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The Carroll County Board of Supervisors held their Special Meeting on, April 29, 2008 in the Board Meeting Room of the Carroll County Governmental Center.

Present were: W.S. "Sam" Dickson, Chairman
 David V. Hutchins, Vice-Chairman
 Andrew S. Jackson
 Wesley G. Hurst
 Dr. Thomas W. Littrell
 N. Manus McMillian
 Gary Larrowe, County Administrator
 Ronald L. Newman, Assistant Administrator

Mr. Dickson called the meeting to Order at 6:13 p.m. and asked Mr. Larrowe to lead in prayer and pledge.

PUBLIC HEARING – SCHOOL BUDGET

Mr. Dickson opened the public hearing at 6:15 p.m. and Mr. Larrowe told that the purpose was to hear public comment regarding the School Budget.

Mr. Ron Doerschug read the following statement:

Good Evening Board of Supervisors, School Board Members and interested parties.

I am Ron Doerschug and I reside at Skyland Lakes in the Pipers Gap District. I would like to make some comments in relation to the 2008-9 School Budgets.

Whether we are a home owner, a charitable organization, a church, a town, a county or a school we are all guilty of not saving for future repairs/renovations/replacement of our infrastructure. At one time in my life I was responsible for the maintenance of a University Campus with 53 buildings. Except for eight buildings I fought tooth and nail for funding to just keep up the structures, let alone make any improvements. During fiscal emergencies, the first line to be cut is maintenance. The eight buildings I mentioned earlier were funded by a loan from the New York State Dormitory Authority. One of the conditions of the loan was payment into an escrow fund for future repairs. It was a life saver in several cases.

I had an opportunity to tour the cafeteria areas on the Cornell University campus where we were told that they schedule minor renovations every five years and major renovations every ten years. Admittedly they were used heavier than our school cafeterias but apparently we have ignored any renovations in our high school cafeteria for forty years.

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In the past our school and county boards have been remiss in not saving for major renovations or replacements of the infrastructure. This brings us to the present request for \$500,000 to begin planning for improvements or replacements of three buildings. The school system received increased funding from the state and federal governments totaling over two million dollars. The School Board proposes to fund salary increases, purchase of new buses and make some improvements in the school program with the new money.

The county is already facing some severe budget problems created by previous boards. The School Board needs to help the county this year. I would recommend that the Board of Supervisors fund the \$500,000 but reduce the School Operational and Debt Service by \$500,000.

Furthermore, I recommend that the Board of Supervisors and School Board begin a significant maintenance/renovation line for their buildings before major problems develop. The County is saving money for HVAC replacement but other systems will also fail without notice such as transformers, elevators, roofs, and plumbing.

Thank you for listening.

Mr. Ray Melton told that during the last 15 years the County has spent millions on schools and have not spent anything on developing. He told that the County needs to develop the interchanges because there are 3 that are not bringing in any money. He told that this would bring in money for the schools and help the seniors. He told that schools need money to operate and the County needs to support them, but the County needs to develop the interchanges.

Mr. Olen Gallimore told that he is blessed to have land and his assessment increased 113%. He told that even at 53 cents he will pay almost double in taxes. He told that the teachers probably deserve a 4% increase but many people in the County do not have jobs. He told that all County employees are going to have to bite the bullet until the crisis is over. Mr. Gallimore asked if there is an Assistant Principal at all schools.

Mr. Smith replied that they do have Assistant Principals at the large schools due to State guidelines.

Mr. Gallimore told that lots of teachers drive buses and wanted to know if they are paid an additional salary or overtime.

Mr. Smith told that they are paid a stipend based on their salary.

Mr. Gallimore asked if there is an Assistant Superintendent.

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Mr. Smith told that there are 2 now, but only 1 in the 08-09 budget.

With no one else to speak, the public hearing closed at 6:28 p.m.

Mr. Dickson told that he appreciates the comments and the Board will take them into consideration.

BUDGET WORK SESSION

Mr. Larrowe told the fund balance cost was 5.71 cents on the tax rate and talked about fuel increases.

Mr. McMillian asked if a tank were placed at St. Paul if this would save money.

