

**BOARD OF SUPERVISORS
REGULAR MEETING
JULY 8, 2014**

At the regular meeting of the Board of Supervisors of Floyd County, Virginia, held on Tuesday, July 8, 2014 at 8:30 a.m. in the Board Room of the County Administration Building, thereof;

PRESENT: Case C. Clinger, Chairman; Virgel H. Allen, Vice Chairman; J. Fred Gerald, Joe D. Turman, Lauren D. Yoder, 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.

Supervisor Yoder led in the Pledge of Allegiance.

Agenda Item 4 – Approval of minutes of June 10, June 24, July 1, 2014.

On a motion of Supervisor Turman, seconded by Supervisor Allen, and unanimously carried, it was resolved to approve the minutes of June 10, June 24 and July 1, 2014 as presented.

Supervisor Yoder – aye
Supervisor Turman – aye
Supervisor Gerald – aye
Supervisor Allen – aye
Supervisor Clinger – aye

Agenda Item 5 – Approval of monthly disbursements.

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

Supervisor Yoder – aye
Supervisor Turman – aye
Supervisor Gerald – aye
Supervisor Allen – aye
Supervisor Clinger - aye

Agenda Item 7a – Subdivision plats as approved by Agent for June 2014. Mr. Campbell reported several family divisions in the last month. Plats are ahead of two years ago but behind last year's rate. Positive upswing overall.

Innovation Center update – completion date is slightly behind, will probably be an early September completion instead of August.

DEX Building – there has been some interest in the building which Ms. Martin is handling.

Drainage issue on the Commerce Park property has been corrected – the contractor did an excellent job.

Building Permit activity report – steady over the last month.

Agenda Item 7b – Draft Agreement between Patrick County and Floyd County concerning Local Board of Building Code Appeals. Mr. Campbell reported that Patrick County has initiated this agreement in conflict of interest cases. Mr. Bolt, Floyd County’s Building Official, contacted our Board of Appeals. They agreed to serve in these cases if they arise.

On a motion of Supervisor Allen, seconded by Supervisor Yoder, and unanimously carried, it was resolved to approve the Agreement between Patrick County and Floyd County concerning Local Board of Building Code appeals as presented (Document File Number).

Supervisor Yoder – aye

Supervisor Turman – aye

Supervisor Gerald – aye

Supervisor Allen – aye

Supervisor Clinger - aye

Agenda Item 7c – Lighting Agreement with AEP – 158 Pioneer Way. Mr. Campbell noted that this agreement would be for four lights to illuminate around the Innovation Center. There would be a set-up cost for the high energy efficiency lights and a monthly fee of \$126.00.

On a motion of Supervisor Yoder, seconded by Supervisor Gerald, and carried, it was resolved to approve the Lighting Agreement with AEP as presented for 158 Pioneer Way, Floyd, Virginia for the Innovation Center (Document File Number).

Supervisor Yoder – aye

Supervisor Turman – aye

Supervisor Gerald – aye

Supervisor Allen – aye

Supervisor Clinger – nay

There were no Constitutional Officers reports for the month.

Agenda Item 7d – VML/VACo Financing – Equipment Lease Financing. Mr. Campbell reported that he was approached by the firm concerning a loan the County has carried for several years. The loan was for equipment financing, public safety and solid waste equipment. They are requesting that the County refinance the loan from a variable rate to a fixed rate. We would be refinancing the outstanding balance of approximately \$560,000 at a fixed rate lock-in of 1.85%. This is slightly more than the variable rate average of 1.5%. They came to us because of their attempt to move the program from one banking institution to another. U.S. Bank to Bank of America. We are one of two localities who have not made the transition. They show a \$2500 cost of issuance but I think that would be in error since this is at their request. I also included a

request to them of financing other equipment such as the two fire apparatus, etc. I included \$450,000 for the cost of equipment. We are looking at the summer of 2015 to have the funding in place and available. They quoted that rate at 2.5%, fixed term of ten years.

Consensus of the Board was for staff to proceed with refinancing of the existing loan and explore options for the other equipment and bring back to the Board for discussion.

At 9:00 a.m., the Chairman called for the Public Comment Period.

