

**BOARD OF SUPERVISORS  
REGULAR MEETING  
MAY 13, 2014**

At the regular meeting of the Board of Supervisors of Floyd County, Virginia, held on Tuesday, May 13, 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; Arianna McKnight, Accounts Payable Specialist.

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.

The minutes of April 8, 2014 and April 22, 2014 were presented to the Board for review and approval.

On a motion of Supervisor Yoder, seconded by Supervisor Turman, and unanimously carried, it was resolved to approve the minutes of April 8, 2014 and April 22, 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 Gerald, and unanimously carried, it was resolved to approve the monthly disbursements, plus 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 April 2014. Ms. Lydeana Martin, Subdivision Agent, appeared before the Board. She reported that April had been quiet but May has been a very busy month for plat approvals. The Planning Commission will have several plats to review at their meeting next week. They are reviewing the family divisions in

the Subdivision Ordinance and may have recommendations for the Board soon. We are having some issues with people trying to circumvent the family requirements. In other news, the Innovation Center is coming along very well, scheduled to be completed in August. Only issue has been with donated materials from James Hardie, just a matter of getting it scheduled. Jon Beegle, member of the EDA, posts pictures every Tuesday on Facebook to assist in getting the word out about the center. Need the Board's assistance also in marketing the building.

Chairman Clinger questioned the Subdivision Ordinance, as to the minimum two acre requirement. Since that was before my time on the Board, I was wondering what the thinking was on that?

Ms. Martin – I don't know the history either on how that came to be two acres either. The difference between the 2001 and 2002 ordinances was that family was at two acres too and it went back to one acre, I don't know prior to that. I think it was probably increased from a one acre minimum in the past to two acres because of one thing that happened was the drought. That could have placed some impact on replacement wells, distance for drain fields, etc. There were several replacement wells that had to be done during that time frame.

Mr. Campbell – do we still see situations where the family division of the ordinance is being circumvented?

Ms. Martin – Yes, I have been told several times over the last few months that a surveyor and a realtor are telling people that all they have to do is call them a family subdivision and they can do whatever they want. I've sent as stern a letter as I know how to send to attorneys, surveyors and realtors to make sure they understand it is truly for families and not a loophole. If there were some time period it would be helpful on the enforcement side. It would also be helpful for the families to understand. The Planning Commission has discussed the issue and were suggesting five years but also provisions in cases of crises situations.

Mr. Wendell Peters, Clerk of Circuit Court, next appeared before the Board. He commented: It has been a while since I've been down to talk to you, we usually have court on Tuesdays. Thought I'd give you an update on our office. We've now upgraded all our computers from XP to Windows 7 with the exception of our plat system. We're trying to get State funding for upgrading our plat system to the Supreme Court system. We have around 15 people who access our records on line with a fee. We charge \$150/quarter. It will take us a considerable amount of time to move the plats over to the new system, we try to do everything in-house. It would make our access more efficient to get it over to the Supreme Court system. Years ago we received a grant for a microfilm machine that cost \$20,000. That has been several years and the machine has broken down. No one would come on-site to fix the machine. We did get a used machine, at no cost to the County. I emphasize that because ever since I've been in office I've tried to use State funds for all I can. The one big item that the County has paid for is the original Supreme Court system. At that time, we had an attorney who had used the system in other areas and encouraged us to obtain it. We were one of the first in Southwest Virginia to go on the Supreme Court system. Last year, you all finally decided to let us keep a PA system in our Court budget. I put that thing in there so many years that when you finally approved it, our request for \$3000 was finally \$5000. But I want you to know that once you put it in the budget,

