas is going to go up above \$3.00/gallon and I don't know that people will use more, I suspect they will use less. So we'll just have to wait and see. I would think by latter April, we'll get the final figures and know what it is. But the plan that we've adopted stays as it is, we're not going to jump all over the board for figures that may change next month. But the current figures do have the 28.8% reduction for Floyd County. It doesn't bode well, but they can change. On a second issue, Chapter 527, I think we've discussed it before. There is a scheduled meeting on March 21, 2007 at NRCC, Rooker Hall, Richardson Auditorium, from 9-12 a.m. Between now and then, I'm going to get the law and read it and see what the implications are. That meeting will be the first opportunity that localities have had to really study and look into this thing and see what the impact is going to be. I don't think there is going to be large impacts to Floyd because we don't have large developments.

Supervisor Boothe - what's their definition of large developments?

Mr. Beasley - that's the reason you need somebody at this meeting. The term is significant impact and there are various definitions for various types of programs. So what you get into is a long, involved law. But it puts the burden of producing a traffic impact study on the developer. If it appears there is going to be significant impact. The point is that it brings out issues and problems that occur from development before you get into it.

Supervisor Gerald - nothing to report this month - looking forward to having the creek fixed.

Supervisor Whitlock - thank you for what you are doing; appreciate getting the brush as much as you can; getting potholes taken care of; some branches hanging in trees that could cause some problems, as you are able to remove; like the culvert on Goff Road, wish it could have been done sooner, it has made a real improvement.

Supervisor Belcher - potholes need to be fixed in my area also; patching of potholes on Harris Hollow and Chestnut Creek Lane were done, but they are very rough; brush on sides of the road from ice storms needs picking up.

Supervisor Boothe - has the environmental study on Route 810 been completed?

Mr. Beasley - we have the permit, just need to get to it.

Supervisor Boothe - if we don't get it done soon, the ditches are going to be full again. Do you have to have this permit for any secondary road?

Mr. Beasley - it is considered hazardous materials and has to be disposed of in a particular way.

Supervisor Boothe - Baker Street especially needs attention with the bus traffic. Route 8, where the creek washed out last year and knocked out the guard rail, are you planning to do more work there?

Mr. Beasley - rip rap should already have been replaced.

Supervisor Ingram - secondary roads need machining and drainage work when it can be done; brush is on the sides of the roads and some in the roads, needs to be removed as soon as you can; Route 221/642 intersection - is there any need for us to ask about this again?

Mr. Beasley - we did review it again last Fall. They did give us some suggestions for limbs and signage.

Supervisor Ingram - ditches need to be opened up for water drainage.

Supervisor Whitlock - bridge on Route 681 - will it be a go this Spring?

Mr. Beasley - I think so. We will have a very strong environmental permit on this project because of the bog turtles. We do not have the permit in hand but the committee has approved it.

Mrs. Deanna Cox, Robinson, Farmer, Cox & Associates, next appeared before the Board. She commented that she would like to talk to the Board about the 2006 audit and also about new accounting procedures that are coming up. First of all, I would like to start out by apologizing for the poor service that we've given you this year. I've worked with Floyd County for 20 years, and if I ever envisioned a way to go out, this would not have been it. That being said, we are finally at the point where we can culminate the 2006 audit. But there's not a whole lot of good news there either. So we'll get rid of the bad news first. We finished the field work back in November. We're still in the process of finalizing the report, and should have it by the end of the week. We're completing some edits. The results of the audit resulted in a lot more management comments this year than they had in the past. Some of these comments were significant enough that they will result in reportable findings and conditions in the report itself. I'll just go over each one briefly. The first one is regarding the reconciliation of expenditures

