

At the regular meeting of the Giles County Board of Supervisors on Wednesday, February 2, 2011, at 10:00 AM in the Giles County General District Courtroom, 120 North Main Street, Pearisburg, the following were present:

Eric Gentry	Chairman (Eastern District)
Paul "Chappy" Baker	Vice Chairman At-Large Supervisor
Howard Spencer	Western District
Richard McCoy	At-Large Supervisor
Barbara Hobbs	Central District
Chris McKlarney	County Administrator
Richard Chidester	County Attorney
Susan Kidd	Executive Secretary

CALL TO ORDER/INVOCATION

Mr. Gentry called the meeting to order. Mr. Baker offered the invocation and led the Pledge of Allegiance.

APPROVAL OF MINUTES

Ms. Hobbs moved to approve the minutes of January 5, 2011. Seconded by Mr. McCoy. Approved unanimously (5-0). Voting YES: Mr. Gentry, Mr. Baker, Mr. McCoy, Mr. Spencer, Ms. Hobbs.

CONSTITUTIONAL OFFICERS

Sheriff Morgan Millirons: Sheriff Millirons reported on department activities for January, 2011. Officers service 661 civil papers, 20 traffic summonses, 51 IBR reports taken, 95 arrests including 5 DUI, 20 drug indictments were handed down from the grant jury. He noted that Animal Control picked up an unusually large number of dogs (37) and cats (64) for this time of year. Sheriff Millirons said there have been several breaking and entering cases in the county that have not been solved yet. They have good leads but no proof. A lot of metal and farm equipment is being targeted. Ms. Hobbs asked where people dispose of this stolen property. Sheriff Millirons said a lot is in Bluewell, Bluefield, Princeton and Pulaski. The scrap yard dealers are very cooperative in giving names and addresses if the investigators can find the equipment there.

Sheriff Millirons reported that there are currently 1,090 beds at the Regional Jail with 715 inmates are currently housed there. That number included state and federal prisoners. Mr. Spencer said schools are held to a ratio of teachers to students and he asked if the jail had a similar ratio for guards to prisoners. Is the jail reducing staff accordingly since they are not full or are they staffed based on the facility being full? Sheriff Millirons said he did not know about that. Mr. Gentry said he thought they were funded and staffed for 1,090 but there are about 300 less than that there. Ms. Hobbs the county also doesn't know how many of those are state prisoners that the state and local governments both are paying for. Mr. Baker said he was told they purchased a tractor at the jail and he just wondered what the purpose of that was. Sheriff Millirons said he did not know; he was not present at the meeting when that purchase was approved. Mr. Baker said it was brought to his attention that they purchased the tractor and a lot of equipment that went along with it. He wondered what that was going to be used for. He was also told that some localities agreed to give compensation time and some agreed to pay overtime. He said he thought the system was comp time on everything here and it should be the same there. Sheriff Millirons said it was comp time on everything. He brought that to the jail's attention and was told they would give comp time because they did not have funding for overtime pay. Mr. Baker asked Sheriff Millirons to look into that, because he understood some were being paid overtime. Ms. Hobbs wondered why they even needed overtime then they were staffed for 300 more inmates than they have. Sheriff Millirons said it is probably for the transport officers. Sometimes they get called out and/or caught away from the jail at the end of their shifts. At one time they were not being compensated for working overtime and Sheriff Millirons brought that to the NRV Regional Jail Board's attention. They said it was because they did not have people trained to do transports. Sheriff Millirons said they needed to cross-train people. The board did vote on compensating them. There were a couple localities that voted against it because they said they should not be compensated until they have over 171 hours. Sheriff Millirons said that was a law but due to morale he felt they needed to be

compensated. Once they reach 171 hours, they get time and a half for it. Ms. Hobbs asked what kind of management would allow that much overtime without training or scheduling personnel to handle those tasks.

Mr. Baker asked about the turnover of staff at the Regional Jail. Sheriff Millirons said he has asked for that information but has not received anything yet. Mr. Baker said he heard they lost a couple more guards this month. Sheriff Millirons said it was a problem and they are using it as a training ground. However, one of the individuals who was creating so much chaos there is now gone. Mr. Baker said he was still concerned about them purchasing a tractor. Mr. McKlarney said if they have not purchased it yet, there is one at the Commerce Park a few miles away that is just used for mowing. He felt sure they could work out an agreement with them.

Mr. Spencer said the reason he brought up the empty beds was that if they are staffing based on full capacity, then they should be cross-training to do a lot of things. Giles County's bill to the jail is over \$1 million a year and he felt that facility should run as cost effective as possible. Sheriff Millirons said he understood. They seem to act as if they have an open checkbook at the jail.

Sheriff Millirons said his office is working in conjunction with DEA to offer a program that would allow citizens to turn in old medications. They hope to hold that sometime this spring and are working on a central location for it. Deputy Shanks taught a driving seminar for senior citizens in January and that was well received. Sheriff Millirons said he spoke to Mr. McKlarney about the impound lot. A lot of space is being used at the school bus garage for seized vehicles. Hopefully, they will be able to expand that lot soon and free up parking area for buses and trucks. RAD classes are finishing up at Giles High and will be starting soon at Narrows High. They also hope to start a class for faculty. Sheriff Millirons said they had another person sign up for Project Life Saver. This person lives just over the line in Bland County, but he paid to cover the expenses and participate in the program. He noted they will be continuing to conduct alcohol and safety programs as well as 911 programs with younger children.

Sheriff Millirons reminded the board members that the inmate crew is available this spring. If they have anything they would like to see done, just give him a list. They are available for painting, ditch cleaning, cutting brush, etc. There is a trustee working currently at the sheriff's office and at the school bus garage. Ms. Hobbs asked if they could work on VDOT right of way since VDOT isn't mowing very often. Sheriff Millirons said with equipment and permission they probably could.