we were able to get State funding. For the first time since I've been here for 22 years, we have a PA system that works in the Courtroom. I encourage any of you to come by to listen to it. They put a PA system in back when we renovated the Courthouse. The thing never worked, I grumbled and griped about the architects and the things they did. Not my cup of tea I guess. It fell on deaf ears. We now do have a good PA system in the Courtroom. Last year we also got a new phone system. Let me tell you that the phone system has done a number on my office. I expressed that many times to Mr. Campbell. When we sit at our desks, we get numerous calls wanting information from the records room. We had cordless telephones. After much griping, we got four cordless phones back. But guess what, they only work on one line. Four phones work on one line which means if I'm in the records room helping someone on one line. If one of the ladies gets a call, tough, you have to run back and forth with the information. They are younger than I am and can remember better, I can't always remember. We've had a time with that and are adjusting. Two of our phones, I know we've worried Arianna to death, she finally got the people to come look at them. Bless her heart, she tried. We've found out now that if we unplug them and plug them back, sometimes they will work. That's fine, but one of the plugs is behind the file cabinet. This has been a disaster for us. I just wanted you to know when they came in there, I asked them if they had run a wire for credit cards? I had refused to put a credit card system in because I didn't want to pay the processing fee. They do now allow it to be passed through to the customer so we may want to do that some day. So they finally did run a wire for it. I came in the next day and asked if a line had been run for the fax machine. They had to go back downstairs and run a wire for the fax machine. A couple of nights later, I was laying in the bed thinking, I thought about if they knew I had a security system. Which by the way, the Treasurer is now hooked into. I came in and asked if they knew about the security system. They said what security system? So here we went again. We've had a time with this phone system. Another line item in our Clerk's budget is the maintenance of our recordkeeping system. Back when we put that in, the Supervisors at that time agreed to pay the maintenance on our imaging system. Last year we again received State funding which means that money will be coming back to you at year-end. Now I want to tell you what we're working on for down the road. Rhonda has been working hard on, along with Joan, to put in a jury system. We lost our Jury Commissioner; she got paid a whopping \$30/day and drove from Christiansburg. She moved out of the area. The jury system that I had set up, in a Lotus system, we had to put in a floppy disk. We started leaving the machine on because the power supply was going bad. They have run the first set of jurors through the Supreme Court system. The reason that I'm telling you this is because of the increase in the line item to \$700/year, it is offset some for not having the pay the jury commissioner. We continue to strive to do things to help other departments. We had set it up earlier to run subpoenas for the Sheriff's Office but that is not our job, it is their job. Rhonda has it worked out where she can run them. Hopefully we can continue to help them. The program will also do a payment voucher for the jurors. We think we are on the right track. The next thing we are working on is trying to get State funds to convert our land books to digital instead of microfilming. We think we can do it on the Supreme Court system which would put it on the secure network. The more we can get on the system the more subscribers we would have. Rhonda has been working on that to get funding. We also requested a grant to update our old chancellor films to digital from microfilm. The State Library has told us that they would do it for us but there is a waiting list. I urge you to leave our budgets as they were presented to you. We continue to strive to receive State funds for any items that we can. I don't have to remind you that I am an elected official and try to save the County money any way that I can. We get

office chairs and furniture from the surplus to save money. If you have any questions about my office, please ask me. I try to watch as to what is coming down the road and plan, such as the PA system. I could have had it years ago. I want to thank you for this opportunity to talk to you. We have a very experienced staff with close to 125 years of experience. They are able to do anything by cross-training and can step in when needed. We know remote filing is coming down the road. I do not look forward to it, I think control is lost. It may be mandated in the future.

Supervisor Yoder – I really appreciate your budget requests each year, they are very straight-forward. I know you are always trying to find a reasonable way to do things. We've talked about things at the Courthouse, interested in your thoughts on the parking lot and the remodeling.

Mr. Peters – some of it you base on need and pride. The parking lot is a disaster, we're getting by. There are low spots, major attempt last year to fix it. We have several maintenance issues we call about. Any time the temperature gets low, the heat has no control. We've been told that the radiators cannot be cut off and nobody can fix it. We have the windows open in the winter when it is zero outside. You can imagine what the public is saying.

Mr. Campbell – we are still struggling to get the plaster repaired that is an issue in some offices around the windows.

Mr. Peters – we have problems with that. Danah has been here 44 years and has seen one coat of paint in our office. I don't know if paint would help or not but we still have the blistering around the windows. They tried to fix it but I don't know if it is fixable. Some offices we think have mold.

Chairman Clinger – we had professionals come in to check for that. They did an outside treatment on the brick to keep the moisture from coming in.

Mr. Peters – you still have an employee that gets sick every year from something. We're lucky I guess where the sun hits our side so we're not affected as much. The Courthouse was built in 1950. I was working in Christiansburg in the mid-60's when they built that courthouse and you can see what is happening there. There are plenty of inmates that can take care of painting. Another thing that is coming is paperless filing. I have a lot of problem with this. It would be \$50/month for every attorney. The out-of-town attorneys are not going to pay this. We have attempted to put all the services on-line. We've found out most services are local and they just come in. When we have out-of-town calls, it is faster for us to get up and look it up instead of looking it up on the computer.

The Chairman next called for the Public Comment Period.

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

Agenda Item 7b – E911 Road Name Request. Mr. Campbell presented a road name request for Laurel Drive. Discussion followed on if this would be a conflict/confusion with

another road in Burks Fork. Will check with staff during break and bring back before Board later in the day.

Agenda Item 7c – Resolution – May 2014 as National Cooperative Extension Centennial Celebration Month. Mr. Campbell commented that the local office provided a celebration event yesterday with food and lots of historic photographs and video.

On a motion of Supervisor Yoder, seconded by Supervisor Turman, and unanimously carried, it was resolved to adopt the Resolution Recognizing May 2014 as National Cooperative Extension Centennial Celebration Month as presented (Document File Number \_\_\_\_\_).