that we do when we come in and reconcile the Treasurer's subsidiary ledger back to the Bright general ledger that you all maintain. During that process, we were unable to reconcile the two completely. We did determine that part of that problem was from dual posting of expenditures for a one month period. The problem, and the recommendation that we're recommending, is that procedures be put in place to make sure that these things are caught before the audit process happens. Because its something that should have been corrected way before June. So that was the first problem and was significant/material enough to result in a reportable condition and a material weakness in your financial statement, so you'll notice when you get your final copy this year, there will be some additional verbage in your internal control letter, and in your scheduled findings in question costs, there are going to be some financial statements, they'll look very similar to what you see here in the management comments. The other one that affected that was over-expenditure of appropriation. On the draft that you have, I went back and checked, and we had three more departments than were what was listed. The ones that over-expended were Board of Supervisors, County Administration, Electoral Board, General District Court, County Attorney and Library Administration. The over-expenditures were material enough, again, to have to consider that as a reportable condition as far as the financial statement reporting. You'll get a final copy of this that will give the corrections. Really our recommendation there is to make sure that you approve the supplemental appropriation process to make sure that things that were not planned for in the original budget are appropriated for expenditure throughout the year. Third, Fire/Rescue tax revenues. This is another big issue. During the course of our audit in November, we found that the annual transfer of the tax revenue by your ordinance is supposed to be transferred to Fire/Rescue, had not been made this year. So that meant, up until sometime in November, you thought you had a \$1 m more in the General Fund than you actually had, because this amount was due to be transferred to the Fire/Rescue Fund. We have made that transfer and I think you have already done that for this year. It was made in your current fiscal year. That was another significant thing that was missed. Cash investment accounts not recorded on the books. The County had investment bond accounts related to your bond refunding that you went through this year, that were the escrow funds for that, you got statements for, but they were never put on the locality's books. I think at the end of the year the balance was around \$750,000. That was a significant cash amount that should be recorded on the County's general ledger that wasn't. In addition, you have an EMS account, where basically is an account where the revenues that you collect for EMS flow in and out of this account back to the County. This account, like all other bank accounts, should be recorded and the transactions recorded on your books. Currently, they're just being kept separately. We have talked about the disappearing fund balance for a number of years. Obviously its worse this year than in prior years and I just wanted to re-emphasize to you that you're well below the minimum that we talk about every year, which should be 10% of your recurring expenditures. Some people are even upping that to 15-20%, depending on the nature of the locality. Clearly, this is still an area that you need to consider of real importance to your locality and consider what financial means you have to grow that fund balance. The last thing we did, last year we were held up because of capital assets. I don't have the luxury of saying that we were held up by anything that you all did this year. The capital assets were given to us when we were here doing the field work, but in our audit of the capital assets, we did find that some significant purchases were left off the listing. This is something that I'll talk about a little more when we talk about future accounting announcement, because its

going to take on more importance. If you were doing this process yourself, more care needs to be taken in looking for those items that need to be capitalized.

Supervisor Belcher - was this part of GASB that it would have been optimal to report them at that time?

Mrs. Cox - GASB 34 is what forced you to put this assets on your books, but yes, that meant that you have to account for your capital assets and then depreciate them now just like a business does. That's where that is coming from.

Supervisor Belcher - thank you, I think we're still in the process of figuring all this out.

Mrs. Cox - those are the main reasons that were reported based on the 2006 audit. Hope to have the final to you by Friday. And also a final copy of the management letter, as well. I think as far as the filings that are required with the audit, everything to this date has been filed with the appropriate agencies, with the exception of Department of Census that is not due until March 31, but we're working on them right now and will be timely filed. (Handed out a client bulletin from the firm) You all may have seen this earlier in response to learning about Statement on Auditing Standards (SAS) 112, that was issued by the AICPA in May of 2006. This is unusual for a standard to move this quickly, usually, like the next one, they issue them and then you have three years before you have to implement them. This one they issued in May 2006 and it was to be implemented for fiscal years ending after December 30, 2006, which means it's effective for the current fiscal year that you're in now. The main thing that this standard is doing is that its putting the responsibility for the financial reporting squarely in the laps of the entity. They've always been your responsibility, but if you read the opinion at the front, it says that the financial reports are the responsibility of management. That being said, you all do certain things to agree to that, that its your responsibility, but to a great degree, the auditors prepare all the adjustments to get it to the final point that it is. You all approve those through the management representation letter process but the management or staff may not have a really good understanding, in some cases, what the adjustments are and how they get from your records to what's in the financial statements. So what this standard is saying, is that if the auditors can't attest to the fact that the County staff or in the County's employment, is not capable of performing what they call a technical review of your financial statements, which would mean taking your cash basis records and comparing it to this document that you get every year, and knowing how those numbers get into the report and how all the accrual adjustments are made, then you could potentially have a reporting control weakness in the report. That doesn't sound too bad, but to make it even worse, a lot of our localities that we audit fall into an area where not only are they maybe at this point, not that they couldn't be technically proficient enough to review the audit and prepare the financial statements, doesn't require that you have to prepare them, that the auditors can no longer continue to do that kind of work. We can't continue to come up with accruals, we can't assist in additions/deletions in capital assets, we can't prepare your debt service analysis, interest payable calculations, because then we're not considered independent of your audit. Which means we can't audit you, nobody can audit you if things

