

**BOARD OF SUPERVISORS
ADJOURNED MEETING
APRIL 16, 2009**

At an adjourned meeting of the Board of Supervisors of Floyd County, Virginia, held on Thursday, April 16, 2009 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 FY10 budget and tax levies.

The County Administrator read the call for the public hearing and gave a brief synopsis of the budget highlights.

Mr. Campbell – the proposed budget amount for FY10 for the County is \$31,004,664.00. The amount of the total proposed budget to be allocated to Floyd County schools is \$21,194,176.00, representing 68% of the total budget for public education. That leaves the remaining 32% for all other County functions. I'd like to say that local funding for our school is scheduled to stay at the current amount, no increases or decreases in local funding. Again, there are no increases in tax levies in the proposed budget. This budget that the Board has worked on, in every way attempts to maintain the status quo, there really are no new significant initiatives or construction activities proposed. Of course, we are hopeful that barring any unforeseen increases during the year, it is a volatile time and volatile economy, services levels that have been provided by the County would remain similar to what they are now. I say that with a little hesitation because things are certainly uncertain right now. I would also like to note that the County is going to explore opportunities to finance the purchase of new equipment in the Solid Waste Department; we're in need of some equipment replacement there, again, not construction but equipment replacement. We're also going to work toward securing some opportunities to finance a significant piece of equipment for the Fire Department. The estimated debt service for the first year, if those two come to fruition, is in the spending plan as proposed. I think that this budget that the Board has developed and worked on diligently is pretty realistic. I think what we're supposed to do is make the proposed revenues match the proposed expenditures. We've tried to be conservative in doing that. I feel confident that barring anything unforeseen at the end of this FY10 year, we should be pretty reflective of what is proposed here. With that said, however, it is always nice if you finish the year and you don't spend quite as much as you estimated you would and were able to perhaps generate a little more, because we are dealing with estimates. I will note that the Board of Supervisors does have the option to adjust or tweak budget amounts downward after this hearing; they will not be able to increase amounts. Of

course, as I've already stated, no expenditures can be made from this budget until early July. The Board of Supervisors has to formally appropriate the budget as developed and approved.

The Chairman called for comments from the audience on the proposed FY10 budget and tax levies.

Mr. Joe Montague – most of you have seen me before, I've been around here for about 40 years. I've watched all these things happen and the problem is the State, insisting that you do things like passing laws giving you 10 cents the first year and then no more money down the line to do the job. It is sad that we're up against the same situation here. The newspaper's mis-handling of your budget information caused me to take a harder look at it than I might otherwise have done. In doing that, I noticed that there were requests from department heads for funds, which were increased by the Board of Supervisors. This doesn't make sense to me on the face of it. With the explanation I got, was that you got an original request from the department head, which you reduced because you expected to have trouble, and then you got stimulus money and that enabled you to go back to where their original figure was. Well, just eyeballing this, I see somewhere between \$1-2 million that somewhere down the line you're going to have to pick up. The stimulus is a one-time thing. Are you guys willing to take the heat when it comes to tossing people out or cutting these budgets and making the explanation if we come to that? There's been trouble in the past when the State's done this to us. That is going to happen. There is less that we can do about it when it happens in Washington than when it happens in Richmond. It's a fer piece and a bigger crowd. I think you should take a careful look at that and be sure that you're ready to do the job that needs to be done down the line when it needs doing. I can pick out the figures that you've gone through but I can't sort out what might be done differently to change the particular figures. In looking at several items, it looks like you have something between \$1-2 million that you're going to have to find down the line. The place that you'll have to find it is where I am. I look more carefully than many people do because I earned the money that I'm living on now in investments at a five figure salary, and a low five figure at that. I'm living in a strict economy so make it as easy as you can. I personally have an out. I'm close to the Parkway and if you treat me too roughly, I'm either going to sell or give it to the Parkway and you won't be able to get taxes from me. Thank you.

