

**BOARD OF SUPERVISORS
REGULAR MEETING
MARCH 14, 2017**

At a regular meeting of the Board of Supervisors of Floyd County, Virginia, held on Tuesday, March 14, 2017 at 8:30 a.m. in the Board Room of the County Administrative Building thereof;

PRESENT: Case C. Clinger, Chairman; Joe D. Turman, Vice Chairman; J. Fred Gerald, Linda DeVito Kuchenbuch, Lauren D. Yoder, Board Members; Terri W. Morris, County Administrator; Cynthia Ryan, Assistant County Administrator.

Chairman Case Clinger called the meeting to order at 8:30 a.m. with the reading of the handicapping statement.

The Opening Prayer was led by Supervisor Gerald.

Supervisor Yoder led in the Pledge of Allegiance.

Agenda Item 4. – Approval of minutes of February 14, 2017, February 28, 2017 and March 7, 2017.

On a motion of Supervisor Yoder, seconded by Supervisor Gerald, and unanimously carried, it was resolved to approve the minutes of February 14, 2017, February 28, 2017 and March 7, 2017 as presented.

Supervisor Gerald – yes
Supervisor Kuchenbuch – yes
Supervisor Yoder – yes
Supervisor Turman – yes
Supervisor Clinger – yes

Agenda Item 5 – Approval of March 2017 monthly disbursements.

On a motion of Supervisor Kuchenbuch, seconded by Supervisor Gerald, and unanimously carried, it was resolved to approve the monthly disbursements and additional bills as presented.

Supervisor Kuchenbuch – yes
Supervisor Yoder – yes
Supervisor Gerald – yes
Supervisor Turman – yes
Supervisor Clinger – yes

Agenda Item 6.a. – Ms. Tracie Brewster, Social Services Director.

Did not attend the meeting as she had other obligations.

Agenda Item 9. – Old/New Business.

Mr. Will Griffin, Vice Chair of the Floyd-Floyd County Public Service Authority (PSA), reminded the Board that he had come the previous month and asked them to consider funding a water project with the PSA. I didn't really expect to be back in front of you this soon. But at our meeting this past Thursday, our engineer informed us that if we weren't able to secure funding from the County we would need to submit an application to one of the funding agencies by April 1. We didn't want to start that process because we found out there will be a fee associated with our engineering firm to put the application together. It will cost about \$4,000.00-\$5,000.00. We didn't want to spend that money frivolously if we could come to you and get the loan. I hate it when people come in front of me and say, I need for you to make a decision now, but if you could give us some direction today that would be great. Again our estimate came back at \$340,000.00 and we expect that to bump up maybe 10% at the most.

Mr. Mike Maslaney, a member of the PSA, said there is a pump station that might require work too.

Mr. Griffin agreed that the cost could potentially reach \$400,000.00, but it should not exceed that amount. In consideration of terms we are very appreciative of anything you can do.

Chairman Clinger said we are not trying to make any money off of this, but rather see it as a way to benefit the citizens of Floyd because having a lower note, acquisition costs, and terms would benefit everybody in the long run.

Mr. Maslaney added there is a lot of filing requirements with these grants and loans grants which could push the price up even more. So the \$4,000.00-\$5,000.00 could go to \$10,000.00 over the length of the loan just for the additional paperwork and engineering requirements.

Chairman Clinger said with the one loan PSA is taking out, rates had to be raised enough to cover it in the first three to four years.

Mr. Griffin agreed and said we had our rate increase meeting this past Thursday. We raised the rates as we advertised them.

Chairman Clinger said those will take effect when the loan comes through.

Mr. Griffin agreed. One thing I want to say off the subject. I feel that everybody has worked hard to get these relationships to a good spot. I know as a Town we come to you, PSA, we are all working together so much better than we were fifteen years ago. You are to be commended on that.

Chairman Clinger said that at our last budget meeting we were talking about tourism and wondered what the Town would do. It was nice to be able to shoot a text message while we were still on the discussion and find out where the Town might be. In the old days we had to go through Town Managers. The flow of information is a whole lot better.

Mr. Griffin replied it is the way it should be.

Supervisor Kuchenbuch echoed their statements.

On a motion of Supervisor Yoder, seconded by Supervisor Gerald, and unanimously carried, it was resolved to proceed with a loan agreement with the Floyd-Floyd County Public Service Authority to loan \$400,000.00 including acquisition fees at 1% interest rate for a period of 20 years.

Supervisor Yoder – yes
Supervisor Kuchenbuch – yes
Supervisor Gerald – yes
Supervisor Turman – yes
Supervisor Clinger – yes

Agenda Item 7.a. – Subdivision plats as approved by Agent for February 2017.

Ms. Morris reported that February was a fairly slow month as far as plats are concerned. This is good because Ms. Martin had one million other things to do.

Agenda Item 7.b. – February 2017 Department of Inspections Report.

Ms. Morris reported that building is picking up as it usually does at this time of year. We have the same number of permits as last year at this time but the values were much higher.

Supervisor Kuchenbuch said the commercial is good to see.

Agenda Item 7.c. – Discussion/Approval of the Travel and Expense Reimbursement Policy.

Ms. Ryan explained that in October 2016 you approved the 2nd page which is the Guidelines for Travel Reimbursement. Recently somebody submitted a travel reimbursement request that included charges from last fiscal year. In our policy we never had that reimbursement requests had to be submitted within a certain timeframe. Staff urged and encouraged that requests be turned in, but there was never anything in policy. We thought it would be beneficial to put this into policy and while we were doing that, add some other things that would make travel reimbursement more clear cut as to what is allowable and disallowed, and the requirement for prior approval for a trip. The policy is to prevent problems before they occur. People will know what is required.

Supervisor Kuchenbuch described it as tightening it up.

Ms. Ryan agrees this tightens it up. I borrowed heavily from the School Board's travel reimbursement policy and also the State reimbursement guidelines.

Chairman Clinger asked if the person forgot to turn in their request or were they waiting until they had a lot to make it worthwhile?

Ms. Ryan replied no, it wasn't either of those.

Supervisor Kuchenbuch said that something good came out of it in tightening things up.

Ms. Ryan requested that the Board approve the Travel and Other Expense Reimbursement Policy. Changes to policy would require future Board action. The 2nd page which is Guidelines could be updated by the County Administrator to keep it current with State reimbursement rates.

Supervisor Yoder asked does the 30 calendar days to request reimbursement include mileage as well?

Ms. Ryan replied yes, we want mileage turned in every 30 days as well. It helps us know where we are in spending on account lines in the current fiscal year budget. It assists with planning.

Ms. Kuchenbuch recommended that the policy and guidelines be emailed to everybody on staff and future changes be communicated as well.

On a motion of Supervisor Kuchenbuch, seconded by Supervisor Turman, and unanimously carried, it was resolved to approve the Travel and Other Expense Reimbursement Policy (Document file number 897).

Supervisor Gerald – yes
Supervisor Kuchenbuch – yes
Supervisor Yoder – yes
Supervisor Turman – yes
Supervisor Clinger – yes

Agenda Item 6.b. – Public Comment Period.

Chairman Clinger called for the Public Comment Period. One person who did not identify herself said, "Keep up the good work." The Chairman declared the Public Comment Period closed.

Agenda Item 6.e. – Mr. Chris Barbour, Senior Conservation Specialist with Skyline Soil and Water Conservation District.

Mr. Barbour introduced himself and Mr. Curtis Sowers who is one of the elected directors for Floyd County. Mr. Jack Lawson was also going to come today. He is the other elected director from the County, but he had another appointment. I am going to give you a brief education on what a Soil and Water Conservation District is and what we do, and what we have done in Floyd from FY16 to the present. We serve 4 counties: Floyd, Giles, Montgomery and Pulaski. Skyline Soil and Water Conservation District is a political sub-division of the Commonwealth of Virginia. We are pretty much a local unit of government that serves the 4 county area. The Soil and Water Conservation Districts in Virginia were established in 1937, basically right after the dust bowl era. The Soil Conservation Service was the federal agency. They were established to serve the soil and water districts. Our board members are elected

officials and they serve 4 year terms. Skyline has 8 elected Directors, 2 from each county, and 2 appointed Directors, 1 is at-large and 1 is an Extension Agent. That is by Code. Right now our at-large member is Chuck Shorter from Montgomery County and Jon Vest is on our Board for the Extension Service.

We are in charge of protecting our soil and water resources in the Commonwealth. All of these programs are voluntarily. Our activities are:

- Natural Resources and Conservation Technical Assistance and Planning. That is one of the first steps when we meet with a producer. We usually go out one-on-one to their farm and help develop a conservation plan. A conservation plan is our recommendations to protect the resource base of the farm. Ultimately it is the farmer's goals and what he wants to do.
- Administer Virginia's Agricultural Best Management Practices (BMP) Cost Share Program, which are a cost share program and a tax credit program. I don't know if you are familiar with cost share but a lot of our BMPs that we put on farms are basically cost assistance. If a producer is willing to do a certain practice then we would develop the plan and an estimate of what it would cost. We would submit an application for the cost share program. They are ranked from high, medium, and low. They are a contract number. I am the only person who knows who the farmer is by the privacy law. The Board when they have money, usually starts at the top and addresses the worst potential areas of pollution and go down the list until the money runs out. The tax credit program is if a producer wants to do a BMP that is in our guidelines, he can get a tax credit of 25% of what it costs. For every \$1,000.00 spent on a conservation practice, he would get \$250.00 back in a tax credit. That would go to the state taxes. The law changed several years ago. If he does not use those tax credits, he will get a refund for the amount of tax credit. That is another way of helping a producer. In the tax credit program we do a lot of cover crops and water troughs. A lot of time a producer does not want to fence his stream off but he can still put a water trough in and not fence the stream and get a tax credit. The cost share program would require fencing the stream.
- We work a lot with Adult and Youth Education. Cynthia Hancock in our office has been doing education for the youth for about 27 years now. I have been here for going on 22 years. We've been around a long time as tenured employees. We did a Master Gardener program the other day that had representatives from all four counties. We do a lot with education because that is where the initial "bang for the buck" comes in. If you can educate them they see the benefit of these practices.
- For the Erosion and Sediment Control Law, I review plans for the County of Floyd. We are written in the ordinance as the plan review authority. We look at the erosion and sediment plans and make sure they meet the Code of Virginia. I do that for Giles County as well. I used to do it for all 4 counties, but Montgomery and Pulaski Counties took their own programs over about 17 years ago.
- I am certified in Nutrient Management Planning. The real benefit of nutrient management planning is when you are applying animal waste or bio-solids or chicken litter, which is a form of animal waste, to meet crop requirements and meet soil test requirements. You have to be licensed with the state. You go to school and take a 3-hour exam just like erosion and sediment control.

- We handle Conservation Products. We sell geo-textile fabric. Anybody can get it that is in our district. You have to buy it in 300 ft. rolls. It is an underlayment for stone. We use it under water troughs and for stream crossings. We use it for heavy use areas where there is animal traffic. We are selling a lot to horse folks to stabilize areas outside barns that have become muddy. It is really good stuff for road building.

Water and livestock issues are our major concerns in all four counties, but especially in Floyd because we are a livestock producing area.

The Grazing Land Protection Practice (SL-6) is our most popular practice in the district under the Virginia Agriculture cost share program. That practice we work in all four counties to implement. It requires fencing off the creek or other environmental feature such as a sinkhole. We don't have sinkholes in Floyd but we do in Giles and Pulaski and parts of Montgomery County. In Floyd County it would be fencing off a creek with a 35' on either one side or the other or both sides of a creek and creating a functioning riparian buffer. It is designed to filter nutrients and sediment from getting in the streams to protect our water quality. It also eliminates direct deposition from the animals.

It includes cross-fencing and development of a new or existing water source. It can be pipelines and watering troughs. You can establish a rotational grazing system management practice on the farm which includes getting water distributed to all parts of the farm and using cross-fencing to break big paddocks into smaller paddocks. It is a management practice that requires farmers to change the way they have managed, but it increases the production of the farm and it can also increase carrying capacity. That is the tradeoff a lot of the time when we are implementing this practice. The farmer wants to know what is in it for him. By protecting the stream we can get clean water to the animals and improve production of those animals, as well as being able to improve forage base which is the grazing land. It is a 10 year life span and it is voluntary participation. Once you do this practice you have to maintain it for a 10-year period.