remain as they are today in Floyd County, or in about 70% of our localities. What that means is a couple of options. You have the option of training existing staff on how to prepare the stuff for the audit. Because your auditors that are coming in this coming year are going to expect all of this to ready by the time they show up in the Fall. They are going to expect accounts payable, accounts receivable listings, and all those other things that I mentioned. You have an option of training existing staff, hiring additional staff that may can do this type of things. Some localities that don't currently have a Finance Director are considering hiring one of those. You have an option of hiring a third party that's not your auditor to come in and do this same thing, prepare everything prior to the auditors coming in. It's a lot trickier than it seems because a lot of our localities actually have Finance Directors. One good example is Gordon Jones who worked for us and has gone to Pulaski County. He is capable of preparing financial statements, he used to prepare 50% of the ones that we did. The problem is that he doesn't have the time because he's doing a lot of human resources, personnel kinds of things as their finance director. So, even with somebody that's proficient to do this kind of stuff, he may not have the time. It may just not be the proficiency of the staff that you have, it may be a matter of resources, financial and time and otherwise. Basically, I think you all need to be considering what, in working with your staff, to see what their capabilities are, what their time constraints are, to come up with something to be done before your auditors arrive in the Fall. They may have already talked to you about this, if not, they will be, because they will expect this in order for you to have an audit, and to get to the point where control deficiencies are reportable. A lot of our smaller localities have decided to go with a third party firm, a firm that used to do some of the audits in far Southwest part of the State. He has dropped most of his governmental contracts and is mostly providing consulting services to localities to help them prepare. Two of my localities, and even one large one, that has very capable financial staff, has decided to do that just because they don't think they have the current staff resources to do the additional work. So, anyway, several of our clients have already considered going that route, especially being in the budget process right now, and if you do decide to go that route, its an additional amount of money to be spent. Your auditors are not going to lower their fees because somebody is coming in and preparing your stuff, because they still have to audit all that documentation. Frankly, coming from an auditors standpoint, its almost easier for us to come in and compile it all than having to come in and take the statements and apply them back to the supporting documentation. Unfortunately, it's a no-win situation for everybody. You don't get any reduction in audit fee, you have to pay more if you want to hire more staff or hire a third party. I think you all should begin talking about it while you're in the budgeting process and prepare for that as best you can, so you can eliminate some of the reporting weaknesses that you might have as a result of your next audit. The next good news is GASB 45. I don't know if you all have already been talking about GASB 45 or heard anything about it, but very briefly what it is, is a governmental auditing standard that is now going to require you to disclose a liability in your financial statements for other post-employments. These are other benefits other than pensions. So in most of our localities, the most common thing that you offer is health insurance to your retirees. You all probably do, or the School Board, does something. But any rate, its something that you need to evaluate, which benefits that you do offer, because you're going to have to disclose this in the notes to your financial statements. And you could have a potential liability on the face of your financial statements, similar to what you have with VRS. You already have a note regarding pension disclosure and

something called a net pension obligation, but you're funding VRS, you're putting money aside with VRS so you usually don't have a liability that you report because you're fully funded. But this will result in the same type of disclosures and reporting in the financial statements. It can potentially be a huge number. Some of the larger localities, Fairfax County came in at \$20 million for the liability. That's not a number that pops into the statement on the net assets, but it is a liability to disclose. So you need to be thinking about the fact that this is coming, that you could potentially have a liability if you choose not to fund it. It's not required that you fund it. GASB wrote it as an unfunded liability. If you don't fund it, you just have a potential for this growing liability, that each year grows a little more and each year will be reported on the financial statements.

Supervisor Belcher - it shows on here that it has to be done. It says employers are required to show retirement and health insurance benefits and/or benefits will be required under certain limitations. It says regardless if the local government makes any contribution on behalf of the employee, how can that be a liability if the County isn't the one paying it?

Mrs. Cox - that's a very good question. The reason for that is, what GASB wrote into this statement was something that they call an implicit rate subsidy, to further confuse everything. What they're saying is that even if you don't pay for any of that retiree's health insurance costs, if there is an implicit rate subsidy in that, your rates are affected by allowing the retiree to stay on, that you are paying a higher rate due to the fact that you allow the retiree group to stay on your policy. And also, conversely, the active employees are paying a higher rate because it's a blended rate kind of pool thing. You can eliminate or reduce this liability by having the retirees pay closer to what they would have to pay if they went out and got their insurance by themselves. They could stay on the County policy, but if you told them that we need you to pay this much more, so it more closely resembles what you would pay if you just went out on your own, you could eliminate that liability. Or you could bring it down. But that's what they wrote in the standard, even if you didn't pay, in their minds, you still have this subsidy that you're subsidizing that individual. The School Board is really going to be the driving force behind what you all have to do because they have the greatest number of employees and the greatest number of people taking advantage of post-retirement benefits. That's where your liability comes from.

