

BOARD OF SUPERVISORS
REGULAR MEETING
NOVEMBER 18, 2008

At the regular meeting of the Board of Supervisors of Floyd County, Virginia, held on Tuesday, November 18, 2008, 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; 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 8:30 a.m. with the reading of the handicapping statement.

The Opening Prayer was led by Supervisor Gerald.

Chairman Ingram led in the Pledge of Allegiance.

The minutes of October 14, 2008 were presented to the Board for review and approval.

On a motion of Supervisor Gardner, seconded by Supervisor Allen, and unanimously carried, it was resolved to approve the minutes of October 14, 2008 as presented.

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

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

Mrs. Mary Turman, Treasurer, appeared before the Board. She presented the invested cash and cash in office report as of November 18, 2008. She commented that cash in office is higher than usual. She has retained this in office instead of investing because of payday coming earlier this month, and funds will not be received from the State in time for payroll.

Mrs. Morris presented the revenue/expenditure summary ending October 31, 2008. She reported that at 33% through the fiscal year, General Fund revenues are at 22% and expenses at 36%. Percentages are average for this time in the fiscal year.

Sheriff Shannon Zeman next appeared before the Board. He reported: Have made the transition into the new communication center. Ford and my emergency supervisor over the center worked hard and everything went real smooth. I kept calling all night during the

transition to make sure everything was ok. There were no problems and we're very pleased with it. Price Buildings is still working on the punch list, I'd say we're probably about 95% complete, a lot of little things – touch-up painting, gutter spouts, a door, some lock issues, but we're getting it all taken care of. The employees are ecstatic about the new center and we really appreciate it.

Further discussion followed on the monthly disbursements. Questions and discussion followed.

On a motion of Supervisor Gardner, seconded by Supervisor Allen, and carried, it was resolved to approve the monthly disbursements, and additions, as presented.

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

Agenda Item 9a – Subdivision plats as approved by Agent for October 2008. Mr. Campbell reported 15 new lots created this month, with 117 new lots for 2008. Low compared to the same time period in 2007, where 140 had been created at this same time. He and Mr. Bryant continue to meet at least once every two weeks, sometimes weekly, to discuss plats.

Agenda Item 9b – Appointments to the Board of Building Code of Appeals. Our new Building Official has asked that the Board consider appointments to this Board. This has been in place, but the last appointment ended in 2005. This is not an active committee, but needs to be in place. It is a five member board with staggered terms, with varying qualifications, such as a contractor, architect, etc. Consensus of the Board was for staff to advertise the positions.

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.

Mrs. Korene Thompson, Town Manager, next appeared before the Board. She reported: I've discovered in my job that grants are a work in progress, and the Town is a work in progress, we are making progress, I'm proud of the Town's grant activity. The first item on the agenda is the restrooms. At the last meeting, I talked about the hours and we had some concerns about Sunday availability. We are now open on Sundays with no issues or complaints. All the issues with the public restroom have died down. We still have a few touch-up items on the building itself. The Enhancement Grant, we have received VDoT's comments. They have requested some architectural clarification and copies of signed easements on the gateway entrance signs. In obtaining those easements, we have to get them written by the Attorney, get them signed by the landowners, and get them back to VDoT. Remember I said it's a work in progress. The Innovation Grant, which is the façade improvement program, this has been put forward to bid. We have opened the bids and are ready to issue the award. This was for interior and exterior doors and windows for the Village Square. We are commencing with work for that. Town/County issues: One of the major issues that the Town has had has been crosswalks for our

