

**BOARD OF SUPERVISORS  
REGULAR MEETING  
JUNE 30, 2020**

At a regular meeting of the Board of Supervisors of Floyd County, Virginia, held on Tuesday, June 30, 2020 at 7:00 p.m. in the Board Room of the County Administration Building thereof;

PRESENT: Joe D. Turman, Chairman; Jerry W. Boothe, Vice Chairman; W. Justin Coleman, Linda DeVito Kuchenbuch, and Lauren D. Yoder, Board Members; Terri W. Morris, County Administrator; Cynthia Ryan, Assistant County Administrator, Tabitha Hodge, Economic Development Technician to livestream and film the meeting.

Agenda Item 1. – Meeting called to order.

Chairman Turman called the meeting to order at 7:00 p.m. with the reading of the handicapping statement.

Agenda Item 2. – Opening Prayer.

The Opening Prayer was led by Supervisor Coleman.

Agenda Item 3. – Pledge of Allegiance.

Supervisor Yoder led in the Pledge of Allegiance.

Agenda Item 4. – Approval of FY20 year-end disbursements.

Questions and discussion followed.

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

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

Agenda Item 5. – Approval of FY20 year-end transfers.

Ms. Ryan gave an overview of the status of Floyd County's financial situation as of June 30, 2020:

- 1) Included in your Board packet is a report that shows appropriations through June 26 and expenditures and encumbrances through June 26 by department. As you can see some of the departments ended up over spending their appropriation and

many departments and funds did not spend all of the money appropriated to them. Departments whose expenditures exceed appropriations are highlighted in yellow.

- 2) This report is a snapshot in time because Floyd County keeps both fiscal years 2020 and 2021 open for the 2 check runs in July and the 1<sup>st</sup> check run in August.
- 3) This is done because services were already rendered and goods were received prior to June 30 but have not yet been billed to us.
- 4) Large expenditures will include another month of trash hauling, trash disposal, jail costs, and possibly two months of attorney fees.
- 5) When looking at approving year-end transfers, it is only for current overages.
- 6) We know that other departments and funds will be overspent by the time all check runs for fiscal year 2020 are posted.
- 7) Many of the departments right now show a positive balance but there will be repair bills for vehicles, copiers, phone bills and other expenses that have already been received. We can expect to see further departments in the negative.
- 8) Following are the reasons and amounts that departments spent more than the amount budgeted to them:

<b>DEPARTMENT</b>	<b>OVERAGE</b>	<b>EXPLANATION</b>
1101-Board of Supervisors	\$959.06	Advertising was more than budgeted because of notices regarding public hearings and advertisement of requests for bids and proposals.
1210-Assessors	\$26,073.12	Professional services-appraisals was more expensive than budgeted.
2104-County Attorney	\$11,908.00	Various unexpected issues required the services of the County Attorney.
2105-Juvenile & Domestic Court	\$6,181.62	Use of services was more than budgeted.
3204-Forestry Service	\$.18	Budget in whole numbers but actual cost of services included a few cents as well.
3503-Medical Examiner	\$80.00	Budget was based on 10 autopsies but had 14 autopsies in total.
4302-General Properties	\$100,475.52	Overage is caused by purchase order on Floyd County Schools HVAC project, but reimbursement will be requested from the bank loan once the County is invoiced.
8107-New River Police Academy	\$400.00	Yearly dues for a Commonwealth Attorney employee.
8205-Miscellaneous Programs	\$8,205.16	Programs that are over budget: New River Valley Regional Jail VJCCCA Program through Court Service Renew the New River Clean-Up Drug Court Costs New River Valley Rail 2020
Fund 50-Environmental Fund Expenditures	\$57,347.90	Trash hauling and disposal and tire disposal exceeded budget.

Discussion was held as to the amount of trash that had been collected due: 1) to people cleaning out their homes while home from work during the COVID-19 pandemic and 2) Recycling being closed.

Vice Chairman Boothe – I take it that the FCPS Insurance Reserve Fund is for the public schools?

Ms. Ryan – The School system is self-insured for their health insurance. That one and some of the other funds have a beginning balance, make deposits throughout the year, and then draws are made against the fund. This makes it look like there is a large overage since none of the draws were appropriated; however, the draws are against the beginning balance and deposits. Drug Seizure is another fund that is handled in the same manner. Including those funds on this report makes the report somewhat misleading since the beginning balance and deposits are not included.

Supervisor Yoder – It is safe to say that we are going to spend more than we collect in FY20.

Ms. Ryan – We are almost \$5 million short in revenue which we knew would happen when the June tax collection date was pushed back to August. On the cash basis these reports do not look good. However, the audited financial statements will show the revenues and expenditures in the correct financial years by recording accounts receivable and accounts payable.