Mr. Larrowe told that it is being looked at what can be done. He told that the fuel bid has been opened up to everyone and it will be used by the school, fire and rescue. He told that propane cost was being looked at as well. He told that the General Assembly is reducing the aid to localities by \$50 million. Mr. Larrowe told that the budget included investments such as water and sewer at Exit 1 and sewer at Exit 19 and \$100,000 for transport service to provide water to communities.

Mr. Hutchins told that with planning there could be growth along the transport line.

Mr. Larrowe told that \$103,000 was provided to the PSA by the Board for Airport Road, but it was used for the sewer project and now it has to be replaced.

Mr. Dickson asked where it was used.

Mr. Larrowe told that it was used from the Farmers Market to Jeff Johnson's.

Mr. Hutchins asked what the revenue is on that.

Mr. Larrowe told that it is \$55.00 per month. He told that the school wants \$500,000 to do a building study and there was a need for \$90,000 for the Austinville Water Connection and with another \$90,000 needed next year with the water treatment plant coming on line and Carroll County has no lines in the ground to transport water to Exit 19.

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Mr. Hutchins asked if the County would have to pay if they are not ready to accept the water.

Mr. Larowe told about the Landfill Closure and that he has divided that over 2 years, but they still have to make the payment.

Mr. Larowe suggested delaying the salary increases until after December 1st to parallel to the state and told the savings would be about \$48,000. He told that the health insurance decreased approximately 10%.

Mr. McMillian asked why it decreased.

Mr. Larowe told that it was under the same provider and this is a 99 year contract with them.

Mr. Hutchins asked if the Board could get a copy of the contract.

Mr. Larowe told that it is a no loss contract.

Mr. McMillian asked if the County could get an analysis from the insurance company.

Mr. Larowe told that a few years ago it was calculated at \$500,000.

Mr. Hutchins told that it might be \$500,000 well spent.

Ms. Smith reviewed the budget book.

Mr. McMillian told that the Recreation Department was impressed with their meeting with Ms. Smith.

Ms. Smith told that she is here to help departments manage their budget. She told that she had commented to Mr. Larowe today that the County is run on a lean staff.

Mr. McMillian told that the County is fortunate to have good people.

(Order)

CLOSED SESSION – PURSUANT TO VIRGINIA CODE SECTION 2.2-3711(A1,A3,A5,A7)

Upon motion by Mr. Hutchins, seconded by Mr. Jackson, and passed unanimously, the Board convened a Closed Session at 7:00 p.m. to 8:33 p.m. for the discussion of personnel, for the discussion of disposition or real estate where public discussion would be detrimental to the County's position, for the

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discussion of a prospective business or industry where no public announcement has been made concerning the business or industry's desire to locate or expand in the County, and for the discussion of legal matters pertaining to threatened or pending litigation as authorized by Virginia Code Section 2.2-3711(A1), (A3), (A5), (A7).

VOTES

Mr. Jackson Yes
Mr. Hurst Yes
Mr. Hutchins Yes
Mr. Dickson Yes
Mr. Littrell Yes
Mr. McMillian Yes

(Order)

CERTIFICATION OF CLOSED SESSION

Upon motion by Mr. Hurst, seconded by Mr. Hutchins, and passed unanimously, the Board adopted the following Resolution:

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.

VOTES

Mr. Jackson Yes
Mr. Hurst Yes
Mr. Hutchins Yes
Mr. Dickson Yes
Mr. Littrell Yes
Mr. McMillian Yes

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(Order)

ADOPT RESOLUTION – WOODLAWN SEWER PROJECT

Upon motion by Mr. Hutchins, seconded by Dr. Littrell and passing unanimously, the Board adopted the following Woodlawn Sewer Project Resolution:

**Resolution
Eminent Domain
Woodlawn Project**

WHEREAS, the County of Carroll, Virginia (the “County”) and the Public Service Authority of Carroll County (the “PSA”) have jointly worked on providing public sanitary sewer service to residents and businesses in the Woodlawn area of Carroll County (the “Project”); and,

WHEREAS, the Project is necessary to protect the health, safety and welfare of the citizens and businesses of Carroll County in the Project area; and,

WHEREAS, the County and the PSA have obtained funding for the Project from the U.S. Department of Agriculture, operating through Rural Development, and will entail construction of the sewer lines, pump station and other improvements and appurtenances to collect and transport sewer from the Project area to the City of Galax for treatment; and

