

**BOARD OF SUPERVISORS  
REGULAR MEETING  
MAY 22, 2018**

At a regular meeting of the Board of Supervisors of Floyd County, Virginia, held on Tuesday, May 22, 2018 at 5:00 p.m. in the Board Room of the County Administration Building thereof;

PRESENT: Lauren D. Yoder, Chairman; Joe D. Turman, Vice Chairman; Jerry W. Boothe, W. Justin Coleman, Linda DeVito Kuchenbuch, , Board Members; Terri W. Morris, County Administrator; Cynthia Ryan, Assistant County Administrator.

Agenda Item 1. – Meeting called to order – 5:00 p.m.

Mr. Jon Beegle, Chairman of the Economic Development Authority (EDA), called the Authority to order.

Chairman Yoder called the Board of Supervisors to order.

Mr. Beegle said the process that we will be discussing tonight started about a year ago. The Steering Committee came up with priorities for us. As we went through the process we realized that it would be good to have an outside perspective to help us be aware of the community as a whole. We wanted to bring someone in with experience in the industry. We wrote up an RFP and interviewed a few and the obvious choice was Creative Economic Development Consulting. We wanted a lot more than we could afford. In Phase 1 we wanted Crystal Morphis to understand the County. She did surveys and got information. Now she has a good understanding of Floyd County's strengths and weaknesses. In Phase 2 we will be able to apply some of the issues and opportunities into an option plan.

Ms. Lydeana Martin gave some background data on economic development in Floyd County:

- Unemployment is 3.7%, which makes us amongst the lowest unemployment rates in the whole Commonwealth;
- Poverty rate is down to 13.7%;
- Housing is ¾ owner occupied
- Median value of homes is \$153,700, which is higher than some other localities in the New River Valley but still substantially lower than the U.S. average;
- There is more interest in “walkable” communities;
- Median family income is \$55,582.00 compared to \$58,505.00 in the New River Valley;
- The number of people employed in Floyd County has increased over the years since 1980;
- About the same percentage of people commute out of Floyd as they did 10 years ago;
- An increasing number of people commute into Floyd County to work;

- In 4<sup>th</sup> quarter 2017 there were 3389 people working in Floyd County with \$13.80 being the average per hour, but that is the 3<sup>rd</sup> lowest of all counties in Virginia (Patrick County is at \$13.70 per hour);
- The highest paid sectors in Floyd County are Finance and Insurance; Manufacturing; Professional, Scientific, Technical; Federal and State Government; and Wholesale Trade;
- The lowest paid sectors in Floyd County are Accommodations and Food Service; Educational Service; Transportation and Warehousing; Real Estate; and Health Care and Social Services;
- The number of businesses with employees in Floyd County have increased since 1980;
- Per the 4<sup>th</sup> quarter 2017 Virginia Employment Commission report, the businesses in Floyd County that have the most employees are Floyd County School Board, Wall Residences, Strengthening Our System, Hollingsworth and Vose, County of Floyd, Riverbend Nursery, Chateau Morrisette, Skyline Nursing, Citizens Telephone, and Daley Acquisitions;
- The largest employment sectors in Floyd County are Health Care and Social Services, Local Government, and Manufacturing;
- Those same employment sectors also have the highest annual wages;
- There are about 1300 self-employed people in Floyd County with most being in Construction, Other Services, and Retail Trade;
- More than 90% of Floyd County employers employ 19 people or fewer;
- Business Development and Recruitment requires Business Support, Facilities and Infrastructure, Workforce, and Quality of Life. The EDA, County and its partners are working on all of these pieces.

Ms. Crystal Morphis of Creative Economic Development Consulting discussed Phase 1, which was a fact finding mission. We listened to people in the community and we listened to people outside of the community, so we could understand the key messages and selling points of Floyd County.

We surveyed 15 people from Virginia Economic Development Partnership (VEDP) who toured Floyd County as part of an economic development visitation, which was sponsored by Onward NRV and New River Valley Economic Alliance. VEDP is the frontline agency who talks to prospects who are interested in coming to Virginia. The tour took place last September and the survey took place just a couple of weeks later. Their responses in rank order of site location factors for Floyd County were:

- 1 - Quality of Life;
- 2 - Creative Deal Structuring;
- 3 - Ability of Local Team to Work a Project;
- 4 - Available Sites;
- 5 - Access to Transportation System;
- 6 - Available Buildings;

Other responses to the survey were:

- 100% of the respondents said they would bring a client to Floyd County;

- 87% of the respondents said their opinion of Floyd County as a business location changed after their visit. *This means we have to get people here. The data does not tell Floyd County's story.*

Ms. Morphis discussed the results from local businesses surveyed:

- The profile of the respondents was that they lived and owned a business in Floyd County;
- They have been in business more than 10 years;
- They are primarily small businesses;
- 55% plan to expand;
- Of that 55%, 40% want to expand in Floyd County and 15% plan to expand outside of Floyd County;
- Businesses located in Floyd County because of the location;
- Owners wanted to live in Floyd County;
- People turned their hobby into a business;
- Respondents identified that to grow their business they need sales/marketing, financing, and business management/planning;
- When they started their businesses it would have been helpful to have tax breaks, grants, and incentives; business planning/management; and sales and marketing;
- Respondents said that assets that support business in Floyd County are general quality of life, natural resources, sense of community, tourists, and cultural amenities.

