

BOARD OF SUPERVISORS

ADJOURNED MEETING

APRIL 1, 2008

At an adjourned meeting of the Board of Supervisors of Floyd County, Virginia, held on Tuesday, April 1, 2008 at 7:00 p.m. in the Board Room of the County Administration Building, thereof;

PRESENT: David W. Ingram, Chairman; Jerry W. Boothe, Vice Chairman; Virgel H. Allen, William R. Gardner, Jr., J. Fred Gerald, Board Members; Daniel J. Campbell, County Administrator; Terri W. Morris, Assistant County Administrator.

The Chairman called the meeting to order at 7:00 p.m. with the reading of the handicapping statement.

At 7:00 p.m., the Chairman called for the Public Hearing on the proposed FY09 budget and tax rates as advertised. He turned the meeting over to the County Administrator to read the call for the meeting and to provide highlights of the proposed budget.

Mr. Campbell – read the call of the meeting as advertised and made the following comments: My name is Dan Campbell, I'm the County Administrator and we welcome you here this evening. I would like to emphasize that this is a proposed budget. It needs to be noted that budget information provided in the recent advertisement, which I feel everyone has seen, is for discussion purposes only. The Board of Supervisors has not taken any action to approve the budget for the upcoming year. Final approval will take place at a subsequent meeting later this month or the following. The upcoming budget will begin on July 1, 2008, and as most of you are aware, and run through June 30, 2009. Prior to any actual expenditures being made, the Board of Supervisors will have to formally appropriate the funding needed to cover the expenditures anticipated. Following this public hearing, the Board of Supervisors will consider any comments received and given these comments, they will have the opportunity to make further changes to the proposed budget. At this point in time, the revenue anticipated to be available to the County in FY09 is \$31,938,141.00. This amount is virtually unchanged from the current year's budget, very little difference. It should be noted that if the proposed budget, as outlined, is adopted by the Board of Supervisors, there will be no increase in tax rates currently being assessed by the County. First and foremost, the real estate tax rate will remain at \$0.60/\$100 of assessed valuation. No change. Regarding real estate values throughout the County, I would like to note that it time to conduct a new general reassessment that will begin in the Fall of 2008, with the field work. This reassessment work should be completed by the end of 2009, when the Equalization Board, after its appointment, will meet with citizens. Assessed values should be in place in January 2010. Last year at this time, I indicated that the County was operating with no unencumbered fund balance. I expressed a concern that the County had no funding available for unexpected expenses at that time. It's been a pretty quick year. This year, I would like to note, that we are still facing a cash flow challenge, however, progress has been made. As such, I'm confident and I think the Board is also, when we finish this budget year, we will have a modest fund balance. That is progress. This improvement in financial position, I think, can be attributed

to the Board of Supervisors' action taken at this time last year, to enhance revenues and limit expenses. While the Board did have to confront difficult decisions last year, the actions that they took are beginning to impact and improve the County's overall financial position. Next year's draft budget shows \$6,698,032.00 in local general funds being transferred to Floyd County schools. This amount represents an increase of \$26,536.00 over the current year's appropriation. From an operational standpoint, several other County functions are seeing modest increases in expenses for budgeted amounts, including the Library. This increase is primarily the result of debt service that will become due early in this coming year for the building expansion that is nearing completion. Also public safety and solid waste are seeing some small, modest increases. I would note that those two areas are being affected quite a bit by increased costs in gasoline. Looking towards next year, the only two capital projects that are being proposed in the spending plan is an E911 Communication Center upgrade. That work has been planned for several years. That Dispatch Center and perhaps a radio tower co-location installation will be looked at. The Dispatch Center will definitely be looked at; the radio tower may or may not be looked at in the upcoming year. I would say that the funding for those two projects has been put in place by a previous financing enacted by the Board in 2006 and the debt service for those projects have been built into the County's expenditures at this time. Moving forward, I think the Board of Supervisors will continue to have to work on improving the cash flow situation of the County, operating efficiencies will need to be evaluated in the next year or two, and I would also suggest that the Board continue to delay big purchases or capital projects for several years. I didn't get into the nuts and bolts, the advertisement in the paper tried to do that by functional area. I would like to say that we appreciate you coming this evening and I'll turn it back over to the Chairman.

The Chairman called for comments from the audience.

Paula Alston, Montgomery-Floyd Regional Library Director – I live in Christiansburg, but I'm here on behalf of the Library. I know that in the proposed budget, you have given the Library an increase of \$14,100 to our budget plus the debt. I just wanted to thank you for that. That will give us a needed 20-hour position that will help us man the library that is twice as large as it was six months ago. We also want to thank you for the new building. We are planning our dedication on June 12 at 7:00 p.m. and we hope that you will all be there. The Library will be open before the dedication, closed for small periods of time when we're installing the new shelving and new furniture. We are concerned about the book budget, I think we'll be fine for the next couple of years because we'll have some help from some of the citizens, but other than that, the book budget is of concern. I'm also concerned about the State Aid, what they are cutting from us and how it will impact Floyd County. Just wanted to make you aware of those items. I'm just here to say thank you, we're really going to enjoy the beautiful building that you've given the citizens of Floyd County.

