

**BOARD OF SUPERVISORS  
REGULAR MEETING  
JUNE 10, 2014**

At the regular meeting of the Board of Supervisors of Floyd County, Virginia, held on Tuesday, June 10, 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 Turman led in the Pledge of Allegiance.

The minutes of May 13, 2014 and May 27, 2014 were presented to the Board for review and approval.

On a motion of Supervisor Allen, seconded by Supervisor Yoder, and unanimously carried, it was resolved to approve the minutes of May 13, 2014 and May 27, 2014 as presented.

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

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

On a motion of Supervisor Yoder, 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

Ms. Stephanie Shortt, Commonwealth's Attorney, next appeared before the Board. She reported:

- As I promised, my office conserves resources and we will be asking for a transfer of approximately \$4400 from temporary part-time assistant funds that we're allocated over to the next year's budget. We continue to be mindful of conserving those resources.
- You've probably been told about our office copier. We've been looking into prices for a new machine. The current machine has been there 10+ years; it is past the point where we even have to pay a monthly fee. We had a lease up to a certain point and then were paying a monthly cost as far as number of copies. We've gotten two bids and are in the process of researching them. Cost should be around \$150/month.
- Court continues to be very busy. We had about 80 indictments this term, which was quite a lot. The Sheriff's office has done a great job of serving all that we can locate. We have court five Tuesdays in July and there is a jury trial scheduled for July 7 and circuit court on the 8<sup>th</sup> so it continues to be busy.

Agenda Item 7a – Subdivision plats as approved by Agent for May 2014. Ms. Lydeana Martin, Subdivision Agent, appeared before the Board to present the report. One division that is not on the report yet is the Planning Commission has given preliminary approval to a 200 acre site on Airport Road. That will show up on the report next month.

Update on a couple of items: Thankful to have five interns working with me this summer. Usually only do one or two but had such good candidates that we were able to use five. These are unpaid positions; they are averaging 15 hours/week. One will be working on marketing buildings, one will be working on a data base of businesses that will help us with our marketing and business training efforts, one on a local campaign coordinated with the Chamber to encourage people to buy products/services locally, two will be working on the water data base which we started a couple of years ago. This data will help us learn more about our water and plan for the future.

Agenda Item 7b – Commercial paper loan payoff. Mr. Campbell reported that the payoff date for the current loan is June 13 which will be done by a wire transfer. We lined that up for \$2 million for the current year, actually using \$1.2 million, with \$800,000 still in the project account. Our actual transfer for repayment will actually be \$1,201,162.00. It is important that we conclude this loan before initiating any program for the next year. Consensus of the Board was to approve repayment as outlined.

Agenda Item 7c – Discussion of Building Permit Fees for tents. Mr. Campbell noted concern voiced from organizers of festivals about the fee. The \$0.10/square foot add-on seems to be the main concern. The average fees have ranged from \$500-1400 for the festivals. They do require at least one inspection by the Building Official. Mr. Bolt and I would suggest a flat fee of \$100 for commercial tents and leave residential use tent fees the same. Discussion followed on commercial vs. non-profit events and the need to distinguish between them. Consensus of the Board was for staff to research the matter further and bring it back to the Board for further discussion.

Agenda Item 7d – Discussion of bears at greenbox sites. Mr. Campbell reported issues at some sites; a few complaints received such as we receive each year about this time. Have visited one site in particular and there is obvious bear damage. Did do some research in the State Code

about the issue. It is very difficult to ensure that patrons shut the doors on the boxes which increases bear activity. As I read the Code, if we receive a notification from the Department of Game and Inland Fisheries or any other related agency, we would have to consider removing the boxes from that site at least temporarily, to get the bears to move on. This doesn't happen a great deal but some areas have bear visits every year. There are eight greenboxes at the site that I visited. We do hope to improve the signage on the boxes to encourage citizens to close the doors.