Sheriff Millirons said there have been some issues with towers and repeaters going down – primarily because of AEP outages. The back-up generators are working like they are supposed to. The repeaters are located at Powell Mountain and at Flat Top. There have been some complaints in White Gate about mud on the road at Flat Hollow Road. VDOT will work to get gravel on that area. Ms. Hobbs asked if he had spoken to anyone up there about the horse droppings and horseshoe nails. Sheriff Millirons said he had and that is still going on.

Sheriff Millirons said he would be traveling to Richmond with several deputies to speak to the General Assembly about the proposed changes in retirement. Sheriffs from all over the state will be there. It is difficult to ask people to pay 5% of their retirement when they have not had a raise in 4 years.

VDOT REPORT – DAVID CLARKE

Mr. Clarke said most of the requests from last month have not been completed because of weather. They will stay on the list and will be taken care of when the weather breaks. He said they did repair the joint material on the Route 460 Ripplemead bridge. It has a temporary fix and will be permanently repaired when the weather warms up.

Mr. Clarke said the person who installs 911 signs also works snow removal and has not been able to get any signs up for a while. He reminded everyone of the public hearing on February 17th to take comments on the six-year plan. Mr. Clarke said the project on Route 641, Clendenin Road, is still having problems working out the right of way. They are going to need an easement from the property owner for drainage. VDOT does not own the property and only has a maintenance easement. He said the question is can VDOT do whatever necessary within that easement. They are getting a legal opinion on exactly what is allowed within that prescriptive easement and will try to work through that. Ms. Hobbs said if they have an easement to maintain it, then it

implies there is a road there to maintain. Mr. Clarke said this is taking the road from unpaved to paved; that is the issue. Mr. Gentry said they are not widening the footprint of the road. Mr. Clarke said VDOT may be within their legal right to do it, but if they have a property owner that is unhappy about it, then they will have to get the county to look at that. He said he has never run across a situation like this. They usually work on donated right of way.

L. Jay Williams: Mr. Williams said Chapman Avenue in Pembroke was paved and brought up to state standards in the late 90's. For some reason, VDOT did not take it into the system and hasn't maintained it. Mr. Williams said he was asking VDOT to do that now. Mr. Thompson with VDOT said they are checking on that. Mr. Williams said VDOT Revenue Sharing funds were used for that project. Mr. Gentry asked if they expected the road to be taken in. Mr. Thompson said he did not know; hopefully, they can find out what happened. Mr. McCoy said it would be a bad precedent to spend VDOT money on a road they did not want.

Mr. Spencer asked if VDOT had received any correspondence on the bridge on Route 219. He got an email that West Virginia that they have appropriated \$563,000 for land acquisition. That information has been sent to Virginia for signature. Mr. Clarke said he understood that was being reviewed by the Chief Engineer in Richmond. Ms. Hobbs asked if that would require land acquisition on the Virginia side as well. Mr. Spencer said the way it was originally structured was Virginia builds and invoices West Virginia. However, he understands now that West Virginia is going to build it.

Mr. Spencer asked if Mr. Clarke had a chance to look at the right of way on Powell Mountain at the church where it narrows down. Some of the residents said they would do a fund raiser to purchase what is needed if someone will let them know. Mr. Clarke said this was probably just a 30 foot easement; there are a lot of roads that are only 12 feet wide.

Mr. Spencer noted that the sign where Rt. 1308 intersects with Rt. 460 in Glen Lyn has been knocked down four times. He also said the road comes down at a slope and it is hard to stop there. He asked if anything could be done about it. Mr. Clarke said they would look at it.

Ms. Hobbs complimented VDOT's recent efforts at snow removal. Mr. Baker said he realized that the potholes on Route 100 and 460 were still there but weather was preventing repairs. Mr. Gentry reported a sign in the ditch near Wilburn Valley on Route 100. He also asked if any of the new improvement money could be used to improve the lighting along Route 460 in downtown Pembroke. Mr. Gentry asked VDOT to check on the rocks falling off the cliffs near Newport; they are starting to build up along the edges of the road. He asked about the electronic signs that show people their speed in certain areas and asked if VDOT did those. Mr. Clarke said they did not; he thought those came from local law enforcement.

Mr. McKlarney asked what the percentage of roads being maintained for snow removal is by private firms versus VDOT staff in Giles County. Mr. Clarke said they really do not have any done by private firms; they have some firms that contract with VDOT but wasn't even sure if that would amount to 10%. He said he would try to get that information. Mr. Gentry asked if they used county contractors. Mr. Clarke said they did as much as possible.

SCHOOL BOARD REPORT – TERRY ARBOGAST

Dr. Arbogast reported that enrollment for the end of January was 2,491. This is a decrease of 74 from this time last year. He provided a calendar of school events to board members. The first semester ended last Friday and the second semester began on Monday for all county schools. In renovation updates, Dr. Arbogast said there is nothing much left to do at the Vo-Tech Center; most of the jobs remaining are outside. There is some progress being made at Eastern and work is being done on the gym area. The SOL testing that was done at the end of the first semester at Narrows High. Initial reports on those scores are very positive showing all areas over 80%. There will be another big round of testing in May with all the schools. Dr. Arbogast reported on recent student awards throughout the county.

Ms. Hobbs asked if the No Child Left Behind was substituted for another program, how will that affect the county financially. Dr. Arbogast said it should not have a big impact. They have been waiting about three years for that to be reinstated and are still waiting to see how that works out.