- 9) At this point in time we have \$50,901.00 left in Contingency to cover some of the departments whose expenditures exceeded appropriations. The Board of Supervisors agreed to assist the Floyd-Floyd County Public Service Authority (PSA) for the purchase of new valves, but the Board never voted to transfer those funds out of Contingency. These year-end transfers use everything in Contingency. Later I will discuss how I hope to address the amount PSA needs for the valves. Also unspent appropriations in departments that are from local funds can be transferred to those departments who over spent their appropriation. In the Commissioner of Revenue's budget we had over \$22,008.00 in local funds remaining from the field assessors and DMV Firewall Software Maintenance that could be transferred to other departments. The Recreation Director requested a carryover of \$32,000, the entire remaining unspent budget amount for the Recreation Department. But we need \$16,000.00 of that amount for the June year end transfers. The Library had enough unspent budget amount to cover the remaining overages as of right now. We know that there will be additional FY20 expenditures that will be paid in July and the first check run in August. These expenditures will result in additional departments being overspent. We have \$155,000 in debt service savings because of the refinancing. I am hoping that in August when we close out FY20 revenues and expenditures, we will be able to use the refinancing savings to cover any department overages and with the remaining funds assist PSA with the valves and give additional funds to Recreation at that time if that is what you choose to do.

Supervisor Yoder – How much was the total that PSA requested?

Supervisor Kuchenbuch – \$25,000.

Vice Chairman Boothe – We agreed to do \$25,000 and the Town did \$25,000.

Supervisor Yoder – Then there is a good chance we will have that amount.

Vice Chairman Boothe – The PSA Superintendent has ordered the valves but we probably won't get those until sometime in July.

Supervisor Kuchenbuch – Do you feel that pushing back the collection of the taxes has in anyway made it more difficult?

Ms. Ryan – Not as far as accounting for the revenues. I would have been very concerned about cash flow, but honestly the \$1 million infusion from the federal government Coronavirus Aid, Relief, and Economic Security Act (CARES Act) helps the cash flow. We will use the CARES money appropriately and account for it appropriately, but it provides us with cash while we are waiting on the August tax collection.

Supervisor Kuchenbuch – Okay. That is what I wanted to know.

Supervisor Coleman – The refinancing money wasn't anything we had planned for anything else?

Ms. Ryan – At one time we talked about putting it into a capital reserve fund, but I believe Mr. David Rose said that \$155,000 was not needed for the capital reserve but the next refinancing we are doing definitely needs to go into a capital reserve fund.

Supervisor Kuchenbuch – I would like to go on record saying that at the PSA we need to fix those valves and we did verbally agree. I really feel like Recreation could use the money for the projects that are on hand, but I understand the situation the County as a whole is in.

Supervisor Coleman – I guess in August we will be able to make a more final decision about those funds.

Ms. Ryan – We always hold the fiscal year open until the first check run in August. After that we will know exactly where we are as to how much and which departments are overspent and what departments are underspent so that remaining appropriation can be transferred.

Supervisor Yoder – I feel like we made a commitment to the PSA. Those valves are crucial because there are businesses in Town that get shut down when there is a break on the other side of Town.

Supervisor Kuchenbuch – You have to remember too how many people in the County are on PSA water.

Vice Chairman Boothe – We have industry affected and the nursing home affected. It is not just businesses.

Supervisor Kuchenbuch – We are really trying to modernize the PSA the best we can.

On a motion of Supervisor Boothe, seconded by Supervisor Yoder, and unanimously carried, it was resolved to approve the FY20 year-end transfers as presented:

<b>FROM</b>	<b>AMOUNT</b>	<b>TO</b>	<b>AMOUNT</b>
Contingency	\$50,901.00	Fund 050 Environmental	\$50,901.00
1201-County Administration	\$12,980.18	Fund 050 Environmental	\$6,500.00
		1101-Board of Supervisors	\$1,000.00
		1210-Field Assessors	\$5,000.00
		3204-Forestry Service	\$.18
		3503-Medical Examiner	\$80.00
		8107-New River Police Academy	\$400.00
1209-Commissioner of Revenue	\$22,008.00	1210-Field Assessors	\$21,100.00
		2104-County Attorney	\$908.00
7102-Recreation	\$16,000.00	2104-County Attorney	\$11,000.00
		2105-Juvenile & Domestic Court	\$5,000.00
7301-Library	\$11,200.00	2105-Juvenile & Domestic Court	\$1,200.00
		8205-6038-Regional Jail Payment	\$6,000.00
		8205-6084-Renew the New	\$1,100.00
		8205-6086-Drug Court	\$2,900.00

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

Agenda Item 6. – Approval of carry-over requests to FY21 budget.

Ms. Ryan explained that there were both revenue and expenditure carry-over requests. Many of the requests were because of COVID-19 delaying planned projects and expenditures.