Ms. Morphis said we are now going to start the action planning process:

- We have already started working on the **Business Retention & Expansion** piece. It is important because as much as 70+% of new investment in job creation comes from businesses that are already located in your community. This is true with most rural communities.
- **Small Business & Entrepreneurship** will be a key part of the action plan.
- **Marketing** you need to be very targeted in your approach. Think about companies that don't need interstate access. Think about companies that value quality of life.
- **Incentives** are important to both startups and existing businesses. It is not always the largest dollar amount. Meaningful dollars are different from big dollars. Think about what result you want to encourage.
- **Talent Attraction, Development & Retention** such as rental housing for young professional, cultural and arts programs. I commend you on your plans to upgrade the CTE facility. You are exporting higher skilled workers and you are importing lower skilled workers.

Ms. Morphis said if Business Retention, Expansion will yield at least 70% of your results, I think it deserves 70% of your resources and where most of the effort ought to be placed especially in communities like Floyd. You can't afford to lose a single business. Your efforts in **Business Retention & Expansion** should include:

- Visitation & Surveying

- Use trained volunteers to meet with companies and access their expansion potential and hurdles they are having. Track their information in a data management system.
- Set a goal of 1 company visit per week. For every 1 hour spent visiting a company there is about 4+ hours of follow up.
- Marketing for Retention
  - Develop marketing materials for existing businesses.
  - Collaborative marketing.
- Information Sharing
  - Face-to-face networking events.
  - Mentor program.
- Advocacy
  - Survey businesses every two years about local and state regulatory process, transportation, infrastructure, business climate.
  - Include action items on legislative agenda.
- Recognition
  - Business Appreciation Week.
  - Awards.
  - Promotion and awareness.

On the action plan we are focusing first on the Business Retention & Expansion Program. It is where you get the biggest bang for your buck. There is a positive relationship between the time and money you invest and the results.

Ms. Morphis said we are now going to brainstorm overall **Economic Development**

**Goals:**

Mr. Eddie Worth – You are on target that we need retention and getting to know our customers. I would focus 90% of the effort on retention.

Mr. George Nester – We need to know the growth sector in our region and what jobs and skills are in demand.

Mr. Lauren Yoder – I would like to see kids coming out of high school or college and have the opportunity to work in Floyd if they want to.

Ms. Joy Gardner – I don't feel our kids are prepared for a job search in creating a resume, completing a job application, or going through an interview process.

Mr. Dan Vest – It would be nice if the Innovation Center or some other facility in Floyd had a technical training satellite office of New River Community College that had higher level training. Make it convenient to retrain and brush up on skill sets without leaving the County.

Mr. Jon Beegle – We have many small businesses in the community that need education on how to grow and expand.

Mr. Lauren Yoder – Part of our goal has to be to put businesses in the Commerce Park.

Mr. Jon Beegle – Our strategy needs to be differentiated for businesses that are small, middle or big. Some people view our Commerce Park as an Industrial Park and we need to craft the perception of it.

Ms. Joy Gardner – We need to make the Commerce Park feel more like a business neighborhood by putting in walking trails and restoring a historic home in there.

Mr. Andy Finn -- While retention is obviously key and it's great to see the successes we've had, I would like to see us score a win by bringing in a new company.

Mr. Jerry Boothe -- You have to come to a conclusion as to whether you will allow retail businesses into the Commerce Park. The old way of thinking was to keep retail businesses out.

Ms. Crystal Morphis said let's discuss **Marketing** and the priorities for recruitment. You have been most successful with companies that are generally small and want to be here and love your assets and sense of community. Often times the business started here. You have 1300 self-employed people in the community. What types of companies should be in that target from your perspective, relating to pay scale, benefits, and community fit:

Mr. Jerry Boothe -- In real life there are more people available to work than the 3.7% unemployment reflects. Some people have run out of benefits or taken some type of part time employment.

Ms. Linda Kuchenbuch -- We have a company with a strong research and development presence. We have a large, robust internet and communications company that can support a certain level of research and development and technical. I think Floyd's niche is a company that combines research and development and technical manufacturing.

Mr. Lauren Yoder -- Our companies that are successful have high quality over quantity.

Ms. Joy Gardner -- There is a craftsmanship model that works for the companies in Floyd.

Mr. Jon Beegle -- Our successful companies do the majority of their sales over the internet. They are in the Innovation Center now, but they are growing and at some point they will need to move.

Ms. Joy Gardner -- A large portion of our agriculture businesses are going organic and Floyd has clean air and water.

Ms. Kuchenbuch -- Health care is an untapped resource.

Mr. Dan Vest -- Agriculture succession needs to be preserved as well. If it's not then the land will be sold off and fragmented and Floyd won't look the same anymore.

Mr. Jon Beegle -- Outdoor recreation is a big industry and there might be opportunities for us in manufacturing or the experience.