Services we provided to Floyd County from July 1, 2015 through March 14, 2017:

- A total of \$186,703.76 has been paid to producers in Floyd County, for 8 Farm Plans that implemented SL-6 Practices; \$197,343.23 is obligated to date for 6 Farm Plans to implement the SL-6 Practice. This totals to \$384,046.99 for Floyd County's Producer's Farm Plans under the Virginia Agriculture BMP Cost Share Program.
- 67 farm visits through that time period up until today. Some of these are multiple farm visits where we are meeting a farmer for the first time and developing a plan. I survey all of these water systems and practices and give them a design so they can give it to a contractor and implement it. A lot of times I have to follow up with construction and inspection. We work with owners, whether it is a house owner who has an acre lot up to a farmer with 1,000 acres or more to address erosion concerns they may be having. I've even had people call me about water in the basement and different things like that. It is all your tax dollars at work along with our county contributions.
- 12 Erosion and Sediment Plans were reviewed for Floyd County. This total includes plans reviewed more than once because they had to have revisions.

- Education Activities for 581 students was provided by Cynthia Hancock for 3rd and 6th graders in Floyd. She tailors her programs to meet the standards of learning. The teachers really use her as a resource for Floyd County.

Thank you for your continuing support. The Skyline Soil and Water Conservation District would like to ask for an increase in Floyd County's contribution to \$13,000.00. Presently Floyd County's contribution is \$11,500.00; this only is an increase of \$1,500.00. All four of our counties received the same request and presently all are giving the requested amount, except Floyd. Every dollar makes a difference in our present day economy. For operations we have expenses for office space, salaries, utilities, and travel. We need equipment such as computers, survey equipment, and educational materials. We would like to keep Floyd County beautiful.

Supervisor Kuchenbuch said in FY16 Pulaski was not contributing at all.

Mr. Barbour replied that Pulaski County has always contributed. In fact Pulaski was giving us the most in FY15 and FY16. When we levelled the playing field they were giving us \$13,300.00. We lowered our request to them to \$13,000.00.

Supervisor Kuchenbuch said your visits have gone up since the budget was prepared. It shows 37 visits and you have gone up to 67 visits. You only had 8 erosion and sediment in the budget and you have increased that to 12. That is wonderful.

Mr. Barbour explained that I looked at the numbers from July 1, 2015 through today's date and tallied them to bring them up-to-date.

Supervisor Kuchenbuch noticed that Floyd County has just below Pulaski for the Cost Share programs and BMP programs.

Mr. Barbour answered one thing to note on the cost share program is that the money varies from year to year to the county due to the size of it. We have been busy working on an initiative created in 2015 by the state. The producers in the state came to the table and wanted to develop a farm plan and fence their streams off at 35' and get alternative water and rotational grazing system. They were guaranteed funding at the time when it became available. We had about \$3.5 million worth of signup from about 78 producers. If it came in by June 30, 2015 they met the deadline. Our Board has been working diligently for the past three years to get that funding to them. The Soil and Water Board is responsible for dispersing the funding to the districts. This was an initiative to clean up the Chesapeake Bay and we don't go to the Bay.

Supervisor Yoder stated that a very small part of Giles County does.

Mr. Barbour said we have two watersheds in Giles that are in national forest that are very protected with forest land. We have Potts Creek and the head of Johns Creek that come off of Mountain Lake. You are exactly right. That's good that you know your area. There are no farms in there. We have one farmer in the Johns Creek watershed in Giles, but he doesn't farm very much. He used to.

Supervisor Kuchenbuch noticed that the numbers in Giles are much lower than the surrounding counties.

Mr. Barbour concurred and explained with that 100% backlog, they get funded when we get the money. We have about \$521,000.00 left on the books for the backlog. The majority of those are in Giles. When you look at how the ranges are divvied up, the Department of Environmental Quality (DEQ) releases a new ranking of watersheds every two years. It is called the 303b list. That is for total agriculture pollution or non-point source pollution. When I refer to non-point source pollution, it is pollution that does not have a defined source such as a pipe a factory would have or a wastewater treatment facility would have. The rankings always tended to be lower in Giles County because of our forest land. About half of the county is national forest. You've got to look at that as well. Most of the time the producers in Giles County have gotten, in my personal opinion, shortchanged by wanting to do a good job because of the rankings from DEQ. I tell my Board all of the practices that come to the table have merit and why should we penalize a farmer because he lives in a low-ranking watershed. But it makes natural sense to address areas with the greatest potential of pollution first, but sometimes you get penalized as a producer for being in an area that has clean water. It has always been the catch-22; you had to have a problem before we would help you. Last year I gave a presentation to the Giles Board of Supervisors. It was roughly the same presentation but went through what we had done in Giles County. In FY15 we had done quite a bit more for them than we had done in the other counties. It was just the way it had shaken out with the ranking and the way folks signed up in the areas they lived in. Floyd has always been a high ranking to medium ranking area because there is little water that comes into Floyd. The only water that I know that comes into Floyd is Greasy Creek and it comes out of Carroll County. The rest of it originates here in Floyd. That is one unique thing you have in this county – pretty much all of the water that goes through the county is produced here.

Supervisor Kuchenbuch stated that is why it is so important to protect it.

Agenda Item 6.d. – Mr. Jon Beegle. Chairman of the Floyd County Economic Development Authority (EDA).

Mr. Jon Beegle said he wanted to talk about the programs we did over the past year. I won't take a lot of your time. Last year we opened up dialogue between the EDA and Board of Supervisors, which has been very important. We started the C4 program. Last year it was very successful. The initial C4 program developed 12 ½ jobs from that. We had 15-17 participants in that program; 9 of whom presented and 3 were awarded prizes. We decided to try it again this year and again had a lot of success. We had more consistent participation. We had an average of 20 people participate. We would like for this to become an annual program. From the survey that was done after the program this year, 80% felt that all aspects of the program were helpful. Some of the speakers we had were more helpful than others. Those are things we are trying to identify and improve. It has been a real good program and we would like to continue it.

Another thing we worked on together was the grant program submitted to VDOT to allow us to divide lots 1 and 2 in the Commerce Park into smaller lots. We are working on a road with a cul de sac and utilities that go into lots 1 and 2. The paperwork has been submitted. We

haven't heard back, but we hope to hear something soon. It seems positive. We have our fingers crossed on that.

An upcoming project that I will mention, but we don't have paperwork submitted or anything, is the easement into the Commerce Park. Right now it is kind of difficult to get in. Needmore Lane runs into Rt. 615. You have to make a right turn. There are site distance issues with the "s" curve there. We are looking at the potential of moving the road over to the other side of the green boxes so there is more of a direct route into the Commerce Park. That is a future project.

Something we are working on right now that you helped us out with is the Floyd Grown project. You might not recognize that name, but it comes from the AFID and BEE grant. It is an agricultural project. It could be something that benefits all aspects of the entire county. There are four phases to that: agritourism; value-added product and whether and how we develop that part of the market; tourism and is there a way to follow people home with an online storefront; creating a logo for the Floyd brand, which is a little hairy because this is an agricultural grant, but a logo would represent artisans, musicians, farmers, business owners. This is a very important project. We have a good start on it, but we have a lot of work to do. Thank you for your help on that.

In regards to the Commerce Park we've started working with the trustees to clean up the green spaces. As part of our budget request we may need a little help with that as well. We started with the trustees. We have a lot of work to do there. It is an important part of maintaining the easements within the Park.

In regards to the Innovation Center we were able to take the carryover from last year, approximately \$12,600.00, and apply that to improvements to suites 1 and 2 and suite 5. We created a dividing wall which turned out great. It looks beautiful. Suite 5 we improved with a drop ceiling and insulation to mitigate the noise going from suite 5 up into the mezzanine offices. We have all of those offices leased. It is good to have that noise problem taken care of. All of the space in the Innovation Center is leased except for suites 3 and 4. We have 2 parties seriously looking at suite 4. I can't go into details about it, but we hope to have information on a completed deal on that within the next few months. You will see by the budget request that the Innovation Center is becoming more self-sustaining. The budget request for support on the Innovation Center is much less than it has been in the past.

The 5-10 loan program we have been working on for the past 4 or 5 years. We have loaned out \$150,000.00 and an additional \$20,000.00 that has been recuperated from the original \$150,000.00. That has been a successful program for us. We only had one issue with a loan that was done and we had to collect on it. I don't recall the total number of loans we offered. We have been diligent about how we process loans. I think this is a real positive program for the county.

The EDA has identified through strategic planning that our next and most important issue to deal with is workforce development. We don't really have much of a workforce development program in the county. One of the things we are looking at in becoming more aggressive in finding companies to move into the Commerce Park is being able to staff their companies. Are

there ways we can work with the high school Career and Technical Education program that would help them develop skills to move right into either an existing company or a company that would like to move into the area?

As part of that process we are trying to identify industry sectors that best suit Floyd County. Instead of waiting for them to come visit Floyd, we want to go out and identify the companies and visit them and try to sell our county for either expansion or for them to move to the county. That is a big part of what we are trying to do in moving forward. We are also working on updating the EDA website to better handle new Google parameters. That is a work in progress. We had a meeting recently to identify a 20-year plan for the Commerce Park. We hope to have something to be able to present soon. The idea is to identify priorities and a progression for development.

In regards to the budget request the C4 program is on here for \$10,600.00. Most of the funds, about \$8,000.00, are used for prize money. Some of the money is used for speakers. There is a \$5,000.00 request for operating support for the Innovation Center. Once we have the other 2 suites filled we will be completely self-sustaining. We look for that number to completely go away at some point. There is another \$5,000.00 request for marketing and promotions and that falls back to developing a program that allows us to go out and meet with prospective companies about coming to Floyd County. Part of it is developing a brochure and some marketing materials and part of it is travel expenses to meet with these people. There is \$5,000.00 asked for property maintenance. That request is for maintaining green spaces. We are obviously going to use the trustee program, but they have limited skills so we may need some help in doing larger projects in terms of weed eradication. We have quite a bit of invasive plants growing around there so we may need some help with that. The total EDA is requesting is \$25,600.00. Of the \$30,000.00 budget that we requested last year and you approved, we've currently used a couple of thousand of that and we plan to use a couple of thousand more within the next month or so. Currently there is about \$26,000.00 that will be unused. That is where we are in our budget request.

Agenda Item 6.f. – Ms. Carol Moates and Ms. Suzanne Piovano, Floyd County Humane Society.

Ms. Moates said she was here on behalf of the Floyd County Humane Society. We have around 60 volunteers at this time. That number fluctuates constantly. We are an all-volunteer run group and we are a non-profit organization. One of the first things I would like to comment on is the incredible work we have been able to perform between Sheriff Craig and Deputies Bolen and Brook and Harvey Waddell with the pound and the smoothness with which we can work with them. They have kept everything in order there. I called Jamie [Brook] for end of the year stats and just said I really need these and whenever you are ready you can give them to me. And his answer was I have them right here if you have a pen and paper. They have always made themselves available if we want to go and sit and talk to them. The State has made changes recently for all kennels, which left me in the lurch. I probably sat for 1 ½ hours absorbing information they were able to share because they understood it so much more than I did. They help us in a lot of ways. They have been a big benefit to us. We work well with them to pull dogs that have not been adopted. One of the things they have been doing that is different, they put the dogs' pictures on Facebook. They have a tremendous amount of adoptions that way,

which lightens our load. The ones they don't get adopted that we can take; we wait out their period to see if they are adopted, and then we pull them. We don't always adopt the dogs we've pulled here in our county, but we work with countless rescues, some in specific breeds and some in larger locales. That is a little bit of background on how we work. They have really made our working relationship just fabulous.

One of the things I want to point out is the euthanasia rate at the pound. The intake was reduced to 185, down from 1,035. The euthanasia rate is down to 5.4% from 57% in 2005. That is tremendous.