DEPARTMENT	AMOUNT	SOURCE TYPE	REASON FOR USE
1209-Commissioner of Revenue	\$650.00	Expenditures – Code 3120 Field Assessors	COVID-19 delayed setting tax rate and printing real estate book. <i>Recommend</i>
1213-Treasurer	\$8,100.00	Expenditures – Code 3500 Tax Tickets Print Bind	COVID-19 delayed setting the tax rate and printing tax tickets. <i>Recommend</i>
3102 & 3301-Sheriff and Courtroom Security	\$9,000.00	Expenditures – Code 3301-1200 Overtime \$6,500; Code 3102-1200 Overtime \$400; 3102-1150 Courtroom Security Part-time \$2,100	This would be used for payout of annual and holiday leave for employee who plans to retire in FY21. <i>Recommend</i>
	\$16,492.00+	Revenues – Code 1603-0006 Background Checks	Collected Background Checks through 6/30/2020. Would like to use the money for police supplies in FY21. <i>Recommend</i>
	\$378.00+	Revenues – Code 1803-0014 FOIA Fees	Collected FOIA Fees through 6/30/2020. Would like to use the money for police supplies in FY21. <i>Recommend</i>
	\$745.00+	Revenues – Code 1601-0008 Fingerprinting Fees	Collected Fingerprinting Fees through 6/30/2020. Would like to use the money for police supplies in FY21. <i>Recommend</i>
	\$30,000.00	Expenditures – Various codes not related to Salaries, Benefits and Grants	COVID-19 delayed lease of 2 vehicles on order. Enterprise Fleet agreement states that savings on repairs will go back into equity. <i>Recommend</i>
	3301-Courtroom Security	\$10,278.36	Expenditures – Code 8001 Capital Outlay: Courtroom Security Enhancement
\$606.38+		Revenues – to be carried to Expend Code 8001 Capital Outlay: Courtroom Security Enhance	Courtroom Security Fees collected this year, and by Code, must be spent on Courtroom. <i>Recommend</i>

<b>DEPARTMENT</b>	<b>AMOUNT</b>	<b>SOURCE TYPE</b>	<b>REASON FOR USE</b>
3501-Animal Control	\$6,000.00	Expenditures – Code 8110 Capital Outlay - Pound Improvement	COVID-19 virus delayed completion of planned new roof. <b>Recommend</b>
3505-Emergency Services	\$1,283,350.04	Expenditures – Code 5895 Coronavirus Emergency	Funds have already been received & may be spent through 12/31/2020. <b>Recommend</b>
7102-Recreation	\$32,000.00	Expenditures – Various codes so that unexpended balance of department is carried over	COVID-19 virus prevented many planned sports & activities from taking place. Director used time to begin softball and baseball field improvements at Rec Park. \$4,950 in donations received for project and carry over would allow completion of upgrades at the Park. <b>Recommend \$16,000.00</b>
8150-Economic Development Authority	\$5,000.00	Expenditures – Code 6094 Marketing New Opportunities	Funds were pledged as match in an Ag and Forestry Industry Development planning grant that would develop concepts for cold storage, as well as provide mini-grants/technical support to farm and forestry-related businesses, including the Floyd Farmers' Market <b>Recommend</b>
8205-Miscellaneous Programs	\$348,018.67	Expenditures – Code 5664 Virginia Telecommunications Initiative	Revenue was collected in FY19 and expenditures were supposed to be made in FY20. Citizens Telephone Cooperative has completed the project but have not been invoiced by all contractors. We are waiting on proof of payment to reimburse Citizens. <b>Recommend</b>

<b>DEPARTMENT</b>	<b>AMOUNT</b>	<b>SOURCE TYPE</b>	<b>REASON FOR USE</b>
8301-Cooperative Extension Program	\$309.83	Expenditures – Code 6015 Grow Appalachia Grant	Grow Appalachia Grant funds <i>Recommend</i>
	\$323.88	Expenditures – Code 6016 Master Financial Education Grant	Master Financial Education Grant <i>Recommend</i>
Fund 010-Fire Department	\$10,000.00	Expenditures – Code 8110 Capital Outlay: Station 2 Exterior Drain Bay Doors	Bids on this project came back higher than appropriation. Fire Department decided to pay for additional cost but COVID-19 has delayed contractor from starting job. <i>Recommend</i>
	\$120.78	Expenditures – Code 3206 State Fire Fund Program	Surplus in Virginia Department of Fire Programs Aid to Localities <i>Recommend</i>
Fund 111-Comprehensive Service Act	\$10,787.00	Revenues – Code 18000-0001 CSA Collections	CSA Administrative funds match has been approved but not expected to be received until September. <i>Recommend</i>
Fund 140-E911	\$150,000.00	Revenues – Code 2400-0008 VITA Grant	Project is complete but money will not be reimbursed to us until July 2020. <i>Recommend</i>
	\$7,500.00	Revenues – Code 2400-0001 VDEM LEMPG	Project is complete but money will not be reimbursed to us until July 2020. <i>Recommend</i>
	\$15,000.00	Expenditures – Code 3140-8125 Capital Outlay: UPS Battery Backup	This carryover combined with \$15,000 budgeted in FY21 should be sufficient for purchase of new UPS battery system. <i>Recommend</i>
	\$35,000.00	Expenditures – Code 3140-8129 Capital Outlay: Evaluation of Communication System	Project had to be put on hold while dealing with Ransomware Incident. About ready to re-start the project. <i>Recommend</i>

Supervisor Yoder – For Recreation my question is the \$5,000 in revenues collected part of the \$16,000 in expenditures or in addition to it?

Ms. Ryan – It would be part of the \$16,000.

Supervisor Yoder – So the money coming from local funds would be \$11,000.

Ms. Ryan – We had \$40,000 budgeted to be received in revenues for the Recreation Department. We actually collected \$10,500 less than we anticipated. This \$5,000 is not on top of the \$40,000.