pedestrians. The Town had proposed two crosswalks between the stoplight and the Winter Sun building, because of the heavy foot traffic during the tourist season, concerns that someone would get hit. We did extensive review and we proposed two locations, one being basically in front of the Country Store and the other was near the Winter Sun that would connect with the T-21 pathway that leads by the cemetery. VDoT was not favorable on two; they are more attuned to one crosswalk. Their reason was based on some statistics that two crosswalks within that short distance, cars have a tendency to try to stop at one and speed through the other, instead of stopping twice, and causes more risk. We are now looking at one crosswalk that will be near Angels in the Attic, where the Town parking lot dumps out onto the highway, pedestrians will cross there, and it is also near the restrooms. We met with VDoT yesterday, and we've looked at that particular site. Of particular concern is any loss of parking spaces, so we're trying not to do that. Loan pool reissues – The Town is on their second round for loan pool money being re-issued. We will put an article in the paper to acquire interest for available money to expand outside the project area. With our grant process it says that we saturate the project area and expansion can be issued out in other parts of the Town. So we're in the process of seeing who might be interested. The project area includes the renovations to Winter Sun, Country Store, down to Farmers Supply. We're asking for a letter of interest to be addressed to the Town and we do have a loan pool committee chaired by the Vice Mayor. It is a first come, first serve basis. Old Hensley – the Town bid process has been awarded and AEP has issued the work orders for the poles to be moved to widen the road. Another good process. Town re-zoning – we will have another meeting December 16 to further review the ordinance. The Partnership for Floyd and the Town of Floyd is working on the Warren G. Lineberry Memorial Park. We've met, and we're beginning to look at the process. We've had the two meetings to acquire citizen interest and we have a conceptual design that has been submitted. Now, we need to develop our own design committee and our own fundraising committee, because this is an independent project. Based on our meeting last night, there will be some advertisements in the paper in regard to interested people to serve on the committees. Update on our Town vehicle license tax ordinance – we did repeal the decal and adopt a tax ordinance effective January 1, 2009. Our tax tickets that went out December 5 did not include the vehicle tax; it will be a separate billing. I do have a letter of request concerning pick up of trash along Clearview Street. (Read the letter of request). This letter requested that an offer be made to County citizens living on this street, to pick up their trash for a nominal fee. The Town truck already picks up about half of the street's trash for Town residents. Also extend an invitation for Board members to attend the Town Council meetings on the 1st and 3rd Thursdays.

Agenda Item 9c – Floyd County Humane Society volunteer assistance. Mr. Campbell presented a draft agreement between the Humane Society and Floyd County for the Board's review and discussion. We don't feel that we can do anything until we have a second animal control officer on board. We would start on Saturday mornings with County staff there in the beginning and hopefully progress to some afternoons. We would have training provided by our current animal control officer. We would start with 4-5 of the most active volunteers to start, rather than having all of the members. Start small and incorporate others as it goes along. They are interested in helping with feeding and cleaning. This seems to be a common practice across the State; we are one of the few that aren't participating. I've made it clear that if things don't work out, we would have to make changes and it is an ongoing process. The volunteers have a waiver that they will sign that will indemnify both the County and the Humane Society. They do

have a good insurance policy with the County written in as an additional insured. The Board deferred the matter for further discussion later in the day.

Mr. Carl Ayers, Social Services Director, next appeared before the Board. He commented: Recently attended the VACo Health & Human Resources Committee Meetings and presented a copy of the legislative platform for the Board's review. The whole discussion came back to money and what is going to happen in the upcoming year. Lot of comments on CSA and the funding formulas. What you're looking at here is the official VACo position on CSA. However, VACo is actually looking at putting a proposal out there to do away with CSA. No suggestion for what to replace it with, I don't know how all this would play out. They are saying that the system is broken to the point that it can't be fixed, do away with it and leave it up to everybody else to figure it out. I'm not sure how I feel about that. I know CSA is cumbersome, difficult and costly. But, without having something legitimate to replace it with, I'm not sure I agree with just throwing everything out and letting everyone figure out how to cope. The big thing is all the match rate changes that will come into effect in January. We have an increased residential match rate that is going to cost us a lot. It is getting so complicated that I don't know how we're going to keep cases straight as to what falls under which match rate. You can have cases with four different match rates, depending on what service is being provided. There's not a big change from last year's platform.

In a meeting last week I attended with the DSS Commissioner, they spoke to us about what they are expecting with the budget cuts. They are expecting us to not take any more cuts this year but they expect deeper cuts to come next year. Their expectation is that we took a 10% reduction this year; they expect 15% next year. What that will mean will be the elimination of the Companion Program, which serves the adult population. That program will go and there will also be a 1% administrative cut across the board. Exactly what that reflects in our budget, we'll just have to wait and see. We don't get any 100% State money; everything is matched at different rates. General Relief was on the table to be cut, the Governor's Office kicked it out. We just use that money here to bury indigent individuals. They continue to put that money back in there and will not allow it to be cut, even though it is a discretionary pot. The 2% salary increase that we were supposed to get in December has been delayed until July 2009. They've already pulled that money back. We keep hearing that the Governor's budget is not going to fly, that it will be greatly changed. The prevailing word is that the legislators don't want to raid the Rainy Day fund, so that leaves a huge gap this year. February would be a good target as to know what the final budget items will be; we already have the Governor's recommendations.

JLARC is doing a study on VRS. They are looking at the employee match rates and contributions. This is in effect a salary cut, when we don't get our raises and then if we have to pay for VRS, it's a cut.

