

The Carroll County Board of Supervisors held a called meeting on, January 22, 2018 in the Board Meeting Room of the Carroll County Governmental Center.

Present were:

- Rex L. Hill
- Dr. Tom Littrell
- Bob Martin
- Phillip McCraw
- Robbie McCraw
- Joe Webb
- Steve Truitt, County Administrator
- Nikki Cannon, Assistant County Administrator

Mr. Robbie McCraw called the meeting to order at 6:00p.m.

Mr. Hill lead in pledge and invocation.

Mr. Robbie McCraw thanked everyone for being here. He told that we do have Closed Session but we are going to move it until last.

BUDGET CALENDAR

Mr. Martin told that this is a tentative thing and if something comes up we can change it.

Mr. Robbie McCraw told that we can always have a meeting.

Mr. Truitt told that this is a recommendation and we can always change it.

Mr. Hill asked if the 12th is our normal meeting date.

Mr. Robbie McCraw replied yes, the 12th is our normal meeting.

Upon motion by Mr. Martin, seconded by Mr. Hill and passing, the Board approved the Budget Calendar as presented.

VOTES

- Mr. Webb Yes
- Mr. Phillip McCraw Yes
- Mr. Hill Yes
- Mr. Robbie McCraw Yes
- Dr. Littrell Yes
- Mr. Martin Yes

(Order)

REVENUE FY19

Ms. Cannon told when we talked about having a budget work session in this format we talked it about making it an educational process so I have included history, what we are required to do and where we want to go. She reviewed what the state requirements are in terms of the budget.

Mr. Martin told sometimes you see things so much that you forget it and he finally figured out that a budget is not in concrete and it is a working document that you make adjustments to.

Ms. Cannon told that your budget is a forecast and hopefully, I have been doing this a long time and one of the approaches I take is to be really conservative on the revenue and make is reasonable and on the expenditures monitor and watch and make adjustments accordingly. She told that if you know you are going to have to amend your expenditures

for a certain amount make sure somewhere you are going to have additional revenue. In terms of history, our challenges are QSCB for Phase III on Schools.

Mr. Hill asked if she would tell everyone what QSCB is.

Ms. Cannon told that it is Qualified School Construction Bonds and a lot of times financing is done through literary loans and sometimes you do bonds on those and the terms are 30 to 40 years but the term on this is 15 years so we have to pay a lot of money back quickly even though we are getting interest expense refunded to us not at 100%.

Mr. Martin asked if that was through the State.

Ms. Cannon told it was federal.

Mr. Martin told the good thing is it is interest free money, bad thing is you have to pay it back in 15 years and that amount was \$15 million so you got hit with a \$1.25 million payment in one year, overall it was a good thing but I will take your breathe.

Ms. Cannon told that is the least it is. She told for the principal on QSCB, the first payment was \$1.75 million and this payment will go up to \$1.25.

Mr. Robbie McCraw asked how many years have we been paying it.

Ms. Cannon replied we are in the 3rd year. She told some of the other school debt is falling off over time, I think we had \$83,000 less on our school debt in the budget currently. She told capital needs, ambulances we are always going to need, economic development trying to attract new industry here can be a trying feat so sometimes you have incentives with that.

Mr. Truitt told that there are existing incentives that are in place that we have to honor so we are very careful with those monies.

Mr. Martin told the positive thing is Carroll County is so far ahead with school construction, the bad thing is you have to pay for it, but we did it at low construction cost and low interest rates.

Ms. Cannon replied with short terms.

Mr. Martin told you can drive an hour from this place and it is a different world, good and bad.

Ms. Cannon told another budget challenge we have had is reducing our expenditures on expenditures that have already been reduced. She told it seems like we have been leaving a lot of positions unfilled as of late in places where it was already thin and we are leaving those unfilled or vacant so you are basically trying to do the same amount of work with less resources. She told we also have a lack of reserves available to bridge the gap in the budget. She told one of the biggest reasons for this, everyone can chime in if they want is we spent a lot of money buying up some buildings in the Industrial Park and while that was a good investment and it has put people to work at places like Vanguard and Virginia Produce it also basically took all of the reserves that we had and are paying them back slowly. She told in 2016 she took a slide which was what exactly are our options for balancing the budget, you don't have a lot as the Board of Supervisors. She told you can increase taxes which is not popular, you can reduce your services provided to citizens but the environment that we are in she would say people want more instead of less in terms of services and redistributing resources. She told in 2016 she crossed off that so now what. She told we have been working on recapturing expenditures where we can, for example charging for electrical and phone charges and we are still trying to do things like that. She told the new phone system that is one of the investments we made that we felt like over the long term was going to reduce the amount of our expenditures. She told we are still trying to think outside the box.

Mr. Robbie McCraw asked with the new phone system are you able to charge the chargeable departments for usage.

Ms. Cannon replied yes sir.

Mr. Truitt told that we don't get charged by the minute, we own the handsets and we charge by how many we hand out.