Supervisor Yoder – So \$11,000 is coming out of local taxation and the other \$5,000 is from donations.

Supervisor Kuchenbuch – Just so I understand, the revenues collected during the course of this year were roughly \$30,000?

Ms. Ryan – We budgeted \$40,000 in fees. We did not budget anything for donations, concessions, or sponsorships. But all four categories combined totaled \$10,500 less than we budgeted to receive.

Supervisor Yoder – If memory serves, the Recreation Authority collected about \$10,000 in fees so that is pretty accurate. Volleyball didn't happen either. We probably would have gone over the \$40,000 in a normal year. We had about 500 kids sign up for baseball and softball. What would the additional money be used for, general upgrades?

Ms. Morris – The Recreation Director is working on the fields including seeding and all that.

On a motion of Supervisor Yoder, seconded by Supervisor Coleman, and unanimously carried, it was resolved to approve the FY20 carry-over requests to FY21 as recommended.

Supervisor Coleman – yes

Supervisor Kuchenbuch – yes

Supervisor Yoder – yes

Supervisor Boothe – yes

Supervisor Turman – yes

Agenda Item 7. – Approval of FY21 budget and tax rates.

Supervisor Justin Coleman stated the following for the record:

Today's discussion involves the County budget which includes funding for the Floyd County Sheriff's Office. As many of you know, I am employed by the Floyd County Sheriff's Office. The proposed funding would affect the entire department and not just me individually. Together we constitute a group of three or more individuals who are similarly employed by the Sheriff's Office and similarly affected by the discussion. Therefore the exception of State and Local Government Conflict of Interests Act section § 2.2-3112 A (i) applies to this situation and I am able to participate in this discussion fairly and in the public interest. Thank you.

Supervisor Kuchenbuch – I would like to ask that we try to look at developing more of a capital reserve fund or what we called it when we had extra money. Also that we ask departments to prepare for the fact that we may have to find monies elsewhere. Also ask all department heads – less our salaries which amount to about \$5.4 million and there are certain things we can't touch like CSA, Social Services, Jail, budget stabilization, and debt refinancing – to look at cutting their budgets by 3.5 % to give us \$1 million for a capital reserve fund. I would like to put this out there. If we asked for 5% it would give us \$1.5 million. I have gone on record saying that there is such an unknown as to what lies ahead of us for FY21 that I would like to be prepared and prudent about our spending now as we embark on our FY21. And look out how we might be able to trim our budget and prepare. It would be great if it isn't needed, but I think it is an important thing that we do.

Supervisor Yoder – What capital items would we be spending that on?

Supervisor Kuchenbuch – I don't know that we would spend it on anything. Maybe capital reserve fund is not the right term, but more like a contingency reserve.

Vice Chairman Boothe – Or budget stabilization.

Supervisor Kuchenbuch – I don't know if you want to co-mingle. I don't mean that in a bad way. I would rather not see it in the budget stabilization because if things turn out better than we ever imagined, I would like everybody to have their money back immediately. I may be naïve about this, but I think that come January we may be sitting in these chairs wondering how we make things work.

Ms. Morris – Are you including the Schools in this?

Supervisor Kuchenbuch – Oh, yes.

Vice Chairman Boothe – I understand what you are talking about and I understand the concerns the way this budget is, but can't we control the spending with our appropriations?

Ms. Morris – You can and that would be the easiest way to do it. You could appropriate by quarter.

Vice Chairman Boothe – We discussed at one time doing a quarterly appropriation. Our first quarter appropriation would be based on our current budget that we are just finishing up.

Ms. Morris – You would have to use the new budget.

Vice Chairman Boothe – Why can't we use the old numbers?

Ms. Morris – Because that will not be the budget you approved.

Supervisor Yoder – Once we approve a budget that is the one you have to follow.

Ms. Morris – Especially with the Schools. They have redone all of their contracts.

Vice Chairman Boothe – I understand but they weren't getting any more money.

Supervisor Kuchenbuch – There are areas that can be cut.

Supervisor Yoder – To have a budget for next year, we can change the budget tonight but don't we have to follow the budget we approve. What is the point in passing a budget if we are not going to follow it?

Supervisor Coleman – We can appropriate quarterly and communicate that to department heads and get their feedback.

Ms. Morris – We can ask that they delay making major purchases.

Chairman Turman – The ones I've heard mention it, they already have it on their radar, the possibility that they will have to cut it.

Supervisor Yoder – The big fear I have is that the State will come back and ax some programs in December and cut a program \$100,000, but we have already spent \$50,000. We might be looking at shortfalls because we have already spent and the State has pulled money back away from us.

Supervisor Coleman – I like the idea of a slow rollout. I hate to be that tedious but it provides a little assurance.

Supervisor Kuchenbuch – I just want folks to know that I and the other Board members are cognizant of this. It's not that I am fearful. It's just that I approach my budget like this. This is how I work. My salary comes in on a commission so I know how to budget. I just want folks to know I am concerned about this and how it may impact us as a County, as a State, and as a Nation.

