

May 15, 2007

The Carroll County Board of Supervisors held their regular monthly meeting on Tuesday, May 15, 2007 in the Board Meeting Room of the Carroll County Governmental Center.

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

Mr. Hutchins called the meeting to Order at 9:05 a.m. and lead in prayer and the pledge of allegiance.

(Order)

#### **APPROVAL OF MINUTES**

Upon motion by Mr. Martin, seconded by Mr. Jones, and passed unanimously, the Board approved the minutes of their regular meeting held on April 17, 2007, April 26, 2007, May 1, 2007 and May 8, 2007 as previously distributed to the members of this Board by their Clerk and as recorded in Minute Book No. 25 in the County Administrator's Office.

#### **VOTES**

Mr. Evans Yes  
Mr. Jones Yes  
Mr. Early Yes  
Mr. Martin Yes  
Mr. Hutchins Yes  
Mrs. Myers Yes

(Order)

#### **APPROVAL OF PAYROLL**

Upon motion by Mr. Martin, seconded by Mr. Jones, and passed unanimously, the Board approved the payroll for April, 2007 and did authorize the Chairman, the Clerk, and Bonita M. Williams, Treasurer, to sign on the 15<sup>th</sup> and 31<sup>st</sup> days of May checks for the payment of salaries and wages for all County officials and employees as previously budget by the State Compensation Board and this Board of Supervisors.

#### **VOTES**

Mr. Evans Yes  
Mr. Jones Yes  
Mr. Early Yes  
Mr. Martin Yes  
Mr. Hutchins Yes  
Mrs. Myers Yes

(Order)

#### **APPROVAL OF CLAIMS**

Upon motion by Mr. Martin, seconded by Mrs. Myers, and passed unanimously, the Board approved the County General Claims as presented this day and as evidenced by check numbers 85621-85723.

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VOTES

Mr. Evans Yes  
Mr. Jones Yes  
Mr. Early Yes  
Mr. Martin Yes  
Mr. Hutchins Yes  
Mrs. Myers Yes

(Order)

**APPROVE TREASURER'S REPORT**

Upon motion by Mr. Martin, seconded by Mr. Evans, and passed unanimously, the Board approved the Treasurer's report for April 2007.

Notes: Mr. Early asked when checks were deposited.

Mr. Newman replied that a courier comes daily.

Mr. Early stated that sometimes checks take a while to clear the bank.

Mr. Newman stated that the Treasurer's Office waited on the customers at the counter and then worked the mail.

Mr. Martin asked if the earned interest was put back into the general fund.

Mr. Newman replied that it was.

**REVISED AGENDA**

Mr. Hutchins told that Closed Session would be held before the Budget Work Session.

**CITIZEN'S TIME**

No one was present to speak.

**ACADEMIC ACHIEVEMENT**

On behalf of the Board of Supervisors, Gary Larowe presented Suzanne Leonard with an Academic Achievement Award. Ms. Leonard has a 4.0 grade point average and it was unanimous among the teachers to recommend Ms. Leonard for this award.

(Order)

**APPROVE ROUTE 744 ROAD ABANDONMENT**

Upon motion by Mrs. Myers, seconded by Mr. Evans, and passed unanimously, the Board approved to abandon Route 744, known as Goodspur Road, from Route 620 to 0.90 miles south of Route 620, a distance of 0.90 miles.

VOTE

Mr. Evans Yes  
Mr. Jones Yes  
Mr. Early Yes  
Mr. Martin Yes  
Mr. Hutchins Yes  
Mrs. Myers Yes

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**ADMINISTRATOR'S TIME**

Mr. Larrowe told of the following upcoming meetings:

RIFA	May 16 <sup>th</sup>	Crossroads
Business Appreciation	May 17 <sup>th</sup>	Crossroads
Rooftop	May 21 <sup>st</sup>	
CLEO	May 16 <sup>th</sup>	

**TWIN COUNTY AIRPORT COMMISSION**

Dr. Tom Littreal introduced Lynn Layher as the new Airport Manager. He told that the new water line is installed to the Fire Department and that the Airport Commission is requesting funds to extend the water line to the Airport. He explained that this was important from a safety standpoint as well as furnishing water to existing and future businesses at the Airport. He told that the projected cost is just under \$17,000 and that the PSA has contributed \$3000. He told that Don Branscome would donate the labor to install the pipe. He told that his hope was the Board would supply the funding to complete this important extension. Dr. Littreal told that the Airport has a verbal understanding with the Fire Department that they could tap into the well until they get the water line and told that the Airport has provided water to the Fire Station since it was built. He told that the request from the Commission is for \$11,249.29.