Mr. Hill asked what positions have we eliminated in the last three years.

Ms. Cannon told in a slide that is next, but it doesn't go back three years. She told this is the goals we had for last year. She told we have three positions right now that are eliminated for an estimated savings of \$121,000.

Mr. Hill asked which positions are those.

Ms. Cannon told it is in Admin, in IT and Treasures Office. She told we have two positions right now that we have remained open, one in recreation and one in the farmers market which will be a savings for this year of \$36,000. She told we refinanced the Complex debt, she told that it will pay off at the same time because of a reduced interest rate so that is a savings of \$28,000.

Mr. Robbie McCraw asked if it would change our payments much.

Ms. Cannon told it will, over the life of the loan it will save us \$500,000 but it is still going to pay off in 2035 which is the original maturity date. She told we are thinking outside the box and trying to reduce expenditures where we can.

Mr. Martin told on the flip side the County Administrators Office to do more and more and more and handle requests takes arms and legs and that is personnel and I learned along time ago that there is a limit to how much stuff people can get done. He told he cautioned us about cutting people.

Ms. Cannon told that there are efficiencies we will loose and I think we are trying to think outside the box and figure out how we can reconfigure our area just to make sure we have coverage all the time because the worst thing you can do in government is to have people say there is nobody there so we are trying to pick up for each other and work as a team. She told one of the goals is to eliminate the need for a revenue anticipation note and in order to do that we have to build reserves and that has not happened as of yet. She told she thinks you want to maintain the current levels of service and still address prioritized capital items, we still have a fire truck that is coming. She told budget goals for this year, from what I am hearing and these are just my guesses, I am going to need some input from you but I think I was safe to say no tax increase. I think pretty much everyone is in agreement that you don't want a tax increase and we also want to build reserves. She told remember you have three choices and one of them is eliminated here so you redistribute resources or we make some cuts. She told she would love to have some input on what you would like as goals.

Mr. Martin told he thinks you hit the nail on the head twice there.

Mr. Hill told he is going to throw out a couple, hard bill for Fire and EMS, bring back the County sticker and raise personal property tax on vehicles, not real estate.

Mr. Martin told we need to take a look at those things.

Ms. Cannon told she called around after you were in the other day and gave us your list and got the tax rates for all the other jurisdictions, we can pull it up if you would like. She told that she can print this out and give it to you at the end or email it. She told basically the majority of our budget is general property taxes and other local taxes like meals tax, lodging taxes. She told on recovered cost, we are physical agent for PSA, Solid Waste and BRCEDA we are physical agent.

Mr. Martin stated so we are physical agent and then it gets disbursed out.

Ms. Cannon told they pay us back 100%.

Mr. Hill asked if PSA pays us back.

Ms. Cannon replied 100% but then there is the availability fee which is in another department. She told the payroll and all of that is reimbursed 100%.

Mr. Hill told he is talking about the debt.

Ms. Cannon told the availability fee is the debt fee.

Mr. Martin told sometimes, I guess PSA has got \$100 and some thousand dollars surplus.

Mr. Hill replied carryover.

Mr. Martin asked should they have that much money and why should they have that much money.

Ms. Cannon told that she doesn't know that they do and forgive her she didn't look at their financial report.

Mr. Hill asked who does their budget. He told that he has never seen a public hearing on their budget.

Ms. Cannon told the PSA has a public hearing on their budget.

Mr. Hill told that he has been here two years and hasn't seen one.

Ms. Cannon told that the budget public hearing for PSA would not be done on the county side.

Mr. Hill told that he attends every meeting.

Ms. Cannon replied okay.

Mr. Martin told that he is not fussing he is just.

Mr. Hill told he is trying to get to the point here and find out why there are no eyes on the PSA budget.

Ms. Cannon told that she doesn't serve on the PSA.

Mr. Martin told he guesses if he went to PSA and asked questions it would help.

Mr. Hill told that he would assume that it would come before or we would have a work session they would bring what their presentation of their expenditures are to us to approve. He told that we do it with recreation, they have a board.

Ms. Cannon told they have a Commission.

Mr. Hill told that it still falls with under the County purview does it not.

Ms. Cannon told that PSA is a separate standalone agency.

Mr. Hill replied well let's take our money back if they are stand alone. He asked why are we giving them money.

Ms. Cannon told because the Board adopted agreements to do that.

Mr. Hill asked if we can renegotiate those agreements. He told according to what he has read that they can be renegotiated.

Mr. Martin told that PSA depends on a certain amount of money to make the wheels turn.

Ms. Cannon told that when the debt was issued, the Board of Supervisors at that time made a commitment to fund those debt service payments.

Mr. Hill told he thought this was for the.

Mr. Truitt told he thinks there are two different issues if he understands correctly, one is the supplemental payments we make annually in order to help them make their debt service, that kind of arrangement is negotiable. He told the debt that the PSA has taken on as an obligation of the County was something that was approved by the past Board of Supervisors and the only thing we can do with that if the PSA would like to have assistance would be like we did with the school.