Mrs. Debbie Snellings, Courthouse District, President of the Education Association – I have a speech prepared but after hearing your comments on the budget, I guess I want to change and say thank you. I'm hoping that you're going to keep the same amount there to maintain what the School Board has asked for, a level budget. But just maybe to say a few things, I did spend quite some time preparing this, so I will and do have all these people here to support me. Half of the crowd tonight is school personnel. I think one of the first things that I would like to tell you is that we work hard for our students as teachers. We also care about our school division, we care about our jobs. This is obvious in the scores that our children have achieved in their SOL's and the time that our teachers spend at schools to make it a better place, not just for the kids but our community as well. We know that this a very hard budget time for all of us, not just you, but in my household as well. But that does not mean that the State will not reduce their guidelines as far as State SOL's, we will still have to meet them. We will still have to meet the Federal requirements under No Child Left Behind. I don't know if you know that, but each year those scores have continued to rise. Even though we don't have the money, we're still expected

to do that. We want you to keep that in mind. Our children here in Floyd County have been successful. The numbers of children that graduate and go to college are a result of a community that cares about its schools and the wonderful teachers that we have here in Floyd County. As you know, the Governor, at the beginning of the budget year, wanted to cut a lot of stuff. Of course, as teachers, we heard your jobs are on the line. Of course, we were nervous and scared. One of the things that we want to impress on people is that we are now highly qualified teachers. We need PE teachers, art teachers that are able to reach our children in other ways than what we can as classroom teachers. As you know, PE teachers help us take care of the obesity rate that you hear about on TV. They help us with our diabetic children, that rate continues to grow. As well as children that have attention deficit. PE may be the only place that some of our children have a chance to shine. Our art teachers, they help us connect to the right side of the brain. We teach to the left side of the brain. Our art teachers connect to the other side of the brain. Educational funding is something that we cannot reduce and yet see our children make progress in this very complicated world that we live in. We cannot afford to send our children out into the world without all the things that they need to be successful. Our children depend on us and we depend on you to give us the support that we need to do our jobs. Therefore, we ask that you support the full budget by giving the amount that was requested. In a quote that I've found to be very appropriate for our school system and its employees. Henry David Thoreau wrote, "Do not hire a man who does their work for money, but him who does it for the love of it". I think this quote explains the Floyd County School Board employees, we love our students. As educators, we know how important an education is. We are an organization that will continue to advocate, not just for our school employees, but for our students. Thank you for giving me the opportunity to speak tonight.

Mr. Steve Love, Floyd County Rescue Squad Captain – I'm here to talk to you about replacement of an ambulance. This will be the 4th year that one has not been replaced. Four years ago, one was turned down and taken out of the budget. We were asked for two years not to put one in the budget. This year, the one that we asked to be replaced has been removed. We are asked about how many miles are on our trucks. It is not about the mileage, it is about the calls and the roads that we drive. We are not like most Counties and Cities, that have a hospital within 15 minutes of their calls, we have about 30 minutes to each hospital and an average of 60 miles round trip. We run about 1600 calls per year. That means that we travel about 96,000 miles per year. That does not include the mileage on refusals. We are starting to have problems out of the trucks that should have already been replaced. Just yesterday, unit 408 went down, we did not have a truck to put in its place, so Indian Valley only had one truck to handle that end of the County. Unit 407 was also down, so Check only had one truck to run calls on their end. That means if there were two calls on either end of the County, there would have been delay in getting help to the people that needed it. We are asking that you fund a truck in the amount of \$143,000. We know that we asked for \$198,000 but that was to also replace Unit 402, which was involved in an accident. We are no longer asking that you assist in replacing that truck; we are asking that you replace one of the older trucks that needs to be taken out of service. We know that you have a hard job and we commend the job that you do. We thank you for your time.

Mr. Charlie Statzer, Little River District – I have been in Floyd County for 30 years. Regretfully, I've never met any of you all. I'm here today to say you have a tough job. I respect

you for the job that you're doing. You've got tough times now; we all have tough times that we're going through. I ask you to keep in mind that the taxpayers are going through tough times too. There are a lot of people in Floyd County that are out of work and the way that I see it, we're going to have a lot more people in Floyd County out of work. Next year, we're going to have a lot of people that won't be able to pay taxes. We're going to struggle to help those people. However, I have a grandchild in the school system here. We have a good school system. My son was in the Salem school district years ago, but when we moved to Floyd, we thought this system was better so we stayed. I ask you to keep as much, if not all, of the budget for the school system. The kids coming up are the ones that are going to be making the money and bringing it into this County and helping us pay the taxes for the future. I encourage you, from the School Board side, to look at it and do the best that you can. Sometimes at work, I work at General Electric, we're told, look at every dollar. Where does every dollar go? What lights are on in the building? Do all the lights get turned off every night in our schools? Are the computers within the County board buildings cut off at night? Have people look. Have other people look and see what we can do. Do we need street lights on? Things like this that we need to look at, like that low-hanging fruit, so we keep the things that we really need to keep, like the education, rescue squad, things that are important to everybody. I encourage you to keep up the good work, keep going at it. When you need help, ask for it, come out and talk to individuals. Sometimes we can see things in a different light. Some people are afraid to talk in front of you, but will do the one-on-one. You might want to consider putting a \$50 savings bond out there for whoever comes up with the best money-saving idea for the County. Those things do work. Keep those things in mind. Thank you for your time tonight.