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

Agenda Item 7d – Discussion of drainage issue at Floyd County Commerce Park. Mr. Campbell reported that several bids had been received for repairs at the site. The apparent low bid was \$4840. There was a fairly big range of bids. If acceptable to the Board, we will place a concrete apron around the inlet, repair the wash-out, clean out the bottom where the pipe comes out and is stopped up with silt. Down by Lot #8, there is a channel that needs to be dipped out and opened up. The stormwater drainage also needs to be opened up. If ok to proceed with the Board, the funds would come from Contingency when the final bill is received. Consensus of the Board was to proceed with the repair work as outlined.

Agenda Item 7e – Audit Committee recommendation. Two proposals were received; the audit committee reviewed both proposals and interviewed both firms. They were very close in the overall ranking. We recommend, as a Committee, that the Board switch firms back to Robinson, Farmer, Cox & Associates. It was not a case of being unhappy with Brown Edwards. We put a lot of weight on the interviews, the assigned staff, the higher ranking. The cost structure is contained in the agreement before you. This does not include the cost for the Cost Allocation Audit. Cost was not a point of discussion in this type of procurement. We felt Robinson, Farmer, Cox was more familiar with local government, our Bright accounting system, etc.

On a motion of Supervisor Allen, seconded by Supervisor Yoder, and unanimously carried, it was resolved to approve the contract with Robinson, Farmer, Cox & Associates for the County audit for a three year term (Document File Number \_\_\_\_\_).

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 approve the road name request for Laurel Drive, as presented.

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

Agenda Item 7f – Appointments pending to various boards/committees. Update – VASAP – I believe we have a candidate for that position who is willing to serve again. Received one letter of interest for the DSS Board, Little River District. Received no interest from the other two districts for the DSS Board. Received two letters of interest for the Library Board.

Consensus of the Board was to hold interviews at the second meeting in June.

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

- We had to have one person taken out of the office yesterday who was threatening staff; six deputies took the person out.
- Case load update – SNAP around 2000 range, has leveled off steady for the last three months – payment averaging around \$230,000 in total benefits.
- Medicaid continues to run in the lower 3000 range. This program fluctuates monthly.
- Applications are up about 40% since October in the Medicaid program which is related to the program changes. Statewide is up about 60%. The number of people on the program has not gone up; we're just having to process more applications.
- Budget – our new year starts June 1. We feel the State will do a continuing resolution which would allow for funding to continue through the end of the fiscal year as they did back in 2006. Have talked with several different folks and sent information as to how it was handled in 2006, just do it the same way again, and we can continue on. That would ensure your reimbursement back in July. The County has to up-front the funds and then gets reimbursed.
- Met recently with the Secretary of Health and Human Services. They are proceeding in their planning that Medicaid expansion will go into effect October 1 as to direction from the Governor. Even though it has not been passed by the General Assembly, they are trying to plan for it if it does pass. We would need to plan for 400,000 new cases State-wide October 1. It is mind-boggling. There is another meeting planned with the Secretary this month, hopefully we'll have a better idea of what is happening. If the budget could ever be passed, that would greatly help us. There is no assembly set for this month. Everyone is dug in on their particular issues and we're caught in the middle.
- We have officially signed a Memorandum of Understanding (MOU) between all the children's services providers in Floyd County to begin a Children Response Abuse Team. We came together with the Children's Advocacy Center to meet monthly to look at all cases that we're jointly investigating. This would include the Sheriff's Office, Children's Advocacy Center, DSS, Commonwealth's Attorney, forensic nurses from Carilion, Women's Resource Center. We hope to make better findings as the prosecution goes forward to help these families. We started talking about this when the meth epidemic really started for some of the severe cases. The different agencies who work in Floyd really work well together and I'm very thankful for the cooperation between agencies.

Chairman Clinger – I received a call last night about a special needs child who had been assaulted at school. Would that investigation come under your department?

Mr. Ayers – if an employee of the school system or daycare (defacto caregiver by function) assaulted a child, it would be reported to our agency. We have a protocol with the school system and we would jointly investigate them. There is a specific policy that deals with school personnel separately from anybody else. It is called a “Designated Out of Family Policy”. We have a protocol set up with the school system that was set up in 2004 that specifically talks about how we handle these cases. They are investigated jointly between DSS and the designee of the school system. Then there are two different actions that come from that. The school may have an administrative action and we would have an action with regard to the investigation.

Chairman Clinger – there are two different versions of what happened. I was trying to handle it all on the phone.