Energy Assistance Program – we are about 10% above last year in applications received; we had 478 applications as of yesterday. These are extra cases that have to be worked up in the next 60 days. We've never reached 500 but I dare say we will this year. The Federal government put in \$5.1 billion this year, instead of the \$2.1 billion as they did last year, so the average benefit will be \$500-600, which will help our clients get a bigger benefit. This will help with the 100 gallon minimum delivery requirements.

Consolidation – draft report has been reviewed. This would consolidate 40 agencies into other agencies, with no plan as to how to do it, just take the money away. Through our efforts, we got it put off for a year and order the Commissioner to do a study to go back in front of him.

I did provide some suggested changes. It basically says that there is no monetary savings in consolidating agencies. However, it does say that if the locality feels it would be a benefit, then it could be positive, but you can't just take the money and force consolidation and expect it to save money.

Agenda Item 9d – Vehicle license/decals fee overlap. Mrs. Turman came back before the Board to discuss this issue. Mr. Campbell commented that he, Mrs. Turman and Mrs. Morris had met to discuss how a refund could be processed. Mrs. Turman has estimated that it would take her office staff about two months to process the refunds. There have been a great number of abatements provided. Feel it would be nearly impossible to provide the refunds in a cost effective manner. Feel that if the Board wants to provide the refund, that it should be done on an across the board decrease in fee next year. If the Board is interested, would request that a decision be delayed until January, to assess the income loss and number of vehicles actually assessed. After discussion, it was the consensus of the Board to leave the fee as it stands with no rebate or fee change next year.

Agenda Item 9e – Floyd County Recreation & Parks Authority appointment – Burks Fork District. Mr. Campbell reported that this position is being advertised, with letters of interest to be accepted through November 21, 2008. Will bring the issue back to the December meeting.

Agenda Item 9f – Communications Equipment – ProCom proposal. Mr. Campbell presented a proposal from Virginia Wireless Group (ProComm). This proposal is to trade evenly, a piece of equipment purchased by the County that was to be used in the dispatch center, but was never used. ProComm can use the equipment at another site. If the County does not need it, they are willing to trade this piece of equipment for a repeater tower to be placed on the Parkway, for improved coverage in that area. We expect coverage in the area to increase from 20% to 80% coverage. We also have a draft memorandum of understanding with the Blue Ridge Parkway for placement of the tower. Mr. Cornwell, Mr. Wirt and I have reviewed the draft, and there are some minor changes to be recommended. It is a five year term lease which is renewable. The Board deferred the matter for discussion with Mr. Wirt and Mr. Cornwell.

Agenda Item 9g – Health insurance bid process. Mr. Campbell reported that advertisement for competitive bids has been done. We received only one proposal from the current carrier, with an average 17.8% increase. Three other companies declined to bid. We are also reviewing the State-wide Local Choice option. It was a little higher on the premium, but did include vision and dental. We will bring this matter back on the December agenda.

Mr. Kenny Bartlett, EMS Operations Manager, next appeared before the Board. He reported 50 calls for the career staff, with 34 transports, 1 transfer of care, 5 cancellations and 3 fire stand-bys. The response unit responded to 26 calls, for a total of 84 calls for both units. Three calls to the nursing home for the month, for a total of 18 for the year.

Mrs. Myra Grim, EMS Administrative Clerk, next appeared before the Board. She reported that her monthly report is standard as per last month. The percentage collection has not been changed. Reported that she has been attending all IDA, Planning Commission and tourism

type meetings in the absence of Mrs. Martin, and also has been providing any tourism type information as requested.

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

Regional Jail – the construction project is moving ahead on schedule for completion. Have saved over \$700,000 on direct purchase of materials, and feel that \$800,000 will be a realistic figure in savings. These savings will go into contingency to reduce the amount of bonds required. Floyd’s monthly population was 25, with a total population of 624 for the month. Feel they are on track with the estimate of 640 average for the expansion. We are short several staff because of the State hiring freeze.

Indian Valley well – Mr. Campbell and I met with three family members on the issue. We are working to re-word the easement agreement. Progress was made and we are assured execution if the document is revised. Mr. Cornwell has the suggested changes for the easement. Mr. Campbell commented that with the well location better pinpointed in the agreement, the family was more comfortable with it. Mr. Wirt commented that the well folks can be ready within 30 days after the agreement is executed.

Memorandum of Understanding with the Park Service – Mr. Cornwell has reviewed the memorandum and suggested some minor changes. This project could be completed at no cost to the County for use of the tower. The radio repeater is not the ultimate solution but it will improve communications in the area. We would go from about 20% coverage to over 75%. It is a stop-gap measure.

