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The Carroll County Board of Supervisors held an Adjourned Meeting on Thursday, May 18, 2006 in the Board Meeting Room of the Carroll County Governmental Center.

Present were: Sharon F. Nichols, Chairman
Glenna Myers, Vice-Chairman
W. Jeff Evans
L. J. Jones
Joseph H. Early, III
Ralph J. "Bob" Martin, Jr.
Gary Larrowe, County Administrator
Ronald L. Newman, Assistant Administrator
Bradley Dalton, County Attorney

Mrs. Nichols called the meeting to Order at 5:30 p.m. and asked Mr. Newman to lead in prayer and the pledge of allegiance.

Mrs. Nichols welcomed everyone to the meeting and announced that the Carroll County High School Interact Club would be holding a walk for Cystic Fibrosis on Saturday, May 20 at 10:00 a.m. at the Carroll Wellness Center.

BUDGET WORKSHOP

Mr. Larrowe presented the County budget and stated that work still needed to be done on the School budget.

Mr. Jones asked what the tax rate increase would be as the budget stands.

Mr. Larrowe responded that it would be 13.77 cents on the levy with 7.95 cents of that being for the County General budget. He told that there had been cuts made in the County budget and that it was very reflective of what the County would spend. He told that it was lean and there was no room for movement.

Mr. Jones commented that the County employees were not getting a raise.

Mr. Larrowe told that this was correct. He told that the budget did include 2% for the Virginia Retirement System (VRS) and an increase of about 2% for health insurance.

Mr. Martin asked if this would mean the employees did not have to pay for VRS.

Mr. Larrowe told that this would complete the contribution to VRS.

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Mr. Early asked that the Treasurer come to the meeting to certify the revenue numbers.

Mr. Larrowe left the meeting to call the Treasurer. He then reported to the Board that he had left messages but had not been able to reach her.

Mr. Martin asked if the numbers would change when the State adopts their budget.

Mr. Larrowe told that it might and especially with the Constitutional offices.

Mr. Early stated that revenues were down \$5M.

Mr. Larrowe told that \$4M was from borrowing.

Mr. Early told that property tax was down \$400,000.

Mr. Larrowe told that the discount for elderly and land use was \$535,000 and commented that PAXAR had left.

Mr. Early stated that sales and use tax was down.

Mr. Larrowe told that the projections were compared to last year and that there was the attempt to be conservative with the projections. He told that he would look and try to give some answers to the decreased revenues.

Mr. Early noted that health insurance in the Board of Supervisors department was three times what it was the previous year.

Mr. Larrowe told that there was not anything budgeted for the previous year and that this was figured on the Board members with insurance.

Mr. Evans commented that Carroll County should not be paying into the Galax-Carroll-Grayson Chamber of Commerce. He told that the County did not even contribute to the Carroll Chamber other than space and this was forcing the citizens to pay for something they didn't even have a vote in.

(Order)

**REMOVE GALAX-CARROLL-GRAYSON CHAMBER OF
COMMERCE FROM BUDGET**

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Upon motion by Mr. Evans, seconded by Mr. Jones, and passed, the Board removed the \$3100.00 from the budget for the Galax-Carroll-Grayson Chamber of Commerce.

Note: Mr. Early and Mr. Martin voted No on the above motion.

Mr. Early stated that the Poor Man's dinner paid good dividends because of getting to meet with State Legislators.

Mr. Evans stated that Board members pay their own way to other functions and they should pay their own way to this.

Mr. Martin asked what duties the Chamber performed.

Mr. Larrowe told that Judy Brannock, Director, helps with the fair, and helps with recruitment lunches and dinners for economic development.

Mr. Evans stated that she done a good job but she is paid. He told that things come into the area that help business and stated that Carroll County has a Tourism Director.

Mrs. Myers stated that the taxpayers should not be paying for this.

Mr. Jones asked if there was anything left in Board Reserve.

Mr. Larrowe stated \$146,000.

Mr. Jones asked if the could be put back into the budget.

Mr. Larrowe told that part of this was CSA money of which the Department of Social Services would probably need about \$90,000. He told that he had received a voice mail concerning this but had not received any documentation.

Mrs. Nichols asked if the remainder could be carried over.

Mr. Larrowe told that the budget had to be looked at as a whole and not by line item.

Mrs. Nichols asked about the amount for the Arts Council.

Mr. Larrowe told that it was a \$2000 grant with a \$2000 match.