Molly Cox – I'm a resident of Indian Valley, Librarian at Floyd County High School, and Chairman of the Montgomery-Floyd Regional Library Board – I just am here to add my thanks to Paula's to this Board for their support in the past, and the wonderful renovation that we're going to have upcoming. It's a wonderful gift to the community. If you haven't been there yet, I hope you'll go in and definitely come to the dedication. I realize it is a tight budget year, but like Paula, I just want to thank you for what you've given the Library, it is needed in terms of

collections, staff and facilities. Primarily, I just really am here to thank you. It's a small County, but we have a beautiful Library, thanks to the work of the Board of Supervisors.

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

Agenda Item 3 – Discussion/consideration of bids for Communication Center. Mr. Jack Murphy with Thompson & Litton appeared before the Board to report on the bid process. Mr. Murphy – I'd like to talk to you about the state of the 911 addition. We received bids on February 26, and we received eight different bids from contractors within the area for a general construction contract. Our pre-bid estimate, which had been escalated a couple of times since we initially thought we would be bidding about a year ago, was \$453,000. On bid day, our low bidder was Price Buildings, who are also just completing the Library project, had a total base bid of \$539,750. That included an allowance for some unsuitable soils, depending on what they may encounter when they begin the excavation. So that was about \$90,000 higher than our estimate. In the Code of Virginia, it states that we are allowed to negotiate with the low bidder, and that part of that negotiation involves quantities, quality work, to arrive within the County's stated budget. So that procedure was done, there were proposals and counter-proposals, meetings were held with our engineers and the contractor and his sub-contractors. They proposed around 20 items, based on our evaluation, we felt that 12 of those items were acceptable, and would not adversely impact the use of the facility. They are significant in that the facility would be harmed, and still have a fully operational facility that would work well at its proposed site. We included items such as removing downspout boots, that type of thing, long-term maintenance type things, but would not distract from the facility. The total amount negotiated out from the contract was \$63,250, leaving us with a revised contract amount of \$449,000.00. That amount is less than our pre-bid estimate of a few thousand dollars. However, there is an item or two that is back on the County to procure. The largest item is part of the security camera system. In discussions with the Sheriff, we feel that the County can obtain what's required through their existing provider for those systems in a more efficient and at a much better cost than what was in the contract. I would request if the Board feels so moved, to approve a notice of award to this contractor. We had a 30-day time frame to arrive at that negotiated amount, which passed last week. The price that we have is all that I have to offer right now, it's not something that I can go back and do further negotiations on, according to the contract. We're at the point where we accept or reject all bids and start over.

Mr. Campbell – I can't really add anything to that. I would just reiterate that the amount that we negotiated is in line with what we expected and with the budget amount. Hopefully, we will not be faced with any contingencies or any unexpected costs out there, because it is fairly tight.

Mr. Murphy – I would be remiss if I didn't mention that one of the cost savings measures was a flat cost reduction by Price Buildings, that they offered a reduction of around \$4600 across the Board. They are committed to the County and have done a good job on the Library project as well.

On a motion of Supervisor Boothe, seconded by Supervisor Gardner, and unanimously carried, it was resolved to approve the Notice of Award to Price Buildings for the Floyd County Communication Center, in the amount of \$449,000.00, as presented.

Supervisor Gardner – aye
Supervisor Allen – aye
Supervisor Gerald – aye
Supervisor Boothe – aye
Supervisor Ingram – aye

Mr. Campbell noted that the final contract documents will come back to the Board for final approval.

On a motion of Supervisor Boothe, seconded by Supervisor Gerald, and carried, it was resolved to amend the agenda to add the topic of the VML/VACO letter concerning State budget cuts, and any other items that may need to be discussed.

Supervisor Gardner – aye
Supervisor Allen – abstain
Supervisor Gerald – nay
Supervisor Boothe – aye
Supervisor Ingram – aye

Mr. Campbell presented a draft letter from VML/VACO to Governor Kaine concerning the proposed State budget cuts. VML/VACO would like all Counties to contact the Governor and their legislators with a similar letter. After discussion, it was the consensus of the Board for the County Administrator to prepare a similar letter, referencing particular effects to Floyd County, for the Board's review at their April 8 meeting.

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

Supervisor Gardner – aye
Supervisor Allen – aye
Supervisor Gerald – aye
Supervisor Boothe – aye
Supervisor Ingram - aye