Communication Center is almost complete. It came together very nicely because of team work.

The cell tower in the Copper Hill area is almost complete. The building is complete, with power at the building. Everything should be in operation by mid-December unless obstacles arise.

Mr. Billy Robinson, Brown, Edwards & Company, next appeared before the Board. He commented: We are required, in an open meeting, to present the report of what is required by the State. We’ve had discussions with management about the report, we’ve had discussions with Mr. Ingram and Mr. Boothe in depth. Basically, this will be a broad brush approach to the report and if anyone has questions, please feel free to ask. I’m here to serve you and help you understand. On page 1, this is our report on the financial statements, we issued an unqualified opinion, the highest level of assurance that the County can receive. It means that we feel the financial statements are presently fairly in all material respects. It doesn’t mean that they are 100% exact but they are materially correct. Unfortunately as auditors, we don’t deal in absolutes; we deal in broad ranges to make sure things are stated correctly. Under our audit report, we are required to follow auditing standards set by the GAO, we’re required to follow Circular A-133, Federal Grants, and we’re also required to follow Auditor of Public Accounts standards, which are mandated by the State. We’re required to follow all those standards and do specific tests for each of those agencies, that’s part of our audit. In that opinion, we reference an additional report; it’s a report on internal control that you will find in the back of the audit. It talks about internal controls of the County and any findings that we had regarding internal control. On page 3, this is something that is in the report this year that was lacking last year. The reason that it was lacking is that there were some adjustments to be made from one audit firm to another, which would be very confusing to the reader. In consultation with management,

they decided to leave that out last year based on our recommendation. We have now put that back. This is really the bread and butter of the report if you want to understand what happened in the financial statements, this is management telling you exactly what happened, this is their words, their explanations. If anyone ever asked you questions, I would suggest you direct them to this area of the report. On page 8, the government-wide financial analysis, this is a breakdown of where your revenue comes from and this includes schools. Property taxes are 30% of your total revenue, but as you can see, the majority of your revenue comes from operating grants and contributions, generally through the State and Federal governments. 84% of your revenue comes from the State and property taxes. On the expenses, by and far your largest expense is education, which you all know. On page 15, Statement of Net Assets, this is what changed in governmental accounting a few years ago; this is what they call full accrual accounting. Basically, if you're a business person and you have a set of financial statements for a business, this is what a government is supposed to compare to now. That's the purpose of this. If you look at the changes in the Statement of Net Activities, the change in net assets for governmental activities, which includes your General Fund and Fire/Rescue Fund, in terms of full accrual accounting, shows a net increase of \$1.6 million over the prior year. That's tremendous improvement over the prior year, which was \$440,000, so the County management, through the Board's direction, did an excellent job of improving the County's finances this year. As you see, the School Board was \$82,000, they are pretty much a break-even, they take money in, spend it through the year. Basically their purpose is fulfilled and the IDA is the same. If you go onto page 17, you will see that the fund balance is back in a positive range for the General Fund. Last year you were running a deficit fund balance of \$143,000; it is a positive \$380,000 this year. This is basically your checkbook, this is cash flows, cash coming in and going out the door. The General Fund last year you had a negative \$143,000, this year you're back in the positive range of \$380,000. Room for improvement and growth in that number but we're headed in the right direction. Hopefully you can maintain that and add to it, which is a challenge for a lot of governments. The rest of the stuff is the notes to the financial statement. The most significant disclosure, I think, if I'm a Board member and what I think is important, that would be page 44. On page 44, this is the commitments and contingencies. It's not reported in terms of numbers on the County's financial statements, but it is the risks to the County. These are the things that could have a significant impact on the County and you should focus on them. There are some required supplementary information sheets and some detail about the IDA and the School Board, some statistical sections showing where you are currently vs. where you have been, some good information to review. On page 73, this starts our compliance section that I was referring to earlier. It talks about internal controls, Federal grants, and any findings related to those. There were some items in the financial statement audit that we have pointed out in this report. There was nothing related to Federal grants. There were some findings related to the tests that the Auditor of Public Accounts requires. Those are all detailed out in here. I won't go into detail but I will tell you that we have issued a separate management letter, comments on internal controls, and other suggestions for improvements, for your reading pleasure. In my opinion, the best report that a Board member can take a look at is the financial analysis report, charts and graphs on where you've been, how you did this year, where things are going, to really see clearly where you are. Everything was submitted to the APA on a timely basis before the November 30 deadline. This is a great locality, we love working here, and appreciate the opportunity to work for you.

On a motion of Supervisor Boothe, seconded by Supervisor Gardner, and unanimously carried, it was resolved to accept the FY08 audit as presented.