Ms. Crystal Morphis said let's go on to **Business Retention and Expansion**. What is the balance in investing in Retention and Expansion versus Recruiting new businesses? You only have two staff people and you can also use trained volunteers. You have a limited budget. We have to make sure you prioritize in the action plan. What priority and emphasis should be placed there? Should it be the main goal? I would like your general thoughts on Business Retention and Expansion:

Mr. Eddie Worth -- We should use everybody in this room for retention. We are putting together a plan now to go out and divide up the businesses and make calls on them to see how we can help them grow their business. The EDA has been talking about that for quite some time. We've got our list of 50 to visit. We are dividing it up to 10 a piece. We are being proactive.

Mr. Jon Beegle -- We have good relationships with a number of those companies. I would like to see some of the companies that we don't talk to as much that we reach out to them and bring them in as well.

Mr. Andy Finn – I can assure you that some of those smaller companies don't know that there is an EDA in Floyd County.

Mr. Jerry Boothe – Lydeana Martin and I made a prospect call on a business and the guy said he didn't know there was an EDA in Floyd County.

Mr. Jon Beegle – Who is managing the information that is coming from that?

Ms. Crystal Morphis – Volunteers can do a good job at recognition and sharing of information. But where the rubber meets the road which may be where a grant will be applied for or they need a training program set up, that always falls back on staff to follow through. That is good because volunteers come and go. Businesses need a consistent person and contact that has a record in the office of the history of the relationship with that company. Volunteers can do a lot of goodwill and information sharing and relationship building. If all of you are meeting with companies you are going to generate a lot of work for follow up that falls best to staff. You might need a data management system. The worst thing you can do is ask a company what they need and then not follow through in a timely manner.

Mr. Eddie Worth – We all have to go out with the same message. We can't get deep in the weeds.

Mr. Jon Beegle – We have to be careful with the message and not overextend our staff.

Mr. Jerry Boothe – We also have to be careful about talking about financial assistance. There needs to be a response ready and shared with each one.

Ms. Crystal Morphis said let's go on to the hottest topic which is **Incentives**. It is not always the biggest dollar but the most meaningful dollar. You have to ask companies what is meaningful for them. Incentives encourage an outcome. You have to keep track of the incentives. Don't make them so complicated that it is onerous on you, the local government entity, to track it to make sure the companies are being compliant. Incentives need to be simple, easy to track, transparent, and meaningful. What are your priorities for Incentives? Do you want to incentivize jobs? Are you more concerned with investment? Are you concerned about wages? Are you concerned about the type of sector to lead to economic diversification for example? Do you want companies to provide benefits? Tell me what your priorities are for the Incentive program so we can develop an incentive policy:

Mr. Jon Beegle – I think employment sector is important. We enjoy Floyd for a reason because it has a certain personality. We want to make sure that whatever businesses we bring in don't change the culture.

Ms. Joy Gardner – You don't want the employees who come to work in these companies to feel uncomfortable here.

Mr. Jerry Boothe – We need to consider the product output effect on water usage and wastewater.

Mr. Jon Beegle – I am less concerned about the number of jobs as I am about the quality of jobs.

Mr. Lauren Yoder – I think wages has to be near the top of the list. People from Floyd are willing to drive to go to work. We could help the local economy of businesses that are already here by attracting higher paid wages here. It would bleed over into the restaurants and retail businesses. Even 50 higher paid jobs would increase the wage scale.

Ms. Crystal Morphis – When trying to decide on incentives, often times communities do an economic impact analysis to determine the impact on retailers and other companies. Sometimes States provide this for localities. You might want to consider doing this as best practice so that every time you offer one, you would run an economic impact analysis. Sometimes universities can run this for you. You might want to create an incentive that is only offered to companies that pay at least the average County wage. You could offer steps up for each 10% higher than the average wage.

Mr. George Nester – We need to identify what type of return we are going to get for our investment, such as how much property taxes and machinery and tool taxes we give up. We need to weigh our incentives to match how much we give up on the front end. We need to give preference to companies that hire locally.

Ms. Crystal Morphis – You might want to consider incentives for business expansion. Many localities give higher incentives or lower the requirements for existing business expansion. Sometimes it is just retaining existing jobs but allowing existing businesses to expand equipment only expansions.

Mr. Eddie Worth – Who comes up with the incentives...EDA...EDA and Board of Supervisors together?

Ms. Crystal Morphis – Ideally you would develop a baseline incentive policy that the Board of Supervisors and the EDA both endorse and approve. It would give your Economic Development Director the authority to talk to companies about incentives. They want answers quickly. Within that policy she could put together proposals that always say, “subject to local government Board of Supervisors approval.” If a company requested something outside of the policy, the Director would come to the EDA for endorsement of the request and then it would go to the Board of Supervisors. I am not a huge fan of giving a huge amount upfront. I like the ones that are given as you go.