Mr. Martin asked if the County was still buying a vehicle and then after a year passing it to the Sheriff.

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Mr. Larrowe told that this was done away with under the previous Administrator. He told that there were plans to purchase three surplus vehicles for \$25,000 with two being used by the Assessor's Office and one by Maintenance.

Mr. Larrowe told that the Airport Road Water project was estimated to cost \$660,000 more than last year and that Rural Development was needing a letter stating that Carroll County would supply the \$660,000 for a total cost of \$3.2M. He told that if this was not done the PSA would have to wait into the future to do the project and will lose the Rural Development funds and the Planning District Commission grant of \$220,000. He told that the letter would also state that the County would apply for an additional Rural Development loan. He told that the Planning District Commission funds were in jeopardy if the project was not bid within the next 10 days. He told that interim financing would need to be done until receiving the Rural Development loan at an interest cost of about \$15,000.

Mr. Dalton told that the borrowing would be done by the PSA and they would need to meet to approve the borrowing.

Mr. Larrowe told that the Board would be approving the funds to the PSA but that the PSA would be doing the borrowing.

Mr. Early asked about the Regional Water project.

Mr. Newman told that most of the funds would be used toward debt service with the remainder for items such as completing the design work.

Mr. Early stated that the County did not need to be in this given the other options that are available at this time.

Mr. Evans asked how soon the County would know how much there might be for grants and how much for loans.

Mr. Larrowe stated that grant funds were drying up and there might not be any grant funding. He told that the County would certainly fight for grants and should know in 30 days.

Mr. Evans asked what the finish dates were for the Airport Road and the Regional Water projects.

Mr. Larrowe told that the Airport Road project would be finished sooner than the Regional Water project. He told that the Airport Road project would be finished in April or May of next year with the Regional Water project being completed December 2008.

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APPROVE AIRPORT ROAD WATER PROJECT FUNDING

Upon motion by Mr. Early, seconded by Mrs. Myers, and passed unanimously, the Board approved including \$17,000 for interest expense for the Airport Road Water project.

Mr. Evans stated that there about a year difference between the Airport Road and the Regional Water projects. He asked if hooking the systems together was already figured in.

Mr. Larrowe stated that it was and that the lines would be larger to accommodate hooking the systems together. He told that the current wells would be auxiliary in case something happened at the water plant.

Mr. Early noted that the part-time amount under County Administrator was \$5000.

Mr. Larrowe told that this had been cut by half.

Mr. Early asked who this would be.

Mr. Larrowe stated that there was not anyone in that position.

Mrs. Myers stated that this needed to be taken out.

Mr. Jones asked if any of the employees in the Administrator's Office could take over the grant writing.

Mr. Larrowe told that Dr. Garrett was helping to relieve some from the Resource Development Office and there would be a \$10,000 grant to help with his expenses.

Mrs. Nichols asked how much Ms. Marrah had brought in with grants during the last year.

Mr. Larrowe told that since he has been here it is \$250,000-300,000 with most of this being non-competitive grants and a limited amount of competitive grants.

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Mrs. Nichols asked how much Dr. Garrett had brought in.

Mr. Larrowe stated that Dr. Garrett had not been in grant writing but had taken over the Carter Home grant and does have it on the right track. He told that Dr. Garrett was also working with businesses to help them secure funds.

Mr. Early stated that Dr. Garrett had tremendous previous experience with grants.

**MOTION TO REMOVE RESOURCE DEVELOPMENT OFFICE
FROM BUDGET**

A motion was made by Mr. Early, with a second by Mr. Evans, to remove the \$59,000 for Resource Development Office from the budget.

Note: Mr. Evans, Mr. Jones, and Mr. Early voted Yes on the above motion.

Mr. Martin, Mrs. Myers, and Mrs. Nichols voted No on the above motion.

Mr. Martin stated that cuts needed to be made but the office that helps the most is the County Administrator's Office. He told that in the past this office had been cut and then there is the wonder of why things are not done.

Mr. Jones stated that he thought someone could take this over.

Mr. Larrowe stated that sacrifices have to be made.

Mrs. Nichols asked if both Ms. Marrah and Dr. Garrett are busy all the time.

Mr. Larrowe replied yes.

Mr. Evans stated that he seconded the motion because there is not a need to duplicate.

Mr. Early told that Mr. Larrowe was looking to take some of the \$59,000 to hire help for economic development.

