

**BOARD OF SUPERVISORS
REGULAR MEETING
FEBRUARY 14, 2012**

At the regular meeting of the Board of Supervisors of Floyd County, Virginia, held on Tuesday, February 14, 2012 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.

Agenda Item 4 – Approval of minutes of January 10, January 24 and January 31, 2012.

On a motion of Supervisor Allen, seconded by Supervisor Yoder, and unanimously carried, it was resolved to approve the minutes of January 10, January 24 and January 31, 2012 as presented.

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

Agenda Item 5 – Approval of monthly disbursements and additions.

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

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

Agenda Item 7a – Subdivision plats as approved by Agent for January 2012. Ms. Lydeana Martin reported that January had been a busy month for plat approval.

In other matters, she reported:

- Presented an outline of different types of subdivision approvals and the current rates with recommendations for increased rates due to amount of staff time each entail – for the Board’s review during budget deliberations;
- Reported on attendance at Crooked Road Board of Directors meeting; outlined various national publicity that it is attracting; reported on development of education for traditional music classes, especially at the youth level;
- Economic Development – several local businesses are looking to expand, working with them; EDA submitted application last fall for a pilot program entitled “Economic Gardening”, to spur local business growth and job creation, hope to hear back in spring as to receipt; Intermediate level Social Media class set for end of month – both classes full with waiting list.
- Other economic development – starting to receive some leads from the State and NRV Economic Development Alliance. Would like to talk with the Board later in the month about establishment of a Technology Zone and the multi-tenant innovation center.
- Planning – work continues with two Task Forces. Have two interns working with us, one is researching water information, the other is working on a Forest Landowner Guide. Both task forces are trying to narrow down their priorities to focus on the main issues.

Sheriff Shannon Zeman next appeared before the Board. He reported:

- Did receive \$31,000 Domestic Violence Grant, which will carry through December 2012;
- Applied for DMV grant for \$21,000 to do selective enforcement in the community;
- Have had one wreck involving a deputy. He is home from hospital and doing well. The vehicle was totaled, working on how to deal with that situation.
- Regional Jail – started at the jail over 12 years ago with less than 7 inmates per day. We averaged around 20 per day for several years. We were at 48 per day two months ago and this month at 51 inmates per day. With some things that are going to occur in the near future, feel that number will rise. Hope that will help with your budgeting.
- Created a new policy for an Auxiliary Deputy Program. DCJS provides that if you have someone with police experience and they are paid less than 80 hours per year, you don’t have to maintain minimum training standards except for firearms. Have one gentlemen who is volunteering time by helping us in court and other areas, he is very beneficial to us.
- Couple of people in community who have come forward to assist us with the meth program and they have some ideas on educating the community.
- Academy update – Jail has had some trustees over there doing the painting inside. Hope to be in there by mid-April.
- Agreement between Town, County and Sheriff’s Office for an additional deputy. Town Attorney drew the agreement up; I reviewed it and sent it to the County Attorney. Have had discussions with the Town Council as to what each expect. There were several things in there that I am not interested in doing, such as enforcing some of the Town ordinances. We appreciate the Town stepping up and providing some funding. They are already paying for the position and we are doing business.

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

Ms. Janine Thompson, Little River District – I am concerned about the Bank of Floyd and the fact that we’re considering pulling our funds out of there. Have not seen any information that makes me sure that it is a really good move. I have not done the research enough to know whether Stellar One is offering a much better package. The Bank of Floyd went through this entire recession without having to borrow from TARP. Stellar One did borrow and finally paid it back, I’ll have to give them that. Bank of Floyd is local, they do a lot for our County and I’m just not sure it is a wise idea to just up and pull what is a very substantial amount of money out of their bank.