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

Ms. Katrina Gravely, Burks Fork District – Emanuel Road – We have had some issues since 2005 with VDoT. That's nine years gentlemen. We have culverts that are about to collapse. We have culverts that are causing standing water which is a terrible mosquito infestation. We have a necessity for a culvert which is causing flooding from the road onto private property. We have a culvert that is so disintegrated that you can't drive but one vehicle over it. We contacted VDoT, they came out. It took six months for them to come out, they refused to answer phone calls, they refused to answer e-mails until we sent pictures to Richmond. That got a response. They came out, they installed one culvert at Noell Underwood's area, said they were going to install a second culvert and they didn't. They said they were going to trench an area to channel the water that comes off of Emanuel Road into a stream that is there to prevent flooding. They created a trench, came down the hill and went back up the hill. Water doesn't go up a hill. That's all they did, never came back. We called, called, e-mailed, called, got nasty responses, got very bad response time. Last year, I finally got them to come out because one of the culverts that is disintegrating is washing out a utility pole. The gentleman stood there and said I just don't understand how this culvert is washing out that utility pole with a 4' ditch running in front of it. They said we are not responsible for that and we are not going to fix it. AEP came out and AEP said that they couldn't even get a truck in there to fix it because the ground is so saturated with water. The pole was being held up by the wires. I took them down and showed them the culvert that was badly put in and that there was less than 9' from one side of the culvert to the other. There is literally 5'6" drop that people have already fallen into that we have pulled out. All it is going to take is somebody flipping over into that. Finally, last year they decided to come out after repeated phone calls and e-mails, stopping by and I got Nick Rush involved. Nick came out, we met with Salem, Christiansburg and Richmond. They all decided that these culverts needed to be replaced, needed to be fixed, needed to fix the flooding and they didn't do anything. They said they couldn't do anything until May because they could not disturb the ground. Yet I have photos of them doing this exact work in October. They said they would do this work the beginning of May. In the middle of April, Eric Bateman who is in Nick Rush's office and I, contacted them. They called me and said they had the EPA permits, had ordered the pipe and it would be there soon and would start in a couple of weeks. Generally, a couple of weeks means 2-3 weeks. Didn't show up. I contacted Nick Rush's office again, they called and told him the first of June. Didn't show up. Eric and I spoke, he contacted them again, Chris Price called from Christiansburg and stated that they would begin work the middle of July. I asked why. They said they would do it in the middle of July. The further the conversation went, it went to August and then to September simply because I questioned the validity of what they were doing. Somebody is going to die. That culvert is going to collapse, the pole is going to come down, they are going to fall off the

other side and we cannot get this fixed. I've brought you copies of photos that you may peruse. Mr. Turman has viewed the area. It just comes down to this. VDoT is a public servant, they are not omnipotent, much to their disappointment, but we do not want to be on the CBS evening news as a school bus flipping over into a culvert or a school bus collapsing through a culvert, or someone's electricity going out because it is washing away this utility pole, or someone being stuck in a flash flood that is overturning and can't get out and need medical care. This has to be resolved. This is not our issue; this is an entire County issue of all residents in that area.

Mr. Jerry Hill, Indian Valley District – Vaughns Mill Road – I was here last month talking about wanting to get our road paved. After that, I became aware of Rural Rustic Road project that is going on that you all may or may not know about. There is funding for that. This was in the Carroll News on May 7<sup>th</sup> – under the new funding format, available funds can only be used for paving unimproved roads. So there is money for this. In Carroll County, that article said that all the roads in Carroll with the count of over 50 that are not too narrow, all the roads that qualify for this will be paved. In the Galax Gazette of June 3, they had another article that said they would list the most roads in the State under the Rural Rustic Road project. They had 20 some roads, and some were dead end roads. If the funding is there, does Floyd have this funding? Do we have an appropriate amount as far as what the other counties are getting or are we left out of it? I'd like our road put on the Rustic Road project and paved because it qualifies. It has the width. There are two culverts that have rusted off and are a little short that are dangerous now that need to be lengthened. Other than that, it is ready to pave. I just wanted you all to be aware of it. Whatever you all can do with that, it looks like now is the time to be going for this thing because it is there.

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

Delegate Nick Rush next appeared before the Board to provide updates on various issues.