Chairman Turman – All of us have concerns. The Jail population is down 28%, which is good for us but then it will hurt the jail if it stays that way because they will run out of money. The Superintendent doesn't see that happening but you never know. That was why they did away with trustees coming over here – because everyone who is in jail should be in jail because the judges are releasing everybody they can. This is my 9<sup>th</sup> budget cycle. I have never seen a budget that we passed not knowing what the Governor is going to do. But we can't wait on him.

Supervisor Kuchenbuch – Like I said, these are times like none of us has ever seen. We just don't know.

Ms. Morris – It would be very easy to just put out a memo with the budgets when we send them to department heads and agencies and explain that we are appropriating quarterly and that there will be no capital projects done now. Everyone will understand.

Supervisor Yoder – I would like to see what we are receiving in sales tax right now. Another big concern I have right now is that I've talked to a lot of parents who are thinking about homeschooling their children so I don't know how that will affect the school enrollment this year and how it will impact our budget. If between now and the start of school it is decided that 100 kids will be homeschooled that is at least \$500,000 less from the State. How would we make up that shortfall because we are still hiring teachers? We still have to run buses. That worries me as much as anything. I've talked to parents who said they can't send their children to school for 1 day a week so will just keep them at home.

Supervisor Kuchenbuch – Have we heard anything on their plans?

Ms. Morris – I believe they are still working on their plans. In May we had \$892,000 in sales tax for the year.

Ms. Ryan – We collected \$195,000 in sales tax for June. Of course, sales tax is received about 1 month late so that really reflects May.

Ms. Morris – We budgeted \$995,000...

Ms. Ryan – ...and we collected \$1,087,000 for the year.

Supervisor Yoder – With people staying home more maybe they are shopping locally.

Supervisor Kuchenbuch – ...or online and we are getting those sales tax dollars.

Discussion was held as to which businesses may be positively impacted by citizens shopping locally.

Vice Chairman Boothe – How are we doing as far as transient occupancy tax and meals tax?

Ms. Ryan – Short term rental had \$80,000 budgeted and we have only collected \$62,500. June revenue was only \$1,400.

Ms. Morris – May revenue was \$2,100.

Ms. Ryan – In June we collected \$15,800 in Meals tax. \$175,000 was budgeted for the year and we have collected \$194,000.

Ms. Morris – In May we collected \$6,600.

Vice Chairman Boothe – So Meals tax has not been hit as hard as Transient occupancy tax.

Discussion was held as to how local businesses have adapted to the current economic situation.

Ms. Morris – We accepted bids today for the school project. I can't relay the numbers to you yet, but they were very, very favorable. Thompson & Litton will take everything back and review it and make sure specifications have been met. We will have a recommendation for you at the next meeting. We received 7 bids.

Supervisor Yoder – When does the EDA project go to bid?

Ms. Morris – We had bids yesterday on the civil engineering part of that project.

Supervisor Kuchenbuch made a motion to set the tax rate at \$0.57. The motion died for lack of a second.

Supervisor Yoder – What increase is needed to fund the debt for the school project?

Ms. Morris – What Mr. Rose suggested to you the last time he was here was 2¢ for sure and he recommended 3¢ so you could start a capital reserve fund.

Supervisor Yoder – What we have in this budget is not going into the capital reserve fund.

Ms. Morris – Part of it will.

Supervisor Coleman – 1¢ of it will.

Supervisor Yoder – Where is that in the budget, the part that goes into the reserve fund?

Ms. Ryan – The debt payment in the budget is based on current debt, but the refinancing will result in savings that will go into the capital reserve fund.

Supervisor Yoder – We are pushing a lot of debt off for 2 years. I think that is probably not a bad idea considering the economic situation we find ourselves in. If we completely eliminated the school project, we would still need more than 57¢ to make this budget.

Supervisor Coleman – We also have the fire truck, ambulance, and trash truck in here.

Vice Chairman Boothe – That 3¢ total is covering the school project and the fire truck, ambulance, and trash truck all of it together.

Supervisor Yoder – What part of that is the school project?

Ms. Ryan – The 2¢ now, and depending on how things work out with the school financing, in a year you will need the other 1¢.

Supervisor Coleman – Are you asking where the 1¢ goes?

Supervisor Yoder – Our total new debt is \$292,000, which includes a fire truck, ambulance, and trash truck, but that is actually less than 3¢ for all of that if we get \$179,000 per penny.

Ms. Ryan – This budget only had the \$7.5 million toward the School Collaboration and Career Development Center (CCDC) project and not the entire \$14.5 million. When Mr. Rose is talking about the 2¢ he is including the entire \$14.5 million.

Supervisor Yoder – What I am concerned about is that maybe our budget does not reflect what Mr. Rose talked about and we are spending the majority of those 3¢ in other areas. He says that next year we won't need a tax increase. Maybe I am wrong but I am concerned that we will need a tax increase.

Ms. Ryan – I think Mr. Rose was looking at what we need in total and included the savings that we will see from the refinancing. This budget only has the \$7.5 million and not the other \$7 million...

Supervisor Yoder – We are essentially putting that off for 2 years because of the savings we are receiving.

Ms. Ryan – Exactly, which we will put in a capital reserve fund...

Ms. Morris – ...to make the payments.

Supervisor Yoder – Again, in two years we will have to have a tax increase because that money will run out.

Ms. Ryan – I don't think you would need it for this project if you went with the 3¢ now.