Mr. Ayers – all we have to do is get the complaint and ensure that it is a valid complaint. They have to be a resident of Floyd County, have to have a definition of abuse and neglect. Whatever is reported to us has to fall under this definition. The child has to be under the age of 18. The abuse and neglect has to be perpetrated by a caregiver. There are full criteria that have to be met. They can always call me with questions. Whenever you’re dealing with school personnel, there is a requirement for preponderance of evidence, which means that more than likely it happened than not. For school personnel, it is gross negligence and willful misconduct.

Mr. David Clarke, Virginia Department of Transportation, next appeared before the Board. He reported: resurfacing schedule has come through so we are doing patching while the weather is nice; Route 221 guardrails have been repaired; replacing pipe on Gardner Road, Vest-Tannery Road and Christiansburg Pike; patching on Daniels Run Road and Cannaday School Road; plant mix will be done on Alum Ridge Road; surface treatment contractor is in Carroll County now, moving this way. When we were on our way over here, we had a call questioning some of the patching we had done on Wills Ridge and Laurel Branch Roads. That was some skin patching and we will get the lines back on. It is not ahead of any paving. There is a small section of Laurel Branch,  $\frac{3}{4}$  of a mile, will get slurry. Still working on environmental issues for the Haycock Road paving and should be able to start that in late summer.

Supervisor Gerald – Route 787, Indian Valley Road, about two miles from Route 221, patched a lot of holes and quit, there are a lot more to be done. Macks Mountain Road has quite a few also. Appreciate spot paving along Indian Valley Road along the creek that helped a lot.

Supervisor Allen – nothing to report.

Supervisor Turman – Burks Fork Road and Buffalo Lane, appreciate your quick attention. On Burks Fork Road, there is a culvert that stops up and leaves about a 5” ditch across the road.

When the bridges are worked on, will they be widened?

Mr. Clarke – they will get new rail but not widened. Not sure when that multi-bridge contract begins.

Supervisor Yoder – appreciate the attention to Kelley Drive. Jack’s Mill Road on the Hummingbird side, surface treated several years ago but there are pretty significant potholes on the road.

Supervisor Turman – the pavement on Buffalo Road, why was it kept like that?

Mr. Clarke – not sure but I can check on it.

Supervisor Gerald – Pepper’s Ferry bridge, when will it open?

Mr. Clarke – not open yet, but it is close. Have a small amount of paving to do.

Supervisor Clinger – Route 615 will get plant mix this year?

Mr. Clarke – yes. Don’t know the particular amount but will get that for you.

Mr. Clarke – the primary roads public hearing will be next Monday at Northside High School if the Board is interested in attending. If you have any big projects that you’re interested in, you need to attend or at least send a letter.

Dr. Kevin Harris, School Superintendent, next appeared before the Board. He reported:

- Presented copy of School Board meeting highlights, there were no special recognitions or public comments. The consent agenda was approved. The next item is for three supplemental appropriation requests which I will let our Finance Director, Ms. Ryan explain to you and answer any questions that you might have.

Ms. Cindy Ryan, Finance Specialist, next appeared before the Board. She presented three supplemental appropriation requests. These came about because of some unexpected items this year. We received \$17,818.97 for providing transportation for Floyd Fest, \$16,635.51 from insurance settlements due to lightning strikes to equipment and vehicle accidents and \$10,545.52 from the area consortium leader (Carroll County) for Migrant and English Language Learner programs for a total of \$45,000.00. I am asking authority from you for receipt of \$45,000 in the Other Revenue line. The second is the revised expenditure appropriation for authority to expend the \$45,000 received. We would request \$147,000 be transferred to the Instruction category, \$70,000 to Transportation, \$60,000 to Maintenance, and \$62,000 to School Food. What we would like to do in Transportation, is purchase another bus. As you remember, we had a bus accident that put it out of service for a while. The insurance company will not let us put it back into service until their experts inspect it. In the Maintenance category, we’ve had some lightning strikes, compressors going out at several locations, building repairs, many unexpected repairs. We need to move some funds to cover our expected deficits there. For School Food, it has to have a net zero effect. At the school level, they pay for food, equipment and materials and receive any revenue from students. At the division level, we pay salaries and benefits and we