COOPERATIVE EXTENSION SERVICE REPORT – MELISSA CHASE/MIKE MARTIN

Ms. Chase provided a program summary to board members and asked if there were any questions about it. She introduced Mr. Mike Martin who is returning as the District Director after being away for the past 7 months on educational leave. Mr. Martin said a lot of information has been in the news lately with the initial restructuring plan. There is some unrest and opposition to the current plan as it was presented. Discussions are going on in Richmond about this also. As of Friday, any efforts towards restructuring Extension have been suspended. The plan right now is to let the legislature finish their business. After they adjourn, then we will look at any recommendations they might have and look at the restructuring process. The feeling is to get more feedback and input from internal and external stakeholders and from local governments also. Things have changed about 180 degrees since Friday. Mr. McCoy said the good news at this point is they have stopped. Mr. Martin agreed and said they appreciate the support Giles County gives to Extension. The local staff does an excellent job.

MASTER WATER PLAN

Kevin Belcher noted that some time ago the board reviewed the Master Water Plan updated by Thompson and Litton. They forwarded that to the Planning Commission for their review and comments before giving final approval. That has happened and Mr. Belcher said he was back today asking for formal adoption of the plan.

Mr. Belcher said it was interesting that they talked about the Route 460 corridor being top priority for the Eastern side of the county and Clendenin on the Western end. Those are very big jobs. He said the county did apply for 75% grant funds for the Route 460 project and was turned down. It has been resubmitted. That one project limits the county's ability to increase the flow of water going east. Mr. Gentry said there was an email from Rural Development and it looks as if they are going to lump Giles County in and rate our needs based against other areas with Health Department mandated needs. Mr. Belcher said that was true. Giles County does not have quality issues and that may work against them. Route 460 needs to be done and that is a separate issue from the replacement of the Hoges Chapel system. That could probably stand on its own with respect to the water loss. Mr. Belcher said the county is pretty much maxed out in regard to water that can be delivered east through the existing infrastructure.

Mr. Belcher said the water loss numbers have improved in the last few years. When the county got into the water system, there was a lot of misunderstanding about how it operated and where things were. Going back about five years, they surveyed what is there and have been installing valve markers and are able to isolate some areas of considerable water loss. The county system is at 54% loss and that does not include the towns. They are working through this and should see some big improvements in the near future.

Mr. Gentry said this water plan is a "needs" list, but there is no money. Mr. Belcher said the last projects at Ripplemead and Broad Hollow were done by finding different ways to fund them. They will continue to look for grant funds. Stock Pen will be done with grant funds and in-house labor. Those are three examples of approaching projects in different ways.

Ms. Hobbs moved to approve the up-dated master water plan as presented. Second by Mr. McCoy. Approved unanimously (5-0). Voting YES: Mr. McCoy, Mr. Spencer, Mr. Gentry, Ms. Hobbs, Mr. Baker.

BROAD HOLLOW WATER CONNECTIONS

Mr. Belcher reported that the Broad Hollow project is ready for residents to connect. Two letters have been sent and the final date to connect was January 31st with payment of a \$100 connection fee and \$100 deposit. However, the letter only stated that the county is waiving the \$750 connection fee but fails to state that a \$100 fee is required. Six people have paid the deposit and connection fee and one person wishes not to pay

anything. Mr. Belcher asked that because of the lack of clarity in the letters they be allowed another 30 days to connect and he would send another letter explaining that.

Mr. Baker moved to extend the connection period for Broad Hollow water for an additional 30 days. Second by Mr. McCoy. Approved unanimously (5-0). Voting YES: Mr. McCoy, Mr. Spencer, Mr. Gentry, Ms. Hobbs, Mr. Baker.

STOCK PEN WATER PROJECT

Mr. Belcher said the county staff will be meeting with Denise Ambrose shortly. This is the first construction ready project and they want to make sure everything is correct. He wanted the board to be aware of this allocation of funds. The project should start late spring or early summer. Ms. Hobbs asked if staff has made people on both Broad Hollow and Ripplemead aware that money could be available for SERCAP to help with connections. Mr. Belcher said they have and people can contact him if they are interested. Mr. Gentry asked Mr. Belcher to include that information in the next notice that goes out. Mr. Belcher anticipated that the Stock Pen project would take about 45 days to complete dependent upon weather.

FUEL TANKS

Mr. McKlarney noted that in a previous meeting the board was asked about installation of fuel tanks in Pembroke. He provided them with a spreadsheet detailing gallons used of both diesel and gasoline. There are four buses that fuel over there using 6,785 gallons of fuel annually. The Town of Pembroke uses 500 gallons of diesel and 6,000 gallons of gas. Pembroke Fire Department estimated 750 gallons diesel and 250 of gas. They used the same numbers to estimate Newport and Eggleston although that is probably a bit high. Mr. McKlarney said he was not sure it would make sense for Newport FD to drive to Pembroke. The totals would be about 9,535 gallons of diesel and 6,750 of gas. Looking at costs today, the county price versus pump price is saving 30 cents per gallon diesel and 4 cents on gas. The total savings per year would be \$3,051.70 in diesel and \$270 in gas. Mr. McKlarney said the county is already getting the benefit from diesel on the buses so this is somewhat misleading. It would be about a \$1,100 savings so the return on investment is not great. He said he understood there are also some safety concerns with PSA and keeping up with use since they do not have card readers now. However, he could not recommend that the Board of Supervisors pay the full amount since they really would not be making use of it. Ms. Hobbs said the largest users should pay the larger amount of the project. Mr. Spencer said he checked with Rich Creek and Narrows and there was little to no interest in sitting up a tank on that end. If they were ever interested, he felt they would be okay using the Bluff City facility. Mr. McCoy said the majority of the savings is in diesel – for the school buses and others using diesel. Mr. McKlarney said there is also a cost savings to the county if they have vehicles in that area that need to refuel. Mr. McCoy said he could take this to the PSA's next meeting. Mr. Gentry asked if they were talking about a \$10,000 estimate. Mr. McKlarney said \$10,000 is probably optimistic. Ms. Hobbs said she felt the board was willing to work with the towns and PSA for convenience, but have to look at it. Mr. McCoy said he would ask to have it placed on the PSA agenda. Mr. McKlarney said he would ask Mr. Mills and Mr. Houck to carry this to the school board. He felt the county's use might justify a third of the cost, but no more than that.