We are always working hard to help our county. We provide over 6 tons of pet food (dog and cat) to Plenty! Food Bank for people who can't feed their pets. We sponsor two rabies clinics every year. In 2016 we vaccinated 150 dogs and cats. We are also constantly working on raising money for ourselves. Some of our largest fund raisers are Paws Cause Dinner and Silent Auction every year toward the end of summer and beginning of fall. Suzanne [Piovano] and I worked the Friday Artisan Market last year every Friday. We participate in Winterfest each year and countless other things. We are working to help pay for everything we need and we would appreciate any support you can offer us.

Ms. Piovanno explained the spay/neuter program. The Floyd County Humane Society provides a \$50.00 certificate towards spay/neuter for direct adoptions from the County Dog Pound. Spay/neuter is a requirement for these adoptions. In 2015 there were 13 certificates given for a cost of \$650.00. In 2016 there were 27 certificates given for a cost of \$1,350.00. This more than 100% increase cost the Humane Society an additional \$700.00 in 2016. Our spay/neuter program is in conjunction with Mountain View Humane Spay/Neuter Clinics in Christiansburg and Roanoke, which offers low cost spay/neuter. On the first Tuesday of the month Mountain View Humane sends a van to Floyd to pick up 25-30 dogs and cats which we have scheduled for spay/neuter. They return with the animals the next morning. This saves our citizens from driving to Christiansburg or Roanoke. We give assistance of \$25.00-\$35.00 to 49.3% of these animals.

In 2016 we spayed/neutered 437 dogs and cats, including 243 feral cats or 55% of the total. This total is an increase of 104 from the 333 spayed/neutered in 2015. This 31% increase cost the Humane Society an additional \$2,500.00 in 2016. 100 pf the 104 increase was feral cats. They also received a rabies vaccination, which protected Floyd citizens, pets and livestock from this deadly disease. For many of our elder citizens with colonies of feral cats, the Humane Society covered the entire cost of \$35.00 for the spay/neuter and rabies vaccination. Our County officials know our program well. For example two years ago we assisted Supervisor Clinger with 17 barn cats, which with the Humane Society, were trapped, spayed/neutered and returned. The Humane Society greatly reduced his cost by paying \$25.00 per cat and Mr. Clinger only had to pay \$10.00 per cat. Last year Sheriff Craig had a dog and cat spayed/neutered through our program. Mayor Griffin had a very pregnant stray cat spayed and we assisted a member of Town Council as well.

The Humane Society receives about 60 phone messages and 30 requests via Facebook each month asking for assistance. We've had to turn down \$25.00-\$35.00 spay/neuter assistance to citizens because of funding. Turning down someone who calls about a stray cat needing

spay/neuter means they won't get the cat spayed. And the next call is about a litter of kittens and the momma cat. In 2016 the Floyd County Humane Society spent \$3,200.00 more than the previous year in assisting our fellow citizens with spay/neuter of their cats and dogs. We would like to be able to help more of our neighbors by offering to reduce the cost of spay/neuter. Therefore the Humane Society requests \$3,000.00 toward this noble goal. Thank you for your time and consideration.

Supervisor Kuchenbuch expressed her satisfaction that it has been a seamless transition with the Sheriff's Office taking over Animal Control.

Ms. Piovanno said they are wonderful. We have been able to adopt so many more dogs.

Supervisor Kuchenbuch said that shows the success of that decision.

Supervisor Yoder asked if they requested money from the Town as well?

Ms. Piovanno replied we did not. I think we have in previous years. I think we tried to do a matching grant. Last year we mostly concentrated on fundraisers. Now that people know us, we have this increase in asking us for assistance and that is what we are trying to take care of. The rabies clinics and the \$50 certificates, we get no compensation back from that. If we take and adopt an animal, we get an adoption fee. But the certificates for adopting from the pound and getting it spayed/neutered that is just something that we give. We will be doing rabies vaccinations on May 20 in four locations throughout the county this year so it is easy for people to get to. Of course they have to be given by licensed veterinarians. This year two of the locations will be in veterinarians' offices which will make it much easier for people to bring their cats. It is easier than trying to do it inside a car.

Supervisor Yoder asked if they planned to continue doing fundraisers?

Ms. Piovanno said yes, in fact I have one Saturday at Virginia Tech.

Supervisor Yoder said so anything we gave you would be in addition to that?

Chairman Clinger asked if this were a one-time request for the increase so it wouldn't be a continuing request?

Ms. Piovanno replied that would be wonderful. I called it a grant so you could specify that it be used for spay/neuter and we would detail how we used it. As Carol [Moates] mentioned we are all volunteer. We don't get salaries. None of the money goes toward anything like that.

Ms. Morris added we have about \$500.00-\$600.00 we get from animal license plates and we turn that over to the Humane Society for the spay/neuter program.

Ms. Piovanno said because we are non-profit all of the money goes into our programs.

Ms. Moates said I work with the dogs. When people adopt a dog, it is a \$150.00 fee. Sometimes that is pretty eye opening. But they are getting an animal that is clean, wormed, had all of its vaccinations, spayed/neutered, it is set for a full year and has flea and tick spray because of the terrible Lyme's problem in the area. We have a larger investment in the dog than \$150.00.

Chairman Clinger thanked them for their presentation and said their request would be considered during budget work sessions.

Agenda Item 6.g. – Mr. David Clarke, Virginia Department of Transportation.

Mr. Clarke said we lucked out a little bit and did not get a big snow event. We sent the night crew home early yesterday so they could come back at 7:00. The day crew was there until 7:00. We had it pretty well covered. When it turned out that we weren't getting the snow, there is nothing you can do with ice. We were worried about that, here especially, since you get more ice. We are watching the trees. And trying to get anything out of the road that we can.

The papers I brought with me are still in my car so I am doing this from memory. There are not a whole lot of updates as far as Maintenance goes. I don't have the list with me but I know we were out doing brush cutting. We had some nice days. We did get to that piece of pavement that was slipping on Franklin Pike. I think those were the major maintenance requests. We are starting on Vaughns Mill Road. That will be our major secondary road. It is a long road; close to two miles long. It will take quite a bit to get Vaughns Mill Road done.

We are working on design and preliminary engineering for New Haven Road and Diamond Knob Road. Those are going to get done. We probably can't get any construction done this season because of the length of Vaughns Mill Road. Maybe we can get to both of those next year. We'll have a public hearing for the upcoming six year plan. I would like to do it in the next couple of months. I think we did it in April last year. We can set that up and do it in April if you like. I think that will be a good public hearing to have because I think we will be able to add at least one more road to the plan. Be thinking about what the next one is for unpaved road. Most of the money is in unpaved roads. We will listen to public hearing and see what the general consensus is. After public hearing we usually discuss it for a while. You usually vote on a list the following month.

On a motion of Supervisor Yoder, seconded by Supervisor Kuchenbuch, and unanimously carried, it was resolved to hold a public hearing on the proposed VDOT six year secondary road plan on April 25, 2017 at 7:00 p.m.

Supervisor Gerald – yes
Supervisor Kuchenbuch – yes
Supervisor Yoder – yes
Supervisor Turman – yes
Supervisor Clinger – yes

Mr. Clarke said his office will advertise the public hearing. The only construction projects that are in development right now are ½ mile section of Alum Ridge Road is still progressing. I think they might advertise that this year. It would be late this year. I don't have the ad date but in the next couple of years they will be replacing a small bridge on Mira Fork. I

will keep you updated on that, but it might be next year. I will be getting to you a list of the roads on which we will be doing overlays this summer. We have a while to think about this but we're putting together a list of roads for next summer. We plan those one year in advance if you have any requests. We have to base it all on the pavement ratings, so if you have suggestions I can't promise that we will do it, but we'll look at it in relation to the others. These roads will get a long overlay and not just patching. We do some surface treatment. We can do something like we did last year on Union School Road which is a surface treatment and a slurry on top of it. It almost looks like asphalt. Union School Road turned out looking pretty good. They put the surface treatment on and let it settle a week or so and came back with a slurry on top of that. Be thinking about it. I don't need it right now, but next month if you come up with some ideas you can email me.

Supervisor Kuchenbuch asked how do you rate roads?

Mr. Clarke said he would send to her the link to VA Roads. It is a VDOT website. You can go in there and look at a lot of things. I think you can even look at the paving schedule. They rate all the primary roads. I think we have an overall secondary rate; they don't rate specifically every section of every road. They look at alligator cracking and different types of pavement failures. You can't just overlay some without repairing it first or the cracks will just come up through. We might do some things like crack sealing in front of a paving operation. If it looks like in a few years it can be bad we will put a slurry over the top of it to prevent water from getting in. We try to do some preventive stuff like the slurry and even some surface treatment. It doesn't really add any strength to the pavement, but it may be in good enough shape that you don't have to add strength. Once it starts to fail you have to go in and cut out patches and do a full overlay with asphalt.

Supervisor Gerald asked if the asphalt plants are open?

Mr. Clarke replied they were open for a while, but I don't know if they are open right now. Some were going to open on the 15th.

Supervisor Gerald said he didn't have anything to bring to Mr. Clarke's attention this morning but that he would worry him to death about paving later.

Supervisor Kuchenbuch said there are a couple of spots on Franklin Pike. That road is getting more large truck traffic than ever before and the road is suffering. There are a couple of really deep holes on Franklin Pike after the newly paved part. There is one right in the middle of the road that will cause an accident one day. You can't go much to the right to avoid it. It is very much appreciated the patchwork done on the other area. I am wondering about the sidewalks going up to the high school.

Mr. Clarke answered we have to get a good design. We have to do the trees and we'll get to it probably sometime this summer. It is probably easier to do that when school is not in.

Supervisor Kuchenbuch replied it seems like we have been working on this for a while.

Chairman Clinger added we talked about how concrete can be done in the wintertime and we haven't seen any progress since the initial meeting.

Ms. Morris added we hoped the students could participate.

Chairman Clinger said that was part of it. Doug's [Thompson] class could help with some of the forming and concrete work.

Mr. Clarke said I was not aware of that.

Chairman Clinger continued we thought that was something that was available.

Supervisor Kuchenbuch said this is not just a wish list kind of thing. This is a safety issue. I really want to see this happen. This is a priority; the safety of our students and the county as a whole. People go up there for games and activities. Our high school is a very vital part of this community. Sidewalks are a long overdue addition. I know you have been very good about trying to find alternative sources of funding, but we can't get caught up in the minutia of trying to find all of that. We need to get moving on it.

Mr. Clarke responded the first part we talked about was just down to the road there.

Chairman Clinger and Supervisor Kuchenbuch agreed.

Chairman Clinger said originally we talked about using Safe Schools money to take us down to Woods Gap Road.

Mr. Clarke said then we will work on the other part because it will be tougher with the right of way. I'll see if we can put that higher on our list.

Chairman Clinger said we want to see this sooner rather than later. I'm worried about the night time when people are walking in the road to get to where they parked their car.

Vice Chairman Turman said where Brannon Road/Bolt Mill Road and Adams Branch Road/Mt. Hebron Road all come together, they need machining on that road. They haven't seen one in a while. It is one of the sections where it is Floyd, Carroll, Floyd, and Carroll depending on what curve you are in. Thank you for the guardrails on the Floyd-Carroll line.

Supervisor Yoder said he didn't have anything for maintenance but on paving roads there are two that come to mind. One is Rt. 221 N, through Radar Hollow; you go up the hill to Stonewall Road. That section of road at the end of where the new pavement is on Beaver Dam Creek; that is a rough section of road. It has been rough for quite some time. I've had a lot of people ask why did they stop there and not go up the hill. The other I've mentioned before and that is going into the Rec Park. There is a lot of cracking. When we have games, hundreds of cars go in and out of there. It is a really busy place. I want to make sure we get it on the schedule at some point because I'm afraid it will get too bad. Thanks for all the work you are doing.