Mr. Frank Rudisill, Indian Valley District – thank you for the meeting on January 31. The ones that are against the wind turbines to make tax revenue for our County, we got a tax ticket coming out here in a few months. I’d like for the County, if they would, put on there a volunteer “view tax” of 5%. See how many people signed that petition and how many people are against this would actually volunteer to give you 5% tax revenue to help the County with their budget shortfall and help the widows and elderly. As far as the ridgeline ordinance, I think you should go by the Virginia Code 58.1-2606C which allows you what to charge on taxes. We all know that wind turbines ain’t going to make it to Floyd County, I already know that. Because if you’re not wide enough on the top the ridge, the person on this side don’t sign, you gotta have a 1000’ across the ridge width wise in order to get the 500’ on both sides. Lengthwise, if you can hook it, hook it, that’s good. They ain’t coming to Floyd County so be realistic about it. The tax rate, \$1.50 on \$100 value, you can charge 50 cents or \$2.95, whichever you choose. I took \$1.50 for \$100 value, \$45,000 per turbine, that is not too realistic to them. I’d also tell them that if you come in the County, we’re gonna get your tax revenue but this is what it is going to be. But if you sell this company off to somebody else and I already know one company is going to do that, that we’re going to leave in there a leverage that we can go to a maximum, which would be \$2.95 or the current personal property tax revenue. That way you know that you have leverage that they are going to put it up, manage it, take care of it from start to finish. The next thing that I’d put in place is a \$200,000 property bond if it needs to be dismantled, per turbine. If they want to sell the company off when it gets on line, that’s fine, tell them you’re going to add another \$100,000 bond to that, a \$300,000 bond up-front. They’ll know what they are getting into before they get here. The landowners, you got to have everybody. Like Lowell Boothe and his sister, if they don’t sign, I understand from the meeting that it is only 100’ wide. If they don’t sign to let them come the distance over the mountain, that ain’t gonna happen. For the ridgeline protection, really you can’t protect but the top 100’ of it anyway so houses could be built on the side of the mountain as high as you want to build them. I’ve talked to wind turbine companies and they’ll not build on the side of the mountain because it is unstable. If you target just the wind energy and nothing else, you’ll be going against the Virginia Energy Plan 67-201 and also the Federal Government Plan and the Code of Virginia 67-102, 1, 6, 67-103. If I was a doing what you all gotta do, I know it is a hard decision to make, I would put the strings out there, this is what it’s gonna cost you. The landowners will not all be in agreement to move forward because you’re talking about 6-9 miles that this all has to tie together, and they have to have at least 10 turbines to come into the County to make it justifiable. Ten tractor trailers would be required just to bring in the crane and that’s a huge thing. I heard the comment about putting a height restriction like the cell towers. If you are not aware, cell towers are not little like the antique one on Wills Ridge. Blue Ridge Cellular or Citizens put that in many years ago. If you go out to Arkansas, you can load my tractor trailer with just the galvanized, round cell phone

tower. When you put that up, it takes six 51-52' pieces. When you put them together, that's 300' right there. When you put the turbines up in the air, the head, everybody thinks it is going to be 500'. The head of it will be under 400', the blade may be 500' as it strokes the top and comes back down. I've also read that two of the wind turbine companies go anywhere from 340-500' maximum.

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

Agenda Item 7b – Schedule public hearing on proposed Floyd County Comprehensive Plan. Consensus of the Board was to delay scheduling the hearing for more review of the draft plan.

Agenda Item 7c – Agreement for Law Enforcement Services between the Town of Floyd, Sheriff and Floyd County. Consensus of the Board was to defer the matter for further review by staff and legal counsel.

Agenda Item 7d – VDoT Resolution for addition of Turner Drive and Chloe Drive to the secondary system. Mr. Campbell noted that the two roads, off of Mt. Elbert Road, meet all State standards and have been submitted to the County by VDoT officials for approval.

On a motion of Supervisor Allen, seconded by Supervisor Yoder, and carried, it was resolved to adopt the resolution as presented, adding Turner Drive and Chloe Drive to the Floyd County Secondary road system (Document File Number).

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

Agenda Item 7e – Update – Chairman's meeting with Mayor/Chamber on Tourism Authority. Chairman Clinger reported that the matter is still progressing. After doing some research, the Town is considering doing a three party agreement instead of an Authority. If it is set up as an Authority, it would be subject to the same requirements as the County as far as auditing, etc. Talking with the Chamber to see if they would be willing to serve as the fiscal agent. The intent is still the same but the process may be different. The matter will come back before us for discussion.

Agenda Item 7f – schedule budget work sessions and Agenda Item 7g – reminder of joint meeting with School Board on February 16 to discuss their proposed budget. Consensus of the Board was to hold the first budget work session on February 22, 2012 at 6:00 p.m.