Mr. Early then asked what the \$10,000 was for with the Crooked Road project. He stated that the County was told there would be a one time \$5000 contribution.

Mr. Larrowe stated that if the County did not participate it might not get DHCD money in the future.

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Mrs. Nichols asked if there was a part-time employee in Tourism at this time.

Mr. Larrowe told that there was not but stated that after the Virginia Tourism Center leaves there will be a need for additional staff. He told that he had let the other localities know that Carroll would be asking for assistance with operating funds in the 2008 budget.

Mrs. Nichols asked why the website activities under Information Technology was so high.

Mr. Larrowe stated that this was a licensing fee.

Mrs. Nichols asked who the salary covered under Information Technology.

Mr. Larrowe told that this was Teresa Sharp. He further stated that there had been a cut back to one VISTA worker and there would be a \$10,000 grant to assist with this.

Mr. Early asked if this included Ainsworth Lightbody.

Mr. Larrowe stated that it did not and that Mr. Lightbody would be going off the payroll.

Mr. Early asked if a grant was being looked for to help with technology.

Mr. Larrowe stated that Rural Development had a grant that would be applied for.

Mrs. Nichols asked what who the Capital Outlay for Cars was for under Vehicle Maintenance.

Mr. Larrowe told that this was for the Sheriff's Office. He told that the request was for \$86,000 but it was cut. He told that a couple of used cars might have to be looked at.

Mr. Martin asked if Mr. Larrowe had talked with the Sheriff.

Mr. Larrowe told that there had been conversations and the Sheriff would like to have this at \$86,000 but cuts had to be made.

Mr. Martin commented that he did not know the shape of the vehicles and told that he would like to know the mileage and shape of the vehicles.

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Mr. Larrowe told that some of the cars were being unfitted with mobile access. He then informed the Board that for the fire departments the amounts had been taken back to 90% of what was allocated last year.

Mr. Early asked what the amount was for financing the new trucks.

Mr. Larrowe told that it was \$89,582.

Mr. Evans stated that a lot of money had been spent the last couple of months and told that he would like to see Mr. Joe Roma overlook expenditures that are over and above the normal expenditures.

Mr. Jones stated that he did not think Mr. Roma had been keeping up.

Mrs. Myers stated that the Emergency Fund under Fire Departments needed to be put to where it was last year.

Mrs. Nichols stated that if funds were allocated they would be spent and that the line needed to be held.

Mr. Larrowe stated that departments will be getting a copy of their budget at the end of each month.

(Order)

REDUCE FIRE DEPARTMENT EMERGENCY FUND

Upon motion by Mrs. Myers, seconded by Mr. Evans, and passed unanimously, the Board approved reducing the amount listed for Emergency Fund under the Fire Department category to \$7227, the same amount as the current year budget.

Mr. Evans stated that he would like to have a motion for Mr. Roma to approve the expenses of the fire departments.

Mr. Dalton told that he was concerned about the feasibility of this and recommended that staff come up with a proposal of how this would be done.

Mr. Early stated that Mr. Roma had been charged with making an accounting of the vehicles and if any could be moved. He told that in April he asked if the new trucks could be cancelled and had not received an answer. He told that the needs should have been assessed before ordering the trucks.

Mr. Jones stated that the trucks were purchased on the advice of Mr. Roma.

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MOTION TO REMOVE FIRE TRUCK FINANCING FROM BUDGET

A motion was made by Mr. Early to remove the \$89,582 for fire truck financing from the budget. With no second to the motion, Mr. Early called for the vote.

Note: Mr. Early voted Yes on the above motion.

Mr. Evans, Mr. Jones, Mr. Martin, Mrs. Myers, and Mrs. Nichols voted No on the above motion.

Mr. Jones commented that this decision should have been made before ordering the trucks.

Mr. Dalton stated that under the Uniform Commercial Code the fire trucks would be considered a Special Order. He told that his worry was that the seller could only sell the trucks for less than what the County had ordered them for leaving the County to pay the difference.

Mr. Early told that he had been asking this question since April. He told that it would be nice to buy new fire trucks but the County did not have the money.

Mr. Evans stated that the Board can only operate on information given to them. He told that the Board made the decision because the information was that the trucks being replaced were old.

Mr. Early asked if the trucks were not available until next spring why the County was paying a full year of financing.

Mr. Larowe told that this was on the financing schedule.

Mr. Dalton stated that this had been reviewed and that stretching beyond the 7 years would not save any money.