Mr. Ganon Bender – On April 8, 1996 I was injured and sustained a massive brain injury from a car wreck. If it wasn't for the assistance of Brain Injury Services of Southwest Virginia, I would not have had a prayer of getting myself together enough to finish college. I cannot say how much they've done to help me. The cognitive rehab, sending someone to my house, working with me as needed. They helped me get back on my feet. That's why I'm now able to be a productive citizen, go back to school. I would not have had a prayer without Brain Injury Services.

Mrs. Sharon Oestreicher, Indian Valley District – I just want to thank you guys. I'm a teacher at Willis. Our children need all the support they can get. It is just like the other gentleman said; they're the ones that are going to be making the money that keeps this County going in the years to come. Floyd County teachers go way up and beyond other teachers in other Counties. We all work very hard and sometimes we don't feel very appreciated. I really feel affirmed tonight and I just want to thank you all.

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

Agenda Item 3 – Budget discussion. Chairman Ingram commented that the School Board Chairman had contacted him concerning a consensus figure for the school system's FY10 budget. They need some numbers to be able to move forward with personnel contracts, etc. Discussion also followed on the carry-over request of \$138,221 to balance the school board budget. After considerable discussion, it was the consensus of the Board to move forward with

level funding for the school system for FY10, and consider the carry-over request at the proper time of the fiscal year, in June, along with other departmental requests. The County Administrator was asked to relay same to the School Superintendent.

Agenda Item 4 – New River Valley Development Corporation – refinancing of existing debt. Mr. Campbell presented a letter request from the Corporation for each of the eight jurisdictions who formed the Corporation, to provide a “moral obligation” bond. This is defined in the next to last page of the packet. This amount would be \$2,635,000 in order for the Development Corporation/Planning District Commission to borrow from Carter Bank & Trust over a 20-year period, with a 30-year amortization, 4.5% interest rate, which would save them about \$35,000/year. This is needed because the Incubator facility in Fairlawn is having a tough time financially. They have presented this to the eight jurisdictions that support the Development Corporation. They have to have at least two of the jurisdictions to commit to this moral obligation in order to go forward. They are asking for all of the participating communities to assist. If they get two communities, the moral obligation amount is \$2,635,000 divided by two. If they get eight, that amount drops to about \$35,000. It is not based on population; it is based on how many jurisdictions participate. The reason this is being given to you in short fashion is because their deadline is April 30. If you look on page 2, the purpose of this application is to request a moral obligation from Floyd County to assist the Corporation during this critical refinancing. Such an agreement must be secured by them before April 30, 2009. If you go to the fourth page, you’ll see where they will save approximately \$35,000/year. On their spreadsheet, you’ll see that this is about enough to keep them solvent but that is based upon the tenancy picking up at the facility. They attribute the problems with the existing debt on 9/11 and the economic situation that they’ve had to deal with the last year or two in the loss of some tenants. The other thing that I gave you was some information from Jim Cornwell. I guess while you want to assist with this moral obligation, it is pretty serious business. Because we would have to show this potential commitment in whatever amount, the maximum would be \$1.3 million, the minimum \$335,000, as a contingent liability. That would have to be shown in the County’s audit as a potential or contingent liability. It is not as simple as saying, sure, we’ll do this resolution and approve it. It is potentially a moral obligation. You are not committing future Boards, it is a moral obligation. He goes on to say that it would need to be shown on financial statements, the auditors would have to be aware of it. Potential lenders, where we seek financing, would need to be made aware of it. Both present and future lenders. That’s what makes it a little more complicated. After discussion of the Board, it was the consensus for the County Administrator to obtain further information: 1) which other localities will be joining; 2) if the property were to come back to the eight jurisdictions, what do the jurisdictions have in the end; 3) impact on the County’s borrowing ability; 4) actual deadline; 5) property assessment – buildings and acreage; 6) operational costs of the facility. Supervisor Gerald will also obtain information at the next PDC meeting to share with the Board.

Agenda Item 5 – 2009 Statutory appointments vacancies. Mr. Campbell presented a letter request from Delegate Poindexter for any Board member interest in serving on various statutory committees.

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