

At the regular meeting of the Giles County Board of Supervisors on Wednesday, October 5, 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, Chairman, called the meeting to order. Mr. Baker offered the invocation and led the Pledge of Allegiance.

CONSTITUTIONAL OFFICERS

Sheriff Morgan Millirons: Sheriff Millirons gave a report on his department's activities for September, 2011. Deputies served 807 civil papers, 35 traffic summons, and made 5 DUI arrests. There were 12 felonies and 60 misdemeanors. Sheriff Millirons noted that Animal Control picked up less than 40 dogs and only 100 cats (compared to the 161 last month). Drug dogs were taken through both high schools on October 4th and no narcotics were found. He noted that dogs from throughout the New River Valley and from the Department of Corrections participated. The DMV grant has been finalized and the funds will be used to target areas where they have been getting complaints of reckless driving, speeding, drug abuse, etc. Mr. Baker asked them to especially look at Stateline Road in Rich Creek. Sheriff Millirons said they are in that area quite a bit already.

Sheriff Millirons said his department is still conducting programs in schools. They sponsored a cookout at the Senior Center a few weeks ago. They will be doing soup and sandwiches for the Senior Center in January. They try to do something there every 3 months or so.

Sheriff Millirons reported that grand jury will meet next week and there are several indictments they expect to come from that. The inmate work crew will start shortly with Leon Meredith as the coordinator. There are about 88 inmates from Giles County at the jail and about 29 are available for the work crew. Sheriff Millirons said they hope to get good things out of this program. For every day an inmate works on this crew, he will receive a day off his sentence. The work they do will benefit the county. Ms. Hobbs commented there is plenty for them to do. The Sheriff said they already have probably a year's worth of work lined up.

Mr. Gentry said he had received calls about speeding problems on Flat Hollow and White Pine Roads. Sheriff Millirons said they are out there quite a bit but he will have officers continue to check that area. He said they also receive a lot of complaints about horse droppings on the road there. Mr. Thompson with VDOT said there is nothing that he knows of that requires them to clean up after the horses. Ms. Hobbs said the horseshoe nails in the road are a bigger issue than the droppings.

VDOT REPORT – DAVID CLARKE

Mr. Clarke reported that the maintenance requests have been addressed. They replaced pipe on Moye Road and will be doing work on Dry Branch Road. They cleared one of the pipes on Mutter but ran into a private water line. They are trying to clean out that using a sewer cleaner. They also cleaned one on Hidden Meadows the same way. The pipe on Curve Road is scheduled for next week. Crews have also been trimming trees

around signs. They still have scheduled the patching on Spruce Run. Mr. Baker asked about the slurry project. Mr. Clarke said they did get that done.

Wilma Mullins: Ms. Mullins from the Clendenin area said VDOT promised they would be there paving two weeks ago. They have never shown back up. Mr. Clarke said the contract went out and bids are in and should be awarded next week. October is a realistic timeframe for that work. Ms. Hobbs said that is true but they have already been waiting 2 or 3 years. She did not understand what took Richmond so long to get a contract bid out for a project that is approved. Mr. Clarke said there were issues with planning to do it Rural Rustic and then problems doing that. There were also railroad and right-of-way issues. He was sorry it had taken so long. Ms. Hobbs said there is some work with a driveway and parking area there. Mr. Clarke acknowledged they have to fix that. He thought they would surface treat that fairly soon. They do not want to do the maintenance until it is ready to treat. Ms. Hobbs said if it was not done soon the water will come out of the valley and pool there and not go across the road. Mr. Clarke said he felt once they get the road built up, the drainage can be worked out. He said all he could promise was the contract had been awarded and they will be given a notice to proceed with the work the week of the 17th. Nothing but weather can stop it after that. Ms. Hobbs asked if Mr. Clarke could get her the name of the contractor. Mr. Clarke said he would find out.

Mr. Baker asked about putting double lines on Stateline Road. It is wide enough and Mr. Baker said he would appreciate them looking at it -- maybe it will slow the traffic down. Mr. Spencer said VDOT recently put a sealer on the Lurich Road. He received a call from someone who got it all over their vehicle. Mr. Clarke said it was slurry. The person can send a letter in for a claim to clean that and the contractor is responsible. They are supposed to be flagging traffic and keeping vehicles off until it is set up.