HISTORICAL SOCIETY

Ms. Temple Lawrence and Mr. J. R. Peek addressed the board concerning budget allocations to the Giles County Historical Society. Ms. Lawrence said they appreciate how the board has helped them in the past – it has kept the doors open and the lights on. She gave members a report on the museum showing at least 1,500 visitors last year from 27 different states and hikers from Canada, Germany and Australia. Considering that so many people who come to the museum are from out of town, they feel those people also spent money on food, gas and possibly lodging. Ms. Lawrence said support for the Historical Museum Complex is an investment in attracting more people to Giles County.

Ms. Lawrence said the Historical Society understands the budget is tight and hopes the board will remember them kindly when it comes time to finalize that budget. Ms. Hobbs noted that Mr. Witten used to come before the board every year and she was so glad to see someone from the Historical Society this year. Mr. Gentry said

he appreciated the work they do and it is noted. Mr. Peek said this was the fifth year he had been here; the county has a real jewel in that museum complex. This is a very small town and a museum of that quality is astounding. He invited board members to visit anytime and said they should be very proud of that facility. Mr. McKlarney complimented Ms. Lawrence on her volunteer work. Anytime there is something going on, she donates her time and efforts.

STEELE SUBDIVISION PLAT

Mr. Reed presented a plat creating the 5th lot in a family subdivision located in the Eastern District along Route 42 off Steele Acres Road near the Giles/Craig County border. The plat has been reviewed by Mr. Reed and the Planning Commission. The Planning Commission has recommended approval.

Ms. Hobbs moved to accept the Planning Commission's recommendation for approval of a plat for a family subdivision for the Steele family creating the 5th lot. Second by Mr. Baker. Approved unanimously (5-0). Voting YES: Mr. McCoy, Mr. Spencer, Ms. Hobbs, Mr. Gentry, Mr. Baker.

BLAKER SPECIAL EXCEPTION

Mr. Whittaker said the application for a special exception for a private seasonal camp or retreat by Lee and Tina Blaker was considered at a public hearing in January. The Planning Commission has reviewed this request and recommends it for approval.

Mr. Gentry asked if the Planning Commission has considered attaching a fee to applicants who come in after the fact for special exceptions or permits. Mr. Whittaker said the Planning Commission would like to do an educational push first and if that doesn't work, then they would do something about a penalty. Mr. Baker said there are rules and permits required before building and people need to quit coming in after the fact. If they do that, He felt they should have to pay a fine for trying to go around the rules. Ms. Hobbs asked if the Planning Commission recommended education first and after that notices and fines would apply. Mr. Whittaker said that is what was discussed. If they include fines or penalties, the ordinance would have to be amended. Mr. Baker asked what happens if the applicant cannot meet Health Department regulations or building code. Mr. Whittaker said they would be issued a Notice of Violation or turned down, so it does not save anything for them to build first. Sometimes they have to go back under the structure and add things and there added expenses for most of these late applicants. Mr. Baker said if they applied prior to building, then they would not have to be dealing with this – he still felt there should be a penalty or fine. Ms. Hobbs said sometimes people build legally without a permit and then the use changes. Mr. Whittaker said some people come in say they are building a shed; he cannot control people's honesty. Some people actually do build sheds and then decide later to change the use. Most of the recent applicants did that without the knowledge they needed a permit. Mr. Gentry said he failed to see how they can do that. He felt they should educate the public first and then impose a penalty if the rules are violated. Mr. Whittaker said this is the most applicants we have had for this except when there was a correction for non-conforming uses. Mr. Spencer said he felt most people will comply but sometimes they just don't know when they need to get a permit. He agreed they should do public education first. Mr. Whittaker said they take calls every day from people who call to find out if they need a permit. The ones who don't bother to call are the ones who get in trouble. Mr. McCoy agreed most people know but sometimes they are building something really small and don't think they need a permit. Mr. Gentry said the Planning Commission did recommend approval of this request and they needed to act on it.

Mr. McCoy moved to accept the Planning Commission's recommendation for approval of a special exception for a seasonal camp or retreat for Lee and Tina Blaker. Second by Mr. Spencer. Approved unanimously (5-0). Voting YES: Mr. McCoy, Mr. Spencer, Ms. Hobbs, Mr. Gentry, Mr. Baker.

Mr. McCoy said whether they need a fine or not, they have to hold a public hearing. That is a long process and the education could take place while they are doing that. They should also look at the fines that other counties charge. Ms. Hobbs said they need to work with the Planning Commission on that. Mr. Chidester said they already have a building code provision that allows a fee of 1.5 times the permit fee if someone builds without a permit.

HOUSING VOUCHERS

Mr. Gentry noted that Ms. Meador had spoken to him about the housing vouchers for Giles County through DHCD and HUD. These are currently issued on a per county basis. They are trying to move to a regional approach that would put Giles County in with Montgomery and Pulaski. Because of population, that would leave Giles out for most housing. Mr. Spencer felt the board should oppose this because the LMI figures are much higher in Montgomery since they include students in their population. Giles and Floyd and other small counties will eventually not receive anything. Mr. Gentry noted the local public hearing on this will be held at Pembroke Management offices.