Ms. Crystal Morphis said let’s go on to the last item which is **Talent Attraction, Development and Retention**. This is the number one challenge we have in economic development. It is because we are going to be in a labor crisis for at least 15-20 more years. We have 10,000 Baby boomers retiring every single day. The Millennials make up the largest part of the workforce and will be 75% of the workforce by 2025. They work very differently. They have a different mindset on what it means to be employed. They are often times not attracted to a standard 8:00 to 5:00 job, especially manufacturing. Many people put together multiple gigs to make a living and that is a complete way of life. In the United States 35% of workers today are freelancers and that number is expected to rise. Think about the 1300 self-employed people you have here. The way of work is changing very much as we go forward. A young person today will change jobs every 2, 3, or 4 years. It is commonplace because technology changes so fast. This creates challenges, but opportunities too. Floyd County has low employment, a lot of out commuters, and young people who are not coming back here. We have a skills disconnect. Usually in economic development I recommend that the office be an idea generator, to be a motivator of their partners, and a strong team player. Really the leaders in this arena are the school system, community college, and universities, employers. Economic development can impact it in some small way, but it is typically not the apex leader of this issue. What do you want the EDA to focus on in terms of workforce? What do you want their priorities to be? What are your thoughts on workforce development:

Ms. Linda Kuchenbuch – All three groups – Boomers, Generation X, and Millennials are all key to Floyd. Not all kids who graduate from Floyd will want to come back. The point is we can't create something for every Floyd County graduate. We should be able to create jobs that allow someone if they so desire to come back.

Mr. Jon Beegle – That means we need to understand what the skills sets are and also the facilities that are available to develop other skill sets.

Ms. Joy Gardner – Citizens Telephone is upgrading fiber throughout the County. Over the next 7 years everyone should be able to get fiber to their home which would allow more skilled workers to do things like telemedicine from home. When DISH network went out a lot of workers started working from their homes. Telecommuting will be attractive to young workers who don't want to dress up and be so formal.

Mr. Lauren Yoder – The EDA needs to focus on the CTE expansion at the high school and make sure it is done correctly. We are looking at a multi-million dollar project. We need to make sure it is done right. That is a once in a 20 year opportunity. There is no going back and redoing it.

Mr. Jon Beegle – That space has to be flexible. What is important to the economy today will change over time.

Mr. Eddie Worth – Unmanned technology will be huge in the future and we talked to the architects about that. We are on point there.

Mr. Joe Turman – In my district the land that is being sold is bought by people who live somewhere else. When they retire they will come back. Our young people are leaving and retirees are coming. Our workforce is going to change.

Mr. Dan Vest – Our requirements for infrastructure will change. We need to focus on infrastructure to support existing businesses to make them more efficient and help their bottom-line.

Mr. Joe Turman – Most people who are moving here are not coming to work.

Mr. Jon Beegle – The new people will want all the services they had where they came from.

Ms. Crystal Morphis – A lot of folks don't just retire anymore. They dabble in consulting and other things. They can be great volunteer assets and community leaders. When they get really sick they go back home where the kids are.

Ms. Morphis said we will take this information and start building an action plan and marketing plan. We will test it with staff and the EDA. Eventually we will come back to the Board of Supervisors for approval. It will have a structured Business Retention Program. It will have a structured Marketing Plan. It will have an Incentive Policy. We will touch on Small Business and Entrepreneurship. We will recommend some additional resources to you. Floyd County is a balancing act in every way. It is a balance between agriculture land and land for development. It is a balancing between growth and resources. It is a balancing act between folks who have been here a long time and newcomers. Hopefully this action plan will thread that needle. That can only happen with your input so I really appreciate your speaking up today and being a part of it.

Chairman Yoder called a 10 minute recess until 7:00 p.m. for the Board of Supervisors.

Agenda Item 3. – Regular session called to order – 7:00 p.m.

Chairman Yoder reconvened the meeting back to order at 7:00 p.m. with the reading of the handicapping statement.

Agenda Item 4. – Opening Prayer.

The Opening Prayer was led by Supervisor Coleman.

Agenda Item 5. – Pledge of Allegiance.

Chairman Yoder led in the Pledge of Allegiance.

Agenda Item 6. – Approval of month-end disbursements.

Questions and discussion followed.

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

Supervisor Boothe – yes  
Supervisor Kuchenbuch – yes  
Supervisor Coleman – yes  
Supervisor Turman – yes  
Supervisor Yoder – yes

Agenda Item 7. – Public Comment Period.

Chairman Yoder called for the Public Comment Period.

**Mr. Billy Weitzenfeld, Courthouse District** – Good Evening. I just want to make a brief comment on the recent engineering study that was done that looked at heating and cooling options for the school system. Without getting into the different things about the study, what I am really concerned about is that it seemed that solar energy was just totally dismissed as an option at the schools. I hope that is not the case. I think that maybe solar will not be the 100% solution to what they are looking for. That was pretty obvious in the study. But there is still an opportunity to install some level of solar at the schools. I think it is very important that we take this opportunity, particularly with the new building being built – not just to promote clean, renewable energy but to provide the students with a teaching tool and educational demonstrations about the energy source that is the future that they will be dealing with a lot more than all of us are. The other side of that...and I will say the same things to the School Board because they need to hear this obviously...but this Board of Supervisors back in October passed a Clean Energy Resolution that you wrote. It was a unanimous 5-0 vote promoting renewable energy in the County. This is a great opportunity. This may be the best opportunity that we have to do something pretty big. I would encourage the Board in whatever manner is appropriate, however you work with the School Board, I don't really know how that may be, to communicate