WHEREAS, the County and the PSA have entered into an Agreement with the City of Galax for the treatment of sewage from the Project; and,

WHEREAS, although most of the necessary easements and properties for construction and operation of the Project has been acquired, either by the County or the PSA, the PSA has advised the County that certain additional easements and properties need to be acquired in order to construct and operate the Project and has requested that the County consent to the PSA acquiring the remaining necessary properties and easements by eminent domain, if necessary, including the acquisition of a parcel to be acquired on Route 58, Crooked Creek, a part of the parcel noted as Tax Map #95-1-1 on the records of the County, for the construction and operation of a pump station with necessary easements for lines and other appurtenances (the “property”).

Now, therefore **BE IT RESOLVED**, the Board of Supervisors of Carroll County, Virginia, hereby authorizes and consents to the use by the Public Service Authority of Carroll County, Virginia of eminent domain to acquire such properties and/or easements as the PSA may determine are

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necessary for the construction and operation of the Project, including the acquisition of the property, easements and other appurtenances thereto.

VOTES

Mr. Jackson Yes
Mr. Hurst Yes
Mr. Hutchins Yes
Mr. Dickson Yes
Mr. Littrell Yes
Mr. McMillian Yes

(Order)

FUND BALANCE 2008-2009

Dr. Littrell told that last year money was taken from the fund balance to develop the budget. He told that the State only uses the fund balance to make up shortfalls in the current budget.

Upon motion by Dr. Littrell, seconded by Mr. McMillian, and passed unanimously, the Board approved not to use the fund balance for the 2008-2009 budget.

VOTES

Mr. Jackson Yes
Mr. Hurst Yes
Mr. Hutchins Yes
Mr. Dickson Yes
Mr. Littrell Yes
Mr. McMillian Yes

Mr. Hutchins told that some of the Board members last year argued against this and it has caused this Board to make extremely difficult decisions that they would not otherwise have to make. He told that until the fund balance reaches 10% of the County budget it is not a rainy day fund.

Mr. Hurst told that he agrees that the leakage exceeds pumpage.

Mr. Jackson told that it is like closing the barn door after the cow is out. He told that it is a step in the right direction.

Mr. McMillian told that he agrees and this Board has to deal with it. He told that if the Board dips into the funds they are only digging the hole deeper. He told that the money has to be replaced and there is a significant difference in the levy verses what could have been done.

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Mr. Dickson told that there are reasons to have a fund balance and in cases of emergency the County needs to be prepared.

BUDGET WORK SESSION

Mr. Dickson told that there have been some questions of doing the assessment in house or doing a contract assessment. He asked if the Board needs to fund that much and keep all the positions.

Mr. Larrowe told that it includes 5 employees.

Mr. Hutchins asked what the cost of the contract is.

Mr. Larrowe told that it is approximately \$610,000, but it would be done by bid process.

Mr. Hutchins told that a 4 year assessment is misleading to the public and people think the increase was because it went from 6 years to 4 years. He told that if the County does it on a shorter time frame there is less of an increase in values and the shock is less. He told that it is less expensive with a good database and if maintained each day it would cost less than looking at each 4 years.

Mr. Dickson asked about the \$42,000 for professional services.

Mr. Larrowe told that it is for GIS.

Mr. Dickson asked if this is a possible place to look for cuts.

Mr. Larrowe asked if they are looking at positions.

Mr. Dickson told that he hates to look at positions, but they could possibly move to openings. He told that the school has asked for \$500,000 to do a study for the schools and volunteers have asked for increases.

Mr. Larrowe told that the Fire Departments request is higher. He told that they took last years figures and added fuel increase for them. He told that they reduced the Rescue Squads to \$5000 except for Cana and that is due to paying half of the building debt.

Mr. Hutchins told that \$102,750 was what was siphoned out for another project and asked if \$50,000 is for easements concerning the Airport Road Water Project.

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Mr. Larrowe told that the Board has paid for connection fees in the past and it was deemed as a free connection.

Mr. Hutchins asked if the County would lose points with Rural Development because the Board pays connection fees instead of charging the customer.

Mr. Hurst told that whether the County is ready or not it will be paying for water service around May 09.

Dr. Littrell asked if the County would collect less money if they don't have decals.