Mr. Hill replied reducing the rate.

Mr. Truitt told that is about all you can do. He told as far as how we operate it can be discussed and he would think in the other direction they would lay out their plan as to how it all comes together. He told that would be the fair way to do it.

Ms. Cannon told the availability fee did go down this year because they had a rate increase.

Mr. Hill asked why they were not provided a copy of that. He told what he has from them is the same one that was took three years ago. He told he is trying to get it clear.

Ms. Cannon asked a copy of what.

Mr. Hill replied the agreement, one for sewer and one for water.

Ms. Cannon asked on a specific debt service issuance.

Mr. Hill replied no on the availability at Wildwood.

Ms. Cannon told that she doesn't understand the question and she is sorry. She told that when she is talking about the availability fee she is talking about the fee that is funded by Carroll County Board of Supervisors transfer to PSA. She asked if that is what you are talking about, \$996,000.

Mr. Truitt told that was reduced about \$200,000.

Ms. Cannon told that it was not that much.

Mr. Robbie McCraw told that is on top of the agreement that is set up with the PSA and the IDA for Wildwood.

Ms. Cannon told that is all together different.

Mr. Robbie McCraw told that is what he thinks Rex is talking about because that is \$39,300 a month fee for water.

Mr. Hill told and \$8000 for sewer.

Ms. Cannon asked that we are paying.

Mr. Robbie McCraw replied well the IDA is paying it.

Ms. Cannon told that she is not trying to be coy she just doesn't understand. She told that she is talking about this one which is the availability fee, basically the agreements that the Board agreed to when we issued debt for the projects in the PSA years ago and that is some of the payments that the Board committed to. She told that it got reduced because there was an increase so we were the benefactor of the citizens increase.

Mr. Truitt told that if the PSA got to the point that they were self-sufficient we wouldn't give them anything. He told we give them the minimum amount so they can meet the obligations.

Mr. Martin told one thing that would help tremendously is at Wildwood if we ever get a company in over there and they use a blue zillion gallons of water we would probably have more money than you can shake a stick at. He told that industries subsidize water and sewer.

Mr. Phillip McCraw told that he commends Dr. Littrell for being on the PSA. He told he thinks every Supervisor should be on it, they are an agency that is just an escape goat. He told you can't vote on them but they have authority, he doesn't like it and has never liked it and thinks every one of the Supervisors should be on PSA.

Ms. Cannon told that at one time they were and then one time they weren't.

Mr. Martin told that part of it is that under, the financing and expense it is easier to have a PSA and an IDA and allows you to do somethings that the Board can't do. He told it is sort of like your wives mother, they ain't kin but you are hooked in.

Mr. Truitt told that we do not have the choice as a County to not fund the debt, we are required to pay it.

Mr. Robbie McCraw told there is an availability agreement that is not tied to Wildwood in any way.

Ms. Cannon told there are several because it is for each project.

Mr. Robbie McCraw told so for each project they do we have to guarantee that much.

Ms. Cannon told if you look at the PSA CIP that has historically been presented to you, those are the payments.

Mr. Robbie McCraw told that on top of that we have this other agreement actually with the IDA and PSA for Wildwood, there is another availability agreement.

Mr. Martin told the IDA owns this building.

Mr. Robbie McCraw told he knows it the IDA but we are ultimately responsible.

Ms. Cannon told you are correct on that. She told that is actually not something we have to pay yet.

Mr. Robbie McCraw told that it has started.

Ms. Cannon asked when they were dated.

Mr. Robbie McCraw told they are dated 2010.

Mr. Hill told that it would help if we had every single agreement that we have with anybody or entity that we have any money tied to.

Mr. Truitt told he has been trying to do that.

Mr. Hill told it would be nice to have a booklet that he could go through and follow, that would be very helpful to us. He told that he feels like we can renegotiate, especially

if they have carryover of \$157,000. He told that is one area that we could make some adjustments on.

Mr. Martin told we can take it under advisement.

Mr. Phillip McCraw told that they have problems with numbers he finds in the paper it states they have 75 agreements for water and he gets a copy of it and he counts pretty good and there are 47.

Ms. Cannon told that we don't oversee the PSA.

Mr. Hill told in some counties they do, sometimes its just a function of the County.

Ms. Cannon told the City of Galax has a water and sewer department, they don't have a separate authority.

Mr. Hill told that it is under the purview of the Board to make that decision.

Ms. Cannon told that she would have to look at the by-laws, they were adopted.

Mr. Hill told about 10 years ago Patrick County totally eliminated their PSA and redone it.

Mr. Martin told that Pulaski has a separate authority.

Mr. Hill told lets go forward.

Mr. Martin told that we are not going to get rich reducing PSA and IDA.

Dr. Littrell asked if we could go back to the slide before. He asked on the \$512,000 is that due to reassessment.

Ms. Cannon told that was part of it and part was a reduction on collection of delinquent taxes that the budget committee wanted last year.