Mrs. Myers stated that the Board was not told the truth at the beginning. She told that had they been told the truth she would not have voted to buy the trucks.

Mr. Evans stated that the trucks are in the 1960's models.

Mr. Martin commented that a vehicle replacement schedule was needed.

Mr. Evans replied that Mr. Roma was working on that.

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Mrs. Myers stated that the Rescue Squads should be taken back to last year's amount and be adopted.

Mr. Larrowe told that there was a monthly payment of \$1246.00 that had been agreed to by the former Administrator for Cana Rescue and that this amount had been added to their regular allocation. He told that Laurel and Laurel Fork Rescue Squads had been taken down to an even number and that Pipers Gap had been taken up to an even number. He told that Pipers Gap could be taken to \$17,000 just as well.

Mr. Early told that the problem was full-time EMS. He told that it was way over budget and asked where the money was coming from. He stated that he did not think the Board got the full information before making a decision.

Mr. Larrowe told that at the rates the workers were being paid there were no workers.

Mr. Early asked why not pay a little more and get volunteers. He told that people have other jobs.

Mrs. Myers stated that there would be enough part time to do this.

Mr. Evans stated that there was not enough part time when the decision was made to go full time and told that it was not as easy to get volunteers now as it was in the past.

Mr. Larrowe told that Dugspur Rescue only had one person running calls and that Laurel Rescue did not have an ALS and stated that it was tough to get volunteers.

Mr. Evans stated that everyone in the room could be using this and he wanted to know that people are trained. He told that the money is well spent.

Mr. Early asked how many employees were at EMS.

Mr. Larrowe responded 11.

Mrs. Myers asked if they now have a kitchen.

Mr. Larrowe responded yes.

Mr. Jones asked what percent was being collected on the billing.

Mr. Larrowe stated 62%.

Mr. Early stated that EMS was a great thing to do but not at this time.

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REDUCE CARROLL EMS FUNDING

Upon motion by Mr. Early, seconded by Mrs. Myers, and passed, the Board reduced the funding for Carroll EMS in the proposed 2006-2007 budget to \$153,076.

Note: Mr. Jones, Mr. Early, Mrs. Myers, and Mrs. Nichols voted Yes on the above motion.

Mr. Evans voted No on the above motion.

Mr. Martin Abstained on the above motion stating that he did not have enough information to make a decision.

Mr. Evans asked how much the calls had increased since having manpower.

Mr. Larrowe told that there was a chart in the last packet but he did not know the percentage increase. He told that transport had increased and told that that was where the money was made. He suggested having Mr. Roma come to the next meeting.

Mr. Evans told that he knew what it used to be and at best it was hard. He told that he would like to see the County have a first class operation.

Mr. Early commented that the County needed to look at why there are so many volunteer squads if EMS was going to be full-time.

Mr. Evans commented that Mr. Roma was looking at this.

Mrs. Nichols stated that the \$5000 for faxes and telephones for Rescue Squads needed to be taken out.

Mr. Evans stated that he would like to see Mr. Roma oversee the expenditures of the rescue squads like he will be doing with the fire departments.

Mr. Dalton told that it appeared Carroll EMS would go from full-time back to part-time. He told that there might be a ripple affect and stated that there are less volunteers now than in the past. He reminded the Board that they have a public safety obligation. He told that if there was a mass exodus of employees the Board may have a concern and might see a decrease in revenues.

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Mr. Evans told that people had been hired that met the qualifications. He told that he would not expect those people to be there and that the volunteers that come in would not have those qualifications.

Mr. Dalton told that this issue needed to be looked at until the budget is adopted.

Mr. Early asked if there was a safety concern before EMS went full-time.

Mr. Dalton stated that he was not saying that but pointed out that some squads had seen a decrease in volunteers.

Mrs. Nichols asked what the tuition was for in the Building Official budget.

Mr. Larrowe told that it was for the Building Official and Building Inspector to attend classed to become certified.

Mr. Evans stated that last year the Board looked at increasing fees for the building permits and that it needed to be looked at again.

Mrs. Myers asked why there was travel mileage and travel expense in the Building Official budget.

Mr. Larrowe told that travel mileage would be paid if the inspections are made using their own vehicle.

Mr. Early stated that the County had been advised concerning the vehicles being taken home but had disregarded the advice.

Mr. Larrowe told that the salary for T. C. Stacy had been moved from Maintenance to Animal Control.