Supervisor Gardner – aye

Supervisor Allen – aye

Supervisor Gerald – aye

Supervisor Boothe – aye

Supervisor Ingram – aye

The Board recessed for lunch.

Mr. Bob Beasley, VDoT Residency Administrator, next appeared before the Board. He presented a copy of “A Blueprint – VDoT’s Response to a Declining Economy” which is VDoT’s Commissioner’s vision of the state of their agency. In the past few years, we’ve been operating with a continually decreasing amount of money. I’ve always believed that we would come out of that, have funding restored, and go back to doing business as usual. He states that it will not be business as usual with the economy as it is and is a fantasy, VDoT will need to act to make spending match its income. That’s what this plan aims to do. Some highlights: Page 1, Future of VDoT, principles of what we’re going to do. The focus will be on maintenance, operations and emergency response. Scaled Services – there is about 18-20,000 miles of road in Virginia that carries 85% of the traffic. Those will be the top priority roads for maintenance and attention. The interstates, arterials and primaries are all included. As a business, we’re going to streamline what we do. I’ve been told by the Commissioner himself that every function and aspect of our business is under scrutiny and review to be either altered or eliminated. We’re going to use more technology. It’s going to recognize that construction funding will focus on safety, reconstruction and bridge replacement. Basically, those are your major safety issues. We’re trying to preserve what we have and keep our roads and bridges safe. We’ll be smaller, provide services differently and be proportioned differently. The next page is a run-down of the reductions that will occur over the next six years. This, by the way, is about a month old and the figures will probably be tougher than this. For FY09, we’re looking at under-funding of \$227 million, in FY09 its \$258 million, and so forth. The Federal funds, that we rely on to leverage 20% State match to 80% Federal, we’re going to lose a great deal of Federal money as well because of changes in the formula. Overall, we’re looking at a \$2.1-\$2.5 billion loss over the whole six year period. The three things we’re going to change is organization/staffing, the way we’re structured and the folks that we have to work for us; services and the program, basically construction, and the CTB program changes will be State-wide construction program. What we’re going to try to do, emergency response capability always has and will continue to be a number one priority and that’s what we’ll do our best to maintain that level of service. When it says prioritize services from the center line to the edge of the right-of-way, what we’re talking about, you’re looking at the most important elements of a roadway being from the center line out, basically the pavement, edges and shoulders, then fills and cuts. He’s looking basically at the roadway surface itself. What that doesn’t take into account is the drainage, which is not visible but is a huge component of any roadway. The theory is fine except for not ignoring the drainage. We’re going to repair the system and preserve it before we expand it. We’ll maximize Federal funding. The Feds are even now changing the way they distribute money to the State and Virginia’s been really good at obtaining Federal funds. We’ve looked at them as being the component that helped us bring up the money that we were losing, and it appears that this will be

in question in the future. Reshaping the agency's core competencies – eliminating or consolidating redundant functions. What I think that hints at is, at this point in time, any citizen can call an area headquarters, my office, the district office or they can call Richmond. I don't know that somebody needs four different phone numbers to call when they have a complaint. Things such as that, we will be a very focused, concentrated agency. So we don't have replication of services. We will finish the projects that are underway. We have to have 100% of funds before we can start a project. New major construction will become episodic. In other words, you'll see it from time to time but it's not going to be a constant thing as it has been in the past. The project mix will reflect CTB priorities. Next page is the meat of this. This is the broad strokes, and at this point in time, we don't know the details of what will be cut and from whom. We do know that 30% of residencies will be eliminated, 30% of central office division will be eliminated, and 40% of equipment repair facilities will be eliminated. Traffic operations centers will go from six to five and there will be some sharing of services common to the agencies, such as administration and materials. There will be reduced layers of supervision; I understand it will be reduced by 20% as well.

Supervisor Boothe – on equipment repair facilities, will you contract that out?

Mr. Beasley – no, the Commissioner appointed, back at the end of October, seven committees. He gave them this blueprint and told them that these are the goals I want to accomplish; you give me the details on how to accomplish it. Those seven committees get back with the Commissioner right after Christmas with the work that they've produced over the last two months. Theoretically, those findings of those results will end up being the detailed plan that the Commissioner gives his blessing to and that goes into effect sometime in 2009.

Supervisor Boothe – the equipment repair facilities, that's referencing the VDoT facilities. If you reduce that by 40%, you're either going to have a lot of equipment sitting around or its going to have to be contracted out to somebody.