Mr. Hill asked if you had the delinquents added in there.

Ms. Cannon told these are estimates.

Mr. Truitt told we went with a more conservative number because we had so many problems from the year prior. He told if you will recall we had a pretty extensive debate on the number he thinks it was \$1.5 million and it was reduced to \$1.1 million.

Mr. Hill told that number right there looks, but that doesn't include. He told that \$22 million that doesn't include the delinquents.

Ms. Cannon told that it does. She told we budget based off of an estimate and we typically budget a percentage of an estimate. She told the next slide is budgeted verses billed for the current year. She told it is just for the current, no delinquent. She told there is a difference of \$2.6 million.

Mr. Martin told you estimated a little low.

Ms. Cannon replied yes, we based the estimate as a percentage of the estimates.

Mr. Martin told in personal property in the budget you estimated much lower.

Ms. Cannon told in what was actually billed.

Mr. Robbie McCraw told the billed amounts were probably that much higher because reassessment.

Ms. Cannon replied yes and new construction. She told that we are all working off of estimates at any given time and depending on when you are formulating your estimates and adopting your budget to getting the actual there has probably been a 15 so we are working way ahead of time to estimate these figures.

Mr. Martin told on the totals you estimated \$19 million and we billed for \$22 and hopefully we will be closer to the \$22.

Ms. Williams told you will not get the total billing, she has been doing this for years and you won't get it.

Ms. Cannon told you may on certain things.

Mr. Truitt told we were deliberately very very conservative because we didn't want to end up in the same shape again.

Mr. Hill told it might be conservative for this County but compared to other counties it is way high.

Ms. Cannon asked what is way high.

Mr. Hill replied the.

Ms. Williams asked if she could pass this out while we are on taxes, this is your budgeted delinquent taxes and amounts collected. She told you will see Mr. Larowe came to her in 2011 telling her that the school needed something and they needed money and she told him at that time she would work really hard on it for that one year because you keep eating up your delinquent you are eating up your cushion. She told if you estimate your delinquents high the County has no cushion and that's what they use to operate on for the things they don't have. She told if you have a smaller amount on your delinquents and of course we would collect over that, then that is your bank. She told that it has not been done in quite a few years if you notice it has been going up and up on your delinquents. She told when it goes up and up you are eating away at you bank, you don't have that bank, that is how she looks at it. She told that Nikki informed her a while ago that you were wanting some information on the yellow highlighted areas and she doesn't have anything on that.

Mr. Hill told here is the problem, we set the high delinquent collection and it doesn't come in and we base our expenditures on that collection. He told that is exactly where we are at this point in time and that's the way it has been going on for six years. He told we base our expenditures on what we anticipate getting. He told it goes back 2012 and each year it is over a million that we keep drawing down. He told the best thing to do it base it on reasonable revenues, don't count the delinquent and if the delinquent comes in we put it out on the CIP or wherever else we need. He told it is gonna hurt because you have to reduce your expenditures.

Mr. Cannon told wouldn't you say that is exactly what happened last year when you look at we budgeted \$19.8 but billed out \$22.5.

Mr. Hill asked where you are looking at.

Ms. Cannon told this is what we budgeted.

Mr. Hill and where are we going to be this year.

Ms. Cannon told we billed out \$22.5.

Mr. Robbie McCraw asked what is a realistic number, we billed out \$22.5 but what is the realistic number.

Mr. Truitt told that is 88%.

Ms. Cannon told if you look at your revenue report.

Mr. Robbie McCraw told you have 100% of some of what is on these line items.

Ms. Cannon told of what was estimated, like on PSC's. She told on real estate we budgeted 96% of the estimate at the time which was \$13.8 million. She told if you look in the budgeted revenue that you have that is 96% of actual so this year we should collect 96% of what we billed.

Mr. Hill told we have never collected over \$1 million on real estate.

Ms. Cannon told this is only current amounts and has nothing to do with delinquents.

Mr. Hill told you said the \$22 million was included.

Ms. Cannon replied no, this \$22 million is what we billed.

Mr. Hill told the general property tax doesn't match the other one.

Ms. Cannon told that is a category general property taxes includes delinquents. She told if you go to the first page the first total the general property tax the estimates are \$21.558.

Mr. Robbie McCraw told that is 96%.

Ms. Cannon told on the real estate.

Mr. Robbie McCraw told that it will even itself out.

Ms. Cannon told that it is only a 68% collection rate on personal property.

Mr. Hill told if we are going to do that and we continue and collect this where does that leave us for the next year if we collected it all.

Ms. Cannon told it gives our cushion back.

Mr. Truitt told it will give us \$4 million in the bank.

Ms. Cannon told it would fill our fund balance requirement.

Mr. Hill told not as long as we continue to have our expenditures match the anticipated revenue.

Ms. Cannon told she really thinks we are missing something on this slide.