Supervisor Yoder – Maybe I am completely blind but I don't see where that money is going into capital reserve in this budget.

Ms. Morris – We have to set up that fund.

Supervisor Yoder – Where would it come out of this budget, the new debt service?

Ms. Ryan – When we do the refinancing and have the savings. We have built into the budget a certain amount of debt that we would not have to pay. We would take the extra and put it in the new fund.

Supervisor Yoder – We are compiling that into a couple of years.

Supervisor Coleman – Does that mean we are not going to see that money in this budget until the refinancing goes through because the 3¢ is already in here?

Ms. Ryan – Correct.

Supervisor Coleman – I know that fund is not set up, but we are expecting it to be set up from the savings from the refinancing. I understand that.

Ms. Morris – We are showing the 3¢ on the revenue side already, but you will see the savings on the expense side.

Supervisor Kuchenbuch – Ms. Ryan what happens if things really go south?

Ms. Morris – I don't think we can answer that.

Supervisor Kuchenbuch – We have to ask those questions. I'm not asking you to look into a crystal ball. If all of a sudden we are faced...money will have to be pulled from other areas, right?

Vice Chairman Boothe – Basically we would be doing this process all over again. We may have to sit down in the middle of the year and redo the entire budget.

Supervisor Yoder – We are going to have to follow expenditures and revenues very closely.

Chairman Turman – We can't predict what is going to happen. Nobody knows.

Ms. Morris – If you want to do this school project, I don't think you will ever get any lower rate or better bids. Everything has come together.

Supervisor Coleman – I want to make sure that whatever happens tonight, if do adopt the 3¢, I feel extremely convicted that these funds are handled correctly and that 1¢ goes 100% into the capital reserve fund. This is for us, and me to remember, that we are counting on that.

Vice Chairman Boothe – Those of us sitting at this table need to remember that fund is not to be touched for anything else no matter what happens.

Supervisor Coleman – We would be undoing all the hard work we've done.

Ms. Morris – Exactly. You know the County departments are very, very conservative and frugal.

Chairman Turman – If we approved 57¢ then we would have had to ask department heads to cut their budgets.

Ms. Morris – And there are many things we couldn't do.

Ms. Ryan – If we went to 57¢ then we can't do the School CCDC project. That is what it comes down to.

Supervisor Yoder – That is where for me I am extremely torn. On the one hand I don't think this is the year to do a tax increase. Unemployment has gone up considerably. A percentage of businesses that responded to our survey said they are hurting. I don't think this is the year to do a tax increase. On the other hand from the beginning I said I supported the School project. I am not backing off of that. That is something that will move us forward and I want to support that. I have been really torn about what goes there and what doesn't and in my mind what I can support and what I can't. That is where I am. I am concerned about asking our citizens to give more when some of them are out of work.

Supervisor Kuchenbuch – I have been told by the gig economy workers in our County and folks that are unemployed that they can't afford a tax increase. And I have heard from others who are retired, doing well, and have a stable income that we should have a tax increase. And I have heard from retirees that are on a very fixed income who have asked not to have a tax increase. I have been contacted by a full range of folks, many from my district, but also from some in your districts who feel comfortable reaching out. I have gone on record saying I really understand the whole idea about projects and how good a time it is doing things. I get all that. But down deep I just have a hard time without knowing what is out there in the future, spending the kind of money we are spending in a situation where we have no idea what are schools are going to look like for years to come, in the next 6 months, in the next year or 2 or 3. I don't want to be here 3 years from now saying we really should have taken a step back and looked at it and redesigned and thought about other things. These are my personal opinions, but they are real and I feel that it is important to say so. I just can't in a good conscience raise taxes this year. I just can't do it to folks. Could I pay a tax increase? Yes, I am blessed. But I know there are many in our community who while this doesn't seem like a lot, and I get that, but it is going to be. And I want the citizens in my district to know that I just can't see doing it this year.

Supervisor Yoder – If we hadn't already taken on half the debt for the school project I would have been pushing for 57¢, but the fact that we took on the debt means that we have to pay for it. That is the bottom line for me and where I have struggled a lot on what I would support and what I wouldn't on a tax rate. For me I would probably put off the trash truck for a year. I would make some cuts in other places. There are a lot of unknowns because of the economy.

Supervisor Coleman – It has been difficult and we all share the burden. For me, thinking about it and looking back at it, we signed on to this project and like you I realize that. If we had a crystal ball I could have made some decisions. I bear some responsibility for making those motions. I am aware of that. I asked for ideas from everybody about where we should cut and we are hours away from the new year. Apart from Supervisor Kuchenbuch and her statement on cutting the budget, I have not heard anything. This is a joint effort. I would like to have heard in previous budget sessions where we can cut. I come at this as a team. I feel like you do too. But I don't withhold ideas for my gain and I don't expect anyone else too either. We've had a lot of time to talk about areas where we could potentially cut. I don't know where they are. I haven't heard you say where those would be.

Supervisor Yoder – I have brought up a few. If it was up to me I would look at Recreation and Library. I would look at some of the core services, but not Public Safety.