Mr. Beasley – right, or you have a large centralized garage. I don't know at this point. There could be a regional garage, maybe one that covers three residencies, some approach like that. And you're right, it could be privatized with contractors. The problem here is money and my experience has shown that contracting is not cheap. It's a question of priorities, how important is it and how much money do we have to apply to that end, and is it enough. We're waiting for the committees to flush out the plan. Probably 20% reduction in supervision. Some of the things that we've done, we've delayed the increases that were supposed to happen in November, and it may not happen in 2009. We've eliminated 1000 vacancies that basically is people who've gone out the door, those positions have not been refilled; we've eliminated those positions and are looking at laying off an additional 800, through attrition hopefully. We'll only do layoffs if absolutely necessary and we prefer not to do layoffs at all. We will shrink from 8400 to 7500 full-time employees, part-time employees from 1200 to 500, and management reduced by 20%, central office from 1300 to 1000. Service levels that are provided today will be reduced, there's no doubt, you can't do these cuts and these changes and not have an effect on the level of service that we provide in the field. The emphasis, I think, and I've talked to my boss and the Commissioner, there has to be a great deal of care put into making sure that the services that we provide are equitable in all locations throughout Virginia. In other words, we

want to do the same thing here that is being done in Christiansburg, Richmond, and Bristol. It's going to be a challenge. Once again, those details will come out sometime in early 2009 with the work that those committees did. Snow and ice removal is still, and has got to be, one of the most important things that we do. Hopefully, it will be looked at with maximizing its effectiveness and retaining that. Striping, signing and roadway lighting are all under scrutiny, along with everything we do. Even rest areas are being looked at, with possible reduction or elimination or through self-sustaining fees. What that means is that they are considering actually privatizing those and bid them out to restaurants, some private firms who would actually take over the rest areas and have food facilities and other services there, with the possibility to earn a profit. I don't know what element of a road you can take and not say that it is not related to safety. Drainage is a safety issue. Lines, lighting, shoulders, it's all related to safety. How could any of it be cut? But the bottom line is that it will be cut. Things will suffer if we don't do all the things that we've done in the past. Major Infrastructure Failure Fund is being reduced by 20%. That is a fund that whenever you have an unforeseen failure of something that exceeds a million dollars, we are budgeted maintenance funds, but we can't take hits, when we have a slide, for instance, that blocks a road and we have to go in there and re-construct a road, move the materials, shore up the fill, deal with all the environmental factors, do a project basically, we are literally over-budget the moment that happens. We don't have any extra money in the cupboard to cover that, that's the purpose of this fund.

Supervisor Gerald – do you know what will happen with the Route 114 bridge?

Mr. Beasley – that's a project that has money dedicated to it. Now, whether it remains dedicated to it or not, is subject to actions to be taken in 2009. I would keep an eye on it if I were you. We're looking at moneys that VDoT ends up providing to sister agencies and that will probably end up being reduced pretty drastically in the future. CTB Program changes, we're looking at projects here. The bottom line is projects. The bottom line is that we're looking at reductions in formulas, which is the formula that provides Floyd County with its secondary construction funds. That's the formula that tells us we get x amount of dollars. That formula is basically no longer valid and is going to be re-configured. Increased Federal funds to maintenance projects. We're going to use Federal funds for anything that we can lay our hands on, that's the long and short of it. If we can get Federal funds to match it, we will. That's already a rule when you start any project, you look at Federal funding first. As long as they keep the money coming, we'll keep using it. Smaller programs may be reduced or eliminated, such as revenue sharing, some of the metropolitan programs for cities. This review will take place in November and December. The estimated reductions, to meet our spending limits, are qualified here on the next page. \$58 million is going to be gathered from staffing reductions, \$75 million from service program reductions, \$94 million from the CTB construction program, for a total of \$227 million. It goes on through each year in similar fashion. So you can pretty well see the direction this is going. This is kind of like our analogy with the road; I don't see what part of VDoT is not necessary. If you're going to maintain roads, design roads, and build roads, you've got to have elements, talent and the knowledge to do that. Bottom line is, we're circling the wagons here and we're drawing in to the point where we have the goal to adjust our spending to match our income. The income is woefully insufficient. The forward steps shows the seven teams that the Commissioner has appointed – finance, CTB programs, communications, staffing, transitions and options, showing where and how people work. There is going to be some efforts