Mr. Spencer asked about removing guardrails on Route 460 and if they needed crash barriers on either end of it. Mr. Clarke said if he was talking about a work zone, it is usually set up to protect on-coming traffic. Mr. Spencer said he was talking about the Cumberland Park area and if he needed crash barriers on either end if he took some of the guardrail down. Mr. Clarke said there had to be some protection on the run-on end and on the run-off end too – but maybe not a crash barrier. Mr. Spencer said there were a lot of guardrail and crash barriers and wire between Glen Lyn and Rich Creek on the old road. He asked VDOT about using some of that for the nursing home and other areas. He was told they couldn't give it to him but were not going to tell him not to get it – whatever that means. He said the road has been closed and there is good guardrail and wire for 2 miles. The nursing home could use some of that on the steep side. Mr. Spencer also said the brush on Stock Pen and Lurich Roads needed to be cut back.

Mr. McKlarney said Mr. Spencer requested they try to do Sky View Lane. The only way that might happen with the money available is to try to administer the project locally. He requested the board approve moving forward with that if it was their desire to do this as a locally administered project.

Mr. McCoy moved to move forward with the Rural Addition of Sky View Lane with Giles County locally administering the project. Second by Mr. Spencer. Approved unanimously (5-0). Voting YES: Mr. McCoy, Mr. Spencer, Mr. Gentry, Ms. Hobbs, Mr. Baker.

Mr. Gentry asked VDOT to clean out around the low water bridge on Old Furnace Road (Route 42). Ms. Hobbs asked they do the same on Patterson Ford. Mr. Gentry said citizens on White Pine and Flat Hollow have concerns about speeding in that area. He was not sure about requesting a speed study since they have not had much luck with those lately. He asked if they could put up more signs to help slow traffic. Mr. Clarke said he could have them look at a speed study – the road is unposted now. He said a new group is getting speed studies done. Mr. Gentry said he was just concerned that the funding for it would have to come out of the county's budget and there is very little money there. Mr. Clarke said he would look at more signs. Mr. Gentry said there are some very young drivers in the buggies and some signs indicating slow moving traffic might help.

Mr. Gentry also noted that the speed strips on Route 460 in Pembroke are coming up. Those need to be repaired. He also commented that the paving at the end of Stoney Creek was some of the best he has seen lately. Ms. Hobbs asked if they found out anything about the problem at White Gate. Mr. Clarke said they will meet with the property owner and the VDOT superintendent. That is very narrow and they will have to see what can be done. Ms. Hobbs said the biggest issue is the rock ledge on one side. Mr. Clarke said they couldn't get

into that. The superintendent looked and did not see any good place to get in there. It was discussed that maybe they could do something similar to the fill with large stone like they used at the Farrier's in Newport. Mr. Clarke said they would have to look; it is very steep.

Mr. Clarke announced that John Thompson was attending his last board meeting in Giles. He is retiring from VDOT. The board members thanked him for his work and wished him well on his retirement. Mr. Gentry said Mr. Thompson has been very good about taking anger from the citizens and the board too. They do appreciate all he has done.

SCHOOL BOARD REPORT – TERRY ARBOGAST

Dr. Arbogast reported that enrollment at the end of September was 2,453, an increase of 9 since school started. That is still a decrease of 59 from this time last year. The AM number used is 2,477.

Dr. Arbogast reported that renovations at the Tech Center at basically complete. The one-year walk through was conducted and items noted were all addressed. There are still things at Eastern that need to be addressed and they are working with the architect on those. Things are slowly being taken care of.

Dr. Arbogast distributed the event calendar for the schools for October. He announced that the school board will begin budget meetings at the schools in mid-October. He also thanked the supervisors for passing the resolution supporting K12 education funding and sending it to the Governor. He expressed appreciation to the Sheriff's Department for the drug dog being at the high schools. Mr. Gentry asked how many students were in high school in the county. Dr. Arbogast said there were 979. Mr. McCoy noted that the Governor has asked all departments to come up with a plan for 6% cuts to their budgets and with more efficient ways of funding higher education.