Mr. Spencer moved to write a letter in opposition to a regional approach to housing vouchers unless a provision is made to protect smaller counties in the voucher allocation process. Second by Mr. McCoy. Approved unanimously (5-0). Voting YES: Mr. McCoy, Mr. Spencer, Ms. Hobbs, Mr. Gentry, Mr. Baker.

EXTENSION REORGANIZATION

Mr. Gentry said Extension has requested the board write letters to the Agriculture and Education Subcommittees that heard the Extension Agency plan. This original plan would group Giles in with several counties – including Patrick. Mr. Gentry said they need to state there should be a more localized approach. The subcommittee is where this budget item is now. Ms. Hobbs asked what the board's definite stand was. They want the best for the people and if they keep cutting the budget, we may not get anything. Regional would be better than nothing. Mr. Gentry said the regional approach was okay if the partners would match with Giles County and were actually in our region. The plan that puts Giles and Patrick together is not very practical. Mr. McKlarney will draft a letter and email to the board members for review.

PAYMENT OF WARRANTS

Mr. McCoy moved to appropriate funds in the amount of \$695,541.31 for payment of warrants as presented. Second by Mr. Spencer. Approved unanimously (5-0). Voting YES: Mr. McCoy, Mr. Spencer, Ms. Hobbs, Mr. Gentry, Mr. Baker.

EXECUTIVE SESSION

Mr. McCoy moved to go into Executive Session as permitted by Virginia Code 2.2-3711 A(7) Personnel and A(30) contract discussion. Second by Mr. Spencer. Approved unanimously 5-0). Voting YES: Ms. Hobbs, Mr. Baker, Mr. Spencer, Mr. Gentry, Mr. McCoy.

Ms. Hobbs moved to certify that in the closed session just concluded, the Board discussed nothing except the matters specifically identified in the motion to convene and lawfully permitted to be discussed under the provisions of the Virginia Freedom of Information Act cited in that motion. Second by Mr. McCoy. Approved unanimously by roll call vote – Voting YES: Mr. Spencer, Mr. Gentry, Ms. Hobbs, Mr. Baker, Mr. McCoy.

The board recessed their meeting until 1:30 PM and reconvened at 315 North Main Street, Pearisburg.

BUDGET DISCUSSION

Board members reconvened to discuss the FY 2011-12 budget. They were joined by joint services supervisors John Mills, Roger Houck and Kevin Belcher, and by Rhonda Tickle, joint financial director. Mr. Gentry called the meeting back to order.

Mr. McKlarney said the **school system** represents the largest part of the budget and the increases. Expected increases in health insurance for school employees are about \$220,000. VRS increase for school employees is \$330,000 and that is just the rate increase in the employees' share. He noted that last year the board gave the

schools \$460,000 in one-time funds. That was in anticipation of eliminating the retirement benefit for 30-year employees. The proposed budget presented at this meeting includes that \$460,000 again and would delay action on the retirement benefit for another year. Mr. McKlarney said there is no way to guarantee how many employees will take retirement yet – yesterday they estimated about 20 who were eligible. If that was the case it would result in a decrease of about \$450,000 in those numbers.

Taking those factors into consideration, the budget is \$977,000 out at this time. These numbers are based on the governor's budget. Mr. McKlarney said the school thinks they will have some preliminary numbers by February 8th. He noted there is not much room on the county side to cut anywhere except personnel. That could be done in the form of departments or furloughs but that is the only place left to cut. Ms. Hobbs said if everyone would take a cut of some sort, then everyone could stay employed. If you lay off people this year to balance things, then you just have to look at more layoffs next year. This is not going to improve in 2-3 years. Mr. McCoy said he never liked to see people lose their jobs. He felt the school system needs to freeze their contribution to insurance and employees pick up everything over \$480 like county employees do. Board members said they realize how difficult it is for employees but it should be the same throughout the county. Mr. McCoy said on the retirement issue, at some point he agreed they need to relook at what is in place. If they do away with it this year and a lot of those people don't retire, then the number to subsidize is going to get bigger. If someone gives that much time to the county, then at some point they should extend it in some way. If there are no retirements in the school system though, they will just be digging the hole deeper. Mr. McKlarney said another thing the board should make note of was in the school budget, there is JOBS money being utilized to maintain about 11 positions. There is money this year and they are keeping about \$360,000 for next year which will cover the positions through June of 2012. After that, there is no funding for those positions and that will have to be dealt with.

Mr. Spencer said with the **Regional Jail** bill being over \$1 million it would seem hiring their own magistrate might benefit the county. Mr. McKlarney said the county is not allowed to hire their own. The county could probably fund a position but they would not be able to choose the person for it.

Mr. Gentry asked if the DMV and PSA billing funds are all in **Mr. Duncan's office**. Mr. McKlarney said they were. Mr. Gentry asked how many people are included and do they work a lot of overtime. Ms. Tickle stated that there were 5 full-time people plus Mr. Duncan and an occasional part-time person. She did not have access to the overtime information as it is kept in-house at Mr. Duncan's office. Mr. Gentry said he would be interested in seeing that information. It was also explained that the PSA money to Mr. Duncan's office comes through the county budget and has to show in here.

Mr. McKlarney informed the board that the Social Services office in the **incubator** currently pays rent to the IDA. However, if the Town of Narrows purchased that building, there is no provision for them to pay rent to a local governing body. They would pay a portion of the cost based on the life of the building. It really would not benefit the town as far as a revenue source from rent. Mr. McKlarney was not sure where that stood right now.