Supervisor Kuchenbuch said when Chris [Price] was here in December or January we talked about Rt. 221 and the speed limit. Now we will have a Dollar General and that is going to be serviced with 18-wheelers. Out here traffic is stopped while an 18-wheeler has to pull in. It is one thing to stop at 35 mph. It is another thing to stop at higher speeds. People fly through there even though it is supposed to be 55 mph. I'll be driving at 55 mph and people pass me who must be going 75-80 mph in that stretch. Pine Tavern has asked for a speed drop. I know you have to do speed studies. I know you have to do other things. But I don't want someone to lose their life because of the bureaucratic rules and regulations. We are just becoming a busier county and 55 mph through some of those sections is too high. State troopers like Rt. 221. I am not trying to increase state coffers in that way. It is a safety issue. You have a housing development and Pine Tavern. You are going to have to drop to 45 mph anyway. If you just brought it out a little bit longer I think it would make for a better situation all the way around. This new Dollar General has me very concerned.

Mr. Clarke said I will see if they consider that as part of the study as well.

Chairman Clinger said he would not bring up any maintenance things right now with the snow expected. I'll get to those next time. We have a subcommittee group that includes the Town, County, and EDA. One of the top discussions is sidewalks. We are looking at going out Rt. 615 toward the Industrial Park. We were curious if you could give us an idea of how much right of way for sidewalks we have and what the options are on that.

Mr. Clarke said there was an email about that and Paul Brown in our office looked at that. There are a couple of different ways to do it. If it is on the right of way and the third party wants to do it, then we can write a permit to put the sidewalk on the right of way. If it is going to be a project that goes off of the right of way that makes it a little bit tougher on whether VDOT funding can be used for it or not. You can find another way to fund it and somebody else can do the stuff that is off the right of way. We would just write a permit for the part that is on the right of way or pay for the stuff that is on the right of way.

Chairman Clinger asked how much right of way are we talking about on a secondary road?

Mr. Clarke replied on Rt. 615 it is probably no more than 40', it could be 50' but I doubt it. On a secondary road it is usually 40' from the center and we split it. For that particular road it was probably built with a plan at some point and I could look through some of our old plans and see if there is a planning sheet on it that shows the exact right of way.

Supervisor Kuchenbuch said Rt. 615 has become a lot busier than it was probably ever intended to be.

Chairman Clinger said they are looking at the sidewalk for the people coming toward town from Blue Ridge Manor Apartments. If you send an email we have a meeting on the 15th of that group again so it would be good to have something to take back to them.

Mr. Clarke said he would talk to Paul [Brown] and see if he has looked into that.

Ms. Ryan said Mr. Brown emailed me back and said that it might take him a week or two. I gave him the lots and tax numbers so he would know exactly which lots and he is going to research those and get back to us.

Mr. Clarke said I will see if he can get that for you by your next meeting.

Ms. Ryan pointed out that the 15th is tomorrow.

Mr. Clarke replied that he hadn't realized that and Mr. Brown was not in the office at the moment.

Ms. Morris asked if Mr. Clarke had any updates on the area around the stoplight for pedestrian access?

Mr. Clarke answered they are going to try to look at some intermediate steps. We could do a Highway Safety Program which is an annual application. They base it on statistics statewide. I'll definitely get our guys to work on those applications. In the meantime our traffic engineering people are looking at the whole area there since the accident. Hopefully they will give us some recommendations on something that we can do to improve that.

Supervisor Kuchenbuch said statistics are statistics, but when someone is killed...

Mr. Clarke that is one of the statistics and there is only so much money for it. At intersections throughout the state it happens as well.

Agenda Item 6.h. – Dr. John Wheeler, Interim Superintendent Floyd County Public Schools.

Dr. Wheeler handed out a draft copy of the Floyd County Public Schools FY 2018 Operational Budget. He explained that this needs to be looked at from the educational needs. Everything is changing and lining up very nicely for Floyd County in regards to what the State is expecting educationally. It is changing in a way that is way overdue. We are in a good place because we are looking to move forward too. It would be a lot worse if we were already sitting with brand new buildings and things already in place for an old structure. But with the new structure of education and needs, for those who are on the six year planning board, you can see that. This is an overview and how we thought of it.

Darin [Boothe] and Janet [Harris] did a lot of work putting this together. We worked with our budget committee and I am in the schools all the time. In the 1 ½ years I've heard a consistent type of message. The nice thing about that message is that it is all going forward. The positives are all going forward. It is all about the instructional side. One of the things with this that you need to look at is everything we are doing is geared toward instruction. There is no magic fix at any certain grade. You can go in and build a beautiful school, a beautiful innovation center, things aren't going to magically change when a child enters 9th grade, 10th grade, or walks into a class. We are building the whole instruction dynamic the way the State is going toward now. That is the change I am talking about. We will be preparing all of these kids in order to

think the right way to take advantage of opportunities that we will be able to create here and job markets are already creating. That is the main thing. Everything ties together.

The budget is predicated on four major areas that will just dig you a hole so deep in a quick, quick manner that is hard to get out of. We have these holes just like every other school division does. I will touch on each of these and give you an example of what we are doing and try to tie this into understanding this is a long-term plan. What we have done with the budget on the maintenance side, Timmy Cox [Maintenance Supervisor] and I have looked at all the schools. We need to be able to look at what it will take to look at all of our existing buildings. You will hear this message again with transportation. You are going to get hit and it will all of a sudden throw off any plans. All you are doing is filling gaps and doing a needs based where we need this to make this continue. Nothing will go toward growing in experience for the kids. Maintenance is a large number as you know. We went through every school and looked at every item in the schools. We color coded it as green, yellow, red, and blue. Red is 0-2, those are items that we expect in that length of years could come up for repair. Yellow is 2-6, and green is 6+. The blue are items that you really just don't know. It could be questionable; it could come up quick. Some of these are based on experience Timmy [Cox] has had. You need to have money in purpose for that. If we don't have any type of funding to take care of that, we will be scratching for dollars for maintenance or transportation.

The capital improvement fund would be able to sustain that. If you look at that amount and we keep this updated, we have about \$340,000.00 or so of items that if they went, those are the ones we think. With the amount of carryover that has happened and what you have done with the capital improvement fund, that fund will be able to sustain if everything goes right and we stay up on maintenance, we will be able to sustain our five existing buildings. We just want to get that off the table. When you are looking toward the future you can't just sit here and say we have to have money for this and money for that.

The transportation plan is another area that will drain you quickly. You can't come up every 3rd year and say let's get these buses. There has to be a plan. Darin [Boothe], Paul [Robertson, Transportation Supervisor], and I met quite a few times with Sonny Merryman who does bus transportation. We've looked at their finance plan. The first thing we did is put a cost per mile on every bus. We have 57 buses in our fleet. We know which ones are costing the most. We know which ones need to be removed. Some buses that were recent purchases are costing us the most. They are used buses. There is a reason for that. The transportation plan is in here and we have an itemization sheet from Sonny Merryman for you to look at. For the cost of \$161,000.00 per year you get 11 buses for six years. Eleven brand new buses completely under warranty. What we have done for the past few months is look at every category every month. From those 11 buses you should realize some gains. Once we start seeing that, we will keep our Board updated that we are seeing this. We will work directly with the Sonny Merryman representative and say we got rid of these 11 and we replaced them with these, so we need to see how our costs equate into savings for us in cost efficiencies. That part of the budget we have a good handle on. We have maxed it out as much as we can but it would probably be good to get buses every 3 years. I think we can live with this. This is the first year plan. We have met with him a multiple of times. Ms. LeRoy met with us with him. That is fairly affordable for us and meets our needs. If you look at 3 cycles of that it is only 33 buses. In 18 years you still won't replace your whole fleet. Those are expensive items. It is a very good start

and gives you a way to look at it, especially at the time when you are not compounding the debt. It is an opportunity to do it in a good climate as far as the budget goes.

The technology plan is tied directly into instruction the way technology is now. We are in good shape. You can always use more. We are progressing where we should be. It is aligned with the curriculum. We are in a pretty good position there. There are no major holes or major things that could break down and suddenly need a ton of money in technology.

The biggest one, 81% of the budget, is the compensation. That is something that is hard to fix. School divisions are still fixing it from 2008. Franklin County is going through it now. Roanoke County just hired a firm and Franklin County is piggybacking on them. I am kind of watching these places that hired a firm and see what they have done. But it is not really the pay; it is how your scale works. It is the mechanics of the scale. To say what it will take to fix it, it will take years to fix because those are big money items. You first have to see how the mechanics are going to work. We will be looking at that. Janet [Harris] and Darin [Boothe] both have looked at other school divisions and the changes they made. It is just the way it is. The scale worked great probably in previous years, but with the recession and not being able to get back out of the hole that dug with the salary scale, the first thing you have to do is look at the mechanics. You can look at VRS [Virginia Retirement System] and the health insurance contribution and those are hidden costs in compensation that will totally annihilate a scale and annihilate morale because you can give a raise but if the health costs keep going up...

In this budget we were able to feed that basically with our existing budget. That health insurance fund you are always going to have to look out for. You can go and fix the scale, but the other attributes like VRS and health insurance can come back and get you.

What we have done over quite a few months is go through the budget line by line. To tell you what we did all you have to do is look at the budget and you can see the difference. We reallocated. We looked at historical differences on that line. If we had to go back three years we did. If that line was under budget we could see all those times it was under budget. If that line was over budgeted these years we were able to know and reallocate those monies. That is a big area where we got quite a bit of funding as far as being able to put it in the right place because education changes and the needs change of our students. The other thing we looked at is the instructional side of it and what our resources were. There were some differences there that we were able to put back into this budget. A lot of things aren't dollar for dollar. This list along with the VRS and health insurance, just at face value would come to over \$1 million.

Because we looked at the resources and took advantage of the time we are in we didn't get hurt real bad in federal program funding. Some school divisions did. We didn't increase very much. That is an area that usually pays for positions in Title I and Title III and Title II. We were fortunate and did not take a hard hit this year. We may have increased by a few dollars. That helped a lot. There was a little bit of increase in state funding which helped a lot. These amounts come from a couple of different sources, but mainly just refocusing on what we want to do.

We are looking at using the money now to continue to grow where we need to be and one of the biggest areas as far as for the experience and the age appropriate experience with

instruction is be able to put a STEM [Science, Technology, Engineering, and Mathematics] lab in each of the four elementary schools and a new CTE [Career and Technical Education] lab in the high school. This is within our existing budget right now.

I know carryover has been large and there are a lot of reasons why it can get large. One of the reasons is ADM [Average Daily Membership] because if you use ADM at a very low level and you have much more all of a sudden the money is inflated and it just sits there. Believe me we are not in the business of putting money in the bank and earning interest. We are in the business of getting it to kids and getting use out of it. We were able to increase the ADM and still keep a buffer of what we expect it to be because we still need some type of buffer. We need to be able to do that. Obviously the buffer was great and one of the reasons for some of the things we are adding is because of that this year. It is a good thing because we didn't miss an opportunity because the funds are still there and we can do this with them.

We have done chrome books for 3rd grade so we are 3-12 now. We are looking at a specialized software that will help us be a little more efficient to help English language learners, which was necessary. It makes the position more efficient too. On the bottom line when I say efficient it gets people with kids longer. And that is what we are looking at. We want people with children and we want them to do their job and the job they enjoy doing. That is with the existing budget.

Supervisor Kuchenbuch stated she wondered about ½ time Social Studies positions.

Dr. Wheeler replied that he didn't like them either. We will probably do this one year only. We are going to be able to do a couple of sections there and we can probably get a social studies teacher from Radford to do this. It will allow us to offer some AP [Advanced Placement] classes. We looked at this and we only need that position next year because of the class sizes. We have changed our high school curriculum as far as the offerings of the progression of history classes. The reason we did that was because we were having 8th graders take 5 exams, 5 SOLs [standards of learning] which was ridiculous. You don't need to hurry up through high school, but enjoy it. You'll get plenty of credits. We adjusted that last year. Just for this one year it created a little more need for certain subjects. Teachers could do it but then we wouldn't be able to offer the AP classes. We want to offer those so it is really a one year deal. It really goes to looking at class sizes and your teacher needs. We do that with classes exiting and classes entering.

Supervisor Kuchenbuch asked if we will see a decrease in total class size?

Dr. Wheeler replied no. You look at the number of classes and if you have to have four 7th grade classes and you only need three Kindergarten classes coming in, then we need to look and see where we need that resource, which is a teacher. We are not seeing anything drastic with that.