Mr. Campbell presented a draft resolution for the Board's consideration concerning the grant application for the emergency operations center. He commented that this resolution would outline the authorized personnel to sign any required paperwork for reimbursement.

On a motion of Supervisor Allen, seconded by Supervisor Gerald, and unanimously carried, it was resolved to adopt the resolution as presented, for the County's application for an emergency operations center (Document File Number _____).

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

Agenda Item 6c – Rev. Warren Brown, representing Reformers Unanimous, appeared before the Board. Rev. Steven Lackey also joined him.

Rev. Brown – we are representing several churches and other citizens in the County to start an addiction center under the Reformers Unanimous umbrella. They have a 76% success rate for any kind of addiction. Their program is different from AA or NA, in that reformers have a mentoring process to work with. Each person would be assigned a mentor to go through the materials with them to break the addiction. Request a recommendation from the Board to the local court system to consider rehabilitation. There is nothing of this type here in Floyd currently that we know of. We have found a building in Town that we're hoping to rent. There are churches on all sides that are interested in helping. Of course, with it being budget time, we would love to have the Board's assistance in facilities costs or advertising.

On a motion of Supervisor Gerald, seconded by Supervisor Turman, and unanimously carried, it was resolved to support the concept to the court system of Reformers Unanimous.

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

Rev. Lackey – the pastors would be in an oversight role with the men from the churches providing the mentoring roles. I am already counseling several meth addicts personally. The Sheriff will be coming to our church in March to discuss issues and we will be talking to him to try to funnel court persons through this program.

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

- In listening to the last speaker, there is a group called Eagles Nest Ministry that is doing work in the County, sponsored by Christiansburg Baptist Church. They actually guide participants through the program, they become interns and then counsel other participants;
- Three more children came into custody last week due to drug cases/substance abuse, actually the length of time dealing with the cases is the problem due to the long-term substance abuse;
- 18 children in foster care, down from a high of 25 in November;
- SNAP – 2140 participants in January, \$260,000 paid out in benefits - \$3.1 million paid out last year;

- Medicaid report for the past year has still not been received from the State;
- Legislative: VRS bill – SB 497 – would also require localities to enforce the 5% payment by employees of the retirement benefit, with a 5% raise, effective July 1, 2012 – this is a change where localities would be mandated to do this along with State employees; SB 6, only bill still alive concerning drug screening for Welfare recipients; SB 84 – has already passed – if a child ages out of foster care at 18, but wants to come back under the system, they are allowed to stay in until age 21; SB 127 – create juvenile sex offender registry for ages 13 and up, registry is now 18 and up – we would not be able to place these children in foster care, they would have to go to more expensive residential care; SB 239 – mandated reporting bill coming from Penn State problems – would require change from 72 hour reporting time frame to 24 hours with no additional staff; SB 349 – Conscience Clause bill – came out from regulations passed by the State Board of Social Services – says that no private agency shall have to allow anybody to adopt based on religious or moral convictions. It would allow discrimination based on race, sex, religion because of the agency’s beliefs. This is no change from what is already being done, it is just being put into Code.

Mr. Leon Moore, President, Bank of Floyd, next appeared before the Board. He presented highlights of his recent proposal in response to the County’s request for bids for banking services:

- Have never charged the County anything for processing work, only charge for overdrafts, wire transfers or stop payments;
- Services offered – demand deposit, direct deposit, savings, on-line banking, ACH reporting, night deposit, free banking supplies, credit/debit cards, user fee collection, lock box service if needed, courier service if needed, account reconciliation;
- Do not offer – customer activated on-line wire transfers, feel there is too much exposure for the customer, we have 2-3 authentications in place; remote capture – will be looking at this later in the year – lot of exposure for identity theft, bank secrecy and storage of checks;
- We are a small town bank with no desire to be a big bank or be sold – motto – still here, still safe, still sound;
- 50 employees at main bank with 40 being citizens of the County, if we were sold to a bigger bank, I could do the work with 12 employees.

Mr. Campbell questioned charges going forward, proposal indicated charges would be applied in the future.

Mr. Moore – if we stay like we are with no contract, we stay like we are. If we have to sign a contract for three years, charges will go forward. We ran an analysis on your main account in December, you had a deficit of \$782, we didn’t charge you a dime. Other banks would not do that for free.