Mr. Mills stated he was here to talk about potential **maintenance** items and costs that are anticipated for the coming year. He was also present to answer any questions the board may have about his department and the way it functions. Mr. Mills said the information he supplied the board was a conservative estimate that was created by looking at potential expenditures for building maintenance in the coming year. The two heat pumps listed have already experienced trouble and have been patched to the best of their ability. They function now but could go out at any time. General maintenance costs are primarily filters, paint, and other planned items. This all capital cost; there are no personnel costs in it. Ms. Hobbs asked if there would be any money left in the maintenance budget from this year. Ms. Tickle said that money is already gone with maintaining buildings, electric bills, repairs, snow removal and salt. These expenses are not something that can be controlled. She was going to have to find money to fix that for this year. Ms. Hobbs asked if snow removal costs are divided between the county and school board. Ms. Tickle said they were not at this time. Mr. McKlarney said if everything goes as it should, there will be one department that will include Public Works and bus garage/maintenance employees. They have been operating under the premise that it will be one department, but it can be broken out if the board requests. Mr. McCoy said this is only material costs because labor is not included in that budget.

Ms. Hobbs asked if in this fiscal year, does the School Board have maintenance operating money in their budget. Ms. Tickle said they did but the maintenance money is going to be over by June primarily because of electric costs. Snow removal is not a line item in that. Ms. Hobbs said the reason she asked is that she would like to know where the money is being spent. That is difficult to determine. She said it is obvious that the maintenance money is being spent, but is it going to schools, senior center, wellness center, county buildings, courthouse, or where. Mr. McKlarney said with the exception of snow removal, anything county related is in the county budget and school maintenance is in their budget. Other than what is listed in the budget, costs are not broken down further than that. Ms. Hobbs said in years to come, she would like to have information on where it is spent so they can determine if it is cost effective to keep buildings open or in use. Mr. Mills said he could tell them where the money is spent on materials. As far as the time, they do not keep it down in those types of precise records. Mr. McKlarney said at this time, if Mr. Mills crew does work for the county, the labor is still being charged to the school. It is the same with the county public works crew doing something for schools or PSA, it is not reflected in their time. The county still pays that. He said they probably don't want to break it down that much. The goal is to have those three departments working together and they are doing that. They just don't have the paperwork to back it up yet. Mr. Belcher said it equals out. The school board's crew does maintenance work for the county and the school board pays those labor costs. Likewise, the public works crew accrues comp time clearing snow from school buildings and lots. That is something they will have to deal with eventually.

Mr. McCoy asked if this year's expenses for maintenance have been primarily at the Wellness Center. Mr. Mills said some were and they could not be put off – the facility has to have heat. He noted that steps at the pro shop are the lowest cost item on there – and they are probably the only item that is not an absolute necessity to do. Mr. Mills said he was going to be put in a difficult spot on the pool because if those repairs are not made, it will be a safety issue. He did not think they should open the pool with the problems existing there. Ms. Hobbs said if the balance sheet at **Castle Rock** doesn't improve a lot. She could not see how they could justify keeping it open. Mr. Mills said as a staff member, if you keep the pool open it has to be repaired. They do not have to do the roof repairs/replacement, but again they are sending good money after bad if the roof leaks into the building after they have made all the improvements to them. The roof has been patched as much as he feels it can be. This estimate is for metal roofing. Mr. Gentry asked what specifically the needs there were on the pool. Mr. Mills said the concrete is popping up and other places dropping down – it is a tripping hazard on the decking. The deck is in very bad shape and the pool itself is not in good shape. The lights in the pool have never worked, but that is not even considered in this estimate. Ms. Hobbs said it was not good to open in that shape, but she hated to see the kids in that end of the county lose their swimming pool. Mr. Mills said the amount he has quoted is not the top-notch option. It gives a five-year guarantee. To do what Mr. Mills thinks is necessary would be significantly more money. This quote is using a contractor because it was just not something that can be done in-house. Mr. McCoy asked if Castle Rock would end up where they anticipated on subsidy. Ms. Tickle said the subsidy would be higher than anticipated because they did not budget anything for the pool and 19th Hole expenses. Mr. McKlarney said the subsidy would be about \$120,000 if nothing else comes up. Mr. McCoy said he felt \$100,000 subsidy was too much. When the board is looking at not compensating people and not keeping other services going, then that subsidy is too much.

Mr. Gentry noted the board has not made any cuts to the Cultural Enrichment budget but they have cut the recreation money. He felt they should consider cuts there also – especially in the **parks** categories. Mr. McKlarney said they did cut those categories a little last year. Ms. Hobbs felt they need to get further into the budget before making those decisions – but everything needs to be on the table. There was discussion on the towns operating parks and recreation programs. Mr. McCoy said this is another area they have to decide on what is more important. Mr. McKlarney was asked to get with the towns to provide information on participation in their programs and any charges they require to participate in their programs.

Mr. Spencer asked when the county last had a water rate increase. Mr. McKlarney said that was about 4 years ago. They need to hold on any increases there until river withdrawal comes into play. Mr. Gentry asked if they had looked at across the board cuts in the departments. Mr. McKlarney said they have on the county side (not including the school system) – a one-day furlough per month for everyone with a salary in excess of \$50,000. He said doing that and cutting each department by 5%, it generates about \$186,000. However, there is really not 5% in there to cut anymore. Departments are having an extremely difficult time this year just staying within their budget and many will be over at year end.