Mr. McKlarney asked about the exchange of property with the Town of Narrows. Dr. Arbogast said he spoke with Mr. Kast, the town manager, on Monday and should get back with them later this week. The property has been surveyed. Mr. McKlarney told him to keep the county advised if they need to do anything to move that process along.

SPECIAL EXCEPTION RECOMMENDATION – BLEVINS

Mr. Whittaker noted the public hearing on this was held on September 22nd. The application is for a special exception for a commercial business. The Planning Commission does recommend approval.

Mr. Baker moved to accept the Planning Commission's recommendation for approval of a special exception request for Jimmy Blevins to operate a small engineer repair business from an accessory building on Springdale Road in Pearisburg. Second by Ms. Hobbs. Approved unanimously (5-0). Voting YES: Mr. McCoy, Mr. Spencer, Mr. Gentry, Ms. Hobbs, Mr. Baker.

SUBDIVISION PLAT – DEBORAH WEBB

Mr. Reed presented a plat for a new parcel totaling 2.248 acres survey for Deborah Webb. This is located on Big Stoney Creek Road off Buffalo Anklets Road. The 2.248 acre tract is about the 8th cut off of this property. In a case like this, it is for administrative purposes. The Planning Commission has reviewed it. It does comply with the subdivision ordinance and they recommend approval.

Mr. McCoy moved to approve the plat for Deborah Webb as presented. Second by Mr. Baker. Approved unanimously (5-0). Voting YES: Mr. McCoy, Mr. Spencer, Mr. Gentry, Ms. Hobbs, Mr. Baker.

DAVENPORT – DAVID ROSE

Mr. McKlarney said he had been talking with Mr. Rose about looking at funding alternatives for some of the county's Rural Development loans. The market has very favorable lending rates right now which are lower than where the government rates were a few years ago. Mr. Rose was present to discuss this with the supervisors.

Mr. Rose directed the board to look at his presentation documents. He spoke about the funding for Route 460E water project which was estimated at \$3.8 million in May, 2011. There is discussion of \$1.5 million in an RD grant and \$2.3 million funding by the county. Also, one of the difficult things involved with this grant is they are talking about 40% adjustment in water rates immediately. Mr. Rose said he has been talking with the county administrator about strategies to somehow minimize this 40% as well as the timing of the 40%. That 40% increase translates into about \$150,000 of extra money that Rural Development is looking for immediately. Staff feels it would be next summer before that grant would come to the county and they would have to raise rates at that time. Working with Davenport, staff began looking at what they could do. The county has about \$5.5 million in debt outstanding – translating into about \$300,000 of debt service annually. That is at a good rate over a very long period of time. They are thinking about working with that debt somehow – which Rural Development allows the county to do – to allow the county to lower it. The current interest rates are very favorable -- no guarantee they will stay there though.

Davenport developed a multi-year plan for cash flow to see what new debt structures would look like as well as a rate increase to take care of the \$2.3 million the county would be responsible for. To do that they are not only looking at Rural Development, but also the Virginia Resource Authority and local banking institutions. Mr. Rose said they may want to go into some interim financing when they get the grant, then look at restructuring – all with the idea to gradually layer in this financing. Davenport cannot promise anything; they do not know how Rural Development will work with them on this. Mr. Rose said they would like to set up a meeting with Rural Development to talk specifically about a time table and ways in which the county can make sure they get the grant but also as it relates to taking the permanent money or not. Key here is not to lose the grant. It might be something like entering into the permanent financing and then immediately restructuring the loan. Mr. Gentry asked if they had done that before. Mr. Rose said they have not done it on an immediate basis, but over time they have taken them out of existing loans. This is breaking new ground. However, they have never been in the spot of saying to Rural Development that 40% is too onerous and asking if there is a way to take their money and then restructure the loan very quickly. Rural Development may say no. Then, the county would have to work with the existing debt or talk about the general fund and maybe supplementing the overall program. That might allow rates to move over time.