that as a Board of Supervisors you support renewable energy and you would like to see some opportunities. I know it is early in the game so I think the door is still open. I really hope that this Board will play a role in that. By the way, just real quick, I was informed recently that Floyd County was the first community in the State of Virginia, the very first, to pass a Clean Energy Resolution. Blacksburg quickly followed that looking at what Floyd had done. They have a Clean Energy Resolution in Blacksburg. A lot of other communities are moving in that direction, having been motivated by Floyd County. That's pretty cool. Whether you are proud of that or not, I still think it's pretty cool. We are close to launching a Solarize Floyd Program, the second one. I'll keep the Board fully informed on that as we move forward. We had a lot of success with the first one. A reminder that SustainFloyd and Apple Ridge Farm are hosting our second annual Floyd Energy Fest at Chantilly Farm on July 14. I'll come back and give you more information on that. You are all invited. I hope you come down and hang out. Thank you very much.

**Ms. Mary Friday, Little River District** – I'm also here to talk about the Thompson & Litton study, the HVAC study. I'm sure you guys know that I'm disappointed with the decision to go with this liquid propane system. According to the PowerPoint that is publically available on the School Board's website it said, "Solar was not selected for cost estimating due to large area requirements, which make solar cost prohibitive." Me and a couple of people have examined the PowerPoint really carefully. I am going a little deeper into the study and I know I need to say these things to the School Board and I intend to, but I really appreciate it if you would listen carefully to what I am going to say here. Take these questions to the School Board ahead of approving funds for the HVAC upgrades. First, was Thompson & Litton only examining solar's ability to cover 100% of each school's energy needs? Because it is entirely possible to use solar as part of a total energy portfolio and/or to use ground mounted systems. The first thing I thought was that it is kind of inappropriate to cite insufficient roof space as a barrier to all consideration of the solar option. And second, I spoke with David Wall of Affordable Energy Concepts (AEC) this morning. He stated that this assessment was inaccurate. He said there is plenty of room on roofs and areas around the schools for ground mounted systems. It turns out that Thompson & Litton used peak heating values for its calculations, but the schools are not at peak heat very often, January and February at best. It was probably inappropriate to examine their peak heating and say can solar cover 100% of that, and then when they can't say solar is off the table. Interestingly even at peak times Check Elementary has enough roof space for 87% of its heating needs at peak. Floyd Elementary has enough roof space to cover 81% at peak. That's coming pretty high. The other schools are lower. Third, there was no information about efficiency upgrades in the Thompson & Litton report. Whereas David Wall stated that the schools need a significant amount of work to be made more efficient. Switching to liquid propane will reduce the emissions of schools currently heated by coal-fired furnaces obviously. But if the efficiency of the buildings is not addressed, then we are going to be paying financially and environmentally to heat and cool the air outside. Fourth, the report fails to address the cost of these systems over time. Solar is going to come with a fixed flat rate or a low up front rate with an escalator built in, but either way the County would know the price for the full 20 years before signing the contract. But the price of liquid propane isn't fixed, and it could go up. It could go up a lot. So my question is: were the various types of financing options considered before coming to the decision that solar was cost prohibitive? So in my opinion the PowerPoint doesn't really provide evidence to support the claim that solar panels are cost

prohibitive. If more information is available, it needs to be made public. And if more information is not available, then I think we have to conclude that the study was incomplete. The fact that Affordable Energy Concepts wasn't contacted by Thompson & Litton after they completed their study and they were not asked for a final proposal after they submitted a needs assessment indicate that solar wasn't really being seriously considered. But that also indicates that it may not yet be time to make a final decision. School systems across the country are doing this. We can do it too, at least in part as part of a total energy portfolio. I'm very happy to see that the coal-fired furnaces are going to be replaced and liquid propane is a step in the right direction. It would have lower emissions than coal. But Earth's climate systems don't have time for steps like that. We need to leap. Let's not give up on solar yet. Let's ask AEC for its final proposal. Let's examine the cost of solar versus liquid propane over the course of 20 years. Let's remember that there are SOLs [Standards of Learning] about renewable energy that teachers are tasked with teaching. Let's remember our County's stated goal of reducing its carbon emissions to zero. Thanks.

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

Agenda Item 9.a. – Floyd County School Board Supplemental Revenue request.

Agenda Item 9.b. – Floyd County School Board Supplemental Expenditure request.

Ms. Morris stated we have two requests from the School Board. One is for supplemental revenue and one is for supplemental expenditures. They have explained the source and use of these funds. When we visited Check Elementary School we saw where some of those funds were used.

On a motion of Supervisor Boothe, seconded by Supervisor Kuchenbuch, and unanimously carried, it was resolved to approve the supplemental revenue and expenditure appropriation requests as presented in the amount of \$42,910.39 in the FY18 Floyd County School Board budget.

Supervisor Kuchenbuch – yes

Supervisor Coleman – yes

Supervisor Boothe – yes

Supervisor Turman – yes

Supervisor Yoder – yes

Agenda Item 10. – Old/New Business.