Mr. Hutchins asked if this was a shared cost or if it was just a request to Carroll County.

Dr. Littreal told that Carroll County was being asked because Carroll County would get the taxes.

Mr. Early asked if there was any money in the current budget for this.

Mr. Larrowe told that the budget could be researched to see if there were amounts that could be taken from different sources.

Dr. Littreal stated that the line had been put to the north end of the Fire Department parking lot.

Mr. Evans stated that other projects at the Airport have been shared with the other localities. He stated that water was needed at the Airport and he thinks Carroll County should pay their part, but it should be shared with Galax and Grayson.

Mr. Early told that with Carroll County providing the Aircraft taxes back to the Commission that it does allow a lower contribution from the other localities.

(Order)

**APPROVAL OF FUNDS FOR AIRPORT WATER LINE**

Upon motion by Mr. Early, seconded by Mr. Martin, and passed, the Board approved to fund the water line to the airport out of the current funds if available or in next year's budget.

VOTES

Mr. Evans      No

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Mr. Jones No  
Mr. Early Yes  
Mr. Martin Yes  
Mr. Hutchins Yes  
Mrs. Myers Yes

Mr. Evans stated that Mr. Early addressed the PSA on behalf of Twin County Aviation and he considers it a conflict of interest for him to make a motion and vote on this issue. He told that he figured there would be a way around this found by the Attorney.

Mr. Dalton told that the letter from the Commonwealth Attorney from last year addressed the issue Mr. Evans had brought up now. He told that the Commonwealth Attorney was the ultimate decision maker when it came to conflict of interest in Carroll County. He told that the letter of opinion from the Commonwealth Attorney instructed that Mr. Early should declare that he has a potential conflict and state he feels he can cast a vote impartially because he is affected no more than any other individual might be and continue to vote.

Mr. Early told that he is 1/5 owner in Twin County Aviation but he can vote impartially because it helps the Airport. He told that they are getting water free right now but when the line is ran they will be paying for water.

Mr. Evans stated that the citizens don't get free line to house and he doesn't feel like a Board Member should be able to vote to get free hookup. He stated that Twin County Aviation would be paying for the water but they didn't have to pay any portion of the \$11, 229.29 and that citizens couldn't be here to vote on getting free hookup to their house or business. He stated that he did not care what the Commonwealth Attorney said or anybody else said. He told that he was operating off of common sense and what was right. He told that he thought this was a black eye on this Board to sit here and a Board member can vote on something to give him a free hookup when other citizens have not had that right.

Mr. Early told that he did not mention free hookup.

Mr. Martin told that there is nothing wrong with contacting the other localities to contribute but if the Board waits to put the line in waiting on the others to contribute the cost could go up to \$20,000 in a year.

Mr. Early told that Don Branscome is willing to donate his time and money so it is not free hookup.

(Order)

**CLOSED SESSION – PURSUANT TO VIRGINIA CODE SECTION 2.2-3711(A5,A7)**

Upon motion by Mr. Martin, seconded by Mrs. Myers, and passed unanimously, the Board convened a Closed Session at 9:53a.m. until 11:00 a.m. for the discussion of a prospective business where no public announcement has been made of the business or industry's desire to locate or expand in the County, and for the discussion of legal matters involving threatened litigation as authorized by Virginia Code Section 2.2-3711(A5,A7).

(Order)

**CERTIFICATION OF CLOSED SESSION**

Upon motion by Mr. Martin, seconded by Mrs. Myers, and passed unanimously, the Board adopted the following Resolution:

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**WHEREAS**, the Carroll County Board of Supervisors convened a Closed Session this date pursuant to an affirmative recorded vote and on the motion to close the meeting in accordance with the Virginia Freedom of Information Act;

**WHEREAS**, Section 2.2-3711(D) of the Code of Virginia requires a certification by the Board of Supervisors that such Closed Session was conducted in conformity with Virginia law;

**NOW, THEREFORE, BE IT RESOLVED** that the Carroll County Board of Supervisors hereby certifies that, to the best of each member's knowledge, (I) only public business matters lawfully exempted from open meeting requirements under the Virginia Freedom of Information Act were heard, discussed or considered in the Closed Session to which this certification applies, and (II) only such business matters as were identified in the motion by which this Closed Session was convened were heard, discussed, or considered in the meeting to which this certification applies.

### **BUDGET WORK SESSION**

Mr. Larrowe told that the budget is down to a \$1,353,060 difference between the revenues and expenses. He told that the auditor says the financial condition is getting better. Mr. Larrowe told that in 04-05 the County borrowed \$1.5 million and reduced the tax rate \$.05, in 05-06 had borrowed \$2.5 million and the tax rate stayed the same, and in 06-07 borrowed \$2 million and raised the tax rate 12 cents.