receive the State and Federal reimbursements. Any Federal reimbursement received beyond payroll and benefits has to be returned to the schools at year end in the form of a check cut to them. That way the Division maintains a net zero effect. At the time the original budget for FY14 was adopted there was not an understanding of this net zero requirement. The food, equipment and materials are not in the division budget, it is in a school activity fund, but the cafeteria workers are. For next year, we have plans to do it in an entirely different way. What we propose for next year is to have everything in the division budget and make it a centralized operation. That way, at year end, instead of cutting them a check, they would be cutting us a check. It still has to be a net zero amount. We feel it would give better control and oversight and take some work load off of the school secretaries. For this year it is still decentralized so we will have to cut a check to them. We receive more than what we pay out so we have to reimburse the individual schools. The third request we have before you is not to ask for relief from categorical control but for some flexibility at budget year end. As you know, we have done a lot to get a handle on our expenditures. Everyone, at all levels, are watching the budget to ensure we do not exceed our budget. The problem is unexpected expenditures that pop up. Even when they do pop up, Mr. Carr and Mr. Cox are excellent in letting us know of problems. However, on the revenue side we do not have good control and I don't know that we ever will. Because what happens, we know at the beginning of the school year how much money we can expect based on our ADM. But, what happens on March 31, we report to the State how much our ADM actually is. Then they turn around and tell us how much money we will actually receive based on the ADM. In foster care for example, we will receive closer to \$25,000 instead of \$50,000 that we had budgeted. In other categories, we may receive more money. But we don't know the exact amounts until all school divisions turn in their ADM. What we would like your permission to do, some of the money we do not receive until June 30. But they let us know about a week ahead what that amount is going to be. Once we identify how much our revenue is going to be for this year, we would like the authority to spend that money down to the penny. While we can't tell you the dollar amount at this time, we know what categories we would be putting it in and what our priorities would be for the funds. I put down a school bus as one of the priorities. But I found out it takes about five weeks from the time you order a bus to receive a bus in time to be paid for. So we would have to move some money in the next two weeks so that would be unlikely. However, we could possibly new and used vehicles. This would be, for example, we have a car that we transport special ed students. We could buy new mowers for grounds maintenance. We could quickly get quotes from three different sources. We have two right now that are down and not working which is a challenge. We could use money right at school year end to fill all the fuel tanks. If any money is left, we could use to pre-pay, to the extent we had the money available, our auto, building, liability and workers compensation premiums. So, what we're requesting now, is the authority to move money into the categories transportation and maintenance as needed for just these items.

Supervisor Yoder – where are the tennis courts in the budget?

Ms. Ryan – it was originally in maintenance. We would like to move those funds to transportation for a school bus.

Chairman Clinger – in Instruction, the \$147,000 that is projected to be left over, where was that savings achieved from?

Ms. Ryan – there are two ways it comes from. When the budget was originally prepared, it was based on all staff in their positions at that time. After that point in time, people resign or retire, in many cases a somebody who does not cost the division as much comes into the system so that creates some savings. That is part of it. The other part is we know we have to manage the budget to the penny overall and Instruction is the easiest category to control because we don't have emergency situations in Instruction. So as we forecast maintenance, emergencies and other needs, we will make decisions to ask people to not buy as many materials or do staff development and other things. But it is a combination of savings of hiring lower paid people after the budget was prepared and looking for savings in Instruction to cover Maintenance and Transportation.

Chairman Clinger – I know a question that came up last year was the need for more teachers and aides, could that money have been put back into hiring more teachers and aides?

Ms. Ryan – I think at the elementary level we did very well this year in having a sufficient number of teachers for every class. For high school, it probably would have been nice to have an additional either CPE or math teacher. But at the same time, because you don't know what type of emergencies will come up during the year, you don't want to do it to the penny because if you do, you don't have the money available if emergencies come along.

Dr. Harris – we are quite happy with where we are elementary wise.

Mr. Campbell – looking at your flow chart, it seems kind of pointless if your goal is to move the funds into transportation and maintenance, yet your authorization is to move from those two categories into other categories. It does not seem to be a direct line on line items.

Ms. Ryan – what I have is, I have Instruction and Health and Technology in the maintenance and transportation. Under transportation I said possibly maintenance if needed. Under maintenance I have possibly transportation if needed. That's because I don't know how much the exact number is that will be left. What we would do, we might be pre-paying auto insurance and not building, or we might be paying building and not auto. I don't know exactly which one will have funds at the end.

Mr. Campbell – it is just not a direct path. You could be shifting out of maintenance or transportation and then shifting back into them.

Ms. Ryan – I felt this was the cleanest way to explain what we were doing.

Supervisor Yoder – is there a reason that you can't request this in June? Wouldn't you have more an idea of where it would go then?

Ms. Ryan – the reason that I would rather do it now is because if we run out, it will disrupt our plans. If you say no now, we don't know what our ending revenues are going to be, we have make sure we balance. The revenue is still a question mark, right now I'd have to make

the decision not to prepay some of this stuff. I'd like to be able to know now that we're going to be good if we proceed on some of the items in the maintenance and transportation areas.

Chairman Clinger – we have three more meetings before the end of year. Your Board would have to approve any of these items as well.

Ms. Ryan – correct, they approved this last night as it is presented.

Chairman Clinger – so they don't care where you spend it.

Ms. Ryan – they care where we spend it but we promise that we are spending it on these priorities. That is our assurance to you. This is what we would be using the funds for.

Chairman Clinger – my problem is that I keep hearing how dire the school situation is right now as far as staffing and so forth. I kind of hate to spend it if it could go to the staff next year.