Mrs. Myers asked why there was \$1000 in training for Animal Control when it was \$500 before.

Mr. Larrowe told that this was training for Mr. Stacy. He told that there had been \$8000 put in for painting the shelter and upgrading the cages. He told that this will be done in-house and should not cost this much.

Mrs. Nichols asked if Carroll County was mandated to pay fowl and livestock claims.

Mr. Larrowe told that the County had paid in the past if an insurance claim was not filed.

Mrs. Myers asked what the Emergency Impound was for.

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Mr. Larrowe told that this was for picking up an animal where storage and care had to be paid for.

Mrs. Myers asked if the County was still paying for electricity at the Carter Building.

Mr. Larrowe replied yes.

A question was asked about there not being a listing for Carter Building fuel.

Mr. Larrowe told that this was in Maintenance of General Properties.

Mrs. Nichols asked what the Carter Foundation was responsible for.

Mr. Larrowe told that he would have to review the agreement.

Mr. Evans told that he would like to see the expenses listed under the Carter Building line item.

Mr. Martin stated that this way it would be easier to keep up with.

Mr. Larrowe told the Board that there had not been anything budgeted last year for health insurance for the Maintenance Force so that would be an increase in that department.

Mrs. Nichols asked what the Capital Outlay for Maintenance Force was for.

Mr. Larrowe told that he would have to check with Mr. Dowdy.

Mr. Evans asked what the increase for District III was for and asked what the County would get as far as personnel with the change.

Mr. Larrowe told that he was working on the personnel issue and that he had a presentation made by Mr. Guy discussing the increase.

Mrs. Nichols told that she had discussed a personnel issue concerning the Recreation Department with Mr. Larrowe and asked what the savings would be.

Mr. Larrowe told that Mrs. Nichols had asked about moving an employee to be part recreation and part farmers market. He told that the savings would be about \$11,000.

Mr. Evans asked if there any grants for recreation.

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Mr. Larrowe told that he was not aware of any.

Mr. Evans stated that recreation brings in \$50,000 but has expenses of \$196,734. He told that there needed to be somewhere where recreation supports itself. He told that it was good for the youth but asked how the older citizens would benefit.

Mr. Larrowe told that there was a bus trip scheduled to Atlanta to see ball games. He told that this was as a fundraiser and something for the older citizens.

Mrs. Nichols asked why the health insurance for Recreation was so high with only three people.

Mr. Larrowe told that it was based on the plan and told that he assumed each had the family plan.

Mr. Martin stated that a previous Board had discussed the recreation being absorbed into the school budget.

Dr. McBride told that this never reached a serious level of discussion.

Mrs. Nichols asked why the contribution to the Airport had increased from \$25,000 to \$32,000.

Mr. Larrowe told that this was the request from Mr. Brown and was based on Carroll County paying 37.9% of the operating expenses.

Mr. Evans stated that this was of the total expenses and not of the safety and maintenance.

Mr. Larrowe told that the Airport had reported \$108,600 in expenses and \$24,100 in revenue and was asking the localities to fund \$84,500.

Mr. Larrowe then told that the Economic Development Office would assist with business retention and expansion and this would be the office Dr. Garrett was in. He told that there would be \$39,800 in grant funds to help with funding this department.

Mr. Early asked if the salary of \$35,000 was for one person and if most of that was grant.

Mr. Larrowe told that it was for one person with about one-half being grant.

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Mr. Early stated that the Resource Development Office was at \$59,000. He asked what it would take to increase Economic Development to take the responsibility of the Resource Office.

Mr. Larrowe responded about \$20,000-25,000.

Mr. Early stated that this showed the duplication of the offices.

Mr. Larrowe told that the Economic Development Office would manage the \$1M revolving loan program. He told that it was tough to say what the ramifications would be to pull one of them out. He stated that it would be negative but he didn't know to what extent.

Mrs. Nichols asked if the person doing clerical at the Farmer's Market was in the Information Technology budget.

Mr. Larrowe told that the salaries listed for Farmer's Market was for Kevin Semones, Kevin Hancock, and a new person for clerical.

Mrs. Myers stated that it did not matter what time a person went to the Farmer's Market Kevin Semones was there working.

Mr. Larrowe announced that there was a savings of \$145,303 with the corrections made to the budget so far.

Mrs. Nichols asked what the equipment was for under Emergency Services.

Mr. Larrowe told that this was to equip the Emergency Services Coordinator vehicle with a drug box.