Mr. Martin asked about pay raises.

Mr. Larrowe told that there had not been a pay raise for several years and told that for everyone who is making under \$30,000 they would get a 10% increase and for everyone making over \$30,000 they would at a 7% increase. He told that this was not a lot of dollars to the individual and that the total of raises and benefits was about \$135,000.

Mr. Martin asked what has to be done to accept the budget that has been presented.

Mr. Larrowe explained the tax matrix and told that the Board would either have to borrow money or raise taxes. He told that the School Budget accounted for a 2.6 cent increase and commented that costs have gone up. He told that an increase in the tax rate would decrease the amount that had to be borrowed.

Mr. Evans told that if the Board didn't do a tax increase and borrowed money they would have a year to watch how the money was spent and could realize a savings and not have to borrow as much.

Mr. Early asked if the wage increase included salaried employees. He told that he does not think a line needs to be drawn at \$30,000 but the distribution needs to be made based on the job as opposed to wages. He then discussed how someone making just under \$30,000 could end up making more after the raise than someone making \$30,000.

Mr. Larrowe told that the Board could make it an across the board raise.

Mr. Evans told that the Board has looked at that before and have tried to bring people into balance.

Mr. Early asked what the budget was last year.

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Mr. Larrowe replied \$27,470,672.

Mr. Early asked what the difference is between the county budget and what is given to schools.

Mr. Larrowe replied that this year the difference is \$16,080,123 and next year it will be \$18,313,192.

Mrs. Myers asked about the \$50,000 Social Service Building and the \$35,000 Child Care Center listed in the Maintenance Budget.

Mr. Larrowe told that it was to tear down the Social Services Building and to replace the roof on the Child care center. He told that the service provider had not been paying any rent and that if everything went through as being discussed they would be paying just under \$800 per month toward paying off the roof replacement amount.

Mr. Early asked if they could get a figure of what the County is spending.

Mr. Larrowe told that we could go through and come up with a number.

Mr. Martin told that it is confusing to look at the budget and see items that have increased and the county has no control over. He told that it would help to know which items the Board controls.

Mr. Early asked if Mr. Larrowe was talking about borrowing money to make up the difference because a Tax Revenue Anticipation Note is borrowing money until the County receives tax money.

Mr. Larrowe stated that this was basically the same thing.

Mr. Early stated that it was not the same thing but would be running across the fiscal year. He told that he had talked with the auditor about it and that is what he had indicated.

Mr. Early stated that the County had borrowed money to pay bills until the taxes were received in November. He stated that what is being discussed is borrowing money without revenue coming in to pay that back.

Mr. Larrowe commented that the revenue would be received in December 2008 rather than December 2007.

Mr. Early stated that this was putting off loan payments onto the next Board.

Mr. Larrowe told that the alternative is to cut \$1,353,060 from the budget or to raise taxes.

Mr. Early stated that the County had never borrowed money to cover the shortfall in the tax rate. He told that money was borrowed because the County does not collect taxes twice per year.

Mr. Martin commented that this was like the past Board adopting land use that reduced the revenue that was coming in.

Mr. Early stated that the County had never borrowed without the revenue coming in December to pay for it.

Mr. Dalton told that legally the two options are cutting the budget or raising taxes, but to borrow would be deficient spending and would need a bond referendum.

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Mr. Early told that it might be allowed by the auditor but it is not prudent government.

Mr. Dalton told that in order to obligate the incoming Board it would require a referendum. He told that many of the debts that were in place when this Board came in were through the IDA which is not under a referendum bond.

Mr. Evans asked if this had been problem in the past.

Mr. Newman replied that in the past money had been borrowed but was paid back from the taxes collected in December. He told that this was considered a tax revenue anticipation note and did not work across calendar years or fiscal years.

Mr. Dalton explained that this was not obligating the Board's successors to this debt because there is a definite revenue stream and this Board would pay off the debt while still in office in December.

Mr. Martin asked for poll of Board concerning the matrix table.

Mr. Early told that the Board has not taken enough time to crunch the numbers. He told that it is ludicrous to give a 10% raise and 7% for others. He told that he is for giving raises, but thinks it should be 3% across the board.

Mr. Evans told that he appreciates what Mr. Larowe's office has done and that the Board either needs to find cuts or raise taxes.

Mr. Martin told that the Board could put a few cents on levy and that the borrowing money would be less in years to come.