to work with industry leaders to find savings, possible legislation, and regular reports to the Governor and legislators. When you reduce services and levels of services, you're reducing what you deliver to the public. That's the bottom line. This last statement, I think, is quite true, probability is the system conditions will not be as good as they are today. I can pretty well promise you that. One thing is, this is a project in progress, there are a lot of things that could change this initiative. One is if, if the Federal government decides to do a jobs program and rebuild the infrastructure of America, they will make, I hope, make a fair amount of funds be available to us, at least to repair the interstates and primary roads. It would be a big boom to our construction funds. That would be the majority of our construction funds. Implementation is supposed to be completed in 24 months and no function or service is off the table. Everything will be looked at. The intent is to have a business plan approach driven by our mission and values. I just wanted to share this with you so you'd know where we're headed. Our formula for secondary roads is very much up in the air; we do not have construction figures and do not think we'll have them until January. The numbers seem to change daily and I would like to have the numbers in hand so our citizens will have the facts. I do ask that we delay the public hearing until we have details. Projects already under construction will be funded.

Supervisor Boothe – Route 705, new pond, have already discussed your review of this site, especially the dangerous slope. Also, Little Camp Road is full of potholes.

Supervisor Gardner – Weeks Road, Route 740, lots of dust problems because of towing business traffic, residents would like the rest of the road paved.

Mr. Beasley – I did speak with one resident on the road. The Superintendent will check into putting down stone, and we have changed the dust control program.

Supervisor Allen – Cannady's Gap Road, School Board issue, have you checked it?

Mr. Beasley – yes, I have checked it. There is a solid rock wall there and it would have to be a construction project.

Supervisor Allen – Smartsview Road, there is a culvert under the road with a hole right in the center of it.

Mr. Beasley – we will check it.

Supervisor Gerald – Route 787 between Routes 749 and 754 – thank you so much for the white lines.

Supervisor Ingram – Route 642 – can you get back to me when you get details from the speed study?

Mr. Beasley – there are 140 vehicles per day and no accidents reported in the last three years. They have completed a desk review. They are now going on-site for review. Hope to get the information within the next week or so.

Supervisor Ingram – there was an accident recently on Route 221 North at the Floyd/Roanoke County line. Could a school bus stop ahead sign be put up? There are several stops and a daycare center all within a short distance.

Mr. James E. Cornwell, County Attorney, next appeared before the Board.

Agenda Item 7j(i) – Proposed Ordinance Amending Section 46-356 of the Floyd County Code to Provide for Payment of Certain Personal Property Tax Prior to Issuance of Motor Vehicle License for property used as a dwelling. Mr. Cornwell reported that when we amended the motor vehicle decal ordinance, this was a change that was requested by the Treasurer so that persons who had a mobile home or manufactured home that was not titled as real estate, but rather continued to be titled through DMV, that she could not provide a decal to them until their personal property taxes were paid on that home. I told her at that time that I would submit to the Board an ordinance to that effect, and I have. The State law allows this.

Supervisor Boothe – what’s the current procedure?

Mr. Cornwell – what had been happening was that she was doing it, but it wasn’t in our ordinance. This puts it in our ordinance formally. To conform her operation to our ordinance. I made it effective January 1. The statute provides that in order to get an automobile decal, you have to pay all personal property taxes on the vehicle that you’re getting a decal for, and you have to pay all delinquent personal property taxes on any vehicle that you own before you can get a decal for one of them. This adds the requirement that you have all tangible personal property taxes on manufactured homes also be paid.

On a motion of Supervisor Gardner, seconded by Supervisor Allen, and unanimously carried, it was resolved to authorize the County Administrator to advertise for a public hearing on the proposed ordinance known as “Ordinance Amending Section 46-356 of the Floyd County Code to Provide for Payment of Certain Personal Property Tax Prior to Issuance of Motor Vehicle License, at 3:00 p.m. on December 9, 2008 in the Board Room of the County Administration Building.

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

Humane Society Agreement – I was faxed over a proposed agreement between the Board of Supervisors and the Floyd County Humane Society for my review. I don’t have any substantial issue with it. We need to make sure that 1) volunteers could be covered, without additional charge, under our workers comp if we give the insurance carrier a list of names; 2) check with our insurance carrier to make sure there are no problems from their point of view, about these people being in the animal facility. It says in the agreement that they have an insurance policy, I have not seen it. We need a copy of it and they need to make us as co-insureds.

Mr. Campbell – I have seen that and have a copy of it. We just have not been added pending the concurrence of letting them perform the service.

Mr. Cornwell – legally, that’s all the issues I have. It’s up to the Board as to the choice to do it or not.

Memorandum of Understanding with the Blue Ridge Parkway – I have reviewed the draft and made a few minor changes. I changed the 60 days notice of cancellation to 6 months. They had us in there as a North Carolina entity, which of course we’re not. We also need to make sure the insurance for our property is covered.