Mr. Larrowe presented the information from Ms. Williams. He told that if this passed the County would have to enforce starting in December or it could lose 1 years revenue. He told that localities are seeing a loss on revenue during the 1st year then it levels out.

Mr. Hurst asked what the difference would be if taxes are prorated from the date of purchase rather than only paying on what people owned on January 1st.

Mr. Hutchins asked if Ms. Quesenberry could be at the next budget meeting to discuss.

Dr. Littrell asked that if some point would the personal property tax not be collected even if the County did not have decals.

Mr. Hurst asked if the Treasurer could use the debt to set off the program.

Dr. Littrell told that the Board had been looking at expenses and they should be looking at the revenue as well. He told that there are probably at least as many dogs as cars in the County and if everyone bought a dog tag they could cut half of the tax rate. He told that there are instances of old farm equipment listed when they have newer equipment.

Mr. Dickson asked if money is still owed on the Guynn property.

Mr. Larrowe told that the Guynn family financed over 5 years.

Mr. McMillian asked if money has been budgeted for possible liability with Amerlink.

Mr. Larrowe told that the County has not budgeted for that.

Mr. Hutchins told that fuel should be tracked by vehicle.

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Mr. Dickson told that the Board should look at vehicle consolidation.

Mr. Hutchins told that money is needed for conduit to provide for fiber access.

Mr. Larrowe told that there is \$50,000 for broadband, but it does not include money for conduit for fiber.

Mr. Hutchins told that the County needs to plan for it.

Mr. Dickson told that the Galax Mayor has discussed the airport runway needing extended and there are grants, but they will require a match from the localities and suggested that each locality put aside \$10,000 each year. He told that the Carter Building is out of money and needs \$36,000 to refinish the floors and they have asked if the County would pay half and the Town pay half. Mr. Dickson discussed the Wellness Center program for summer camp.

Mr. Larrowe told that the budget contains \$10,000 rather than the \$25,000 that was requested.

Dr. Littrell told that if the runway extension is \$5 million then the localities would have to supply 2% so \$5000 a year should work.

Mr. McMillian asked what would be the size of the plane that could land.

Dr. Littrell told that they could do corporate Lear jets if it was extended.

Mr. Dickson told that one industry was looking at the area, but after looking at the airport they were afraid they couldn't take off so they located in Smyth County. He suggested adopting a resolution supporting the runway.

Mr. Larrowe told that \$90,000 was in the budget of the \$180,000 for the Austinville Connection Fee.

Mr. Dickson asked if any member sees additional items for consideration that they e-mail the Administrator.

Mr. Hutchins told that the only place with major funds is the school system. He told there is a question on spending money for the study when the County doesn't have money to build new schools.

Mr. Dickson told that Litter Control has been put on for 6 months and the Board may look at that.

Dr. Littrell told that half of the complaints from his district concern litter.

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Mr. Dickson told that litter is a concern, but asked if the County is getting what it is putting into it.

Mr. Hutchins told that the County might not be getting what it could out of it because it might not have the right person in place to carry out the program. He stated that if the Board did have the right person they could reap significant results.

Mr. Larrowe told that the Judge would like to see someone with law enforcement or management experience in the position.

Mr. Hutchins told that the County pays a significant amount for maintenance fees for the Bright system. He told that the software yields little that provides useful information for the Board and suggested not paying that management fee this year and spending that money looking for something that will produce useful information.

Mr. Larrowe told that he is leery of not paying that and asked what would happen to the data.

Dr. Littrell asked about the difference on the budget and what is expended for IT.

Mr. Larrowe told that a salary had previously been charged to a line item, but it had been corrected.

Mr. Dickson discussed scheduling another work session.

(Order)

ADJOURNMENT

Upon motion my Mr. Hutchins, seconded by Mr. Hurst, and passed unanimously, the Board adjourned at 10:40 p.m. until April 30, 2008 at 6:00 p.m. for budget workshop and other items that may come forward.

VOTES

Mr. Jackson Yes

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Mr. Hurst Yes
Mr. Hutchins Yes
Mr. Dickson Yes
Mr. Littrell Yes
Mr. McMillian Yes

W. S. "Sam" Dickson, Chairman

Ronald L. Newman, Assistant Clerk