Mr. Early asked that a figure be put on discretionary spending and stated that the Board had control over things like the number of employees and salaries. He told that the County should get the same increase that the school got.

The Board then reviewed the budget of each department.

### **ZONING EDUCATION**

A motion was made by Mr. Evans, with a second by Mr. Jones, to remove the \$8500 for zoning education. The motion failed.

### **VOTES**

Mr. Evans	Yes
Mr. Jones	Yes
Mr. Early	No
Mr. Martin	No
Mr. Hutchins	No
Mrs. Myers	No

Mr. Dalton commented to the Board that the difference between revenues and expenses was \$1.3M and there were three choices to balance the budget. He told that the Board could raise taxes, cut expenses, or could use from the fund balance. He told that the County did have a fund balance projected to be \$.9M at June 30 but that sound fiscal principles ignore this and only look at what will be taken in versus what will be spent. He told that using the fund balance could prevent having to borrow. He told that the Board can not set up a budget that does not balance.

Mr. Martin told that people would fuss if they know we have \$4.9 million and we raised taxes.

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Mr. Early told that the financial outlook of the County will decrease if the Board borrows money from the reserve fund. He told that the Board didn't catch up on VRS all in one year so why not catch up on salaries over a couple of years.

Mr. Evans told that the Board needed to pay the employees and then cut other items. He told that he doesn't see raising taxes as an option.

Mr. Early told that VRS over the 3 year period did put money into pockets.

**MOTION TO ADVERTISE BUDGET**

A motion was made by Mr. Martin, seconded by Mrs. Myers to advertise a 3 cent tax increase with \$861,060 coming out of the fund balance.

VOTES

Mr. Evans	No
Mr. Jones	No
Mr. Early	No
Mr. Martin	Yes
Mr. Hutchins	Yes
Mrs. Myers	Yes

Mr. Early told that there are so many things wrong with the budget and people are being made to think they are getting by.

Mr. Evans told that the County is not in better shape by raising taxes and that the Board needs to bring spending under control.

Mr. Martin told that in the past citizens have not looked favorably at a surplus.

(Order)

**AUTHORIZE PUBLIC HEARING – PLAT REVIEW FEE AND AGREEMENT IN LIEU OF PLAN FEE**

Upon motion by Mr. Early, seconded by Mrs. Myers, and passed unanimously, the Board approved holding a Public Hearing on June 5 to hear public comments regarding the proposed Plat Review Fee and the proposed Agreement in Lieu of an Erosion and Sediment Control Plan fee.

VOTES

Mr. Evans	Yes
Mr. Jones	Yes
Mr. Early	Yes
Mr. Martin	Yes
Mr. Hutchins	Yes
Mrs. Myers	Yes

(Order)

**REDUCE INFORMATION TECHNOLOGY BUDGET**

Upon motion by Mr. Early, seconded by Mrs. Myers, and passed, the Board approved reducing the Information Technology budget to \$121,000.

VOTES

Mr. Evans	Yes
Mr. Jones	Yes
Mr. Early	Yes
Mr. Martin	No

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Mr. Hutchins No  
Mrs. Myers Yes

**CARTER BUILDING BUDGET**

A motion was made by Mr. Evans with no second to remove the electrical and fuel from the Carter Home. There was no vote on this motion.

**MOTION TO CLOSE POOL**

A motion was made by Mr. Evans to close the pool and the amount saved to be cut out of the budget except for \$10,000 to be put toward a recreation study.

VOTES

Mr. Evans Yes  
Mr. Jones No  
Mr. Early No  
Mr. Martin No  
Mr. Hutchins No  
Mrs. Myers No

Mr. Larrowe told that Mr. Collins had asked the recreation commission if they wanted to open or close the pool and make arrangements for people to have the opportunity to use other facilities and if they closed the pool they could use funds for a recreational study. He told that the commission wanted to open the pool and they also wanted to do the study.

Mr. Early asked if the Board was going to go against the commission. He told that he was not in favor of closing the pool and stated that there were people who did not have the opportunity to use other facilities. He told that it would be a disservice to the youth and that the Board could look at recreation and the pool to see if there could be cuts and also could look at an increase in usage fees. He stated that he had been trying for three years to get the Administrator to get a commercial appraisal done so the Board would know how much money they would have to spend on more recreation.

(Order)

**MOTION TO REDUCE ECONOMIC DEVELOPMENT BUDGET**

Upon motion by Mr. Early, seconded by Mrs. Myers, and passed, the Board approved to reduce the Economic Development Budget to \$2,200,000.