Mr. Robbie McCraw told that he feels like what Rex is trying to get across is yes the budget is a living breathing moving object but what he is trying to say is if we take our projected revenues and budget to that we are not ever going to come in at the right place because we are not collecting as much.

Ms. Williams told another words you are putting your projections and you are saying your expenditures are coming in at \$22 so there is no cushion, is that what you are saying.

Ms. Cannon told that she says we budgeted \$19.8 and our expenditures were based off of that and we billed this so you already have a \$2.6 million cushion that you wouldn't expect.

Mr. Robbie McCraw told he understands what you are saying.

Ms. Williams told you are never going to get it all it has never happened.

Ms. Cannon told even if we fall short by half you have still collected an additional \$1.375 million.

Mr. Truitt told we are starting with a number that is 88% billed. Is that not true.

Ms. Cannon asked why are you shaking your head Rex, is there.

Mr. Hill told we are basing our expenditures on this \$22 million.

Ms. Cannon replied no, we are basing it on the \$19.

Mr. Hill asked how come we keep getting in the hole every year and have to borrow money.

Ms. Cannon told we don't usually budget \$2.6 million less than we bill.

Mr. Robbie McCraw told this is next years projected.

Ms. Cannon told it is this years. She told if you take your revenue report, take public service we have already collected \$42,000 more than what we budgeted. She told we are not going to spend it, that is not to say some of our expenditures are not running over because they are.

Mr. Martin told we are trying to learn, haven't you learned a lesson don't you adjust your numbers.

Ms. Cannon told that is what we have done.

Ms. Williams asked if you are calling the \$2.6 a cushion.

Ms. Cannon told it is a cushion.

Ms. Williams asked are you collecting to the penny.

Ms. Cannon told no, just like she said a minute ago even if we only collect half of what we didn't budget for because it is going to be more, it is \$52,000 in the PSC's right now. She told what will be the big question mark is the \$1.7 because if our percentages are low anywhere. She told that in her mind we probably ought to take 96% or maybe closer to 92%, maybe Bonita can come up with a percentage, maybe 66% on mobile homes.

Ms. Williams told the report you received in the Board packet in December the amount budgeted \$22 so right now you have a balance of \$2.9 on your budgeted amount to be collected.

Ms. Cannon told we still have \$2.4 to collect but that number includes delinquencies, this one does not.

Mr. Martin told there is a reason he did not major in finance. He told that he understands it there are bills that have went out for \$22 and we have budgeted \$19 so anything that comes in over the \$19 will help and if we can collect unpaid property taxes and so forth we could move out of a lot of our budget problems. He told that Regional Jail and CSA.

Mr. Robbie McCraw told that is going to be the two things that eat at the \$2.6 million. He told they are both trending extremely high this year. He told CSA is a little over \$200,000 than it was last year.

Ms. Cannon told the we will have to do an extensive budget adjustment on CSA there is no doubt about it, this is not a Carroll County problem it is a state problem even a federal problem. She told we are probably going to have to adjust the expenditures up to \$2.274 which is an additional \$947,000 but on the revenue side it looks like and I could

be wrong because I don't handle revenue and am not really supposed to answer questions on revenue, she told she is not going to put Bonita on the spot because I didn't ask her but there will be offsetting revenue on the CSA so the impact to the budget is going to be about \$45,000 from what I am seeing.

Mr. Hill told our portion of that is 29.1%, correct.

Ms. Cannon told it averages out to that.

Ms. Phillip McCraw asked if we have a reassessment coming up this year.

Ms. Cannon told we had one last year so not for another 3 years.

Mr. Phillip McCraw told he had a complaint the other day and had never had anybody mention before, he said his house was lower than what he had in it and the insurance was higher but if his houses burnt the tax value is all it would pay.

Mr. Martin told that when you build a house whatever the cost to replace starts even and the building cost they take off so to build the house back it would cost \$100,000 and a few years down the road it may cost \$150,000 but the mark up value is way lower. He told most insurance for replacement cost. He told most of these people like auctioneers say the property wasn't bringing the assessed value but for a blue million years the assessed value was much lower than the market value. He told then the state passed that you have to assess on 100% fair market value but right now if people don't like it you can go to Fairfax and their assessed value is like 115%.

Mr. Phillip McCraw told most of the time when you get the assessed value they say I would like to sell it to them for that but this one his was too low.

Mr. Robbie McCraw asked about the CSA revenue that you were talking about where will that actually come from.

Ms. Cannon told that it comes back from the state.

Mr. Hill told that none of that is shown anywhere in our budget.

Ms. Cannon told that it is on the revenue report.

Mr. Martin told how to you argue against criminals being incarcerated or the needy situations CSA deal with.

Mr. Robbie McCraw told that it is a known fact, there are people who abuse that system and that is where a lot of the overage is coming from.

Mr. Hill told that those are tied together CSA and jail.

Ms. Cannon told just as a side note, she asked today and we have 46 kids in foster care and explained where each of those are placed. She told there are 6 special education.

Ms. Cannon told the residential could be up to \$130,000 a year.