Mr. McKlarney said the board needs to make a fundamental decision on where the **county services** are going to be when this budget is over. At this time, the group is fairly dynamic in that they can react to things quickly – look for grant money, build water systems, etc. These are probably things that are outside the norm for most county governments. However, the county – particularly Public Works – is quickly reaching a point where that is just not possible any more. County staffing levels – there is a potential for decreases through attrition and we will not be replacing those. When that happens, it will greatly limit our ability to do anything extra. Mr. McKlarney said they can continue to perform the duties that local government is expected to do, but cannot do anything extra. Public Works maintains miles of pipe in the ground and it branches everywhere. They also maintain all the PSA and county lines with basically three people. They no longer have the ability to do anything extra. They get calls from recreation facilities, towns, and non-profits to help out and they work river clean up events. It is reaching the point where the county will not be able to do those things anymore – comp time and overtime builds up and that is a liability. In addition, they work a lot with snow removal and the past two winters have been tough. The county offices never close, but there is a cost associated with that. Mr. Baker said if they do it, they need to start charging people for it. Mr. McKlarney said there are just not personnel available to do it anymore – even with charging for it. Mr. Gentry agreed that the public works crew needs to do county work first.

Ms. Hobbs said it seems to be getting to the point that we can only do the things that have to be done right now. Mr. McKlarney said the county would do required maintenance, issue building permits and zoning, take care of E&S inspections, pick up garbage, run emergency services – but there is no room to do anything outside of that. There was discussion that the county depends on towns for fire service. Ms. Hobbs noted the county also provides them with about \$15,000 annually per department plus part of the fire fund money, and that there are other departments that operate outside of the towns as well. Mr. Gentry said those departments that are not linked to towns pay the same bills as the town departments without any other help. He said if county personnel are used to help out other localities, then there should be some compensation because the county is paying for them. Mr. Belcher said today there are two county employees working in Narrows and one in Pembroke. Mr. Spencer said there should be a rate charged for that. Mr. McKlarney said the bottom line is the county no longer has the people to allow them to do that unless the board wants to hire more people. That decision has to come from the board. He said the county has cut budgets for a long time and reached a level now that they just do not have the capacity to do anything outside of county work. If they are going to continue to keep taxes where they are, then they are going to have to shrink this year and continue to shrink. Overhead costs continue to go up each year and those cannot be controlled – health insurance, VRS, etc. Mr. Spencer said the manpower bank should be reciprocal. If Narrows wants someone to help, they should pay a fee or send someone to the county to return the man hours. Ms. Hobbs said the county cannot have a man power bank unless they hire more people. Mr. McKlarney said that was the case and one new employee on the public works crew is a half cent on real estate tax. The county may be able to cut another \$100,000 out of their budget with people and still function, but that is about it.

Mr. Gentry said there is no money available for projects for the next few years so he did not see a need to expand the crew. Doing our own work is all we can plan for. If there is an outside request, then it would have to be reviewed case by case. They need to establish that if the extra manpower is available, then there is a reimbursement required. That has to be done each time. Mr. Mills said sometimes there are situations like on the fire pump. If the county did not do it, then families were in danger without that protection. Mr. Gentry said he was not saying don't do it but tell them up front they are going to have to pay for it and what the charges will be. The reason to do that is just to hold their own. Ms. Hobbs said even if they are talking about holding their own, then they are still going to have to do something with personnel in order to bring this budget down. If the county has to do that, then the school system cannot go the same way they have gone the last few years. Their funding needs to be cut so they have to be a party to these cuts. If county employees have a cap on insurance, school employees should also. If county employees have to take a day off without pay, then school administrators should have to do that too.

Mr. Spencer asked if this proposal was a worst case scenario. Mr. McKlarney said it was not; it could be worse depending on how the state cuts go. Costs continue to increase and even with the same number of employees – and there are fewer now than ten years ago – the costs continue to increase and there is no way the tax base will climb to keep pace with that. The government has to do things to make it more efficient. The county had

gotten to a point where they could survive, but with \$3 million annually in cuts from the state there is no where to find that money.

Mr. Gentry said he did not want to get into detailing numbers with personnel and money. Mr. McCoy agreed saying they did not do that with other departments. The board just needs to say this is what you have to work with and they have to make the decisions. Ms. Hobbs said the bottom line is that the school board has to make the decision on how to deal with cuts.

Ms. Hobbs noted that another thing the county has to consider is **Comprehensive Services**. Ms. Tickle said 90% of that is state mandated. Ms. Hobbs agreed and said it was primarily state funded, but when you budget for one amount and it doubles, then it also doubles the county contribution portion.

Mr. Belcher pointed out that in this budget they are not funding capital replacements; they are only taking care of emergencies. Although there are plans to do some replacements, the larger things like painting tanks will hit all at once – or some money needs to be put back. He said he was also concerned about the idea of a fee. The capacity to do the work for other entities may not be there, but the incentive for a town to hire someone with the expertise may not be there either if they can get our guys for \$50 an hour or something like that. He felt they either have to hire someone for the county to do that kind of stuff or rule it out all together and say we cannot do it. Mr. McKlarney said he agreed – we just do not have the capacity. It has to be one way or another.

Mr. Spencer asked if it was possible to ask all departments to take a specific percent cut in their budget and each department could figure out how to do that. Mr. McKlarney said it was. However, there is a lot of this that cannot be cut – for instance, state money going to the schools is not something that the county can cut. Ms. Hobbs said some departments only have salary left to cut. Mr. Spencer said in tough times, everyone needs to bite the bullet. Mr. McKlarney said there have been discussions with employees on dealing with pay cuts or laying off people. Most are acceptable to taking a cut to keep everyone. However, that is probably going to get a different response outside of this office.