- Concerning Ms. Gravely who just spoke on her road issue – I have a meeting scheduled with VDoT's engineer from Salem on Friday. We have two issues to discuss in Floyd. One is Ms. Gravely's road and two is the response to the snow storm that we had. I know Floyd's roads didn't get cleared as fast as they needed to, a lot of people were stranded. They contacted me and we did marshal some extra services there. Once I was notified, I notified VDoT and they got some extra people over here to work on the roads. There were some rumblings that they didn't have enough resources in Floyd so we'll check on that for you.
- General Assembly update – we passed several things, SOL reform, which is reducing the number of tests for the school systems. We had gotten too test heavy, teachers were complaining. I'm sure you hear this when you go door-to-door and talk to teachers that they are teaching to the test. So we were able to reduce those numbers. We'll probably look at that over several sessions to make sure that we're at the right number and have the right standards in place. One, so parents know that their kids are being successful and we as elected officials are able to judge that. Two, that kids are getting the appropriate knowledge and problem solving skills for later on in life. We did ethics reform which actually affects local government officials. The timing, we'll have to do two financial reports each year on our personal finances. That's never been a problem for me because I

don't have any but for some richer than I am it might be. It lets people know where you're investing your money and all those things.

- Budget – number one issue that I know local governments face. If anybody has been under a rock the last few days, you may not have known, but we've had a breakthrough on the budget. I was on a conference call last night. It looks like there is an agreement. We're going back into session Thursday to deal with the budget. The economy, I guess despite what the national media would tell you, has not turned around like some of us would like. It actually contracted 1% in the first quarter and correspondingly, Virginia's revenues have fallen behind. It is not a Virginia problem, it is a national problem. Other states, Maryland, Delaware, West Virginia, Virginia, due to our proximity to Washington, DC have all had these revenue shortfalls. Looks like the budget will be level funded. We had to cut \$1.5 billion out of the budget. With us getting the budget done before July 1, does allow the use of the Rainy Day Fund for about half of that. So looks like we'll be level funded for most agencies. There will be some more money for schools, judges, mental health reforms passed this year. Looks like those monies have been kept in the budget. I have not seen all the final details and went over the generalities of it. Looks like Constitutional Officers will be level funded also. The Compensation Board also has some latitude. So if there was a position requested, they can shuffle the funds, that is not legislative. Level fund everything other than K-12, judges. We're trying to keep pace with our court systems being overwhelmed. I don't have to tell you all that. Your Commonwealth's Attorney has explained that to me several times. She does a good job. The General Assembly is well aware of it. The Virginia State Supreme Court authorized a study to see how many judges we needed. The 27<sup>th</sup> District that we're in, we've been slated to get a couple more judges which will be appointed in the very near future. We reconvene Thursday at 6 pm and we'll be taking up the budget. A large issue that held up the budget was Medicaid expansion. It looks like we'll have a special on that to deal with it separately. My position and the majority of the House of Delegates was that important legislation needed to be dealt with separately so we can actually get the ins/outs of it. If we had done it through the budget, there was really no details in it. Being a former Supervisor myself, Social Services is partly funded by the Counties. If we were trying to assimilate 400,000 people into the Medicaid roles, are those people going to go to a website, how much would that cost? Would they go to Social Services? How many people would Floyd, Pulaski, Montgomery have to hire? How can you come up with your third of the money or will the State pay for it all? Those were details that were never in the budget plan so obviously I wasn't going to vote for something if I didn't know the details. I think people get in trouble for doing that. Time frame for approval, I think we'll get it done on the 12<sup>th</sup>. The House budget and the Senate budget was never the sticking point. About 98% in agreement so it was always the additional language that the Senate, at the Governor's bequest, asked to be put in about the Medicaid expansion. The two bodies couldn't agree on that and now that it has been taken out of the budget and dealt with separately and appropriately.
- State mandates – we have relieved some of them, especially on the stormwater regulations. As you all know, I advocated for that for three years that I've been down there. Lauren has been down and actually testified on how it would adversely affect the County. We actually pulled some of that back. Dan knows more of the details but I think

it will be much better for Floyd County as a government and Floyd County citizens. My heartburn with this was always having lived in the mountains all my life, the way the regulation was written, if you disturbed a half acre of land, you had to get a permit. Well, if Dad gives you five acres up the hill from his house and you're putting a \$25,000 double-wide up there, you'll disturb a half acre building your driveway. The permits were going to be \$5-10,000 which if you extrapolate that from the price of the double-wide, that's a big chunk. It wasn't appropriate for rural folks, how that was done, we think we have some relief. Of course, like with everything, we'll have to see how it is put in practice. I'm sure Dan and the Board will keep me updated on that.