Ms. Ryan – I would love to do that. But I feel that there is no guarantee that if we have this carry-over that it would be given to us. Since we are not confident that the carry-over would be given to us, we are trying to explain it this way. The way we were trying to plan our budget for next year to work out, we are reducing our ADM and we're adding what the amount is that we're going to get from the County. We are planning on pre-paying our insurance this year for next year, not putting any insurance at all and then the following year pay the entire amount. We have to spend the money on insurance by pre-paying it now, it actually frees up funds. If we don't pay it now we have to pay it this year. We have already received the bills and know exactly what the amount is. If we don't pre-pay it now, we have to ask you for carry-over. We pay the exact amount next year so we really haven't achieved any more money for teachers.

Chairman Clinger – but by taking it out of Instruction, it is for teachers.

Ms. Ryan – it is too late in the year to hire teachers for this year. Explaining it a different way, we have to pay this bill either now or next year. If we pay it now, that means we can use that money for something else.

Chairman Clinger – to me we need to look at priorities.

Ms. Ryan – this is the one we have the most flexibility with. Transportation, like for a mower, is going to be a set amount. Insurance, we have the bill, and can pay a certain amount. The other things you can't pay like this. This one, we can actually choose the amount to pay and pay the balance later. It is the one line that gives us the most flexibility.

Supervisor Allen – is it a fact that there is a possibility that you may cut out sports.

Ms. Ryan – right now we have a plan that we presented to the School Board last night and I want to make a real big point. This is a plan not a budget because we don't have numbers from the State. It is a plan to balance the amount of money we expect to get. What we're talking

about doing is charging athletics for their travel which we haven't done in the past. We are not talking about eliminating any programs but we are talking about charging all sports for their costs of driving such as fuel.

Supervisor Allen – gate admission, where does that go.

Dr. Harris – it goes into the activity account at the high school where all the funds go. It pays for uniforms, officials, fuel and drivers to transport the kids. We are proposing to cover the costs of fuel and drivers to transport the kids to/from games.

Chairman Clinger – on the revenue side of the budget, you don't include the activity account?

Ms. Ryan – correct. It is a money maker. I get a report from the school secretaries every month as to how they are spending activity funds, it is a money maker.

Chairman Clinger – so the expenses would come out of that.

Dr. Harris – a lot of school divisions around us already do this. Most of the time you pay \$5 to get into a game. That is how money is made. A lot of divisions, they have always does it this way. Here in Floyd County when I came, it was a policy that expenses would come from the central office. We're trying to shift costs back to the schools for a year until costs are under control.

Supervisor Allen – you furnish uniforms for every sport?

Dr. Harris – yes, at no cost to the student. No activity bus cuts.

Supervisor Allen – one of the coaches told a student that if they didn't play travel ball during the summer that they would not make the team in the fall.

Dr. Harris – I have no knowledge of that. I will be glad to talk to the Athletic Director about that. There are no requirements for students to play something out of school sports.

Supervisor Allen – not only that. A weekend in Greensboro did cost around \$400, they paid it but didn't have the money to spend.

Dr. Harris – I was a high school coach for a long time. I always encouraged my students to do multiple sports. I don't believe in producing one sport students. I would be glad to look into that. How would you know you are good at other sports if you don't try them?

Dr. Harris – I will be talking about what we're going to be doing to make next year's money work. We will not be having as many teachers, reached through attrition. We don't have as many students. When I came here we had 2028, now we're down to 2000. We're graduating 160 students but we only have 110 kindergarteners coming next year. We're losing a good number of students so we can afford to do that. Another thing we're going to do is to allow kids

to travel around the County some. For example, 1<sup>st</sup> grade at Indian Valley has 13 students. 1<sup>st</sup> grade at Floyd Elementary has 22 students. We're going to come up with some averages, if parents are willing to transport students to those classes that have few students, we're going to try to balance them out throughout the school division. I think it only makes sense to balance the work load out. As we have it planned it right now, we will not have to reduce any teachers working for us. We have enough retirees, we won't have as much staff next year, but no one will be without a job next year.

On a motion of Supervisor Yoder, seconded by Supervisor Gerald, and unanimously carried, it was resolved to approve the supplemental revenue receipt in the amount of \$45,000 to be placed in the Other Revenue category. Funds received from: Floyd Fest Transportation - \$17,818.97; Insurance settlement - \$16,635.51; Migrant and English Language Learner program - \$10,545.52 as presented.

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

On a motion of Supervisor Turman, seconded by Supervisor Gerald, and unanimously carried, it was resolved to approve the transfer of \$45,000 from the Other Revenue category and \$174,000 from the Instruction category to: Transportation \$70,000 for one bus purchase; Maintenance \$60,000 for repairs and replacements; School Food \$62,000 to reimburse each school cafeteria account.