Mr. Houck asked for advice from the board on **river withdrawal** issues. He has the town voice on it, but would like to have the board's opinion. Ms. Hobbs said that is the only water source that is a sure one in Giles County. She felt they either go with river withdrawal or risk being without water one day. Mr. Baker agreed. He said they were fortunate last year when the well dropped 30 feet. Mr. Houck presented scenarios for the project both with and without grant money. There is very little grant money available now. There has to be a point where the cost can be passed along and everyone be comfortable with it. He estimated it would result in an increase of about \$3-4 monthly to the average bill. Mr. Gentry said that is not a significant increase to get a steady supply of water. Mr. McCoy agreed river withdrawal is the way to go. Mr. Houck said it was going to cost over \$3 million to develop Pembroke Spring and that still would not serve the needs of everything required. The river would serve increased capacity. Mr. McCoy still felt it was the desire of the PSA to do the river withdrawal. Ms. Hobbs said if it comes down to having to fund the river withdrawal and having water to everyone versus supporting Castle Rock, then she would have to go with the water. Water is not a luxury; Castle Rock is. Mr. Gentry said being in that district, he would hate to see anything happen to Castle Rock but agreed with that statement. There were further discussions of water loss and limits to capacity.

Mr. Houck said the rate at the **landfill** is currently \$32 per ton for tipping fees. The county gets \$6 per ton as rebate on all tonnage hauled, including fly ash coming from Celanese. The total rebate for the month of November, December and January was \$107,000. A good portion of that was fly ash from Celanese. Mr. McKlarney said he thought the rebate was \$9 per ton on the fly ash. Mr. Houck said **PSA** is not actually the member of the Resource Authority – the county is. However, he does budget for the solid waste rebate in the PSA budget as income, but not for the additional rebate from fly ash. The county should be looking for and asking for that rebate. Mr. Gentry asked where the money is sent to. Mr. Houck said it was sent to the PSA in check form and all included in a single check. Mr. McCoy said PSA should not get it all because the county is the member. The county should look at both boards being able to utilize that. Mr. Gentry said he would not want to take something the PSA has always been used to receiving. Mr. Houck said they use the solid waste rebate and consider that as revenue in their budget. They have never used fly ash rebate before because they have never gotten anything this substantial before. This is something completely new. Mr. Houck said he would

like to see the PSA keep the rebate from the solid waste and anything on the fly ash end come back to the county.

Mr. McCoy said the question he had is can the Authority separate the rebate from fly ash from the solid waste rebate. Mr. Houck said he felt sure they could. He noted that the PSA board will see that as income coming in and they are not going to be willing to give that up. Mr. McCoy said the county is the member of the PSA. Ms. Hobbs said they should call the Authority and ask them to send the whole check to the county and then the county can send the solid waste portion to PSA. Mr. McKlarney said there probably should be some division of the funds as this has the potential to continue for some time. Mr. McCoy asked if the board would consider setting up in a separate account within the General Fund but only use it for river withdrawal. Mr. Houck will discuss this with the PSA board at their next meeting.

Mr. McKlarney asked if the board is going into this **budget** with the idea there will be no tax increase. If that is the philosophy, than that means cutting people and the board needs to prepare them for that. Ms. Hobbs said her idea was no tax increase and everyone looks at cuts-- not just the county people. Mr. Gentry agreed they need to look at cuts, but he also felt they need to look at some kind of increase in taxes. They need to do that a little bit each year versus waiting until they are strapped. Mr. McCoy said he did not know how they could get there with only cuts, but they can't get there with only tax increases either. Mr. Gentry said Mr. McKlarney just needs to know the direction the board is headed in order to move forward working on this budget. Ms. Hobbs said she did not want a tax increase at this time. Mr. McCoy said he was not opposed to a tax increase if they have done everything possible on the cuts and are running as efficiently as possible. Mr. Baker said he was not in favor of an increase unless everyone comes on board – talking about the school board. Mr. Spencer said he thought there should be shared pain – maintain what we have now and cut a little bit on everyone. When you start cutting personnel, most people have worked to gain some expertise and that will be lost if you cut them.

Mr. McKlarney said there should be at least a draft of a budget from the General Assembly by February 8th but that may not mean anything. He said the board does need to begin working with the school board to deal with any cuts. They need to work on a cap for insurance and the big issue is dealing with the retirees. He said the board does need to hear the other side of the retiree issue too. It will be a large one-time fix to the budget, but on the other side what will be the incentive for people to retire after that. The thought is people will work until they are 65 because they can't afford the insurance. This needs to be ironed out. Mr. McCoy said this needs to go away at some point but it may not be fair to people with 22 or 25 years either. However, if that benefit does not go away this year and it costs \$450,000, then in a few years that number increases. The board and school board need to work this out quickly to be fair to those people. Ms. Hobbs said most of the people within a range of taking that benefit did not pay into it at all and were not promised that when they came to work – this was added after that. Mr. Gentry asked to have a meeting set up with the school board and board of supervisors.

Mr. McKlarney said the school board does have \$350,000 in JOBS money they can use to fund positions, but that is a one-year fix. If they use it, they will be short that much the next year. Mr. Gentry asked when the schools will get into the point of having to cut programs. Mr. McKlarney said he felt they were probably at that point. Ms. Hobbs said the school board was able to cut what they did last year and no one has complained to her that education has suffered, Ms. Tickle said if they cut more this year, it will – there is nowhere else to cut. Mr. McKlarney noted that the ADM is also down and that is about \$400,000 they thought they would get this year and will not. Ms. Tickle noted that the way the state does money to school systems is very complicated. There are variable rates for everything. She used the example that money to the schools for employee retirement funds is based on a formula using “per pupil” amounts and a multiplier. It amounts to about \$210 per pupil reimbursed to the school on that variable – but everything they reimburse to schools is based on a different variable.

Mr. McKlarney will arrange a meeting with the school board for some time after February 8th. The board suggested meeting on Wednesday, February 23rd at 3 PM.

ADJOURN

No further business was introduced. Mr. Gentry adjourned the meeting until the recess meeting scheduled for Thursday, February 17, 2011 at 6:30 PM in the Timberlake Building, General District Courtroom.

APPROVED:

Chairperson

ATTEST:

Clerk