Mr. Martin told that he has learned something tonight, sometimes all these numbers floating around it overwhelms me.

Ms. Cannon told lets talk about the jail per diems. This year we budgeted \$1.8 million and last year we spent \$1.886 so our estimate is based off of what we spent last year and we are trending \$300,000 higher than that. She told when she goes back and looks at it who would have anticipated us being at this point right now. She told there are several things that contribute and one is our state responsible inmates that stay in local facilities because the state has closed all of their facilities and decided it was cheaper to pay \$4 or \$12 a day to us when we are paying \$27.50.

Mr. Hill told we are getting a deal.

Ms. Cannon told the Commonwealth Attorney's Office goes through those bill with us to make sure we are not being charged for someone we are not supposed to.

Mr. Hill told Jackie has the numbers can't we figure out what we are paying per individual and base that on our budget for next year so we can have an accurate number. He told that it seems like every year we have to do a add on to our budget.

Ms. Cannon told the state won't give a full allocation so she wouldn't recommend that Carroll County does either.

Mr. Hill told it is self-defeating if we are not going to budget accurately.

Ms. Cannon told that she would say it is strategic in all honesty and just make sure you have enough cushion somewhere else.

Mr. Hill told that was the point he made earlier, that is where we have been the last six years, we keep going down hill.

Mr. Truitt told that if we put all the money out there up front they will spend it and come back for more so we try to, he is not saying that is the right way to do it but it is a philosophy that has been stated and we do look at it year after year.

Mr. Hill told if you go back and read the minutes each year we talk about increasing CSA.

Mr. Truitt told you are right, I have looked at the last 7 himself.

Mr. Hill told that is why he is saying we need to be as accurate as we can so in the middle of the year we don't have to come up and do another appropriation.

Mr. Robbie McCraw told in October the expenses for foster care was \$120,708 and in November it was \$105,000 so there is \$15,000 difference and it floats back and forth there is hardly no way to do it. He told even the educational services went from \$42,000 to \$34,000.

Mr. Truitt told as bad as the 46 kids we have sounds and as expensive as that is, three months ago it was 51.

Mr. Robbie McCraw told that CSA is almost an unfunded mandate.

Mr. Truitt told that it is because the services are mandated by law and the 29% is a requirement.

Ms. Cannon told they did talk about during the last general assembly moving the educational placement back to the school system.

Mr. Robbie McCraw told that VACo is supporting that.

Ms. Cannon told that it is good because here you are looking at a team when your educational placements came in and we don't have a say in that.

Mr. Martin told if you haven't been in school day after day and you see these terrible situations and I can remember situations where there were 5 or 6 children in the same house and the number is lower than what it could be. He told in support of Rex's comment I think it would help to have a running like regional jail and CSA and the big things that hit us and you give us an idea of how we are doing.

Mr. Robbie McCraw told he would be glad to forward you the same report that she sends to me and it breaks out whats going on each month.

Ms. Cannon told that she doesn't think she has seen that report.

Mr. Robbie McCraw told that it is a report that she fixes because he ask her to.

Mr. Martin told please do the bottom line.

Mr. Robbie McCraw told that it even goes back to FY13 and it is very eye opening.

Ms. Cannon told she would like to see it.

Mr. Robbie McCraw told that he didn't know she wasn't getting it.

Mr. Hill told it would help if it was in a chart what individual got x number of dollars.

Mr. Robbie McCraw told he doesn't know how hard that is to break out. He told he is on the CPMT Board but he doesn't get to attend because when they meet and Steve gets to go. He told that he got this the other day and this is what comes to Carroll for CSA, medicade, energy assistance, child care, SNAP and its \$58 million.

Ms. Cannon asked if there are any questions, and she wants to make sure, Rex cause you seem pretty adamant, we have in this chart only current taxes for all these categories, no delinquent so we may not meet our delinquent property real estate goal because we have it at \$1.2 million but we also have an additional \$2.6 so these budgets are basically an estimate on what you think you are going to do and if you look at the expenditures in a vacuum you are going to feel like the sky is going to fall but you have to look at the revenues. She told that it looks like to her and she is not a forecasting expert but it looks like the economy is picking up and people are going to go out to eat.

Mr. Robbie McCraw told that is something else we need to push, the ability to do local food taxes.

Dr. Littrell told we have pushed that bill for the last 10 years.

Mr. Robbie McCraw told he has a question that probably needs to go to Bonita, if someone is in land use and they are delinquent are they still getting that credit.

Ms. Williams told that they have to pay their taxes in order to stay in the program and it is done through the Commissioner's Office.

Mr. Hill asked if they get a rollback.

Ms. Williams told the rollback is if they sell then they recamp those years.

Mr. Hill asked if there is a rate we can adjust.

Ms. Zimmerman told the rates were set and she is sure they can be redone, she would have to look at the ordinance. She told per acre now it is between \$600 and \$800.

Mr. Hill asked if she could send the ordinance.