Supervisor Coleman – Public Safety is difficult, especially in the middle of a pandemic. It is a critical service. I can't see how we can postpone the needs of Fire and Emergency Medical Services. I just haven't heard any numbers. I've asked at two budget sessions and now here we are. It takes a team to pass this and if we have something new we have to make a decision.

Vice Chairman Boothe – One other thing we are hoping to put off is replacing that box on the ambulance. We are hoping we can get past next July 1 to do that, but we don't know for sure if we can. That is another added expense that is not accounted for in this budget.

Supervisor Kuchenbuch – I understand that Pittsylvania County has bought with their CARES funds, 4 ambulances. I am going to continue to research and work hard, and even though we have 1 budgeted, there is no reason why another one can't be bought. If I can find that we can use CARES money to buy an ambulance, I think it would be very shortsighted of us to not use our CARES money to buy an ambulance.

Vice Chairman Boothe – After you brought it up, I had a discussion with someone and learned if you use that ambulance at a nursing home exclusively to transport during the pandemic it has to be used for virus transports only. This is the first I have heard of Pittsylvania County.

Supervisor Kuchenbuch – As I understand it when a heightened level alert goes out that is a possible COVID case. That ambulance could go on that call as a possible COVID. I just think that in a County our size, and with the limited resources we have, that if CARES money could be used to purchase a nonbudgeted ambulance, that it is extremely important for our future to be able to use it for that.

Vice Chairman Boothe – We potentially have a need for another ambulance and fire truck next year too. That is what concerns me about delaying purchases this year, is having to buy 2 ambulances and fire trucks in one year. There is no way we can do that without a tax increase.

Supervisor Coleman – Back to your suggestion of appropriating quarterly, we can continue to look at this and make the adjustments you have in mind. But right now I don't feel like we have any more information about where to cut.

Chairman Turman – Right now if we use CARES money to buy an ambulance, with just 17 confirmed cases in Floyd County, without an uptick in the number of cases, the ambulance would be sitting most of the time. The ambulance will not be doing us any good if it is just sitting there.

Supervisor Kuchenbuch – I will continue to keep looking into this. I have a couple of different people investigating this for me. Hopefully I will have more information at the July 14 meeting.

Supervisor Coleman – If we appropriate quarterly...

Vice Chairman Boothe – ...we control the spending and we tell everybody not to do any capital spending in the 1<sup>st</sup> quarter. We would address this again at our September meeting or earlier.

Ms. Morris – I would suggest holding off on capital expenditures until the 3<sup>rd</sup> quarter and see how things look. You will have your December tax collections then.

Vice Chairman Boothe – I think we need someone to track what is going on in the General Assembly while they are in session. We try to keep up it but I don't know if we will be able to. If we had someone watch them like a hawk and as soon as they do something, report to us immediately. Of course the Governor has to sign off on it.

Supervisor Yoder – Is that the role of a legislative liaison? Some of what you are saying should be fed down to us. Sometimes the information doesn't flow back to us until we find out what the bill is going to do.

Vice Chairman Boothe – I am very disappointed in our representatives that they don't keep us more alert as to what is going on down there. I have a lot of concerns like everybody else, but I think we need to go with the 3¢.

Supervisor Coleman – I would just like to reiterate for me personally, this is difficult to say the least for everyone. But I said it once and I will say it again, I can't get away from the commitment I personally made to these projects. I struggle with that. We have signed up for these payments in essence and they are coming. We have to pay them. I wish we could have looked down and seen this uncertainty, but unfortunately we can't so here we are. It is my intention to maintain whatever passes in this budget with scrutiny and being very careful.

Supervisor Kuchenbuch – I have said since March that we were facing some very uncertain times and that I did not want to put any more on our citizens. As the months have unfolded, it has only become worse. Maybe we all should have looked at ways to cut this budget, I don't know, but I find raising taxes at this time is a burden I am not willing to put on the citizens of the County.

On a motion of Supervisor Boothe, seconded by Supervisor Coleman, and carried, it was resolved to set the tax rate at \$0.60 per \$100 for FY21.

Supervisor Coleman – yes

Supervisor Kuchenbuch – no

Supervisor Yoder – no

Supervisor Boothe – yes

Supervisor Turman – yes

Vice Chairman Boothe – I have one thing for discussion before we address the budget. I know we agreed to not do any salary increases for employees in July. But I would like us to consider giving a one-step salary increase starting in December with the option of us looking at this as we review the budget quarterly. The reason I say this is because these are the people who have kept the County going through this thing. All levels of government have kept it going. I

just hate to see after the work we did for two years to turn around and do the same thing that Boards have done in years past and got us to that point. One-step starting in July was approximately \$41,000 so it would be about \$21,000.

Supervisor Yoder – Where would you propose to pull that money from?

Vice Chairman Boothe – ...out of contingency. If we don't that is fine, but I felt that I needed to ask that. Just think about it and we can discuss before December.

Supervisor Yoder – I would love to do 2 steps but I just don't know what the economic situation is going to be. I think we need to tread lightly. I have another suggestion. We haven't borrowed the money yet for the fire truck. Maybe we could put that money into Contingency for a period of time before we expended it.

Supervisor Coleman – We are going to wait until the 3<sup>rd</sup> quarter anyway.