- Senator Puckett's resignation. I share Pulaski County with Senator Puckett, he has always been a conscientious legislator and I wish him the best going forward. I assume that was an appropriate decision for him and his family.
- Had spoken with all local governments represented as to contingency plans in case a budget was not adopted. Most would be able to continue services for 2-3 months at the most with local funds. This was really putting everybody in a bind. I would hope the Governor sees the urgency of getting a budget approved and will not veto it when it gets to his desk. He has been in politics for a long time but only governing for six months. This is my 15<sup>th</sup> budget, and even the newest member on your Board has done multiple budgets so hopefully the Governor will go forward. I believe it would be a mistake on his part to not approve. Politics and governing are two different things.
- Presented a resolution from the Virginia General Assembly to Mr. Caleb Tanner (who was present at meeting) for his record setting scoring in the Virginia High School League basketball season.

Mr. Carl Ayers, Social Services Director, next appeared before the Board. He reported:

- Was prepared to talk today about a contingency plan if the State budget was not adopted but since Nick brought good news, I won't have to discuss that. We do have a plan if needed in the future. Spent a lot of time working on this plan but we have it if needed. Will be difficult with level funding with all the health care changes, will be interesting to see if the increases in funding have been taken out. He mentioned two Judges short in the district; we are short more than two staff in our agency.
- Case loads – CPS and foster care still very active. Still seeing a lot of drug case that are very active. Have not had a meth lab in the last couple of months but still a lot of folks using meth and heroin is becoming a huge problem.
- SNAP numbers are down to the lowest level in over two years. Under 2000 folks in the program and paid out less than \$200,000 last month. We were averaging \$250,000/month.
- Reported that he had tendered his resignation as Director, effective June 5, 2014. Accepted a job as Director of Family Services for the State and will bring that position July 10, 2014. Have met with our Regional Director and Mr. Campbell to plan the transition. Appreciate this Board's support over the ten years that I've been here.

Ms. Cindy Stump, Business Manager for the New River Health District, next appeared before the Board. She appeared before the Board to answer any questions concerning the letter Dr. O'Dell had sent concerning reduction of their Floyd office time to four days per week. This is necessary because of budget cuts and also because of a situation where an employee was threatened by a man carrying a gun. Do not want to leave any employees alone in the office. We will look at the clinic schedule and work load to determine the best day of the week to close and will inform the County.

Consensus of the Board was that this is under the Health Department's purview for scheduling. County can list on our web site the days/times the office is open if desired.

Mr. David Clarke, Virginia Department of Transportation, next appeared before the Board. He reported:

- Summer activities are being performed such as mowing and patching of roads in anticipation of surface treatment/paving.
- Five miles of slurry seal is scheduled for Laurel Branch Road and Daniels Run Road.
- Preparing Haycock Road for paving by State forces under the Rural Rustic Road program. Obtaining environmental permits and other necessary items.
- Patching completed on Jacks Mill Road.
- Numerous pothole patching and other patching completed.
- General Assembly has passed a law this year that the speed limit will be 35 mph on all unpaved roads. This used to apply to only specified Counties but is now State-wide. The roads will not be posted. Our hope is that our PR folks will be putting notices in local newspapers and other media.
- Bridge and culvert replacements are scheduled. The contract is district-wide so we do not have the specific dates yet. The contractor has until November 2015 to finish the contract.
- Presented a draft resolution for the Board's consideration after the conclusion of the 6-year road public hearing last month. Haycock Road and Roger Road improvements will be done this year.
- There are Revenue Sharing funds available if the Board is interested in other projects. These projects are completed with County and State funds, costs split between the two.