Mr. Robbie McCraw told that it is in our code book.

Mr. Martin told that he came in here in a panic and he is not smiling but it is not as bad as he thought.

Ms. Williams told that we have five and ½ months.

Mr. Robbie McCraw told that there are a lot of things we can do better on. He told he is glad you are looking at property tax in other areas because we are really low.

Ms. Cannon told she can pull that up.

Mr. Robbie McCraw told you have more renters than you do landowners.

Ms. Cannon told that she went through and got all the numbers and we are .695. She went over each localities rate. She told we really looked hard at personal property taxes. She told that pretty much everyone is the same on the vehicle license fee except Bland.

Mr. Robbie McCraw asked how many still use stickers.

Ms. Cannon told she didn't ask that.

Ms. Williams told that it depends on the locality, it is an exceptional collection. She told personal property has to be paid in order to get your decal.

Mr. Hill told we would require every vehicle whether it has a tag on it or not and you get rid of the junk cars.

Ms. Williams asked if they would be changing that, right now it is if it is on the road.

Mr. Hill told that he has 2 vehicles that he isn't using he might take them to the junkyard if he had to pay \$25 for them. He told that in Chesterfield he had a car that he was working on and he had to have a sticker on it.

Mr. Martin told we have to be careful when we say we are putting everything on the table to cut and he has already heard about how we are going to cut employees and stuff and the rumors run rampant, everything is on the table as far as a better way to do it and saving money but he doesn't see us cutting personnel and those kind of things.

Ms. Williams told that if you consider doing that they have changed the inspection to the left hand side.

Mr. Robbie McCraw asked if they could just go beside of that.

Ms. Williams told that she thinks the size is different.

Mr. Robbie McCraw asked if she could research that.

Dr. Littrell told he would like to see how much money we are losing by not having the sticker.

Ms. Cannon asked if she though decals were a more effective collection tool than DMV stops.

Mr. Hill replied yes and let me tell you why. He told if he has a vehicle and takes the tags off you are not collecting anything, the DMV stop is based on the tags. He told you don't stop every vehicle, you stop one.

Ms. Williams told that you can't stop on every vehicle, just the one.

Mr. Hill told that if he doesn't have to renew his tags he doesn't have to pay taxes.

Ms. Williams told that some people are under the misconception that the drivers license is included in it but its not.

Mr. Robbie McCraw told the thing with stickers is you have a police agent.

Mr. Hill told that we need to get Steve to look at the option and we need to get to looking at it if we are going to do it next year.

Ms. Williams told you are billed ahead but you can't bill ahead and keep accurate records so she has to do a huge supplement so you are saving employee time also.

Mr. Hill asked when would we need to do it.

Ms. Williams told the first year the taxpayer paid twice, once in April and then once at the end of the year.

Ms. Zimmerman told you will have a gap in the revenue.

Ms. Williams told that it will even out.

Mr. Martin told that any discussion of the budget, tonight has been wonderful but it helps having the Treasurer and the Commissioner here. He told the only way to handle is a team effort and he told he doesn't like it when we are looking for who to blame.

Mr. Hill asked if July would be the best time to put in effect in April.

Ms. Williams told that it would have to be before July to work into the budget process.

Mr. Hill told that we need to look at other counties, Pulaski has a good system and you might see some of the vehicles go away.

Ms. Williams told there was a time that someone policed the county for that.

Mr. Robbie McCraw told that Chesterfield County uses their Building Official for it.

Mr. Hill told all you have to do it call in if the Building Official sees one that doesn't have a sticker.

Mr. Martin told he would like to recommend that it is critical that the Chairman and all of us when we have a question we go to the County Administrator and meet with Steve and or Nikki. He told he did that several times a week but he didn't, it was always on issues or where are we on industry but very seldom ask how it was going on the money part.

Ms. Cannon told you didn't like the answer I gave you one time.

Mr. Martin told any of us we need to be coming by when I can if it is convenient and getting information. He told he was in a panic.

Ms. Cannon told don't panic yet.

Mr. Hill told his issue is why wait until then why not address the issues now if we anticipate it coming up.

Ms. Cannon told she thinks we have been addressing them. She told we had budget amendments last meeting.

Mr. Hill told we know we will have amendments to the jail and CSA.

Ms. Cannon told that we will probably have a public hearing on the CSA.

Mr. Robbie McCraw told that he thinks she is planning on coming next month.

Ms. Cannon told that we can go ahead and put in on the agenda.

(Order)

CIP

Ms. Cannon told you have the CIP which is a 5 year plan starting with FY19 to 2023. She told they are expenditures over \$5,000 and is what most localities are using. She told for the County Fair they are talking about a shed so there is \$100,000 expenditures for that, bridge and culvert to get the run off corrected. She told IT is asking for, and she is going over FY19. She told there is a plotter, ours is several years old. She told that a lot

of people have pushed stuff out just because they knew we were having some financial trouble so the Commissioners vehicle got pushed out a year by Fran. She told the Electoral Board has \$5,000 they provided last year for poll books, Gerald did not have a request he is going to finish up some projects in this year's budget.