Ms. Dee Wallace, Little River District – I'm here as a principal for Chantilly Farm out on Franklin Pike. We have a business there, for profit, where we hold outdoor events and have come to enjoy being in Floyd County and enjoy the comments that people make when they come out to the farm and use the facilities there. The reason that I wanted to address you all this morning is related to the building permit fees that we were very surprised that came our way for a tent that we had purchased to put out as one of the amenities for our events. We don't really have any cost that is associated with that as far as to the consumer for the use of the tent. We provide shade area, a comfortable place for people to be in part of our events. When we received what was a building permit which I would perceive as to build a house, it was in excess of \$400 for us to put up our tent for an event. That was not a cost that we knew we would incur. It was not because we were trying to be ignorant on purpose; we have tried to work with administrators and the planning office here. In addition, we had gotten a lot of our homework done in due diligence in trying to understand what the ordinances were, trying to cooperate in every way related to that business. The number of tickets that we have to sell even to just accommodate for that particular fee is a lot. So, I understand that you all are trying to reduce that fee for non-profits. It would be a couple of times that it would help us out but in general I would just like to request that even for-profit businesses be reduced. I would like to see businesses encouraged in our County and I know that you take steps to do that. A lot of the costs that we end up passing to the consumer, we don't want to have to see our costs go up because of the fee that I think may be a little high in the first place. So, if you would consider that for us, we would appreciate it. We want to keep business in Floyd County and provide a good service, even as a for-profit business. Thank you.

Mr. David Larsen, Indian Valley District – I am owner of Chantilly Farm. I wanted to explain the use of our tent at the bluegrass festival and why we think that charge is really a little high. We put up the tent; nothing is sold in the tent. The only thing in the tent is chairs and tables. At one of the tables we had our first-aid supply. The tent is basically put up to provide shade and close to the road so the handicapped and older folks can get there when it is a really hot day. So the tent was really a convenience for customers and quite honestly, if I have to pay that much each time we have an event for that service, we will have to consider not putting the tent up. It was just a service, especially for handicapped people, who don't want to go way down in the field. It is close to the road and does provide shade and protection from rain. No retailing went on at that event and it was not a big money-maker for us. If we were rolling in lots of greenbacks it would be a different thing. We're working to make the project sustainable and that high charge hurts us. The charge seems to be high. We do not mind some fee but this seems excessive. We recommend reducing the amount to a reasonable charge. Thank you.

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

Mr. Don Thomas, Wingate & Associates, next appeared before the Board to provide an update on the reassessment program. He noted: it is a pleasure for our firm to be back in Floyd again. From our office notes, I determined that this is our eighth project for Floyd County starting back in 1978. At that time, the parcel count for the County was about 8500, now it is 14,600 parcels. We're very appreciative to work with and serve the County again. With presentation of the progress chart through June 2014 he noted, approximately 60% complete as to visits. The weather was not kind to us during the winter so we were somewhat delayed. We are trying to make up the time so you may see some of our folks doing some late hour work. We are trying to not interrupt people when they sit down for dinner. 9000 parcels have been visited to-date with 5600 parcels remaining to be assessed. It is too early in the project for us to have projections yet, we still have a lot of compilation and analysis to do. We try to stay as current as we can on the sales that are coming through the Clerk's Office and recorded. We receive that report monthly and try to evaluate that. Another graphic presented showed assessment ratios. This indicated a basic snapshot of how the assessments that are in place today compare to the market value. If you take all the qualified sales that occurred back in 2010 on and compare them to the market value, this is generally where they compare to the 100% market value point. As you can see back in 2010, the Department of Taxation calculated the ratio at about 95%. Then it started climbing from there. That means in general, the assessments are catching up and in some cases passing market value. If we look through the provided ratios, you'll see in 2013, our company calculated a ratio of about 105% which means the assessments are climbing above market value. Of course, we went back and are evaluating sales that come in monthly to our office. Based on mid-year results in 2014, it is falling back slightly below the 100% mark. This is a general graph so don't draw any hard conclusions from it. It does generally show that maybe, some of the properties are beginning to pick up in the sales price. The 2014 bar is again for half the year and that represents about 88 property transfers. That should be a sample that will give you some indication. But again, it is early in the year. We approach this job like any other. If you'd had a drastically declining market like back in the 2005-2006 era, we would approach it the same way. We evaluate each property and each neighborhood and try to do our best to equalize the assessments for all properties. We continue to work; we feel we will be on schedule with our project. Barring any bad circumstances, we'll be in a position to get our reassessment notices out sometime in November. Floyd County is more of a steady market without big swings in value like you may see around Smith Mountain Lake for example. Most folks have been understanding when we've been out to the parcels. Communication happens fairly easily in Floyd even without the newspaper. We've been received well. Our folks carry identification and they also have placards on the sides of their vehicles that describe the real estate assessment. Most people are aware of the purpose of the visit.