Supervisor Kuchenbuch asked in general how many students have we sent to the Governor's School?

Dr. Wheeler said he talked to Ms. Phillips quite a few times this spring because this is a process that once this is approved you have to run with it. And what I have to do with that is that I already have her scheduled for April. She can come up if we are able to do it. If not I'd rather wait until we know on this. Whatever you tell them that you are going to send that is what you are obligated to do. It is a two year contract. This is in the middle of a two year contract. She is going to work with us. I told her to put us on the books for two, but give us up to six spots. The spots are hard to come by. She said she can do that.

Supervisor Kuchenbuch asked what did we do last year?

Dr. Wheeler replied we haven't done any for many, many years.

Supervisor Kuchenbuch echoed, we haven't done any?

Dr. Wheeler replied no, nobody has gone to Governor's School in a long, long time.

Supervisor Kuchenbuch said it isn't like the kids haven't been here who were able to go.

Dr. Wheeler agreed and said it has just never been funded. They were pleased and it is an opportunity. The application goes to them and not through us.

Supervisor Kuchenbuch asked about the CTE ½ time position, I assume that is for the new lab?

Dr. Wheeler answered that with the offerings we need, it needs to be full time. We can fill that up more than enough. Those are things that have immediate impact. Obviously there is a lot more but looking at what we could reallocate and reassign, it was very beneficial.

Supervisor Kuchenbuch said so the three of you, along with the School Board I would assume, sat down and looked at this budget and went line by line by line.

Dr. Wheeler confirmed multiple times.

Supervisor Kuchenbuch continued to figure out ways that existing programs had money spent and you felt they could be used to better serve other areas historically.

Dr. Wheeler said yes for those monies that we knew what they were being used for and could look back. We couldn't use all the School Board members' time up like that. Darin [Boothe] and I have been through this 3 solid times and multiple partial times looking at certain areas. One of the things that Darin [Boothe] will tell you, 81% of the budget is staffing. But the other 20% is where we looked the hardest. Staffing comes from looking at the numbers and making sure we are using our teachers as resources. That is not a problem. But that other 20% it is amazing what you can find. It is not about finding it. It is about what is changing and how we change with it and did we change.

Supervisor Kuchenbuch stated in general there was no looking at cutting staff. Are we at a bare minimum? Are we comfortable with where we are with staffing meeting the needs of children in our school division?

Dr. Wheeler replied we are meeting the needs. I think we are comfortable in most places. This discussion leads into what's next for the future. Right now we have not one school which is not a credit to what has been done in the past, especially with the remodeling and the new additions that were finished in 2004. We don't have one school with a trailer. We have not one school with classrooms that are obsolete as far as being outside and makeshift. There are a few things there. The high school is probably the most overcrowded. Floyd Elementary is a little overcrowded. That needs to match up with what needs you are going to meet and we know the educational needs. There is the opportunity. Those things are matching up for Floyd County.

Supervisor Kuchenbuch asked whether coaches have been working without getting any pay?

Dr. Wheeler replied that some of them have – five of them for many, many years.

Supervisor Kuchenbuch said those coaches didn't leave and they've been working for nothing.

Dr. Wheeler answered the position was cut. Once again the product of 2008-2012 of the recession. You can see the dollar change and to compare that and some of them you can't compare dollar for dollar. But if you take that list and I looked at it and had Darin [Boothe] check it, and it totals \$1,018,242.00. That is what that list would come to if you just straight out funded it and said these are the programs and the cost of every one of these. The additional local funding we would need would be the dollar change. This is still going through the School Board. Obviously this is a draft. Once they go through it we have a public meeting. Then we have a workshop and get approval. Next we bring our final budget to you. I wanted to do this so you can get an idea. When we went through line by line, you can look at the budget and see the difference column and that pretty much tells you where those items came from.

Chairman Clinger asked if the debt service included the 11 new school buses over 6 years?

Dr. Wheeler answered yes the payment would be \$161,118.77.

Chairman Clinger said I wasn't sure because debt would have to be approved separately.

Dr. Wheeler said that is the debt. Let me tell you this and it is the same thing I told you before. To look at the future you need to clean all these things up, just like the maintenance plan and transportation plan. Those are things you don't have to worry about. With this budget we've included every variable even if we are not aware that it is going to be taken care of through this budget or not. When you see this it includes every variable we knew that was out there even though we might not have a hand in it or knowledge of it. We have included everything in here.

Chairman Clinger said I didn't know if we were going to do that or a lease type program. If we do a lease it shows in transportation rather than debt service.

Dr. Wheeler said this is the best Sonny Merryman had that we looked at.

Supervisor Kuchenbuch asked if Sonny Merryman is a bus transportation company? Did you look at others?

Dr. Wheeler replied that he had. The bottom line for this goes to cost per mile per bus and what they can offer. Once you look at this and some of the others, this is not a six year deal. In order to make the transportation plan work, this needs to go on every year and then you revisit it after 12 years because you have gone through 2 cycles. Looking at those buses and what they are offering us. Their prices were very good from the standpoint that they will work with you on percentages and interest rates. They will work with you on years; 5 years, 6 years, 7 years. This is right where we thought we could afford it without going overboard. It is not meeting your needs; it looks at what would fit. Looking at the buses and what they offer, the backing they offer the buses that was the best fit as far as cutting down the cost per mile over time. That is what we want to see. We want to be able to say you are right. You told us we would save about \$4,000.00 per bus a year on maintenance because we got rid of the worst 11 and put in 11 brand new ones. We want to be able to see it. If this happens we will monitor that month to month. Paul [Robertson] will help us.

Supervisor Kuchenbuch said cost per mile is different for a rural county than an urban county.

Dr. Wheeler agreed that it is. They will give us the average on their buses and they will compare it to similar counties to us. They sell to everybody in the state.

Supervisor Yoder said at some point we would need to approve the loan, maybe even before the School Board even approves the budget. Is that what you would ask for?

Dr. Wheeler agreed that would be what they would ask for. I'm speaking because we have to get to the point of the School Board approving the budget.

Supervisor Kuchenbuch said they can't approve a budget if you don't know if you can get a loan.

Dr. Wheeler said that is why I am here.

Supervisor Yoder said I really appreciate this. It gives us an opportunity to start thinking about this before the School Board approves something and then suddenly we only have 3 weeks.

Dr. Wheeler agreed and said that is the whole idea. That is why I wanted to come. The School Board was very appreciative of letting us come and I know they are all looking forward to any conversations. It helps them because they are looking through it now. They just got it last night.

Chairman Clinger said he had a procedural issue because the paperwork states it is a lease amortization rather than a purchase amortization. If it is a lease you could run it through the School Board through transportation or facilities, transportation preferably, without us approving a loan. If it is a purchase, then yes we have to approve a loan. A lease would be similar to when they did the vocational remodel after the Board turned down the loan. The School went through and did it as a lease and did it under facilities.

Supervisor Kuchenbuch asked if we ever own these buses?

Dr. Wheeler replied after six years we own them. They are our buses.

Supervisor Kuchenbuch said so it is a lease to purchase.

Dr. Wheeler concurred.

Supervisor Kuchenbuch expressed how refreshing and gratifying to have this open communication line and to be able to see it with your binding equipment. Thank you for all of your efforts in presenting something that allows us to really start thinking on our terms too and that it is not just the School Board's. All of our groups, and we mentioned that earlier with the Town, it is all more open and a productive dialogue.

Chairman Clinger said one more quick procedural thing, could you present the FY17 budget as approved and not as amended. That way we could compare base lines to base lines. If you could go back to the original budget and put that in for us to look at on future ones that you bring to us. It helps us look at it apples to apples.

Mr. Darin Boothe asked for clarification that the lease payment be shifted into operational?

Chairman Clinger said that is an option for timing. If you decide to do it as a Board, then you can technically lease them as a Board without our approval. If you did that then you would have to include the lease payments in the transportation costs since that is where it goes. Technically it is a lease.

Ms. Ryan asked if he preferred the way it was presented in order to give the Board of Supervisors oversight?

Chairman Clinger said yes, don't get me wrong, but if it is a lease or do we approve leases? I just want to make sure we are not approving something we don't have to approve. I don't want to overstep because if we get into it where we have to approve a lease then technically any lease, the precedent has been set that you have to come to us. That is flexibility you have in your budgetary control.

Dr. Wheeler said like you said all this is open. That is not a problem. Because the bottom line that you are seeing there is cleaned up with every penny that we knew was out there and we were aware of it. This is about as clean and all included. That would be fine to make it a

lease because that is going to be part of the budget. We would work out the lease payment with whomever, and in this case Sonny Merryman.

Chairman Clinger said it is technically written as a lease with a purchase at the end of it – a lease purchase which your Board can handle.

Dr. Wheeler said that would make it much cleaner as far as the budget.

Chairman Clinger replied the timing also so it doesn't appear that we are having to rush approval on it.

Supervisor Kuchenbuch said the fact that you came and presented it like this is so gratifying.

Dr. Wheeler said you are welcome. Got some good people with a lot of good thoughts.

Supervisor Yoder said he appreciated their coming up with a six year plan and looking at things more than one year at a time is real important.

Dr. Wheeler said when we looked at this budget, there is year two, year three, year four and items that continue to grow. Part of the growth is the six year planning committee and you look at that. Year two is looking at what we need to do to correct the compensation scale. It may not be a dime but next year that needs to be looked at and really see how that mechanism needs to work to benefit the teachers here.

Chairman Clinger said he, Supervisor Yoder, and Ms. Ryan pushed looking at the scales for a couple of years there and get the scales in line so a person could say if I stay two more years this is what I will get instead of leaving right now.

Dr. Wheeler replied, exactly.

Chairman Clinger said this Board at the time wanted the money put toward that. I think that is part of the 5-6 year vision.

Dr. Wheeler replied it is and hopefully that is year two. Because right now you've just got to see what exactly is the right mechanism. We are in a good climate because there are a lot of places doing it and firms giving input that we can get for free from them. We can do what they are doing and look at it closely.

Supervisor Kuchenbuch asked if this is a new way of looking at things? Twelve, fifteen years ago you didn't have this option? Were companies doing it?

Dr. Wheeler replied that Sonny Merryman has been around for a long time. I've dealt with them before when I was in the Lynchburg area. They probably got a good leg up on doing it this way. Obviously they had a lot of money to start with. I think they captured the state in the early 2000s.

Chairman Clinger asked for clarification on the additional 2% raise this year. Is it on top of the one you got last year?

Dr. Wheeler replied yes, the State gave 2%.

Chairman Clinger said it was his understanding that the 2% from the State was to backfill what was paid by the locality for the half of last year before they kicked in. It is not an additional 2%.

Dr. Wheeler said no it is 2% for this year. The State looks at it and says what can we fund you. So they start throwing it out based on their indexes and they'll say we can only give you this much so your SOQ [standards of quality] positions can only get a 2% raise from this point on. That is how they do it. We were able to look at this, which is not an advantage. And if I thought or if the committee thought or School Board thought let's look at this and get the scale fixed. With the salaries a 2% raise would be a good place to start going into next year to fixing the scales. But no, this is an addition all school divisions are looking at. You've got to turn down the money if you don't. It's not much money. But because of the reallocation if we were sitting here and they gave us \$67,000.00 and it cost us \$294,000.00 to give the raise we want. But we are not doing that. We are sitting here saying we have \$1 million worth of things and the 2% raise is needed and it would really get our scale to a point where we could start working with it.

Chairman Clinger said that was just for clarification because I was reading it differently than that. I thought it was to address the one from last year.

Dr. Wheeler said they debated whether or not to put that wording in there. We're just going to give you the money which wasn't a lot to do with what you want, but school divisions are not the only public entity. They put the wording in there that this money is earmarked for a 2% raise for school SOQ positions.

Agenda Item 6.i. – Mr. James Cornwell and Mr. Steve Durbin, County Attorney.

Mr. Cornwell said a lease purchase done by the School Board is "their baby." They just put the money in the budget. That is probably common and mostly how you do it now. You don't have anything to do with it other than approval of the budget.

Chairman Clinger replied that is what I thought. Actually it is more beneficial because the lease agreement says contingent on appropriation.