Supervisor Belcher - that's very confusing.

Mrs. Cox - it is. Sometimes it's a result of giving them other things to take care of the retirement amount. One of the things to mention, this standard for you all is not going to be implemented until fiscal year ending 2009. So you have two years before it is implemented, but the reason that we're talking about it now is because, back to the budgeting process, you have to hire an actuary to perform the service of telling you what the liability is. And an actuary is going to charge you to do this.

Mr. Campbell - can you use the same consultant as on the SAS one?

Mrs. Cox - probably not. Most accountants and auditors are not actuaries and they won't be qualified to perform that service. You get to bring in yet another professional to provide services for your locality. What I've been finding, when we did the seminars a couple of weeks ago statewide, was that a lot of the fees are coming in the neighborhood of \$12,000 for the County and School Board combined. That's for the initial year and its supposed to go down in subsequent years. You have to have one every two years once this starts, and potentially the cost should go down because they will have already reviewed your plan policies and determined what other types of post-employment benefits that you have. Its hard to tell where some of the standards are coming from. The other unfortunate thing is that the standards are really written for the localities that are much larger than Floyd County, like the SAS 112. It applies to every entity from Enron down to the local fire department. There's no threshold, no exclusions based on size, now how crazy is that? That's why we are where we are today, its all a trickle down from Sarbanes-Oxley into the governmental sector. There are more auditing standards that are going to be implemented in the next year that your new auditors will tell you about, but I'll let them bring that good news. That's the year after this one. Back to GASB 45, the main thing that you need to be thinking about now is whether you want to put your actuarial services out to bid. I've been encouraging everyone to do it in the next fiscal year because there's going to be a huge demand on actuaries. The actuarial valuation is good for 24 months after you have it, so if you have one this next fiscal year, it would be good up to the implementation in 2009.

Chairman Ingram - are you telling me that you can't come up with some kind of average or number and it will not be accepted unless this is signed off on by the actuary?

Mrs. Cox - if you have less than 100 employees, you can do that. If you have less than 100 employees, you do have an option to come up with your own valuation. If you have more than 100, you're required to have a actuary come in and do it. It would include the School Board because they are a component unit of yours. If you have an actuary coming for the School Board, it would benefit you to have yours at the same time. That's something that you can consider. Everyone is re-evaluating what they are offering. In the past, everyone has been using a pay as you go method for paying for these retirees' benefits, but nobody's really ever looked into the future to see how much it is really costing our localities, and can we afford to maintain these rising costs, with everything else staying the same or growing at a lesser pace. So it does make you look at what you offer your employees, and I think politically it's a nightmare to cut off any benefits, but I think you could re-evaluate what you do offer and re-structure your plan to lower the liability.

Supervisor Boothe - we could re-structure for future hires, not the ones that are already receiving the benefits.

Mrs. Cox - we did have a listing at our seminar, I'm sure Terri brought that back, of people that are offering these services. There are hundreds of firms that offer the services, and its not something that you would be required to bid out because it would fall below the threshold, but I wouldn't say that it should prohibit you from bidding out the service if you choose it, because it might provide some more competitive pricing from the vendors. Wachovia has been

hired by a number of localities to provide the services, Snyder, Hunt & Dupree has been hired, and BB&T. Right now, its just the really large localities that have hired an actuary, because it's a phase-in just like GASB 34 was. The largest localities implement in FY08, the medium in FY09, and the small in FY10. In the past ten years, there have been probably 15 new standards. This is SAS 112 that we're talking about today, but actually issued SAS 103-114 this past year. The SAS 112 is the main one to implement this year, but there are several other ones out there that they issued at one time that you're going to have to hear about. Its just gone crazy, its appearing like a continual employment attack for accountants, but believe me, the auditing side of the accountants aren't dying for any more work, we're just bearers of bad news.

Supervisor Belcher - in the information that you gave us, there was levels on the back sheet, what does that mean?