Agenda Item 7e – Discussion of building permit fees for tents. Mr. Campbell presented background on the fees, what the charges are, when it was established. The Board requested that the matter be carried forward to this meeting. For residential, the fee is \$25 plus the 2% State surcharge. The commercial fee is \$50 plus \$0.10/square foot and the 2% State surcharge. We indicated at the last meeting that the Building Official does make a visit to the site and inspects

the tent anchoring and so forth and is required to do so. A public hearing would not be required to change any rates since it is in the fee schedule.

Consensus of the Board was for staff to return the matter to the next meeting agenda with information showing non-profits coming under the \$25 residential fee and lower the commercial fee to \$50 plus \$0.05/square foot for the Board's discussion and action.

Agenda Item 7f – Solid waste transportation contract. Mr. Campbell reported that the rate has been stable in the contract with Thompson Trucking over the last several years. Effective July 1, 2014, we will be seeing an increase. We received this information after we completed our budget so we may have a slight overage at the end of the year with the additional \$6000 cost. The rate is tied to the consumer price index which is being adjusted to 2.4% and they also looked at their fuel costs which had not been increased over the last eight years. The request is fair and is in compliance with the original contract. They have been an excellent company to work with, very reliable and reasonable in cost. Per truckload going to Cloyd's Mountain, we will pay an additional \$10.41/load. The total will be approximately \$275/load, when we started it was \$250/load.

Agenda Item 7g – Request for real estate tax exemption-correction. Mr. Campbell reported that in the correspondence from the church, they were only showing the value at the 40% completion rate. The loss of revenue would have been around \$4000 but with the new 100% value, it would be a \$6065 loss. The public hearing is scheduled at 7:00 p.m. on July 22, 2014.

Agenda Item 7h – FY15 budget appropriation – defer for discussion later in the meeting.

On a motion of Supervisor Allen, seconded by Supervisor Turman, and unanimously carried, it was resolved to go into closed session under Section 2.2-3711, 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 Yoder – aye
Supervisor Turman – aye
Supervisor Gerald – aye
Supervisor Allen – aye
Supervisor Clinger – aye

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

Supervisor Yoder – aye
Supervisor Turman – aye
Supervisor Gerald – aye
Supervisor Allen – aye
Supervisor Clinger – aye

On a motion of Supervisor Allen, seconded by Supervisor Turman, 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 property in accordance with Section 2.2-3711, Paragraph 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 Yoder – aye
Supervisor Turman – aye
Supervisor Gerald – aye
Supervisor Allen – aye
Supervisor Clinger – aye

This Certification Resolution was adopted.

Mr. Chris Price, Virginia Department of Transportation next appeared before the Board. He reported on work for the last month: continued grading of gravel roads, 10-15 have been completed; pothole patching continues, Route 8 areas and secondary with asphalt have been completed; patching is scheduled on Route 787 between 730/619; working with Floyd Fest folks on permitting process and traffic control; Stonewall Road update – contractor is doing one culvert, State crews the other one, should be open by August 1; mowing – second cycle completed on primary roads, still working on secondary roads; finished drainage issue project on Emanuel Road and will be adding an overflow pipe in the next two months; paving on secondary roads has been completed and Route 221 section will be started soon; surface treatment schedule will begin on July 17 and slurry seal schedule will start in mid-August; Haycock Road improvements will begin in mid-August.

Supervisor Gerald – appreciate Horse Ridge paving; appreciate mowing; appreciate Route 787 being back on the schedule, but still needs spot paving.

Supervisor Allen – had a couple of issues but other VDoT staff took care of them.

Supervisor Turman – Weddle Road still needs brush and trees cut back that are hitting vehicles; Turnip Patch Road needs attention on a culvert that is in a curve; appreciate work on Emanuel Road.

Mr. Price noted that the environmental section is working on permits for the Turnip Patch Road project.

Supervisor Yoder – Goff Road, mentioned this pipe situation before, it is getting much worse. The road is still passable but the culvert is washed out on one end. Goldfield Road has very bad gullies. Appreciate the mowing, especially at intersections.

Supervisor Turman – appreciate you all talking with the folks on Vaughns Mill Road about that situation – they were very appreciative of the visit.

Supervisor Clinger – nothing to report this month.