On a motion of Supervisor Boothe, seconded by Supervisor Gardner, and unanimously carried, it was resolved to authorize the County Administrator to proceed with the proposed agreement with Virginia Wireless Group (ProComm) and the County of Floyd as amended (Document File Number _____).

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

On a motion of Supervisor Boothe, seconded by Supervisor Allen, and unanimously carried, it was resolved to authorize the County Administrator to enter into an agreement with the National Park Service, Blue Ridge Parkway and Floyd County in accordance with the Memorandum of Understanding as modified by the County Attorney (Document File Number _____).

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

At 3:00 p.m., the Chairman called for the Public Hearing on the proposed ordinance known as “Ordinance Changing the Name of the Industrial Development Authority of Floyd County, Virginia to the Economic Development Authority of Floyd County, Virginia”.

The County Administrator read the call for the public hearing.

Mr. Cornwell commented that this proposed ordinance changes the name only of the Authority, not anything else.

The Chairman called for comments from the audience.

Mr. Jack Russell, Chairman of the Industrial Development Authority – the body felt like this name change more accurately reflected what we’re doing these days, expands the horizons of the authority. Industrial just seemed to narrow the impression of what we were doing. We certainly hope to work with County entrepreneurs and existing businesses, as well as businesses

that are not traditional. A few other Counties have done this change under the State Code. I'm sorry that the County had to do the public notice and public hearing, but think it would be an appropriate updating of the Authority.

After no further comments the Chairman declared the Public Hearing closed.

On a motion of Supervisor Allen, seconded by Supervisor Gerald, and unanimously carried, it was resolved to adopt the ordinance known as "Ordinance Changing the Name of the Industrial Development Authority of Floyd County, Virginia to the Economic Development Authority of Floyd County, Virginia (Document File Number _____).

Supervisor Gardner – aye

Supervisor Allen – aye

Supervisor Gerald – aye

Supervisor Boothe – aye

Supervisor Ingram – aye

On a motion of Supervisor Gardner, 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 employment, assignment, appointment, promotion, performance, demotion, salaries, disciplining or resignation of specific public officers, appointees or employees of any public body; Paragraph A.3, discussion or consideration of the acquisition of real property for a public purpose, or of the disposition of publicly held real property, where discussion in an open meeting would adversely affect the bargaining position or negotiating strategy of the public body.

Supervisor Gardner – aye

Supervisor Allen – aye

Supervisor Gerald – aye

Supervisor Boothe – aye

Supervisor Ingram – aye

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

Supervisor Gardner – aye

Supervisor Allen – aye

Supervisor Gerald – aye

Supervisor Boothe – aye

Supervisor Ingram – aye

On a motion of Supervisor Boothe, seconded by Supervisor Gardner, and unanimously carried, it was resolved to adopt the following 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 and property in

accordance with Section 2.2-3711, Paragraph A.1 and A.3 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 judgment it was a departure.

Hearing no statement, I call the question.

Supervisor Gardner – aye

Supervisor Allen – aye

Supervisor Gerald – aye

Supervisor Boothe – aye

Supervisor Ingram – aye

This Certification Resolution was adopted.

Agenda Item 9c – Floyd County Humane Society volunteer assistance. Discussion followed on the proposed memorandum of understanding from the Society. The following changes were made: 1) delete item #c under #8; 2) add item e under #9 – “shall not interfere with Animal Control Officers’ in performance of their duties; 3) page 4 – delete all Board of Supervisors members, execution by County Administrator only.

On a motion of Supervisor Gardner, seconded by Supervisor Boothe, it was resolved to authorize the County Administrator to execute the agreement, as amended, with the Floyd County Humane Society, with changes as outlined by the County Attorney.

After discussion, Supervisors Gardner and Boothe withdrew their motion, for the County Administrator to discuss the proposed changes with Humane Society officers and bring back to the December board meeting.

Request from Town of Floyd to pick up trash along Clearview Drive in the County section. Mr. Cornwell commented that it would not violate any of the County's ordinances on solid waste.

On a motion of Supervisor Boothe, seconded by Supervisor Gardner, and carried, it was resolved to grant the Town of Floyd permission to pick up trash along Clearview Drive, in the County section, for County residents who desire this service.

Supervisor Gardner – aye

Supervisor Allen – aye

Supervisor Gerald – nay

Supervisor Boothe – aye

Supervisor Ingram – aye

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

Supervisor Gardner – aye

Supervisor Allen – aye

Supervisor Gerald – aye

Supervisor Boothe – aye

Supervisor Ingram - aye