Supervisor Gerald – potholes are very bad on Indian Valley Post Office Road, Macks Mountain Road and Horse Ridge Road. Also, about three months ago, 10-15 potholes were patched on Indian Valley Road and then work quit and nothing else had been done. Would also like some spot paving. Mowing has been done which I appreciate.

Supervisor Allen – Route 221N about 6 miles from Town, at Beaver Dam Creek. After you cross the bridge, there is a hole about 4' in diameter that the guard rail post is supposed to be sitting in. The asphalt is cracking up and I'm afraid there is a hole underneath. Need tar/gravel or something at the foot of the hill after turning onto Cannady's School Road, it is really breaking up bad.

Supervisor Turman – turning onto Emanuel Road off of Conner Grove Road, the culvert situation. If we get 2-3 days of rain, I’m afraid the road is going to sink around the culvert. On out the road, the water is ponding up on one side of the road. The road has narrowed down to 9’ over the culvert. When Floyd Fest is going on, there are a lot of people coming through this road. One culvert is running the water through a man’s new barn and he is unable to use it. The mowing folks in my area have not done very well, they hit spots here/there and have damaged one mail box and several phone pedestals.

Supervisor Yoder – appreciate work on Jacks Mill Road and Graysville Road. Also appreciate the mowing on secondary roads and shoulder work on Route 221. Goldfield Road has a steep hill with a gully running down the middle. There is still room to drive on the tire tracks but if we have a big rain, it will probably wash those out too.

Supervisor Clinger – nothing to report but do appreciate the mowing, especially at intersections for sight distance.

On a motion of Supervisor Allen, seconded by Supervisor Turman, and carried, it was resolved to adopt the resolution as presented for approval of the 6-year secondary road plan.

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

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

Agenda Item 6f(i) – Proposed Ordinance Providing Exemption from Floyd County Real Estate Taxes. As you may be aware, previously religious bodies received their exemptions pursuant to designation, that is, it did not come to you to approve or disapprove. The General Assembly, in its wisdom in 2003, determined that those matters would be passed down to the local governments to decide whether or not different entities, including religious entities, would get a tax exemption. You have a request for an exemption from Floyd County real estate taxes to certain real estate owned by the Church of Jesus Christ of Latter Day Saints. The process under the statute is that if you wish to consider this matter, you have to hold a public hearing with an ordinance properly advertised. I know that in the past, at least the last time such a request came to you, you decided that you would not entertain such requests. In its application, I believe that they indicate about \$4000 in taxes that would not be paid to the County if the exemption is granted. I think the last request was from the Historical Society.

Mr. Campbell – that’s correct, the request came in 2011. What the Board did was review a draft ordinance at that time but you decided to not go forward with a public hearing or consideration.

Mr. Cornwell – the matter before you now is whether you wish to consider this application by scheduling a public hearing. The application for the ordinance that was drafted says the property is at 417 Floyd Highway North, tax parcel numbers 43-204E and 43-204F, it is

6.09 acres with an approximate value of \$775,000. The ordinance was drafted based on their application to you with seven questions as required to be answered by the State Code. The format was followed closely and everything addressed in their package. The exemption continues as long as the property is used for the specified purpose. The public hearing needs to be advertised once with the notice including the assessed value of the property for which the exemption is requested and the property taxes against such property. Public hearing cannot be held for at least five days after the advertisement. The organization pays the cost of the advertisement. All other religious organizations would have been under the old Code designation.

On a motion of Supervisor Allen, seconded by Supervisor Gerald, and unanimously carried, it was resolved to authorize the County Administrator to advertise for a public hearing on July 22, 2014 at 7:00 p.m. or as soon thereafter as possible, in the Board Room of the County Administration Building on the draft ordinance known as “Ordinance Providing Exemption from Floyd County Real Estate Taxes”.

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

Agenda Item 6f(ii) – Resolution Authorizing the Issuance of up to \$1,850,000 Principal Amount of a Revenue Anticipation Note. Mr. Cornwell noted that the Board has a draft resolution for \$1,850,000 in Tax Revenue Anticipation Note (TRAN) for their review. This is for two reasons: 1) normal cash flow issues that the County has in July and August; 2) uncertainty of the Virginia State budget this year. The note would be with the Bank of Floyd and it is at 1.5% interest. This does not require a public hearing, only requires a motion by the Board to approve the resolution. Closing cannot occur until after the new fiscal year begins July 1 and also has to be paid off during the fiscal year. It is a draw down program; you can draw down funds as you need them.