Supervisor Yoder – But if we put the money into our budget that is what it will be spent for. But if we put it in Contingency, if something happened in October and we needed \$300,000... The issue with a fire truck is you have to spec it so early that I don't know if you could do it with a fire truck.

Ms. Morris – It would be hard. It takes 1 year for a fire truck.

Supervisor Yoder – It was just a thought to put some of that money into Contingency.

Ms. Morris – We are not going to be spending it now and we know where it is in the line item so you could transfer it into Contingency at some point.

Supervisor Kuchenbuch – I think your point Mr. Boothe is well taken, but I think everybody who is on the County payroll knows they are fortunate to have the job. I don't look at us being like any other Board that has come before us because no other Board will have faced what we will be facing in the next 6 to 9 months. I think there are people out in our County that don't have a job right now that would give anything to have one. I know all of our County employees have done an outstanding job during this COVID emergency and crisis. But I will think about it as you asked. But the uncertainties as Mr. Yoder said are just looming so large for me that I think we made some really good strides and I don't think there is anybody that would fault us if we had to go a full year without a raise. I may be wrong, but I don't think so.

Discussion was held regarding previous economic downturns and hard decisions made by previous Boards to get Floyd County on a sound financial level and the advantages of appropriating the budget on a quarterly basis.

On a motion of Supervisor Coleman, seconded by Supervisor Boothe, and carried, it was resolved to approve the FY21 budget in the amount of \$43,066,437 as presented.

Supervisor Coleman – yes

Supervisor Kuchenbuch – no

Supervisor Yoder – no  
Supervisor Boothe – yes  
Supervisor Turman – yes

Agenda Item 8. – Old/New Business.

No one brought up any old or new business to discuss.

Agenda Item 9. – Board Member Time.

Vice Chairman Boothe – I have had a lot of citizens contact me about the statue issue. All but two of them have requested that we put it on the ballot. At this time I don't disagree.

Chairman Turman – I actually had a call as I was leaving the house tonight. They wanted it put on a referendum.

Vice Chairman Boothe – I explained to them, as our Attorney explained to us, that is was purely an advisory referendum and that the vote doesn't bind this Board in any way. Every single one of them said they understood that. I think we should put it on the ballot and see where the people of this County stand.

Chairman Turman – I would rather know exactly how the majority of my district feels, which I think I know how they feel, but I am no mind reader. They may go against how I want to vote, but I will have to do what they want me to do. I think they should have a voice. That way everybody knows where people stand.

Vice Chairman Boothe – We are still barely in the window he prescribed. My only requirement is that it not have the legal “mumbo-jumbo” that some of that stuff has. It should simply state “Should the statute be removed?” or “Should the statue remain?” so there can be no doubt. It needs to be either “yes” or “no.”

Supervisor Yoder – I have had a lot of people reach out to me about it. By far the majority have wanted it to stay. I have one main concern about the referendum. I think right now there is a lot of unrest and my great fear about putting it on a referendum is that it stirs it up. There will be quite a bit of talk about it up to the vote. My other fear is that, depending on which way the vote goes, how it is portrayed of Floyd being one thing or another.

Vice Chairman Boothe – I am concerned about that too. I mentioned to every one of them another thought. The Daughters of the Confederacy paid for that one. Another way we could go is have someone start a “go fund me” account and put a Union statue up beside it when they get the money raised to do it. The County was pretty evenly split during the Civil War. Have we heard from our Attorney regarding the Judge's opinion about what he is over?

Ms. Morris – He said he would be glad to talk to the judge if you wanted him to.

Supervisor Coleman – I think we should hear from the citizens however that plays out.

Chairman Turman – We are going to have a hoopla whatever direction we go.

Supervisor Kuchenbuch – I have had heard from both. Many people were surprised that we are reachable. The same person has called all of us. I told them I have always felt that it is important for citizens to have input on whatever the issues may be, whether controversial or procedural or just wanting to let me know what they are thinking. I have always said participatory democracy is important. There are reservations about how we are perceived in the outside world and how that might affect it us long term depending on how this shakes down.

Vice Chairman Boothe – I have told everyone that regardless of how it comes out, I represent the people of my district and whatever the majority turns out to be, that is how I need to vote. Some people were silent and some people agreed.

Supervisor Yoder – I have heard from some that it is a memorial to someone’s great-great-grandfather and whatever people think of it, it is still dedicated to actual individuals and not a concept. People want something to dedicate the memory of their ancestors and would prefer to have it moved, rather than destroyed and bulldozed down.

By consensus the Board requested that Ms. Morris ask the County Attorney to draft a referendum to present to the Circuit Court Judge requesting that the question “Should the Civil War statue in front of the Courthouse be removed?” be put on the November ballot.

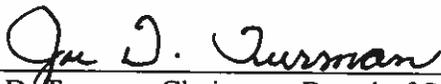
Agenda Item 10. – Adjournment.

On a motion of Supervisor Kuchenbuch, seconded by Supervisor Yoder, and carried, it was resolved to adjourn to Tuesday, July 14, 2020 at 8:30 a.m.



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Terri W. Morris, County Administrator



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Joe. D. Turman, Chairman, Board of Supervisors