Mrs. Cox - I'm glad you brought that up because that was a major thing. What we did at the firm when we first starting talking about it was, we kind of looked at our own client base to see where they might fall in being able to implement the standards without having control deficiencies. The first two levels are ones that have a very sophisticated financial department or staff, a CPA on staff, that currently either writes the financial statement, or could write the financial statement if they had to, or can do a technical review. Levels I and II potentially have no effects from this standard, they're already doing all they have to do, taking full responsibility of financial reporting. Levels III and IV, a step down, but people are still preparing good trial balances, taking their trial balance and posting all the accruals to their trial balances, and giving that to the auditors to prepare the financial statements from. They understand how to make those entries. The second one in the Level IV, they're just doing cash basis trial balances but they're giving accrual schedules to the auditors for them when they arrive for the audit. Both of those could still have control reporting deficiencies, but they could still have an audit. The one that concerns us is Level V, because 70% of our clients fall into Level V, and Floyd County would fall into that level. You currently rely on the auditors to do all of that for you, and you're going to need to do something to get at least to Level IV, so your auditors can audit you. And even further, if you don't want any reporting deficiencies to be noted in your report, you need to see what you can do to get further up on the scale. So that's what we were trying to show. We're hoping clients will do a self-assessment of where they fell in this grid. This doesn't just involve the County Administrator's Office, it involves the Treasurer's Office, because that's where the revenue accruals come from, it affects the School Board and the Department of Social Services. It will take a lot more cooperation and coordination if you all try to do it in house to get all this information together by the audit time. This really affects the small localities that don't have the resources to implement these things.

One thing that I didn't mention about the report that I wanted to tell you about. We had been reporting your Environmental Fund as a proprietary fund for a number of years. I think I talked to you about it last year, that you're basically subsidizing that fund because its not self-supporting. Really, the definition of a proprietary fund is self-supporting. What I've done this year, since its still following along the same lines, is we have pretty much created it as a special revenue fund and combined it with your governmental activities. So that's something that is a

major difference this year when you're looking for the environmental fund. Its not separate, its combined with governmental funds. That's one major reporting difference.

We do want to thank you for the opportunity to work for Floyd County for all these years and hope we will get the opportunity to do so again in the coming years.

On a motion of Supervisor Belcher, seconded by Supervisor Boothe, and unanimously carried, it was resolved to go into closed session under Section 2.2-3711, Paragraph A.1, discussion, consideration or interviews of prospective candidates for appointment to Workforce Investment Board.

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

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

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

On a motion of Supervisor Boothe, seconded by Supervisor Gerald, and unanimously 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 personnel, in accordance with Section 2.2-3711, Paragraph A.1 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 Belcher - aye
Supervisor Whitlock - aye
Supervisor Gerald - aye
Supervisor Boothe - aye
Supervisor Ingram - aye

This Certification Resolution was adopted.

Agenda Item 8b - Recommendation for appointment to Workforce Investment Board - business representative.

On a motion of Supervisor Boothe, seconded by Supervisor Whitlock, and carried, it was resolved to recommend the re-appointment of Mr. Samuel Stephens to the Workforce Investment Board as a business representative, for a three year term of April 1, 2007 - March 31, 2010.

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

Agenda Item 8c - Request for transfer approval from Contingency - \$75,426 - for County Administrator salary and benefits.

On a motion of Supervisor Boothe, seconded by Supervisor Whitlock, and unanimously carried, it was resolved to approve the transfer of \$75,426 from Contingency to: 4-001-012010-1100 - \$59,833; 4-001-012010-2100 - \$4577; 4-001-012010-2210 - \$7946; 4-001-012010-2300 - \$2800; 4-001-012010-2400 - \$270.

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

Agenda Item 8d - Request for Contingency transfer - \$15,900 - for Department of Social Services.

On a motion of Supervisor Boothe, seconded by Supervisor Whitlock, and unanimously carried, it was resolved to approve a supplemental appropriation of \$86,000 to the FY07 Social Services budget from additional State/Federal funds, including a transfer of \$15,900 from Contingency to indicated line items.

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

Supervisor Ingram - aye

Mrs. Martin prepared/presented a draft resolution for the Board's consideration concerning Senate Bill 840 and House Bill 2707.

On a motion of Supervisor Belcher, seconded by Supervisor Boothe, and unanimously carried, it was resolved to adopt the resolution as presented, with the deletion of the last line, concerning Senate Bill 840 and House Bill 2707 (Document File Number).

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

Mr. Campbell presented a copy of the proposed FY08 budget and budget ad for the Board's information.

On a motion of Supervisor Boothe, seconded by Supervisor Gerald, and unanimously carried, it was resolved to authorize the County Administrator to submit an application on behalf of the Jacksonville Center to the Virginia Commission on the Arts, in the amount of \$950.

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

On a motion of Supervisor Gerald, seconded by Supervisor Boothe, and unanimously carried, it was resolved to adjourn to Tuesday, April 3, 2007 at 7:00 p.m. in the Floyd County High School auditorium for the public hearing on the proposed FY08 budget and tax rates.

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