On a motion of Supervisor Yoder, seconded by Supervisor Allen, and unanimously carried, it was resolved to adopt the resolution as presented entitled “Resolution Authorizing the Issuance of up to \$1,850,000 Principal Amount of a Revenue Anticipation Note” (Document File Number       ).

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

Agenda Item 6f(iii) – Closed Session.

On a motion of Supervisor Turman, seconded by Supervisor Gerald, 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 power 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 Turman, 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 Gerald, seconded by Supervisor Yoder, 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.

Dr. Kevin Harris, School Superintendent, next appeared before the Board. He presented the School Board meeting highlights of June 9, 2014. He reported:

- Erin Bond, a teacher at the High School was recognized as the Floyd County/Bank of Floyd Teacher of the Year. She received a \$1250 personal check and a \$1250 check for the high school for their use.
- Consent agenda approved.
- Meal prices for next school year were approved: \$2.10 for student lunches; \$2.20 for student lunches at the high school; \$2.75 for adult lunches. Part of the program that we have to charge at least as much for lunches as we are being reimbursed by the Federal government.
- School Board approved three supplemental appropriations which Ms. Ryan will explain to you. We are asking for approval of these today as well.

Ms. Cynthia Ryan, Finance Director, appeared before the Board to explain the supplemental appropriation requests.

The first one you have in front of you is to accept \$20,000 in revenue. Part of the money we have already received, the rest we are forecasting that we will be receiving which will come in right at the end of the fiscal year. \$3000 was for transportation of pupils for year-end field trips. We received almost \$2000 from the sale of some old textbooks, actually they are textbooks that we are not using but in good enough condition to sell. \$7500, some from jury duty but mostly for custodial services when people use our facilities and reimburse us. We pay the custodians and the people using our facilities have to reimburse us for that. Another \$7500 because Carroll County is the consortium leader for both migrant and English language learners, we received more money than I expected from them this year. That is the revenue appropriation.

For the expenditure appropriation, what I'm requesting is that we take that \$20,000 and distribute the money to the expenditure categories in Maintenance - \$11,000; School Food - \$4000; Technology - \$2000; Transportation - \$3000. The reason that I would like to have it distributed in this manner is so that we can prepay our auto, building, liability and workers comp insurance. That bill is due on June 30 of each year. We do have a 30 day grant period so while it is due June 30 we wouldn't really have to pay it until July 31. I had already had in my forecast that we were going to pay these bills and that resulted in us having a negative forecast every single month while I was waiting for year-end to see if we had enough to pay them. For the budget we prepared for FY15, I had already assumed that we had enough for the auto, liability and building but not workers comp. So if we pre-pay it by June 30, I will be able to take out \$56,773 from the FY15 budget which puts us closer to balancing for next year.

The final appropriation. When we came to you last month, we had requested authority to move money into maintenance and transportation and kind of the feedback we got from you was that you'd like us to be much more specific when we make requests. So what I've done is I looked through my July expenditures from last year and I identified those things that were paid in July that provide service for the entire year. I actually contacted the vendors and asked for invoices so I would have a very specific dollar amount, the vendor name, what items we get from them and how we use it in our school system. With your permission, with knowing the exact amount of what we're spending, once we have paid all our 2013-2014 invoices and have pre-paid our insurance, anything left be used to pre-pay these software licenses. They total \$77,395. Again, by pre-paying I will be able to remove that amount from the FY15 budget because it is in there right now. Between pre-paying our workers comp and these licenses, if nothing else changed, we'd have a balanced budget for next year. Another way we could do it is ask for a

carry-over request, that you just allow us to carry-over the amounts from insurance and this. The reason that I prefer that you allow us to pre-pay all of this now is that I'm looking for July to be just absolutely hectic trying to deal with creating a budget, presenting it to our School Board, presenting it to you and then inputting all of this information and at the same time getting purchase orders from our schools. We are having a very shortened time frame to try to do everything that needs to be in place for the start of school. So you would be doing me personally a very big favor by allowing us to pre-pay this now. Anything left be allowed to be carried over into FY15.