Ms. Morris said at the last Board meeting we discussed the bids for the concrete repair at the Maintenance Building at the landfill. You suggested to save on the cost that we not do the guttering right now since we will be replacing the roof in the next year. The Building Official met with the apparent low bidder and discussed removing that item. This resulted in a savings of \$4,500.00. The final bid is \$27,963.00. We will patch the guttering for right now.

On a motion of Supervisor Boothe, seconded by Supervisor Turman, and unanimously carried, it was resolved to accept the bid from J. C. Hylton Excavating and Hauling for

\$27,963.00 to repair the concrete and drainage at the Floyd County Maintenance building and to authorize the County Administrator to execute the contract (Document File Number xxx).

Supervisor Coleman – yes  
Supervisor Kuchenbuch – yes  
Supervisor Boothe – yes  
Supervisor Turman – yes  
Supervisor Yoder – yes

Ms. Morris said I provided to each of you the draft ridgeline ordinance requested by Supervisor Boothe.

Supervisor Boothe said the change the State made is on page 2 regarding height of structures. The State allows counties to change that number. If we go down this road I recommend that we find out the height of some of our present cell phone towers or base it on some number like that. I am asking you to think about that ordinance and think about that number. That is the only thing in it we can change anyway.

Chairman Yoder questioned is all of Floyd County considered to be on a ridge or would this just apply to certain ridges within the County?

Supervisor Boothe replied that well over  $\frac{3}{4}$  of Floyd County is over 2000' and is considered to be on a ridge. Please look over this and the majority may say no we don't want to fool with this.

Ms. Morris asked if they would like for her to RSVP their intention to attend the Floyd County High School graduation.

Chairman Yoder, Supervisor Kuchenbuch, and Ms. Ryan all stated they planned to attend. Vice Chairman Turman and Supervisor Boothe declined. Supervisor Coleman said he would let Ms. Morris know in the morning.

Agenda Item 8. – Public Hearing on proposed tax rates for Public Service Corporations and Mobile Homes.

Ms. Morris read the call for the Public Hearing and noted that it was published in the May 10, 2018 edition of *The Floyd Press* and also posted on the County's web page.

Chairman Yoder called for comments on the Public Hearing. Hearing no comments from the audience, Chairman Yoder declared the Public Hearing closed.

Agenda Item 10. – Old/New Business continued.

Supervisor Boothe read the following statement prior to discussion on proposed changes to the County subdivision ordinance:

Today's discussion involves the consideration of changes to the County subdivision ordinance. As currently proposed the changes to the ordinance could affect more than 70

properties located in the County, and within 500 feet of public water, one of these parcels is co-owned by an immediately family member. The proposed ordinance would be generally applicable to all of these properties and would not have application to my immediate family members' property in a manner that is materially different from all of those similarly situated parcels. Together, the owners of these parcels constitute a group of three or more individuals who are similarly affected by the discussion, therefore, the exception to the Virginia state and local government conflicts of interest act, VA Code §2.2-3112(b)(1) applies to this situation. I hereby state that I am able to participate in this discussion fairly, objectively and in the public interest.

Ms. Lydeana Martin and Ms. Karla Turman provided follow-up information to questions raised by the Board of Supervisors and in Public Comment at the May 8, 2018 Board meeting.

Are Homeowner's Associations required?

1. The Virginia State Code does not require that an HOA be formed for a cluster subdivision, but apparently allows localities to require an HOA.
2. The Board can require that the HOA own the private streets and the open space.

Infrastructure Cost and Responsibility

1. The proposed ordinance would allow development in the PSA service area. The PSA has additional capacity. They have indicated that they would like to expand, but they must have the customer base first.
2. Per the Code of Virginia §15.2-228, localities are not obligated to pay for grading or paving, or for sidewalk, sewer, curb and gutter improvements or construction. All development costs would be the responsibility of the developer, unless the PSA opted to assist with those costs.
3. If the proposed ordinance allowed private streets built to VDOT standards (with exception to slope, width and turning radius) within a development, the cost of maintenance and upkeep would fall to the developer or the Homeowner's/Property Owner's Association.
4. If the proposed ordinance allowed private streets built to VDOT standards, VDOT would review, approve, and oversee construction of such streets. Those streets would be taken into the state system once the 3<sup>rd</sup> house was occupied.
5. The proposed ordinance requires the development to have public water. All costs associated with bringing public water to the development, and providing public water to each lot, would be at the cost of the developer.
6. Options for wastewater:
  - a. Public sewer service. All costs associated with bringing public sewer to the development, and providing public sewer to each lot, would be at the expense of the developer, unless the PSA opted to assist with the costs of bringing it to the property line.
  - b. Allow mass drainfields in the common space. The development, construction, and continued maintenance of those septic systems would fall under the authority of the County Health Official. Mass drainfields are required to be bonded, require a substantial amount of maintenance, and would require a licensed operator. There would also have to be a Responsible Management

Entity, who would be responsible for permits, sample testing, and receiving violation notices. A permit for a mass drainfield must be renewed every five years.