Mr. Cornwell confirmed it has to be. It can't be full faith and credit.

Chairman Clinger said if it said that it would have to come to us for approval.

Mr. Cornwell said we have done a ton of lease purchases and I am sure Brad King can take the School Board through this process. One of the issues we were asked to address was the salaries for Board members. Clearly under 15.2-1414.2, "Prior to July 1 of the year in which members of the board of supervisors are to be elected or, if the board is elected for staggered

terms, of any year in which at least forty percent of the members of the board are to be elected, – which I understand is this year – the current board, by a recorded vote of a majority present, shall set a maximum annual compensation which will become effective as of January 1 of the next year.” So you just have to adopt a resolution before July 1 to set the salary. And you can “fix a higher salary for the chairman, or the vice-chairman, or both.” And there is no limit on that. In fact when I was in New Kent I think they adopted a resolution and raised board members’ salaries by \$20,000.00.

Supervisor Kuchenbuch said I thought it was tied to population?

Mr. Cornwell explained there is another statute that ties it to population where you adopt an ordinance. There are two statutes. With one you adopt it by resolution and the other one you adopt an annual ordinance and that is tied to population. In your case you could set it up to \$5,500.00. That can be adjusted 5% per year, but you have to adopt it every year.

Chairman Clinger said our trouble is that we haven’t done this in 30 years.

Supervisor Kuchenbuch corrected 33 years.

Chairman Clinger continued so we weren’t sure how the mechanism worked. That almost predated me.

Mr. Cornwell said he would leave both statutes with Terri [Morris]. In New Kent they raised salaries one year \$20,000.00 and simply said nobody can afford to serve. It takes too much time. They made a public thing of it. The incumbents got reelected. I’m sure some people complained, but nobody came to a board meeting to complain. If you want to do that I would be happy to either draft or look at a resolution that might be prepared, unless you want to go the ordinance way in which case there is a limit of \$5,500.00 and it has to be adopted annually. And it has to be advertised as an ordinance. Technically until you adopt that resolution increasing your salaries, it is supposed to be as it was on July 1, 1981. I presume at some time in the past, probably in 1984, they adopted a resolution setting it. So there are two ways to do it and I recommend the resolution because it is the easiest way to do it. The ordinance has to be done annually. The resolution is one time.

Chairman Clinger said like any other resolution.

Mr. Cornwell agreed but said it must be done before July 1 in a year when 40% of the members are up for re-election. It couldn’t be done, for example, next year because 40% of your members won’t be up for election next November. You only get a shot at it every two years.

Ms. Morris said they haven’t had a raise since 1984 so this isn’t something we do every year.

Mr. Cornwell said for taxes you want me to discuss meals, entertainment, Airbnb, and BPOL [license fee or tax on business, employment, or profession] taxes.

Mr. Durbin said for a meals tax any county has the authority to adopt a meals tax done by ordinance. But first a referendum is required. There are two ways to initiate the referendum. One is by petition of the voters in the county and you must have 10% of the registered voters. The more straight forward way is by resolution of the Board of Supervisors. You could pass a resolution. Once it is passed you could transmit it to the circuit court. The circuit court would order the referendum to be held.

Mr. Cornwell said a caveat for that is there is an election in November so it would be a good time to do it. Election laws can be done in 60 days of that date so if you want to do it you need to do it now.

Mr. Durbin continued it covers food and beverages for human consumption with exceptions carved out for schools, churches, retirement/nursing homes, fire departments, charities the first three of every year are exempt but after that if it is a charity that holds numerous...

Chairman Clinger suggested boosters clubs at football games have more than three home games so they would be required to collect.

Mr. Durbin confirmed that and continued company cafeterias if it is just for employees only would be exempt too. There are a few other exclusions that the code provides. Your maximum rate is 4% of the meal. That includes any beverage served as part of the meal.

Supervisor Kuchenbuch inquired if there is any minimum?

Mr. Durbin stated there is no minimum.

Mr. Cornwell added it does not include pre-prepared meals at a grocery store or places like that.

Mr. Durbin clarified package, convenience or gas stations.

Chairman Clinger suggested ready to eat meals.

Mr. Cornwell agreed. If the town has the meals tax then it doesn't cover the town.

Supervisor Kuchenbuch said so you don't double tax.

Mr. Cornwell replied exactly.

Supervisor Kuchenbuch said so the Town has its own meals tax, the County would adopt another meals tax which would apply outside of town limits. If the Town didn't have a meals tax...

Mr. Cornwell said in that case I think it would cover it if the county adopted one. But they would be quick to adopt I'm sure.

Supervisor Yoder said it seemed to him that the Town had some type of provision where a percentage of the tax went to the businesses to cover the cost of collecting it.

Mr. Cornwell agreed I believe there is a chance of rebating some, yes. There is a rebate that can be adopted as part of the ordinance to cover the cost of collection.

Mr. Durbin said essentially the way the statute sets it up each restaurant serves as an agent of the county. That is the county's money if you impose the tax the moment it is collected and it is just held in trust by the restaurant until it is paid over.

Mr. Cornwell added it is a felony to collect the tax and not pay it over to the locality.

Mr. Durbin said we have dealt with that numerous times where the tax is collected from the purchaser and never remitted over to the county. It is larceny. It is a strong enforcement mechanism.

Chairman Clinger said so we just have to do a resolution asking for a referendum.

Mr. Cornwell said if the referendum passes then we will have to do an ordinance and adopt it after public hearing proposing the tax. Just like you will hear in the BPOL tax, the code writes the ordinance. It is standard. You have choices as to the amount of the rate and there are some exclusions you can do, and whether you want to give a rebate.

Chairman Clinger asked if the wording for the referendum is pretty much set by the state as well?

Mr. Cornwell replied exactly.

Chairman Clinger asked if you want to allocate the funds to something specific like Roanoke did at one time and they said it was for the schools?

Mr. Cornwell said that is non-binding provision. You can't put that in there. You can say we anticipate collecting "x" amount of money in meals tax and we will designate that for schools. You can say that, but you can't put it in the ordinance.

Ms. Morris stated it becomes part of the budget process.

Mr. Cornwell confirmed that it is part of the budget process. You can say it when you do the election that if the meals tax is voted in we will put it toward that, but it won't bind the next board.

Mr. Durbin described it as an intention without any binding mechanism. The next topic is an entertainment or admissions tax. Unfortunately code establishes the ability for certain counties to adopt an admissions tax specifically. If you are not enumerated in the list of counties authorized to do it then you have no authority to adopt it. Floyd County is not listed as an authorized county. Cities and towns can do it because they have general taxing authority. There

is a specific provision in the code that if you have general taxing authority as a city or town then you can adopt this admissions tax. The Town could do it, but the County cannot.

Supervisor Kuchenbuch asked how many counties are covered in the code?

Mr. Durbin replied a handful, Fairfax, Arlington, Dinwiddie, Price George, Brunswick in section a. Subsection b adds Culpepper and New Kent. A third part has Charlotte, Clark, Madison, Nelson, and Sussex counties. It does make you wonder what is there that is key to it.

Mr. Cornwell explained cities and towns can just do this but counties have to go to the General Assembly and ask for authority. If you want to get on the list you will have to get the General Assembly to put you on it.

Mr. Durbin said the General Assembly has adopted SB 1578, it has been passed by both houses, signed by the President of the Assembly and the Speaker of the House, and yesterday it was sent to the Governor. It is on his desk and he has two weeks to sign it. I have not heard anything that would make us think he is going to veto it, but again there are no guarantees. Assuming that is signed into law, it would allow localities to establish a short-term rental registry. The way that would work is anyone offering their property on a short term rental basis would have to register with the county if the county adopted the ordinance. It is ministerial. Once they file the right paperwork, it has to be approved but would get them into the registry. You could impose a fee to offset the cost of maintaining the registry, but it couldn't be profit generating, no excess to general revenues. It would have to be tightly tailored to the cost of maintaining the registry.

Chairman Clinger asked if we have a transient occupancy tax already, would it fall under the collection of the transient occupancy tax or is this separate?

Mr. Durbin replied that I really read the function of this as serving in localities that have zoning it makes the persons register so you can monitor zoning compliance and number two, which is more applicable for us, it would get them registered. That way you can get them to file their return and you can start capturing transient occupancy for the rentals. It is really a way to get the visibility.

Mr. Cornwell added it does not set up a separate tax. It just sets up a registration. Then you have their name.

Supervisor Kuchenbuch asked how in the world do you track them down?

Mr. Durbin replied there is a \$500.00 penalty for failure to register.

Supervisor Kuchenbuch asked if it is a state registry?

Mr. Cornwell said it is a locality registry.

Chairman Clinger asked if we decide to set up an Airbnb registry, is this is set up by ordinance?

Mr. Cornwell said this ordinance can't be adopted until after July 1 because that is when the statute goes into effect. Now there are exemptions if they are already registered with some agency; the Department of Health, under the Timeshare Act, the Real Estate Board, or other local registrations. If they are already registered with the Department of Health for food processing, you could go on the Department of Health website and find them that way.

Mr. Durbin said if they are timeshares or something like that, they would already be on your radar screen.

Ms. Morris said the Commissioner of Revenue administers this for us. They are really good about researching.

Mr. Durbin asked if the county transient occupancy tax is 5% as it stands now?

Ms. Morris replied yes.

Chairman Clinger stated that 3/5 is earmarked for tourism.

Mr. Cornwell said that is allowed under this statute.

Chairman Clinger said this is something we can follow.

Supervisor Yoder said if we hear the Governor has signed it, and then we can pursue it.

Chairman Clinger said this would put them on the same level as B&Bs we are currently monitoring and hotels that are paying it.

Mr. Durbin agreed that it generates fairness, otherwise a lot of these could fly under the radar and they would have an immediate advantage over established hotels.

Mr. Cornwell said that it is getting to be an issue that is getting more and more attention, particularly in localities that have zoning because citizens are complaining that they are really running a business in a residential zone.

Ms. Morris said we have already had complaints from B&Bs.

Chairman Clinger said we will keep this on our radar. If the Governor signs it then I see consensus that we will probably go on and address this one.

Mr. Durbin said the county is authorized to adopt by ordinance a BPOL tax, the business license tax on any business, employment, or profession. The code does require that if you adopt a license requirement on merchants that would be in lieu of a merchant's capital tax. You would have to elect one or the other for merchants.

Chairman Clinger stated that we looked at that before as far as a general business license.

Mr. Cornwell said you can't have a business license tax and merchant's capital tax on these same taxpayers. You have to choose. But if you have a merchant's capital tax, then you can still do a business license tax on other people.

Chairman Clinger described it as specific fields that don't deal in retail sales and have inventories on hand.

Supervisor Kuchenbuch said like doctors and lawyers.

Mr. Durbin said it would be geared toward having a definite place of business within the county and not within a town that has its own BPOL tax. So if you are doing a fair amount of business in the county and your place of business is in the Town of Floyd or in Montgomery County...there is a special rule for contractors if you do \$25,000.00 or more per year in the county without having a place of business in the county you can still allocate the income they generate in the county. But that is all for contractors.

Mr. Cornwell said for example we have our office in Christiansburg and we pay the BPOL to the Town of Christiansburg. We don't pay BPOL for any other locality we practice in because we pay it in Christiansburg. The only exception is contractors have a special rule. So if a contractor from Roanoke came to Floyd County to build a house, when he or the owner applies for the building permit and we find out he will be doing \$25,000.00 or more we could make him get a business license in Floyd and make him pay the business license fee to Floyd.

Supervisor Yoder said he had a contractor in Roanoke approach me and say please pass a BPOL tax because I can guarantee it will be less than the City of Roanoke. All the work we do in Botetourt, all the work we do in Roanoke County is taxed at a lower rate than what we are being taxed. When we come to Floyd we are taxed at the rate of the City. I don't want to bid on jobs in Floyd because I can't afford to pay the taxes to the City of Roanoke.

Mr. Cornwell explained that if the business doesn't have a definite place of business then it is considered to be their residence. If somebody lives in Floyd County and does work as a consultant and performs most of the services at the office of the person who hired them, then they would have to pay Floyd County business license tax because the residence would catch them.