MOTION TO REMOVE EMERGENCY SERVICES COORDINATOR SALARY

A motion was made by Mr. Jones to remove the Emergency Services Coordinator salary of \$30,000 from the budget. Without a second, Mr. Jones called for the vote.

Note: Mr. Jones and Mrs. Nichols voted Yes on the above motion.

Mr. Evans, Mr. Early, Mr. Martin, and Mrs. Myers voted No on the above motion.

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Mr. Early asked what the Cana Trash site revenues and expenses were. He told that it seemed all citizens were subsidizing the citizens in one area to have trash service.

Mr. Larrowe told that he did not think this was too far apart and told that there is a report in the packet each month.

Mr. Early stated that it had been about \$1200 per month and stated that a way needed to be figured out to make it self supporting.

Mr. Evans stated that he thought the Recreation Park should be more self supporting.

Mr. Jones commented that the salaries had increased from \$75,000 to \$80,000.

Mr. Larrowe told that there was a raise projected for one employee because they were to lowest paid County employee.

Mr. Evans asked what the County percentage would be for the safety and maintenance at the Airport.

Mr. Larrowe told that he would think it was the same percentage as the rest of the budget but told he was not an expert on what safety and maintenance would consist of.

Mr. Evans told that he would like to have the figure for safety and maintenance.

Mr. Larrowe told that he would discuss this with Mr. Brown.

Mr. Early suggested starting with the Code of Virginia and stated that what was being attempted was illegal.

MOTION TO REDUCE AIRPORT FUNDING

A motion was made by Mr. Jones, with a second by Mr. Evans, to reduce the Airport funding to \$15,000.

Mr. Evans commented that nothing had changed at the Airport.

Mr. Early stated that there was now a full-time manager. He told that the Code of Virginia requires localities to share in the operations of the Airport. He told that two localities are not contributing and stated that they have at one time had the same Commission member.

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Mr. Dalton stated that he was unfamiliar with the Code Section brought up by Mr. Early.

(Order)

AIRPORT FUNDING ISSUE TABLED

Upon motion by Mr. Martin, seconded by Mrs. Myers, and passed, the Board tabled the decision on Airport funding until further research was done.

Discussion:

Mr. Evans brought up the issue of Conflict of Interest with Mr. Early owning \$10,000 in a business at the Airport. He asked the County Attorney to look into this.

Mr. Dalton told that he had talked with the Commonwealth's Attorney. He told that a formal opinion had not been rendered because a formal opinion had not been requested. He suggested that Mr. Early should disclose a potential conflict based on interest in a business located at the Airport and state if he can vote fairly and objectively and not be affected any more than any other citizen of the County.

Mr. Evans stated that he would like to see the Commonwealth's Attorney opinion in writing.

Mr. Dalton stated that it might be appropriate for someone to request a formal opinion of the Commonwealth's Attorney. He told that he had spoken with the Commonwealth's Attorney concerning voting by Mr. Martin on school issues. He told that there was a Code Section concerning having an employment contract prior to 1983 or before becoming a Board member. He told that he had advised Mr. Martin of the same action he stated concerning Mr. Early.

Mr. Evans stated that he was not trying to make a big deal but a person should not be on a Board voting on things they have an interest in.

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Mr. Martin stated that he would be glad to make the disclosure but he had been on boards where others have had an interest and voted on issues and nobody made an issue of it.

Mr. Dalton told that by the next meeting he would have an opinion on the Code concerning the Airport funding.

Following discussion the vote proceeded as follows:

Mr. Evans and Mr. Jones voted No on the above issue.

Mr. Early, Mr. Martin, Mrs. Myers, and Mrs. Nichols voted Yes on the above issue.

Mr. Early disclosed that he had an interest in a business located at the Airport but stated that he did not have a personal interest in this issue and that this issue did not affect him any more than it did any other citizen and therefore did not have a conflict with this issue and able to vote fairly and objectively and in the best interest of the County.

Mr. Jones asked what the cuts brought the levy to.

Mr. Larrowe told that for the County General budget it would be 6.95 cents.

SCHOOL BUDGET DISCUSSION

Mr. Larrowe announced that after the last meeting he received an e-mail concerning an \$83,103 credit toward the school debt service. He told that this with the carryover brought the request down to an additional \$865,621.