Chairman Clinger – I have no problem with any of it except the last item. Typically, when we do these at the end of the year, we can identify the revenue sources and how much. It helps to have these in the minutes. I assume most of these will come from the Instruction category.

Ms. Ryan – I would present that to you at the next Board meeting. My problem right now is that our School Board will not be having another meeting until after your meeting.

Mr. Campbell – he was not talking about the pre-pays, he was referring to the carry-over.

Ms. Ryan – would you be ok with items 1-6 on the prepay request?

Chairman Clinger – if we're prepaying them, that is fine. We just need to identify the revenue sources. For planning purposes, I would go ahead and plan on those figures.

Ms. Ryan – so you would be ok, for example, with my moving it out of Transportation into Technology in order to prepay the software licenses?

Chairman Clinger – you would have until June 30 to pay it.

Ms. Ryan – no actually, I was going to have a check run on June 23. I have to cut the checks prior to June 30. Your last Board meeting is June 24.

Chairman Clinger – if your meeting is after ours, you'd have to do a carry-over request.

Ms. Ryan – it is the timing of the meeting. I was going to do the check on June 23 to be released by our School Board later.

Supervisor Yoder – (to Chairman) – I think you mean that you would like to know which categories the funds will come from to prepay?

Chairman Clinger – you said June 23 to run checks.

Ms. Ryan – June 23 to cut checks, released on June 30.

Chairman Clinger – our meeting is on June 24 so you'd know the amounts.

Ms. Ryan – I would have identified many of the funding sources but we'd still be getting a week's worth of revenue between June 24 and June 30.

Supervisor Yoder – (to Chairman) – your concern is not knowing which revenue source it is coming from?

Chairman Clinger – yes and how much from each category.

Ms. Ryan – even though I would be telling you that information after the fact, you don't want to approve this until you know exactly where it is coming from.

Chairman Clinger – personally, yes. The rest of the Board might feel differently.

Supervisor Yoder – essentially, items 1-6, comes from specific categories.

Ms. Ryan – most of it will be from Instruction into Technology because all our software is paid out of Technology even though if you read these things, you see that it helps the student, the Instruction category, in that it is paying for the student data bases. Or it is paying for the special education tracking system so it supports Instruction but all paid out of Technology.

Chairman Clinger – I have no problem with the carry-over either, I just want to know what category it is coming from.

Supervisor Yoder – I think the problem I am hearing is reservations about number 7 because we don't know where it is coming from and where it is coming. But if you had consensus from us that at our July meeting we would approve the carry-over, would that be sufficient?

Chairman Clinger – we approve your budget by category so with this we don't know which ones it is coming from.

Ms. Ryan – well we don't know which ones it will come from but with number 7 you will know how it is spent because it would be part of the FY15 budget and you would know where it is spent. But you wouldn't know where it was coming from until the July meeting because we'll get revenue up through the 30<sup>th</sup>.

Chairman Clinger – you do a line item entry last year for carry-over. Didn't you show a \$300,000 entry for carry-over?

Ms. Ryan – I think it was \$625,000 but it was one item. If you remember correctly, we came to you last year and we had put that in, it was not in the original budget, we came to you with a supplemental authorization and we had to tell exactly how we were spending that money.

Chairman Clinger – that's what I was getting at. It is the checks and balances.

Supervisor Yoder – I'm trying to negotiate something that will work for everyone. If it would work for you, for number 7, if you felt confident that at the July meeting we would approve it, that it would work for the schools.

Ms. Ryan – it would put it in our FY15 and would tell you exactly how we were asking to spend it.

Supervisor Yoder – we would all understand it that way.

Dr. Harris – we do not have the authority to negotiate something that our Board has approved.

Supervisor Yoder – they would have to re-approve the request.

Dr. Harris – I'm saying that this was approved by our Board. We can't bring this document to you with our Board's approval then re-negotiate it here, assuming their approval.

Supervisor Yoder – I understand that.