- Offer free checking and excellent savings rates;
- \$3.3 million in salaries and benefits for our employees last year;
- \$30,000 in contributions last year with 60% of those to County functions such as schools, PTA’s, different organizations, Floyd Fest, etc.

- Credit cards – 11.9% with no annual fees; our lady priced the credit card machines to you and that upfront cost is 2.1% or we have different merchants arrangements;
- Direct deposit of payroll is around \$50/month for maintenance plus \$25/mo per payroll period plus 10 cents per item;
- Chairman stated in the newspaper that Stellar One had more experience in dealing with municipalities. I have dealt with municipalities over my lifetime that are about five times the size of Floyd County and we deal with a couple now. We don't try to go after the big municipalities.

Mr. Campbell noted that the statement was based on the fact that in your proposal you didn't list the municipalities as we requested.

Mr. Moore – we don't list clients.

Mr. Campbell – the purpose would have been for us to obtain a referral. I would note that other proposers listed their local government clients.

Chairman Clinger noted that it was the previous chairman that made the statement. Also, there was nothing wrong with the banking services. Auditors had brought up the fact that this service had never been put out to bid and needed to be done. We have a lot of regulations to follow just as you mentioned with the bank.

Mr. Terry Brizendine, Vice President, Stellar One Bank, next appeared before the Board along with Ms. Karin Grosshans, Floyd Branch Manager and Ms. Penny Witt, Treasury Manager.

Mr. Brizendine outlined the following:

- Stellar One is a community bank, headquartered in Christiansburg, with corporate offices in Charlottesville, \$3 billion bank with almost \$1 billion in assets managed through Trust Department;
- Rated #9 in State in terms of deposit market share which makes us safe and stable;
- TARP funds were acquired but were repaid in December 2011 – the repay was done with funds held rather than a capital raise which did not reduce dividends paid to shareholders;
- Bauer Financial, a national independent bank rating firm, has given the bank a five star rating, which is the highest that can be attained.

Ms. Grosshans commented:

- Branch has been in service for four years in Floyd, since June 2008;
- Staff of six at the branch, all live in Floyd County except one that drives in from Callaway;
- All staff are active in the community through Chamber of Commerce, Girl Scouts, fundraising in the schools, Partnership for Floyd, Jacksonville Center, Land Use Task Force for the Board of Supervisors, Rotary Club, Town Loan Fund Committee, etc;
- Bank has been active in monetary donations to the community – Partnership for Floyd, Warren G. Lineberry Memorial Park, from \$25 to school class trips to large donations. When Stellar One was still First National Bank, they gave a \$30,000 donation for the

construction of the new library and \$25,000 to the schools for technology updates – we have a long-term commitment to the community.

Ms. Penny Witt commented:

- I handle all the services listed in the scope of your proposal – especially the electronic means of doing business – ACH needs, stop payments, wire transfers, direct deposit, pay cards are offered for employees who may not have checking/savings accounts for direct deposit, internal/external transfers to move funds in a timely manner;
- In our recommendation, we outlined the maximum sweep product for your use. Our maximum sweep product is a FDIC insured product to maximize earnings. This happens during a nightly sweep which would allow maximum interest earnings (page 44 of proposal). You would not be charged for some of the services to show our commitment to your account for a three year term as you offered. The sweep accounts are based on Federal rates and change monthly.
- We do a lot of bundled packages for our customers instead of individualized services to save you money.
- Merchant card services (page 76) are outlined along with pricing. You would have a designated person to provide customer service to implement the service, transition, machine maintenance, training, etc.
- For the County to move to a new bank is tough – we provide a transition team to keep everything running smoothly. We recommend transition in phases. We have a process in place where we've done this for other localities at no charge.
- Your accounts are evaluated monthly to begin, then quarterly, to make recommendations to benefit the County financially. This is an on-going review.

Mr. Brizendine:

- We appreciate so much the opportunity to respond to your RFP. We were able to respond fully to the RFP, we offer all that you requested. This account would be very valuable to us and very important to us. We are very stable and very well capitalized.