Dr. McBride told that the credit did have an impact on the request. He told that the County request would be \$11,390,549 with a carryover of \$222,173. He told that the total difference from the current year would be \$1,087,749 which included \$865,621 additional funds plus the carryover. He presented a report that showed the projected funding for fiscal year 2007 at \$11,612,722 and the funding for fiscal year 2006 at \$10,524,928 for a difference of \$1,087,794. He told that the required local funding to receive all the State funds was \$7,657,178 but told that if level funding were done the County would lose \$2,323,049 in State funds.

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Dr. McBride told that \$586,000 would be lost if level funding were done. He stated that then there would be the need to pick out the programs to come up with those funds and then look at the corresponding State funds for these programs that the County would not be getting. He used the example of the At-Risk 4-year old Program and told that if the \$142,725 local funds were not found the County would lose \$359,475 in State funds, would affect 10 employees, and would affect 90 4-year olds.

Dr. McBride told that the question was why asked for over \$8M when the County is only required to fund \$7,657,178. He told that in order to sign the certification to receive the lottery funds the 2007 funding level has to equal the 2004 funding level or the per pupil funding.

Mr. Jones asked if funds could not be shifted around and still get the lottery funds stating that the County had not funded all that had been asked for in the past.

Dr. McBride told that in the past they had been able to shift funds but this year the funding must be the same as in 2004 where in the past they had to match the 2002 level. He stated that 2004 was a good year for funding by the County. He told that every two years the State looks at the cost to fund schools and set the new benchmark or the new amount per pupil the State will fund. He told that the State is interested in seeing that localities are consistent in funding. He told that when the State looks at funding the additional \$3M for Carroll County they want to make sure to protect their interest.

Mrs. Nichols asked if the \$3M additional State revenue was included in the budget as to what it is going toward.

Dr. McBride told that it is reflected in the line items.

Mr. Evans asked what the County would be looking at next year.

Dr. McBride told that they did not expect an influx of \$3M State money.

Mr. Jones asked what the local increase would be.

Dr. McBride stated that if level funding were done this year then in order to get back to getting all available State money would take about \$2.9M. He told the local match increase would be about \$500,000. He stated that he did not think the School Board would be looking at asking for the level of increase they are asking for this year.

Mr. Evans stated that he seen growth in the budgets and told that everyone needed to learn to live with what they have. He told that it seems like government goes out and taxes people. He told that he was not against

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education but with people out of jobs he was thinking about the taxpayers. He told that there had to be some way to cut things that are not essential to education.

Dr. McBride told that some carryover items could not be used toward the local effort such as the Medicaid money that was used to provide services provided by nurses and speech therapists. He told that funds have been accumulating each year and carried over to the nursing programs. He told that there would be \$350,000-400,000 to carry over and that this had helped them be 1 of 2 systems in Southwest Virginia that has a nurse in each school. He told that for some students this is the only health care they get. He told that in July they would come to the Board and request permission to carry over grants because of the difference in the grant years.

Mrs. Nichols asked how many students got free or reduced lunches.

Dr. McBride told that it was over 40%.

Mrs. Nichols stated that poverty was considered \$22,500 year and that the poverty level in the area was 13.9% and the unemployment rate as of February was 6.3%. She commented that 40% of the parents were at the poverty level and these parents will be asked to come up with extra money to help pay for this budget.

Dr. McBride stated that if the business of education was not done in Carroll County they may be setting a course of that continuing in the County. He told that impacting the future was the discussion of each item in the budget. He told that the children entering school in 2006 would graduate in 2019 so they were talking about the children of the future.

Mrs. Nichols stated that she knew there was a need but felt the Board had to look out for the citizens with the decisions they had to make.

Mr. Evans told that he faulted the General Assembly for treating each locality alike. He told that the debts of the County for the schools and the complex would be better if these had been done simpler. He stated that bricks and blocks do not educate but teachers educate. He told that there were two types of people in the County, those that have to give and those that don't. He challenged the School Board to cut things that are not necessary to education.

Mr. Early thanked Dr. McBride for the presentation. He stated that if the Board did level funding they would be digging a hole the County could not get out of. He told that he wagered the folks at the poverty level would not be affected because most of them will not be property owners but they would be impacted by allowing them an education to get a better job and get out of the

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poverty level. He told that this would be about 6 cents on the tax levy and stated that was a small price to pay to offer this hope to those in poverty.