Mr. Kevin Byrd, New River Valley Planning District, next appeared before the Board. He provided information to the Board on the Planning Commission and the New River Valley Livability Initiative. He noted the Board Members from each locality, those with over 3500 population having two members and those under one member. He noted that their organization is owned by the local governments and the projects that they take on each year are dictated by the work that the localities need. Generally the services are three fold: technical assistance to our local government members; serving as liaison between the State and Federal and local governments on programs and opportunities; represent the region on issues and items of interest. For the past year for Floyd County and the EDA, we worked on grant administration for the Innovation Center. The Home Consortium which is a pot of money that rotates around the region for affordable housing projects. We are in preliminary discussion about a project over in New Town. Might be a partnership with the Habitat for Humanity. From what I understand, this is the first project in Floyd County that Habitat has been able to do. It is a concept in discussion right now. We had discussed the stormwater management program there but with the changes from the State you've had a little breathing room. We are still prepared to provide some staff support for that if it does change in the future. We've gone through the first step of training to provide that support if needed. Over the last few weeks, we've provided GIS mapping services for the Floyd County Artisan Trail Visitor map. We're also working on the Appalachian Spring initiative. Don't know if you're aware of this project. It is a three-legged stool of cultural and tourism initiatives in Southwest Virginia. You look at the Crooked Road and Round the Mountain as one leg of the stool, tourism as one leg and now recreation as the third leg of the stool. There is a meeting in August to discuss recreational opportunities that we want to promote. This past year we launched the bi-annual NRV Mayors and Chairs luncheon. That has been well attended. Your chairman and county administrator have both attended and we can talk about issues that affect us all. The last luncheon was consumed with discussion of the State

budget and emergency plans that might be needed. Under the Serving the Region section, we show that this is the first time that all four counties and one city have a full-time staff person in their communities for tourism. We've had one regional meeting and another planned later in the month to support each other and the communities. We are also working on a project with the New River Health District on mapping. They would be looking to us to provide some mapping support for their agency so they are able to save money. Part of what we would be mapping is health incidences but also mapping well and septic permits. Historical and new information. And other information like failed wells which would be valuable to Floyd County with some of the problems folks have had here. On the back side of the document, we discuss the Livability Initiative which was a three year regional planning process. On the right side our consortium members are listed who met every other month. The first report is a regional report that covers data and trends broken down into four themes that we heard from communities. They are: living/working environment; preserving rural heritage and community character; making the business environmental more productive and resilient; health in communities. All four themes have strategies that are being discussed among different groups. We also have the Energy report and Housing report. Both of these are first time reports. Nice to look at those in the concept of rural living and how our issues are different from urban areas. I frequently get asked what is next, what is the next big thing that we'll be working on? There are a lot of spin-offs from the two years of planning and we see a lot of new projects coming up. We also have another report entitled Homes which discusses the housing needs in the region and access to items they may need.

Ms. Jessica Wirgau, Executive Director of the Community Foundation of the NRV, next appeared before the Board. For those of you not familiar with the Foundation, we have been serving the New River Valley for 20 years. We work with donors, private individuals, corporations, civic groups, or groups to people to manage their philanthropic dollars to let them grow their charities and give those funds out in the best way possible. We give out about \$300,000/year to various groups. There is also a Floyd County group who base their giving on Floyd County organizations/causes. We've funded programs for Plenty, New River Community Action, several scholarships for Floyd County students, typically several thousand dollars per year to support Floyd. We do some funding for larger scale regional projects that also benefit citizens here. We were part of the Livability Initiative from the very beginning. We've been on the consortium with local government members as well, overseeing that process and also on the leadership team which was helping to provide guidance over the three years. We helped to ensure that citizens were involved in the process. As the three years were coming to an end, we realized that we were getting a lot out of the process as far as understanding what this region really needed and the role that private funding could play. So we entered into a partnership with Planning District Commission to be able to move this forward. It takes on several forms. The first is we'll be having a staff person at the Community Foundation whose job is to specifically look at implementing the ideas from the Livability Initiative, convening different groups of citizens, continuing the conversations that were so rich throughout the initial planning process. She will be devoting her time to that. We are working with the PDC to convene different groups, for example, the aging in place group. How do we bring together businesses, non-profit organizations, government entities, to address this community collectively? We are evaluating all of our own grant making to ensure that we are meeting needs as best as we can, both immediate needs that we see such as providing food and emergency assistance but also much

more strategic long-term visions based on the initiative. We're also looking at other funding sources. We know that while we want to focus on raising local dollars to support our local community, that there are also funding sources outside this region that might be interested in the work that we're doing, especially rural based programs. We are also developing ways that non-profit organizations and particularly to increase their capacity to either raise money or deliver their services more effectively. Most notably, we launched a program this year called "Give Big NRV" which was an on-line web site where any non-profit organization could come, create their own web page and essentially raise money on-line through infrastructure provided by the Community Foundation. So for example, the JAX Center in one day raised well over \$5000. We had that up all year long but concentrated on an annual giving day as well. That web site has raised over \$60,000 to date and has been up for about six months. We look forward as a Foundation, to working with you and all our other partners and the PDC as we move forward.