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, it was resolved to approve year end revenue transfers to Maintenance or Transportation expense categories in undetermined amounts at this time for prioritized purchases of: school bus, new or used transportation vehicles, new mowers, filling fuel tanks, prepayment of auto, building, liability and workers compensation.

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

Motion denied.

Dr. Harris – in further information provided to the Board noted:

- Presentation from Check Elementary PTA for a check in the amount of \$18,000 from fundraising for outdoor equipment such as benches, swing sets, etc.

- Year-end close out meeting set for June 30, 2014.
- Student membership went up last month, closed out at 2000 students for the month; attendance was exceptional. Floyd Elementary and FCHS were at 95% attendance, the other three schools at 96%.
- Currently, we are around \$70,000 in deficit with this year's budget which has to do with lack of predicted revenue coming into the system right now. Revenue really comes with no promises, especially as sales go up/down for sales tax receipts. We will have to look at how to handle this since you denied the last motion.
- We had looked at an early retirement program that would pay \$400 toward retiring employees' health insurance, we only had two employees take us up on that, so it was not worth the cost savings. We were hoping to get some of the higher paid employees off the payroll but they were just not interested.
- Teacher of the Year committee as sponsored by the Bank of Floyd. The individual school awards went to Charla Hughes, Willis Elementary; Erin Bond from FCHS; Annette Craighead from Check Elementary; Jennifer Bunn from Indian Valley; Amber Burnette from Floyd Elementary. Four of the five will be competing for Teacher of the Year. Charla Hughes is out on maternity leave so she will not be participating. \$2500 contribution is given to the teacher/school sharing the funds.
- Department of Labor and Industry letter received this week detailing their inspections of Floyd Elementary and FCHS – the letter stated no violations at either school in terms of compliance issues.
- Received a presentation from former teacher Catherine Pauley last night on the oral history program. The mass media does this project, interviewing over 22 WWII veterans and create films about them. Good example as to how we teach things other than SOL requirements.
- Meal prices will be updated next year. Currently reimbursed at a rate of \$2.65 for every meal served, we only charge \$2.00 or \$2.10. The Federal government has required that we raise rates up to the reimbursement rate over the next few years. Meal prices can only be raised \$0.10/year. Next year's rates will be: Elementary-\$2.10; High School-\$2.20; Adults \$2.75.
- Closed session issues were for student discipline cases.
- Budget work session – we will reduce materials/supplies by 25%; reduction in our employer paid health care benefits which be absorbed through the division's health insurance account which we can probably only do one time to keep the reserve levels up as needed; eliminating several elementary positions through attrition and increase in class size. The largest size right now is projected at 25 students. Overall we will be able to absorb that. We will allow students to redistribute through other schools in the county to help with class size. At this time, we can balance the budget with the funds that we are predicting that we have available. I would like to emphasize that the budget that we will be presenting to our board has no reserve whatsoever for unexpected expenditures. This is about as austere a budget as we can create. We have had so many issues in transportation this year. Right now, we have five buses that are not working. I know the buses have diesel engines and we expect them to last a long time. It is not the engines that are wearing out but the transmissions, rear ends, spring hangers, any number of things. It costs to repair an old fleet of buses. We really don't have much money at all if we have compressors go out, boilers go out, and we don't have money to fix them. So,

yes we can approve a budget that will get us through another year but there simply isn't any wiggle room at all.

Supervisor Allen – the \$900,000 carried over last year, what was that used for?

Ms. Ryan – we bought one bus and one transportation vehicle. Some was used for materials and pre-payment of items like insurance, etc.

Supervisor Yoder – question about the soccer program and specifically purchase of soccer goals. The sports programs are run from the activity funds, is soccer included in this?

Dr. Harris – there is one general athletic account that serves to pay for officials, transportation. Each team has their own account to do extra things with. Some teams do fundraisers which go into their individual account. I don't know how much funds they have in their account. We buy uniforms out of the big pot of money, things that are serviceable. The soccer team wants better goals, that is something they want, not something they have to have. They have taken it on themselves to fundraise for better goals.

Supervisor Yoder – I was just curious if the funds were divided evenly.

Dr. Harris – Girls basketball and football bring in a good gate so that helps supplement the other programs in the big fund.

Supervisor Allen – the dog problem at Indian Valley Elementary has it been taken care of?

Dr. Harris – I checked on this very carefully. Apparently Animal Control came over and picked up the dogs. On one of the days the dog attacked someone, Animal Control came over and picked it up at school and gave it back to owner but it was back on school property that evening.

Supervisor Allen – there is a County ordinance that dogs cannot be on recreation property or school property.

Dr. Harris – that is correct.