MOTION TO APPROVE SCHOOL BUDGET

A motion was made by Mr. Early, with a second by Mr. Martin, to approve the Carroll County School Board fiscal year 2006-2007 Operational budget with local funding of \$11,612,722 with a carryover of \$222,173.

Note: Mr. Early, Mr. Martin, and Mrs. Myers voted Yes on the above motion.

Mr. Evans, Mr. Jones, and Mrs. Nichols voted No on the above motion.

Mr. Martin stated that under an abundance of caution, he declared that he was an employee of the Carroll County School System but that this decision did not affect him any more than it did any other citizen and therefore he was able to vote fairly, objectively, and in the best interest of the County.

Mrs. Myers stated that she could not see putting the County backwards and losing the State money.

MOTION TO APPROVE SCHOOL BUDGET

A motion was made by Mr. Evans, with a second by Mr. Jones, to approve the Carroll County School Board fiscal year 2006-2007 Operational budget at level local funding of \$10,524,928.

Note: Mr. Evans and Mr. Jones voted Yes on the above motion.

Mr. Early, Mr. Martin, Mrs. Myers, and Mrs. Nichols voted No on the above motion.

Mr. Martin stated that under an abundance of caution, he declared that he was an employee of the Carroll County School System but that this decision did not affect him any more than it did any other citizen and therefore he was able to vote fairly, objectively, and in the best interest of the County.

Mr. Martin told that all night he had heard Codes quoted and asked how people could vote to violate State law when this was below the State required funding.

Dr. McBride stated that this was below the requirement in order to get the full State funding.

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Mr. Early commented that for every dollar the County puts in the State gives approximately \$3.00.

Mr. Larrowe told that the only place to cut was from the operations. He told that level funding would result in a 9.44% cut in the school operation funds due to not meeting the State funding requirements. He told that the State funds \$2.68 for each \$1.00 of local funds. He stated that if the funding was one penny below the request the County would lose \$2,323,049 in State funds.

Dr. McBride told that level funding operations would be at \$32,734,199 whereas the current operations were at \$32,001,375.

Mr. Martin asked how many unemployed people applied for land use taxation.

Mr. Larrowe told that he did not think it would be many because they don't have much.

Mr. Martin told that he had heard about the poor and had heard people talk about how much the taxes would go up on their farms. He told that it had nothing to do with the poor. He stated that the rich and affluent speak. He told that the poor are lucky to rent something. He stated that the ones that show up at the meeting are the top 20% and they are the ones that sign up for land use.

Mrs. Myers stated that this was hurting the children and the future. She stated that the County would be going backwards if it did not accept the State funds and commented that the Board needed to look ahead.

Mr. Martin commented that if the current Board had funded what they should have a couple of years ago the County would not be in this hole.

Mr. Early commented that 2004 was a good year for funding because this Board had nothing to do with it.

MOTION TO APPROVE SCHOOL BUDGET

A motion was made by Mrs. Myers, with a second by Mr. Early, to approve the Carroll County School Board fiscal year 2006-2007 Operational budget with local funding of \$11,612,722 with \$222,173 carryover.

Note: Mr. Early, Mr. Martin, and Mrs. Myers voted Yes on the above motion.

Mr. Evans, Mr. Jones, and Mrs. Nichols voted No on the above motion.

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Mr. Martin stated that under an abundance of caution, he declared that he was an employee of the Carroll County School System but that this decision did not affect him any more than it did any other citizen and therefore he was able to vote fairly, objectively, and in the best interest of the County.

Mr. Martin, Mr. Early, and Mrs. Myers stated that they were not going to sit all night and not come to a conclusion.

Mr. Dalton reminded the Board that they were under an obligation to adopt a school budget. He told that the Board had this budget since April 11 and were over the 30-day mandate. He told that the School Board had a right to know what their budget would be and advised the Board not to leave until setting the next meeting.

Mr. Martin commented that if the State Legislature cannot agree on a budget he was not worried about this.

MOTION TO ADJOURN

A motion was made by Mrs. Myers, with a second by Mr. Early, to adjourn.

Note: Mrs. Nichols asked that the next meeting be set before adjourning.

Mr. Martin, Mr. Early, and Mrs. Myers left the meeting before a vote was taken on the above motion.

RECESS OF MEETING

Mrs. Nichols recessed the Board at 11:10 p.m. and stated that the Board would continue this meeting on Thursday, May 23, 2006, beginning at 9:00 a.m.

Sharon F. Nichols, Chairman

Ronald L. Newman, Assistant Clerk