VOTES

Mr. Evans No  
Mr. Jones Yes  
Mr. Early Yes  
Mr. Martin Yes  
Mr. Hutchins No  
Mrs. Myers Yes

Mr. Evans commented that the Board wanted to maintain the swimming pool that doesn't bring money in but wanted to cut from the department that brings in the revenue.

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(Order)

**MOTION TO REDUCE AIRPORT BUDGET**

Upon motion by Mr. Early, seconded by Mr. Martin, and passed, the Board approved to reduce the Airport Budget to \$25,000.

VOTES

Mr. Evans	No
Mr. Jones	No
Mr. Early	Yes
Mr. Martin	Yes
Mr. Hutchins	Yes
Mrs. Myers	Yes

Mr. Evans stated that he was not against the Airport but he wanted an itemized list of how the money is spent.

**MOTION TO ADVERTISE BUDGET**

A motion was made by Mr. Early, with a second by Mr. Martin, to advertise the budget with a \$.79 tax rate for the public hearing.

VOTES

Mr. Evans	No
Mr. Jones	No
Mr. Early	Yes
Mr. Martin	Yes
Mr. Hutchins	Yes
Mrs. Myers	No

Mr. Martin asked what the surplus has been in the past.

Mr. Larrowe replied that it was \$2.5 million last year with \$2 million borrowed.

Mr. Martin told that the Board could leave the surplus, but they have no guarantee what the next Board would do with the money. He told that he is opposed to passing on \$4.9 million to the next Board for discretionary funds.

Mr. Early told that this was setting a precedent that would make it easier for the next Board to spend.

Mr. Martin stated that the last Board had put in place land use that costs the County \$623,000.

**MOTION TO ADVERTISE BUDGET**

A motion was made by Mr. Martin and seconded by Mrs. Myers to advertise the budget with a 3 cent maximum tax rate increase with the tax levy at 74 cents.

VOTES

Mr. Evans	No
Mr. Jones	No
Mr. Early	No
Mr. Martin	Yes
Mr. Hutchins	Yes
Mrs. Myers	Yes

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**MOTION TO ADVERTISE BUDGET**

A motion was made by Mrs. Myers and seconded by Mr. Martin to advertise the budget with the tax levy at 73 cents.

VOTES

Mr. Evans	No
Mr. Jones	No
Mr. Early	No
Mr. Martin	Yes
Mr. Hutchins	Yes
Mrs. Myers	Yes

(Order)

**MOTION TO ADVERTISE COUNTY BUDGET**

Upon motion by Mr. Martin, seconded by Mr. Jones, and passed the Board approved to advertise the budget with no tax increase and to take \$1,353,060 less the reductions today out of the fund balance.

VOTES

Mr. Evans	Yes
Mr. Jones	Yes
Mr. Early	No
Mr. Martin	Yes
Mr. Hutchins	No
Mrs. Myers	Yes

Mr. Early told that he could not vote for deficient spending.

(Order)

**APPROVE TOURISM APPROPRIATION**

Upon motion by Mrs. Myers, seconded by Mr. Martin, and passed unanimously, the Board appropriated \$4600.00 received as rent from the Virginia Welcome Center to Tourism line item Tourist Information Center 012050-9000.

VOTES

Mr. Evans	Yes
Mr. Jones	Yes
Mr. Early	Yes
Mr. Martin	Yes
Mr. Hutchins	Yes
Mrs. Myers	Yes

(Order)

**APPROVE REGISTRAR'S OFFICE APPROPRIATION**

Upon motion by Mrs. Myers, seconded by Mr. Martin, and passed unanimously, the Board appropriated \$21,695.72 additional revenue received from the State to Registrar line item Office Equipment 013020-5402.

VOTES

Mr. Evans	Yes
Mr. Jones	Yes
Mr. Early	Yes
Mr. Martin	Yes

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Mr. Hutchins Yes  
Mrs. Myers Yes

**SUPERVISOR'S TIME**

Mr. Martin told that they have Smart Boards at Hillsville Elementary and at St. Paul and the next Board could benefit from it. The public could see the agenda and discussion items.

Mr. Early asked for a list of delinquent taxes to be ready for the next meeting and then he would like to publish those in the newspaper.

(Order)

**ADJOURNMENT**

Upon motion by Mr. Evans, seconded by Mr. Martin, and passed, the Board adjourned the meeting at 3:22 p.m. until June 5, 2007 at 5:00 p.m.

**VOTES**

Mr. Evans Yes  
Mr. Jones Yes  
Mr. Early No  
Mr. Martin Yes  
Mr. Hutchins Yes  
Mrs. Myers Yes

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David V. Hutchins, Chairman

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Ronald L. Newman, Assistant Clerk