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

- Presented copy of School Board meeting highlights from January 16, 2012;
- Health insurance committee with representation from all staff areas has been developed to look at various options;
- Looking forward to joint meeting between the two boards on Thursday night. We have made arrangements for use of the FCHS library if we have an overflow crowd.
- Presented copy of School Board meeting highlights from February 13, 2012;
- Financial situation looks good at this point for the current year;
- Policy revision was completed concerning FCHS attendance, which is 93.7%. It entails that if a senior has an A average and has missed less than four days of class, they are exempt from final exam. If the student has a B average with less than three days absent, they are also exempt.
- Student enrollment was 2035 ending January 31, 2012;
- We have 50 employees eligible for retirement, we are visiting several job fairs for recruiting purposes;

- Safety inspection was recently completed at all schools by a safety engineer from the Virginia School Board Association, our preliminary report was very good;
- We will be reviewing our school schedule since none of the nine built-in snow days have been used.
- Presented an appropriation request to transfer \$0.40 from Debt Service to Facilities due to a slight difference between budget amount rounding for a facilities payment;
- Very proud of several of our sports teams who will be participating in games at the Regional level – wrestling, boys basketball, and girls basketball.

On a motion of Supervisor Allen, seconded by Supervisor Turman, and unanimously carried, it was resolved to approve the appropriation request as presented for the FY12 School Board budget, transferring \$0.40 from Debt Service category to Facilities category.

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

Mr. Dan Huff and Mr. David Clarke, Virginia Department of Transportation, next appeared before the Board.

Mr. Huff requested that a date and time be set for the 6-year secondary road public hearing in March. Routes 750, 635 and 653 are currently on the plan. Route 768 is also on the plan with a small amount of funds allocated.

Consensus of the Board was to set the public hearing for March 27, 2012 at 7:00 p.m. at the County Administration Building.

He reported that speed limit reduction studies have not been received back for Needmore Lane and Daniels Run Road.

Mr. Clarke reported the following work projects done in the past 30 days: patching on Route 787; still working on Black Ridge Road; Sawmill Hill Road project completed; pipes installed on Haycock Road, Bethlehem Church Road and Route 612; shoulder and ditch work completed on Franklin Pike and Good Neighbors Road; pipe replacement done on Roger Road and Thunderstruck Road. Route 221 bridge bids have been reviewed; hope to get notice to proceed within the next month.

Supervisor Gerald – appreciate work completed.

Supervisor Allen – nothing to report this month.

Supervisor Turman – Springdale Road has lots of potholes; Green Mountain Road, letter received concerning problems. Mr. Huff noted that he had already responded to this letter concern. Citizen had requested speed bumps or speed reduction – which we do neither on a

gravel road. Supervisor Turman commented that he had spoken with the Sheriff also concerning the situation; it will probably have to come under his jurisdiction to handle.

Supervisor Yoder – Silverleaf Road, deep potholes; appreciate work on Sugar Run Road.

Supervisor Clinger – nothing to report this month.

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

- Will be filing 20 lawsuits for collection of delinquent taxes in the next week, shooting for a sale in June given the advertising deadlines, etc. Had a list of about 45, many have been paid off.

Agenda Item 6i – Tall Structures Draft Ordinance. Mr. Cornwell commented that the main question would be if the Board wants an ordinance or not. If no, the answer is easy, stop working on it. If you do, what kind of elements do you want in it? Regulations can be done differently according to what the Board wants, but the definitions must remain the same. The regulations can be done at different levels.

After considerable discussion, it was the consensus of the Board to table the draft tall structure ordinance as it is.

On a motion of Supervisor Yoder, seconded by Supervisor Gerald, and carried, it was resolved to develop a Task Force to research effects of wind turbines in Floyd County; each Board member will have the option to appoint two members to the Task Force, from their respective district if desired or County-wide.

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

Mr. Cornwell suggested that the Board give the Task Force guidelines and a report-back date.

The Board deferred action on the banking proposals for the February 26, 2012 meeting.

On a motion of Supervisor Turman, seconded by Supervisor Gerald, and unanimously carried, it was resolved to adjourn to Thursday, February 16, 2012 at 6:00 p.m. at the School Board Office for a joint meeting with the Floyd County School Board.

Supervisor Yoder – aye
Supervisor Turman – aye
Supervisor Gerald – aye
Supervisor Allen – aye
Supervisor Ingram – aye

Daniel J. Campbell, County Administrator

Case C. Clinger, Chairman, Board of
Supervisors