Mr. Durbin added you can have multiple places of business, like you could have one office in the Town of Floyd and one in the county, and then the business done at the place of business in Floyd County would be subject to the County's BPOL tax.

Mr. Cornwell gave the example we have offices in Christiansburg and Richmond. We are taxed out of Christiansburg for the work done in that office and taxed in Richmond for the work done out of Richmond.

Supervisor Yoder asked about the amount of tax. You can set a minimum is that correct?

Mr. Cornwell said there is a limit on the maximum.

Mr. Durbin said code sets forth different classifications of businesses which will have different maximums. That is all spelled out in the code. They don't write the ordinance for you, but there are a lot of mandatory provisions; a lot of it is hard and fast in the code.

Mr. Cornwell said in most classifications they give you the maximum. In some businesses or professions they don't. I pulled City of Galax for an example, contractors were \$.16/\$100.00, retailers were \$.20/\$100.00, real estate professional services were \$.15/\$100.00, other businesses not categorized were \$.20/\$100.00, wholesalers were \$.05/\$100.00, carnivals and circuses were \$2.50 per performance, fortunetellers were \$500.00 annually, and massage parlors were \$500.00 annually. There was a whole list of categories. Usually the statute tells you what the maximum can be; you can make it less, but they give you a maximum.

Supervisor Yoder asked if you can set a cap where the first \$100,000.00 isn't taxed so you aren't hitting really small businesses that are just trying to get up and running?

Mr. Cornwell said you would have to do the math to make sure you aren't over the limitation. The City of Galax has a lower rate for smaller businesses and set a cap for the maximum.

Supervisor Kuchenbuch said Carilion and Tri-Area Health are both in the county and they probably pay a tax in Roanoke, but they would pay the tax in Floyd as well.

Mr. Cornwell confirmed that. The City of Galax has financial, real estate, and professional services which would cover doctors at \$.58/\$100.00 of gross receipts. Everything is calculated gross receipts, not net. There was a try in General Assembly this year to make it net.

Supervisor Yoder said so you would have a business license one-time fee and then you would have the percentage?

Mr. Cornwell agreed but warned that you have to watch because caps are set by Virginia so you can't exceed the cap.

Mr. Durbin stated that he does not recall if imposing the flat fee is in lieu of tax on the gross. We would want to look at that.

Mr. Cornwell said the jurisdictions of which he is aware set a flat fee and not a percentage. Again you would have to be careful that flat fee does not exceed the statutory maximum. The flat fee is easier to calculate and collect but obviously it does not produce as much revenue. What happens in both this situation and the meals tax is that the business has to file a return with the Commissioner, which the tax is assessed on. In the meals tax the return is usually done monthly. But with BPOL it is done yearly. But at any time the Commissioner feels appropriate; they can summon them to their business office with their records to have it audited to determine whether or not they are paying appropriately.

Chairman Clinger said on gross receipts for Carilion is that before insurance payments?

Mr. Cornwell repeated gross receipts. They might try to claim tax exemption but I am not aware of any.

Chairman Clinger said if they were a non-profit they might claim tax exemption.

Supervisor Kuchenbuch said they will tell you they are not for profit.

Mr. Cornwell said most localities I would daresay have BPOL. I would think it is unusual to not have BPOL, even the little Town of Narrows which has less than 2,000 people has BPOL. It is not that difficult to collect.

Chairman Clinger said the Town of Floyd has less than 400 people and has BPOL.

Mr. Cornwell repeated it is not that difficult to collect, but it takes some effort. I'm sure your Constitutional Officers will tell you all the difficulties, but it is not that difficult.

Ms. Morris pointed out that it takes pressure off real estate and personal property.

Mr. Durbin said that most counties impose merchant's capital. Cities and towns do the BPOL.

Mr. Cornwell said there are only 3 localities in Virginia that do both.

Mr. Durbin said Pulaski, Amherst, and South Hampton are the only counties that do both.

Mr. Cornwell said if you do both you can only do one or the other on a specific business.

Chairman Clinger said we could say we have merchant's capital for retail sales, manufacturing, and do BPOL for professionals.

Mr. Cornwell replied I think manufacturing is exempt from taxes.

Ms. Morris said they are subject to machinery and tools tax.

Mr. Cornwell said and they have a place of sale so that is where you catch them. The manufacturing itself doesn't even have a BPOL. Manufacturers are exempt from most things. But if they meet the definition requirements for merchant's capital we would write the ordinance in such a way that they would not pay a BPOL. But if they don't meet the definition of merchant's capital they would pay a BPOL.

Supervisor Kuchenbuch asked how many counties do not have a BPOL?

Mr. Durbin replied most counties do merchant's capital instead of BPOL. Cities and towns do the BPOL. BPOL can be found in Virginia Code 58.1-3700 and the rest of that chapter.

Chairman Clinger we were looking for real estate that originally cost \$200,000.00 and sold for \$400,000.00.

Mr. Cornwell replied we can only tax the realtor for his gross receipts so it would be whatever commission they get for a sale.

Chairman Clinger asked if there was any way to do a sales tax on real estate?

Mr. Cornwell answered no. Those were the issues you asked us to address. If you want to do any of them we would be happy to get some from other localities so you can see what they look like. If you are going to adopt any of these ordinances, we suggest that you make them in such a way that there is time to implement them so you don't catch the Commissioner and Treasurer unprepared. Adopt them now effective January 1 or adopt them January 1 effective July 1 or something like that. Plan three or four months for implementation. The Commissioner and Treasurer will probably have to have a meeting with the Tax Commission and maybe take a class.

Supervisor Kuchenbuch said the meals tax has been on our radar. We have some pretty popular restaurants in the county.

Vice Chairman Turman stated that it would be cleaner and easier with the meals tax if it passed.

Mr. Cornwell agreed and said if it passed in the November election you could implement the meals tax in January. That is fairly simple. The entity itself reports to the Commissioner and they do it on a monthly basis. The most important thing with a meals tax is to make sure somebody stays on them to get that report.

Mr. Durbin said on the ballot it will state, "Shall Floyd County have a meals tax." Once that passes assuming it does, then it would come back to the Board of Supervisors to set the rate.

Chairman Clinger described it gives us the authority but it doesn't make us act on it. It is the same thing we've tried to get from Richmond all along. I'm not saying we want to do it, but we want the ability to do it.

Supervisor Kuchenbuch said that tax doesn't put all the burden on just the citizens of the county. With as much tourism as we are seeing, they are not just staying in town and it is a way for us to capture some needed revenue without putting it on the backs of our citizens.

Mr. Durbin described it as the customer paying the tax, not the restaurant.

Supervisor Kuchenbuch agreed. A lot of people are already eating in town and paying a meals tax.

Vice Chairman Turman asked if the signatures collected had to be by district?

Mr. Durbin replied countywide, 10% of the registered voters in the county.

Mr. Cornwell said it is not like liquor by the drink; it is countywide.

Supervisor Yoder said with 10,000 voters we would see 1,000 signatures.

Mr. Cornwell said yes, but if the board does it by resolution then you don't need any signatures at all.

Chairman Clinger said to pass it must have a majority of "yes" votes of the ones cast.

Mr. Cornwell confirmed that. We have a lot of localities that do both a meals tax and a BPOL that we can walk you through it when you are ready to adopt an ordinance. As I said the state primarily writes it. We also help Commissioners and Treasurers enforce it.

Agenda Item 6.j. – Sheriff Brian Craig.

Sheriff Craig said he wanted to give the Board a brief update before discussing the budget. Michael Wade is back in the United States permanently. He should be back to work with us the first Monday in April.

Sheriff Craig discussed the budget request he submitted. The benefits are for a compression raise with a 1.5% bonus. We keep hearing the state will give us 2% plus compression, but this is just showing the 1.5% bonus and compression and the years of service increase. This is an estimate; we are still getting information; we have yet to hear from the Comp Board. State Troopers will be getting a \$7,000.00 raise plus 3% which will bring their starting salary to around \$44,000.00. And if we get the 2% that will bring our starting salary to \$31,629.00.

Ms. Morris confirmed that preliminary estimates are out from the Comp Board and it includes the 2% as of August 1, but they don't have the compression funding in here yet.

On Sheriff-Courtroom Security janitorial supplies I requested an additional \$250.00. We use trustees to clean the courtroom and courthouse.

On Sheriff-Law Enforcement I included an employee rank structure. We are grateful for the years of service you gave us last year. I had also talked about a rank structure. We only have 3 command positions in our department. The \$19,210.00 in the budget includes \$16,500.00 in salaries and the difference is benefits. It would cover 10 paid promotion positions – 1 lieutenant and 9 sergeants. The promotions are not going to be given to people; they will be earned. With accreditation that we are trying to do, knowledge of the policy and procedure manual is going to be key. Part of the process will be an exterior promotion panel. An outside agency will test the employees to see if they are eligible for a promotion. These will not be desk jobs, but go to positions. Right now we have 1 person who answers calls every single night. He is the only patrol supervisor that I've got. Any sworn employee would be eligible for the rank position, including Animal Control, and it includes two spots for communications. The money will be turned back into you if people test and are not ready for the promotion. My expectation is that if

everyone tests we will only be able to promote two sergeants this first year. But I felt that I needed to put it all out there so you could see the total cost of having a ranked structure.

Our current accreditation manager is in communications. She is doing her normal duties at dispatch and during downtime she is going through all of our policies and procedures and helping me update that. She will have to make sure all of our reports are correct and up to accreditation standards. It is a tremendous amount of work on her part. I am asking for \$1,000.00 in additional salary for her and benefits of \$165.00. Another \$1,000.00 is in the travel line for training for accreditation.

This fiscal year while Michael Wade was gone I used vacancy savings from the Comp Board to put an officer in the elementary schools. I have four officers who are doing it right now while off duty and they are paid 1 ½ times their hourly rate for this. To continue this program next year it would cost \$11,000.00. I would love ultimately to have a full-time officer to go from elementary school to elementary school. That may be years down the road.

For vehicle maintenance I've requested an additional \$18,000.00 for repairs of aging vehicles. We have had axles, transmissions and many other repairs. We expect to be \$10,000.00 over spent this fiscal year. This year because of USDA grants, Drug Seizure money, and surplus fuel money we were able to purchase 4 new vehicles and the county share was only \$66,000.00. We are submitting another grant application to USDA for vehicles. We will continue to apply for vehicle grants.

We had a Mental Health grant that paid for transport duty officers through April 2017. This grant was important to us so we weren't having to allow comp time that would have amounted to nine weeks of time off.

Average monthly mileage is broken down by vehicle and officer through November on a spreadsheet in the budget packet. The spreadsheet includes a five year plan of what mileage will be on each vehicle.

Chairman Clinger asked since this keeps coming up every year is there a lease type of program offered through statewide fleet management?

Sheriff Craig replied that he does not know anything about leases. I can check into it. I don't know how that would work with us running into so many deer in this county. Also we are drilling into things and adding equipment. I just don't know.

Ms. Morris stated that we have done it before; I think it was directly through Ford.

Chairman Clinger said there is a whole article on 2017 police vehicles and lease options though the manufacturer.

Supervisor Yoder stated that he knows this is done with fire trucks all the time.

Chairman Clinger said due to the age of our vehicles, this would make it more manageable. Instead of not needing any one year and then needing five the next. Have a set amount and constantly turn your fleet over.

Supervisor Kuchenbuch said so it is budgeted annually.

Chairman Clinger said with 27 vehicles on the road you could plan it so that every 4 years an officer has a new vehicle.

Supervisor Kuchenbuch said we will be paying the same amount but we will be leasing it and they understand it is a police officer situation so you have to drill and whatever to add equipment.

Sheriff Craig responded that he would be glad to check into it. You will see the Travel line increased because of the accreditation training. I want to be sure to have our officers trained. Fran is always on the hunt for grants. Sarah [West], one of our communications officers, went to grant training and now she is on the hunt for grants.

Livescan costs \$11,000.00 and we are trying to get a grant, but if don't get the grant we will use drug seizure money. With Livescan you roll their fingers on a screen for fingerprints, it catches the prints and shows they are locked in, you print it and have your card. Right now you fingerprint and think you have a good card and three weeks later you hear back that the card is no good and you have to track down the person and retake their fingerprints. The annual maintenance fee for this system is \$700.00.