- c. Allow single septic systems on individual lots. Single septic systems could dictate the minimum size of each lot, as there would have to be a drainfield and 100% reserve drainfield. If a single septic system failed, it would be no different than one failing on a non-clustered parcel. The individual property owner would be responsible for the maintenance and replacement of it.
- d. Some combination of the above.

#### Current land regulations

1. No zoning ordinance outside of the Town, in the County.
2. In all areas of the County, our current subdivision ordinance allows multiple residential structures on a property, as long as all structures remain under the same ownership, and as long as there is approval by the County Health Official. This includes, but is not limited to, single-family dwellings (including townhomes), duplexes, apartment buildings, and manufactured homes.
3. In all areas of the County, any dwelling can currently be used for rental purposes instead of owner-occupied.

#### Size and nature of cluster subdivisions

1. Cluster developments can only contain single-family attached and single-family detached homes.
2. The open space portion of the development cannot be used for residential purposes.
3. A buffer between public roads exterior to the development and interior residential lots should be small enough to allow the development to be visually compatible with the Town, as well as to keep development costs down.
4. The County cannot dictate who the potential buyers of the properties will be.
5. The Board can establish:
  - a. A maximum number of residential lots allowed.
  - b. A minimum parcel tract size.
  - c. A requirement that above “x” number of lots, public streets and/or public sewer would be required.
6. The price point for lots/houses within a development would be set by the developer.
7. There is evidence of the need for additional housing options across all income levels. The aging population, as well as entrepreneurs, professionals, and millennials want to live in walkable, vibrant communities.
8. All cluster subdivisions would require a commercial entrance from VDOT; therefore, that entrance would have to be evaluated by VDOT for sight distance, and potential turning lane requirements.
9. Fewer travel miles for emergency service vehicles would be needed for trips in the proposed area.

Chairman Yoder stated that he is torn about this cluster subdivision ordinance. There are probably only a couple of parcels that this would affect. On the one hand it gives property owners more latitude. It gives them another option. I'm all for giving people more options for their personal real estate. Surprisingly I've heard a lot about people who are retiring and looking for a smaller place, but I haven't heard from them. I have heard from young professionals who talk about how hard it is to find a place that doesn't require owning a lot of property and having to keep it up. They don't want to rent; they want to invest. But it gets complicated in dictating exactly what a developer will do. I'm a little concerned about what we are getting our staff into in overseeing projects. I know cases in the County where subdivisions did not go the way they should have and that idea scares me.

Supervisor Kuchenbuch said one subdivision that went wrong is on the end of my district. It is now eroding terribly onto the roadway on Christiansburg Pike and causing a real safety hazard. The road was never brought into the VDOT system. There are houses in Montgomery County and there are houses in Floyd County. The road is in Floyd County. Something will have to be done because it is getting dangerous. We have another subdivision that has come before the Board. Land right around that subdivision has been divided into lots that are going to cause more open space to be taken away right close to Town. On the other hand I had clients who are Millennials, professionals working here in Floyd, who bought a house and they can make a trail to their work. I knew there were few properties to which this would apply. It does give someone more options. I don't know if a developer would find Floyd has enough of a population to be able to make a cluster development cost effective. I know folks who have parents and would like their parents closer to Town in a small residence. There are not enough of these residences around. As soon as residences come up for sale they are quickly sold. I don't view this as restrictive. I have faith in our staff that they would be able to handle it. The staff has done a lot of work on this. I would like a little bit more time to digest it and think about it and decide for myself if this is something I want to put on the books.

Supervisor Coleman said I would like to have a little more time. There have been some very intelligent questions posed throughout this process. I don't want us to get in a situation where we have to make corrections later. I personally have concerns about the water system and the PSA.

Vice Chairman Turman said I see downsides to this. The EDA is working to bring business here. We are trying to build a workforce up. I may be way out of the ballpark on this but if you get a cluster subdivision, these people who want to move here for the rural area but a small place they can maintain, you will get more retired people moving in. That is not going to help our workforce any. We need to be concentrating more on that part. The more people you have the more services need to be provided. This mass septic system I can see a lot of problems with that. I really have to do some soul-searching. I haven't had anybody speak up for it.

Supervisor Boothe said my position hasn't changed since 2004. I've tried to keep an open mind on this. The vast majority of those who have contacted me personally have said you are urbanizing Floyd County and you are doing it right on top of the Town. I would not want to make a decision tonight. I would like to get the perspective of the Town Council. If PSA were to extend their lines that affects more people. I'm looking at this from all over. The connection

to the rest of the County should be done at the same time as this one. I understand the process, but I have not changed my mind. Some of the comments to me have been how will this affect reassessments? People are smart that this will increase their assessed value if their property is in the area that could be affected. I am just not in favor of it at this time.

Vice Chairman Turman said another potential issue is that these roads might have to be taken into the VDOT road system at some time. We have enough trouble maintaining our existing roads.

Supervisor Boothe said the only plus I see is that open space requirement to preserve open space. We need to work with our County Attorney and see if we can require that open space requirement in our standard subdivision. It might be that we can't unless we went to the dreaded "Z" word.