Dr. Harris – we can't change the substance of it. Our Board sent us here to represent their request to the Board of Supervisors. We can't re-negotiate this appropriation request on behalf of our Board. I don't have that authority.

Chairman Clinger – well we've move on it in the way it was presented then.

On a motion of Supervisor Yoder, seconded by Supervisor Turman, and unanimously carried, it was resolved to approve the revenue receipt of \$20,000 for the FY14 School Board budget from the following sources: \$3000 – Transportation of Pupils; \$2000 – Sale of Textbooks; \$7500 – Other Funds; \$7500 from area consortium for Migrant and English Language Learner programs.

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

On a motion of Supervisor Yoder, seconded by Supervisor Allen, and unanimously carried, it was resolved to approve the transfer of \$20,000 in additional revenue received to the following expense categories: Maintenance - \$11,000; School Food - \$4000; Technology - \$2000; Transportation - \$ 3000.

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

On a motion of Supervisor Gerald, seconded by Supervisor Yoder, and carried, it was resolved to authorize: once Floyd County Public Schools knows 1) the exact amount of revenue from all sources; 2) has paid all FY14 invoices received and 3) prepaid auto, building, liability and workers compensation insurance; that any remaining expenditure authority up to the amount of total revenue be transferred into the Technology category for prepayment of the following software licenses: \$27,024.17 to Infinite Campus; \$7865.00 to Public Consulting Group; \$23,625.00 to Interactive Achievement; \$12,531.35 to RDA Systems; \$3350 to Book Systems, Inc.; \$3000 to Reliance Communications; any remaining funds to be carried over to the FY15 budget.

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

Dr. Harris came back before the Board to continue his presentation:

- School Board will meet on June 30 at 3:00 p.m. for the year-end close out meeting;
- Ended the school year with 1999 students. Very significant since we were seeing a downturn of 10-12 students/month for several months during the year. Really good thing for the system.
- Forecasting right now – we received our cash revenues just recently. Looks like we have around \$77,000 in surplus right now. Last time I reported to you, we were actually in the red because we didn't know what the revenues would be.
- I reported to the School Board on our buildings/grounds report. Our schools received the highest scores that they've ever received on cleanliness and functionality. One of the things we look for is safety concerns. David Brooks, our representative from VACorp says it is a model program and is encouraging all his other schools to do. Just going through your buildings twice a year, looking at everything very carefully, correcting things that are health/safety concerns. I feel it is a really good program. It keeps our schools clean and safe.
- Graduation report – good graduation ceremony. In addition to having the main gym completely full, we had another 450 people in the auditorium watching it on closed circuit TV. When we began the school year, we had 165 seniors in the graduating class. 160 graduated on Sunday, two weeks ago. It is important because, of the five that didn't graduate, two received certificates of completion, two are currently in summer school and if they pass their courses, we'll have 162 out of 165. Only one student dropped out, turned 18 and dropped out, out of 165. It shows that we're doing some things correctly. As you know, without a high school diploma, the world of college and work gets much harder.
- Presented a report on preliminary test scores which all look good. I expect that our schools will be fully accredited again next year.
- I understand that Mr. Rush was here this morning and we are much closer on budget than we have been in some time. Hope the Governor will not follow through on his Sunday night statement and veto the budget. It would put us in a bad situation. Once the State budget is approved, we have things ready. I asked the Board to give us two days after

State budget is approved that we'll have a budget ready for them. Once our Board approves the budget, we'll have it to you.

- We've had a good school year. We had a lot of inclement weather, missing 13 days, missed 15 and made up a couple, even with the built-in days. I think our teachers and students fared well, it was a good year. Thank you for your help in getting us where we are as a school division.

Agenda Item 8 – Old/New Business.

There were no items of discussion.

On a motion of Supervisor Yoder, seconded by Supervisor Turman, and unanimously carried, it was resolved to adjourn to June 24, 2014 at 7:00 p.m.

Supervisor Yoder – aye

Supervisor Turman – aye

Supervisor Gerald – aye

Supervisor Allen – aye

Supervisor Clinger - aye

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Daniel J. Campbell, County Administrator

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Case C. Clinger, Chairman, Board of Supervisors