Mr. Campbell – my understanding in talking to our staff, when this came up at the last meeting, that staff had been out there and talked to owners of the dogs and they have been tied up since that time. If that is not the case, I need to talk to staff and find out why.

Dr. Harris – on one occasion, the dog came back onto the property that evening, Mr. Hewitt caught the dog and put it in the little cinderblock building at the road. Animal Control came and got the dog and took it back to the owner that day. I don't think they are attacking children, they are playfully jumping at them. We do have a rule that dogs aren't allowed on school property but it is owner responsibility. We haven't had any problems in the last few

weeks. The principal has caught the dog several times and puts it in the building for Animal Control or returns it to the owner.

Mr. Campbell – I know that there is more to the story than what is being said here today. Animal Control has counseled the owners and advised them of the situation. The puppies are confined. But please do check if there have been several calls so we can take care of the situation. It is a challenge but in this case the owners have been counseled directly.

Supervisor Yoder – there are no signs at Check Elementary either.

Dr. Harris – we have signs at all schools.

Chairman Clinger – Are there plans in place if the State budget is not passed before June 30?

Dr. Harris – we talked about that this morning and we are awaiting the State budget to be passed before we do contracts.

Chairman Clinger – you could basically shut down for 15 days right?

Dr. Harris – I guess we could if it came to that.

Chairman Clinger – one other thing, you mentioned other possible reductions. The assistant principal was paid for with stimulus funds, couldn't that position be eliminated since those funds have run out and the County is picking up the cost?

Dr. Harris – We have looked at all areas, we've looked at everything out there and basically the funds that we have available, we feel like we can do the same thing next year that we've done this year. We've looked at administratively, how we could save large sums of money. We've looked at the funds from the County. We've looked at the proposition from an administrative assistant position, how many we have working. With the amount of funding that we have right now, we are able to do everything next year that we're doing this year with the loss of some teachers through attrition.

Chairman Clinger – without adversely affecting students?

Dr. Harris – it will affect them somewhat. Teacher/student ratios will go up somewhat. It is a good number. You will start seeing some decrease in learning around 20 students. It varies on the makeup of the class. A class of 18 nearly killed one teacher at Willis two years ago, but a class of 30 this year went well with her. It is the individual makeup of the class. We strive to keep numbers as low as we can. If you are asking what I think you are, as to if an Assistant Principal is needed at Floyd Elementary, yes I think it is needed. With almost 600 people, an Assistant Principal is needed. It is a lot to ask of one principal to manage that whole building.

Chairman Clinger – do you think that teacher/student ratios will be helped with the \$147,000 just transferred out of Instruction to Maintenance – should we keep those funds there?

Dr. Harris – I was under the impression, maybe I lost something in the translation that we were not to have any carry-over funds next year. We were expected to end this year at zero. Is that not the case? I thought I understand that this board didn't want us to have carry-over funds because you had exhausted your reserve to give us the additional money you had and you could not promise that you would take that money back at the end of the year. Did I misunderstand that?

Supervisor Yoder – I heard one member say that.

Dr. Harris – that's why we were presenting these appropriations, to spend down to zero because we couldn't be promised any carry-over. Is that what you understood Mr. Yoder?

Ms. Ryan – it did not come from the board, it came from a discussion afterward. Because the reserve is being used, you couldn't promise any extra to us. What I'm trying to do is look at expenditures that we can prepay for next year, like fuel tanks and insurance, it is moving costs into this year's budget which really is the same as carry-over. It is not creating any teachers. If we can pay this year, it is that much less for next year. It is trying to balance.

Dr. Harris – there is only x amount of money and we have lots and lots of things to do. We have lots of needs and we have to balance what we have to do with what we can do. If you wanted us to carry all of that money over and approve us to carry it over to Instruction, we would be glad to do so. I was under the impression that it was not something you wanted to do. If you wanted us to produce an amount for you at the end of the year to carry over into Instruction to keep class sizes low, we will certainly do so. We will hire back some of the teachers.

Ms. Ryan – it wouldn't work. If we had carry-over, what we have done for a plan for next year, as I was trying to explain, we're trying to prepay insurance to not have any payments next year at all. Then pick up and pay the next year. If we were not to pre-pay, we would have to use it for insurance.

Supervisor Yoder – the proposed budget?

Ms. Ryan – it is has the insurance in it. The plan presented last night takes the insurance out. By carrying it over, we will not have any more teachers. We're moving the cost from one unit to the next. I would love for a carry-over to be so large to see teacher positions added. But the numbers we have in front of us right now I don't see it. If final numbers from State are higher we might but right now I don't see it.

There was no Old or New Business to discuss.

On a motion of Supervisor Allen, seconded by Supervisor Yoder, and unanimously carried, it was resolved to adjourn to Tuesday, May 27, 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