Chairman Yoder requested a spreadsheet that would show what is allowed in all of the County currently, what is allowed in the PSA, and what would be allowed with the cluster subdivision ordinance. The spreadsheet should include the size of lot, road requirements, size of house, etc.

Ms. Morris and Ms. Martin stated that this spreadsheet would be prepared.

Supervisor Kuchenbuch said she would like the Board of Supervisors to discuss the desire to expand the PSA area of service with the new Authority Board members.

Ms. Martin announced that the Tobacco Commission met this morning and they funded the Floyd County ACCE program at \$130,000.00. Senator Ben Chaffin rescued this for us. The cap set for Floyd was \$65,000.00 based on last year when we only had one cohort group. Senator Chaffin made this right at the Commission meeting today.

Ms. Morris said as required by State Code we put out bids for reassessment. The committee met with the two firms who responded to our ad. After careful consideration, we unanimously recommend Wingate & Associates again. With professional services you can't talk price until you get to the negotiation stage. Their price per parcel came in at \$24.00 for real estate and \$14.00 for mobile homes. We have 14,475 real estate parcels and 1,116 mobile home parcels. Our rate last time per parcel was \$18.25 for real estate and \$14.00 for mobile homes. I talked with the President of the firm this morning to see if we could get a better deal and he said most of the increase in the five years was because of the uncertainty of the new computer system in the Commissioner of Revenue's office. They are willing to come and talk to us. If we reject this offer and negotiate with the second company we can't go back with the first company. It would total \$363,000.00 and we budgeted \$175,000.00 each year. We budgeted just slightly less than the amount.

On a motion of Supervisor Kuchenbuch, seconded by Supervisor Coleman, and unanimously carried, it was resolved to accept the proposal from Wingate & Associates for the 2020 real estate reassessment and to authorize the County Administrator to negotiate the best possible terms and execute the contract (Document File Number 977).

Supervisor Boothe – yes  
Supervisor Kuchenbuch – yes  
Supervisor Coleman – yes  
Supervisor Turman – yes  
Supervisor Yoder – yes

Discussion was held on which roads to include on the Secondary Six Year Road Plan.

On a motion of Supervisor Boothe, seconded by Supervisor Turman, and unanimously carried, it was resolved that said plan appears to be in the best interests of the Secondary Road System in Floyd County and of the citizens residing on the Secondary System, said Secondary Six-Year Plan (2018-2019 through 2023-2024) and Construction Priority List (2018-2019) are hereby approved in the following priorities as amended to be (Document File Number 978):

- 1) Route 8 and 221 intersection: pedestrian signals, drainage and sidewalk improvements;
- 2) Route 727 Moles Road: unpaved road project, from Rt. 604 to dead end (0.95 miles);
- 3) Route 718 Mill Run Road: unpaved road project, from Route 720 to Route 221 (0.5 miles);
- 4) Route 641 Ponderosa Road;
- 5) Route 768 Firehouse Road: unpaved road project from 0.3 mile East of Route 765 to Route 766;
- 6) Route 760 Quesenberry Road from Shady Grove Road for 1 mile;
- 7) Route 680 Starbuck Road from Paradise Lane up to Thomas Farm Road;
- 8) Route 712 Hope Road as a Rural Rustic Road;
- 9) Route 649 Bear Ridge Road;
- 10) Route 683 Roger Road: unpaved road project from Route 221 to 0.50 miles North.

Supervisor Coleman – yes  
Supervisor Kuchenbuch – yes  
Supervisor Boothe – yes  
Supervisor Turman – yes  
Supervisor Yoder – yes

Ms. Morris stated we had a meeting last night with the Board of Trustees and Operations leadership of Rescue.

Supervisor Boothe reported that we will not be receiving interim financial statements from Rescue. The Constitution and Bylaws for Rescue that we have are outdated. Rescue does not have the updated documents because they were accidentally deleted by a previous leadership. Our paid staff has their schedules out by the 20<sup>th</sup>. Rescue schedules are out by the 25<sup>th</sup> or later. We have gotten that worked out so they will try to get their schedules by the 20<sup>th</sup> and share their schedules with us.

Supervisor Coleman said he discussed equipment usage with Rescue. Being on the equipment committee he noticed that some of the lowest usage vehicles are the ones that have the highest maintenance costs. He said they have a couple of different theories about how to rotate equipment to where it is most needed.

Supervisor Boothe said an idea they brought forth was trying to pursue a stand-alone urgent response care facility. An idea mentioned to increase volunteer participation for Rescue was to provide a stipend for responding to calls.

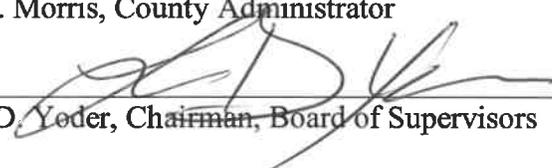
Agenda Item 11. – Adjournment.

On a motion of Supervisor Kuchenbuch, seconded by Supervisor Coleman, and carried, it was resolved to adjourn to Tuesday, June 12, 2018 at 8:30 a.m.



---

Terri W. Morris, County Administrator



---

Lauren D. Yoder, Chairman, Board of Supervisors