Mr. Hill asked if we have a pool vehicle for the Commissioner's Office to you instead of purchasing one.

Ms. Cannon told they are more than welcome to use a vehicle.

Mr. Truitt told they do have a vehicle assigned to him, he forgets how old it is.

Mr. Hill told we are looking at a new one, don't we have a vehicle that sits out here they could utilize when they need it.

Ms. Cannon told sometimes what we run into and we have run into in the past few years is Gerald will have a training in Richmond and Jason needs to go somewhere we end up with no vehicle available. She told you can buy a vehicle and put it into the pool to be used that way. She told it is kind of like Jim Whitten when you look at what he does, frequently the Commissioner has to go out an access.

Ms. Adams told that we do have an extra vehicle but it is currently being used by Fire and Rescue for training purposes.

Mr. Hill asked if it was a jeep.

Ms. Adams responded a Ford Focus.

Ms. Cannon told next is Highway Safety and they went and researched a leasing option which is going to upgrade the fleet and the request went down so there is \$80,000 for lease and \$40,000 for equipment.

Mr. Hill asked if it is going to increase in FY20.

Ms. Cannon told in year 1 the plan is to get 9 and keep replacing with vehicles and then they will add 5.

Mr. Hill told it is a continual lease.

Ms. Cannon told until the end of the lease then we can buy if we wish. She told they have a metal storage building as well. She told we have a truck replacement for Building Official, an ambulance purchase and an offsetting grant at the bottom. She told they estimated at 50/50 and it might come in at 80/20. She told they are also asking for a ventilator. There has been a request for Cana Refuse for a used roll off truck. She told for maintenance there are several items listed and she reviewed each of those. She told there is a supporting schedule for each thing.

Mr. Hill asked where the paving will be.

Ms. Cannon told that is what she was saying there is a supporting document that shows where each is scheduled. She told there is floor maintenance and lighting, door maintenance and HVAC.

Mr. Martin told one of the top 10 taxpayers is Jeff Johnson and they wouldn't stand a chance beating a state bid but it would be good business practice to touch base.

Ms. Cannon told we have contacted them and they said they couldn't touch it but she agrees with you.

Mr. Martin told that the vehicles need to be top of the line.

Ms. Cannon told next is Parks for refurbishing playground equipment, an additional picnic shelter, football equipment, new playground systems. She told we put a new piece out this past year, the spider. She told that there is money for the adult exercise equipment.

Mr. Hill asked where that is at.

Mr. Robbie McCraw told that it is around the trail.

Ms. Cannon told the last is Economic Development for \$50,000 for projects. She told this year we have \$200,000.

Mr. Truitt told that is not enough.

Ms. Cannon told that it is being presented tonight if there are any changes you would like to make.

Mr. Martin told we will soon be here 2 hours.

Mr. Robbie McCraw told everyone to look over it and give it consideration.

(Order)

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

Upon motion by Mr. Hill, seconded by Mr. Phillip McCraw, and passing, the Board convened a Closed Session for the discussion of personnel, legal matter, as authorized by Virginia Code Section 2.2-3711 (A1, A5).

Mr. Truitt explained the reasons for entering Closed Session.

1. Discussion or consideration, or interviews of prospective candidates for employment; assignment, appointment, promotion, performance, demotion, salaries, disciplining, or resignation of specific public officers, appointees, or employees of any public body; and evaluation of performance of departments or schools of public institutions of higher education where such evaluation will necessarily involve discussion of the performance of specific individuals. Any teacher shall be permitted to be present during a closed meeting in which there is a discussion or consideration of a disciplinary matter that involves the teacher and some student and the student involved in the matter is present, provided the teacher makes a written request to be present to the presiding officer of the appropriate board.

5. Discussion concerning a prospective business or industry or the expansion of an existing business or industry where no previous announcement has been made of the business' or industry's interest in locating or expanding its facilities in the community.

VOTES

Mr. Webb	Yes
Mr. Phillip McCraw	Yes
Mr. Hill	Yes
Mr. Robbie McCraw	Yes
Dr. Littrell	Yes
Mr. Martin	Yes

(Order)

CERTIFICATION OF CLOSED SESSION

Upon motion by Mr. Webb, seconded by Mr. Hill, and passing, 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. Webb	Yes
Mr. Phillip McCraw	Yes
Mr. Hill	Yes
Mr. Robbie McCraw	Yes
Dr. Littrell	Yes
Mr. Martin	Yes

(Order)

ADJOURNMENT

Upon motion by Mr. Hill, seconded by Mr. Phillip McCraw the Board adjourned.

VOTES

Mr. Webb	Yes
Mr. Phillip McCraw	Yes
Mr. Hill	Yes
Mr. Robbie McCraw	Yes
Dr. Littrell	Yes
Mr. Martin	Yes

(Order)

(Order)

Chairman

Clerk