This past year we spent \$10,000.00 on vests, which we used drug seizure money for. We are looking at another \$3,400.00 in regular vests after a grant and we are coming due on a couple of tactical vests. And we just found out that we won't be receiving the 50% off grant for that so we will have to pay for those straight out. Tactical vests cost \$2,141.10, which is about \$1,300.00 more than regular vests. Next year will be another \$12,000.00 in drug seizure funds that I am hoping to use instead of asking the county for vests and tactical vests. The vests have a 5 year life span. As officers come to us from other departments, the vest is often signed to travel with them because they are measured to fit. Vests not only help with weapon fire, but also traffic accidents.

The last item I wanted to discuss is the RMS [records management system] program. Our system is horrible. We have run into major problems in the past. During the election, statistics were put out that we only made 18 arrests a year. That is just absurd. We found the glitch in the system and corrected it. Hopefully the information on the report that comes out tomorrow will be correct. Unfortunately there is no one sitting there correcting the old system. We have to manually go through and do a lot of extra things. The system has been bought out by another company and in a year or so it will be obsolete. There will be nobody there to help us with any glitches or issues.

Supervisor Kuchenbuch asked how old is the current system?

Sheriff Craig replied that it is the only one we've ever had. When did we leave paper, 1999?

Ms. Morris agreed that sounded about right.

Sheriff Craig said inevitably we have to go to a new system. Kevin [Sowers] got a \$150,000.00 grant through VITA that will pay for the CAD side. The RMS side you cannot utilize anything from the grant. That is where this \$49,000.00 comes into play. Records management is huge. This is the software that shows us what warrants we have on people, when we serve civil process, chain of evidence. It is a system we have to have. We have gone through at least three vendors and we think we have a good idea on what we are looking at. \$49,000.00 is the bid from Southern Software. It is a one-time fee. Maintenance fees are the same as we currently pay. VITA says that if we don't use this grant, it will never be offered again. This is a one-time opportunity. By picking up \$49,000.00 we get \$150,000.00. If we don't do it, next year we look at paying \$200,000.00 for a system and have to fund it completely.

Ms. Morris said to install this system it will also be necessary to update our server and storage capabilities. Kevin [Sowers] is hoping that some of the grant can be used for that. You also approved some money in my department and the Commissioner's department for upgrades this year as well. We are hoping to combine all that to get it all at the same time.

Chairman Clinger asked about Medical Dispatch certification?

Sheriff Craig replied that Kevin [Sowers] told me that was coming out in the newspaper, but I haven't had a chance to read the article. I don't know much about it. The only thing I know is you have to have "x" amount of dispatchers working at one time because you can't be interrupted when you start one call with another one. I would be very open for it.

Chairman Clinger said he understands it is basically like a triage where dispatch ranks calls.

Sheriff Craig said I wonder how many more terminals we would have to have and how much more staff would we need.

Supervisor Kuchenbuch asked how many are on a shift now?

Sheriff Craig replied two per shift.

Chairman Clinger said while we are updating, let's be forward thinking about things we want in the future.

Sheriff Craig said from talking to all three vendors I found out it is very easy to upgrade. I also think there has to be someone specifically over medical dispatch. The medical dispatch certification is not part of accreditation since we do not currently have medical dispatch certification. The bottom line is we have to keep our community safe and if that is what it takes, we will figure out a way to get into it. I hear from the community just like you do about how long it takes for the ambulance to arrive. I haven't asked the dispatchers how they feel about it. But with the ones we have I can't imagine them bucking it. All of them want to help.

Chairman Clinger said while we are talking about changing the CAD and RMS over I want to see if this can be part of it.

Sheriff Craig responded he would check with the vendor and make sure.

Supervisor Kuchenbuch asked Sheriff Craig how he determined how the drug seizure money would be used?

Sheriff Craig said there are rules that regulate how the money can be spent. I prioritize the things we need and look at the things that will make my officers safer. I have an exceptional group of young officers. They are motivated and want to make things better. We have great experienced officers. Our department knows and truly appreciates what you have done in the past and what you will do for us in the future.

Agenda Item 6.k. – Mr. Sherrell Thompson, Solid Waste Supervisor.

Mr. Thompson said he was asking for another employee. We just sent to Richmond a trash assessment and we collected 11,880 tons of trash. Last year it was around 11,000 tons. Recycling is really growing. A lot of times we don't have enough people and that is why they have so much compensatory time. Since we don't have enough people, folks don't take off because they don't want to put you in a bind. Right now I need two people to go out in each truck. If the guy who runs the transfer station has to go down and change the trailer, there is nobody at the station when people come in.

Vice Chairman Turman suggested using trustees.

Mr. Thompson replied the trustees arrive late and leave early. We get some from Radford and Community Services.

Ms. Morris explained that it is about 10:00 a.m. before they arrive. A lot of the time they don't pick them up until 7:00 p.m. at night.

Supervisor Yoder said in that case you only get about ½ day of work from them.

Mr. Thompson said they work well for us. I asked for a new roll off truck. The one we have has a lot of miles on it. We would like to get a new one and keep this one for a spare.

Supervisor Yoder said he has heard a lot of comments about wanting more recycling boxes and green boxes. I guess there is a waiting list for roll offs.

Mr. Thompson said you approved \$10,000.00 for us to get a forklift, but we can't find anything that has less hours on it than the one we have. What do you think about the idea of lease purchase for a new one?

Supervisor Kuchenbuch described lease purchase as the phrase for the day.

Supervisor Yoder asked Mr. Thompson to look into it and give the Board an idea of what it would cost.

Mr. Thompson replied he told me for \$424.00 a month for five years and then we would own it. He would rent us one for \$800.00 a month and they would take full responsibility. We could get more for the one we have as scrap than trading it in. Maybe we could put it in the surplus auction.

Supervisor Yoder said so for \$5,000.00 a year we could have a new forklift. I like that idea.

Mr. Thompson said we could buy it right out for \$22,400.00.

Chairman Clinger stated that he thought it would be better to lease one. A lot of time we are taking loans out and we refinance later on and are still paying 10-15 years for a vehicle that has gone out of service. This last time we refinanced equipment items that weren't in the fleet any longer.

Supervisor Yoder said a fire truck will be in the fleet 30 years but not a forklift.

Ms. Morris asked if Mr. Thompson should go ahead and lease the forklift because the money is there in the current budget?

The Board agreed by consensus to go ahead and lease a forklift in the current fiscal year.

Supervisor Yoder stated he liked the idea of having a steady, measurable amount every year.

Chairman Clinger said that was what he was telling Brian [Sheriff Craig], if you get a set amount of vehicles every year then it is constant in the budget.

Supervisors Yoder and Kuchenbuch echoed they liked the stability of the budget with leasing a set amount of vehicles each year.

Chairman Clinger said I know we pay to have our trash hauled off and we get a little bit for the metal we sell. Is there any way to put a magnet on the skid steer and pull the metal out before it goes in?

Mr. Thompson replied we try to pull it out by hand but I guess you could. The old backhoe had a grapple on it. We need to put one on one of these machines. I would have saved the trailer that burned up. I was lifting the couch out of it and it fell off because we cover our teeth and I've got a plate on it. We have manual grapples that work with the bucket, but you can't pack the trash because it comes over on that lip. I need to go back and put another hydraulic on one of the machines. Now we have to use a 20' piece of pipe to pull tires out of there.

Chairman Clinger said I thought with a magnet on there when you first spread it out you might get some more out.

Mr. Thompson said it would work if it magnetized and then demagnetized. Should I check on that?

Chairman Clinger suggested that he do that because it might pay for itself given what we would be paying to have it hauled off, even if it only pays \$1 per pound.

Mr. Thompson said last week we had to meet with the City of Radford. We got to meet the new Department of Environmental Quality lady. I believe she will be good to work with. Theresa Sweeney brought up to her about the glass and that is a dirty word. We are sitting on 130,000 pounds of glass and have 5 roll offs tied up. I called another company today. Reflective Glass that we had been dealing with, they sold out to this company, but they won't return our calls.

Supervisor Kuchenbuch asked what is Montgomery County doing with their glass?

Mr. Thompson replied RDA with a single stream is going to Roanoke now. I talked to them and theirs is going in the trash.

Supervisor Kuchenbuch repeated what about Montgomery County?

Mr. Thompson replied the same; their recycling is going in the trash.

Chairman Clinger asked if concrete manufacturers can use it if it is ground fine enough?

Mr. Thompson answered there are companies in North Carolina that make countertops out of it, but they won't return my calls.

Supervisor Kuchenbuch said these single streams in Montgomery County, you throw everything in there and then what happens? It goes and they have a machine to sort it all?

Mr. Thompson replied they take it to RDA in Roanoke and they go through it and the glass is going to the landfill.

Chairman Clinger recalled at one time asphalt companies would take it and grind it up.

Mr. Thompson replied if you could pulverize it enough people could use it for sandblasting.

Chairman Clinger said as much as we have tied up in our costs of disposal, what does a grinding machine cost?

Mr. Thompson answered that I have never looked. We pulverize it with a backhoe. We can get 12-15 tons in a backhoe. It sits in the roll off and causes the floor to rust.. Last year we broke even. The year before we had to pay so much for them to take it.

Supervisor Kuchenbuch said the single stream you have to take down to RDA?

Mr. Thompson replied I don't know how in the world Montgomery County can afford to do this. It is expensive.

Supervisor Kuchenbuch asked if RDA is the only one doing single stream?

Mr. Thompson confirmed this. Montgomery County shut down their \$1 million outfit to do this but evidently they thought it would be cheaper. I asked for a grapple truck in my budget. It would be able to pick up appliances. I can't find any used ones.

Chairman Clinger said right now they pick up appliances on forks and it ends up falling.

Mr. Thompson agreed that is the reason for their windshield costs.

Chairman Clinger said I am worried about someone being up there trying to drag something back and slipping and falling.

Mr. Thompson said they no longer allow us to have a ladder up on the Peterbilt. Whose responsibility would it be if I go on there and build a ladder? Would it come back on me if someone got hurt?

Chairman Clinger asked if they were using harnesses?

Mr. Thompson said no, but the dump truck is set up for it.

Chairman Clinger said being that far off the ground you need harnesses. If you get a grapple truck it won't wear out in a year.

Mr. Thompson said most run until there is nothing left. We have one bay of the garage floor that is crumbling to pieces and causing water to run into the building. It was built in 1973. It is real bad where we used to park the loader. We put it on boards but it was 60,000 pounds. It is a safety hazard too for tripping. Back to the ladder on the truck. I have one that I could cut off another truck and put on there, but the liability.

Chairman Clinger said you would be better off to carry an extension ladder and put it up so it is not fully attached.

Mr. Thompson asked if he should go ahead and order the harness?

Chairman Clinger said if you are going to be up there then technically you have to have a harness. You have to hook to two points. Even if we get a grapple truck there is the potential of having to go up there.

Supervisor Yoder said all of this is getting us back to collection points.

Supervisor Kuchenbuch said if you sit down and add it all up and pay the employees to be there at the collection points...I hear you. I get the concept.

Mr. Thompson asked if they went to Christiansburg on weekends and saw the site at Simon's Grocery?

Supervisor Yoder said some of these sites are getting abused.

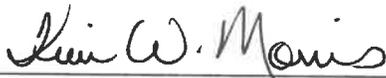
Supervisor Kuchenbuch asked if Montgomery County has seen any increase in dumping now that they have collection points? That is my fear.

Mr. Thompson said we want to trade in the two dump trucks we have and replace it with one to pull the lowboy.

Vice Chairman Turman suggested talking to the Jail and see if the trustees can be brought over earlier.

Ms. Morris said the work crew comes earlier, but it is only every few months.

On a motion of Supervisor Yoder, seconded by Supervisor Kuchenbuch, and carried, it was resolved to adjourn to Wednesday, March 22, 2017 at 6:30 p.m.



Terri W. Morris, County Administrator



Case C. Clinger, Chairman, Board of Supervisors