Dr. Lisa Pluska, Assistant School Superintendent, next appeared before the Board. She presented the School Board meeting highlights from June 30, 2014 for the Board's information. Most of the meeting was action items where we were closing out the old school year and begin the new year, new policies and procedures, etc. The majority of the meeting was the budget process and approval of the new budget. She noted that Ms. Ryan was also in attendance to assist in answering questions.

Chairman Clinger questioned the Federal funds shortfall of \$13,000 – it seems to be a wash – reimbursed for expenses incurred?

Dr. Pluska – it comes from all the Title programs, school food, etc. Each program is separate and the funds have to be used for that particular program.

Chairman Clinger – for example, if you receive \$7000 less in revenue, you will have \$7000 less in expenses.

Dr. Pluska – the fiscal year is also different, it begins in October so we'll not receive our final figures until October.

Ms. Ryan – the expenditures do exceed the revenues slightly because of the timing but it equals out at the end. We are now submitting the July 1 applications to the Board now but we don't find out final funding until October. What we actually get may be more/less than what we show but we adjust spending accordingly.

Chairman Clinger – I think the FICA calculations are off still. I came up with a surplus of \$52,000 in the FICA category. It seems to be carried over into the new budget as well.

Dr. Pluska – you have different percentages based on different employees, what are you basing that on?

Chairman Clinger – just looking at the different line items.

Ms. Ryan – when we do our employees census, we assume that FICA is 7.65% however a lot of employees elect to participate in the cafeteria plan and do some payments pre-tax so the actual percentage is less than 7.65%. Our employee election process is in September so we base our budget on no-one participating.

Chairman Clinger – Dr. Harris has been very adamant that there were no raises in the budget. In going through different lines, there are increases showing.

Dr. Pluska – a lot of them are the degree or longevity stipends that are built into our pay scale. If you get a degree of some sort you get a stipend or longevity is built in as well. Other than that, there are no raises.

Chairman Clinger – but that is an increase.

Dr. Pluska – it is an increase but not across the board. It depends on each person. There are no pay raises. Our salary scale stayed the same. Those employees that got a degree or longevity step did receive an increase. And it varies from salary scale to salary scale.

Chairman Clinger – I noticed the overall dollars per student went up. (Provided a graph indicating the amount over the last few years).

Ms. Ryan – School Food and Capital Outlay is pulled out in the calculation for the State.

Chairman Clinger – that is a point that I wanted to point out that we have increased the funding per pupil for the last five years. And the student/teacher ratio is also going down.

Dr. Pluska – this past year we were able to correct a lot of that with the carry-over money and we were very grateful. Next year we will have fewer students and fewer teachers. Our largest class size next year will be 26 students. 18.8 is the average for elementary classes next year. 1163 students and 62 teachers in the elementary schools.

Chairman Clinger – your budget shows 68 teachers.

Dr. Pluska – that includes the specialty teachers as well like music, PE, art, reading specialists.

Chairman Clinger – I would request a copy of employees and their classification. I think it would help me understand it better.

Dr. Pluska – we can provide that.

Agenda Item 7h – FY15 budget appropriation. Mr. Campbell presented the proposed resolution as recommended by the Chairman. It would be a six month appropriation except for School Debt at 100%.

On a motion of Supervisor Gerald, seconded by Supervisor Turman, and carried, it was resolved to approve the FY15 budget appropriation resolution as presented (Document File Number).

Supervisor Yoder – nay
Supervisor Turman – aye
Supervisor Gerald – aye
Supervisor Allen – aye
Supervisor Clinger – aye

Mr. Campbell presented a carry-over request from the Sheriff's Office for background fees that was not received for the June close-out meeting.

On a motion of Supervisor Allen, seconded by Supervisor Yoder, and unanimously carried, it was resolved to approve the carry-over request to the FY15 budget for the Sheriff's Office in the amount of \$964.25.

Supervisor Yoder – aye
Supervisor Turman – aye
Supervisor Gerald – aye
Supervisor Allen – aye
Supervisor Clinger – aye

Agenda Item 8 – Old/New Business.

The Board had no further business to discuss.

On a motion of Supervisor Yoder, seconded by Supervisor Allen, and unanimously carried, it was resolved to adjourn to Tuesday, July 22, 2014 at 7:00 p.m.

Supervisor Yoder – aye
Supervisor Turman – aye
Supervisor Gerald – aye
Supervisor Allen – aye
Supervisor Clinger – aye

Daniel J. Campbell, County Administrator

Case C. Clinger, Chairman, Board of Supervisors