Mr. Rose said October 1 began the new federal year, but of course there is no approved federal budget. The challenge for the county is you do not know if money has been approved, if it is sitting in an account, or where that stands. He said one of the things he is going to do after this meeting is try to understand where that money is coming from. Sometimes interim financing may be required before Rural Development money becomes available, and other times the county has to make sure they have funds available to pay the contractor and then get reimbursed by Rural Development. That is normally how RD works. He needs to understand how this grant might work and how the other pieces might work. Then they can look at how an acceptable increase in rates might work out. What they don't want to do is lose the \$1.5 million in grant funds since that does look promising. Mr. Rose will set up a meeting with Rural Development this fall and after January will start thinking about the 2013 budget. Hopefully, they can have some strategies and plans that are acceptable to both Rural Development and the county and bring those back to the board early next year.

Mr. Gentry said the project is ready for bidding now. Mr. Rose said since that is where the project stands, after this meeting he will confer with Mr. Chidester and Mr. McKlarney and try to accelerate the process. This is a very favorable interest rate environment in which to potentially refinance some loans, but he did not want to rush into refinancing until they know all the other pieces involved. Mr. Spencer said Rural Development rates of grants versus loans are based on the percentage of median household income and poverty in the areas. Sometimes folks in one end of the county will qualify for more grant versus loan than the other end of the county. He felt if they were looking at putting the financing package together it would be a good time to consider the whole program versus just certain pockets of population. Mr. McKlarney said that would be helpful, but Rural Development looks at the area the project takes place in. They will not take the county as a whole. Mr.

Gentry said it doesn't make sense because they only consider the service area on the grants, but the rate increase would affect everyone – even the low income populations. Mr. Rose said they could at least ask about it. They need to be sure as much as possible in talking about the grant and the risk the county is taking. Mr. McKlarney said they could get an announcement anytime and they believe it will be favorable, but it could go the other way. Mr. Spencer asked if the 40% increase was for water rates overall. Mr. McKlarney said it was. That is Rural Development's new policy they require in order to be eligible. They base that on household income for the project area. Mr. Spencer said that is why he felt they should look at the county overall. The area for the project has higher income but the rate affects all users in the county. Mr. McKlarney said in the past, Rural Development has always been a service group targeting rural areas. With grant and other funding monies being harder to come by, they are moving away from being service oriented as much as they were in the past.

Mr. Rose said if there was not \$1.5 million in grant funding there, he felt they were be having a very different discussion. He said he was not a big fan of 40-year repayment plans. This plan is not an area where they will be extending water to new customers. This is replacing a 40-50 year old line and tank. It really doesn't involve picking up new customers. Mr. Spencer said it is a savings to the PSA as far as pumping and losing 50% of the water. Mr. Gentry said it also expands the ability to serve the eastern end of the county which is now at capacity.

Mr. McKlarney explained that this project would start in Pembroke at the old Dairy Queen, go through town and out to Hoges chapel area where it will tie in with a new tank near Eastern Elementary. This is a very large project. Ms. Hobbs asked if she was correct in stating that if there is no grant, there will be no project. The county cannot afford the total cost. Mr. McKlarney said that was correct. This project will have to happen eventually, but without the grant money it cannot be done now. It would have to be done in phases. He said they fully expect that grant funds will be much harder to come by in the future and this may be the last chance to try for some. Mr. McKlarney said the county could survive without the project but he was not sure how long. And postponing the project will also limit growth and development in that area. Ms. Hobbs said the average person just cannot afford a 40% increase in water bills. Board members thanked Mr. Rose for his presentation.

PUBLIC COMMENTS

Charles Lytton: Mr. Lytton said he thought he would just give the board an update on Extension Service. Jim Atwell's last day was last Thursday which leaves the county without an agricultural agent. A 4H agent will be interviewed Monday morning; there are five candidates. Mr. Gentry will be part of that interview team. There is a very small staff at the office these days but they are in the process of filling those positions. Mr. Lytton spoke with Mr. Martin today about the ag agent position to see if they could begin the process of hiring someone for that position. Mr. Lytton felt they might have someone in there by March 1st. In the interim, he encouraged board members to look through funding and see if there was a possibility to pursue an ag agent position just for Giles County. There are a lot of miles put on a vehicle when the agent has to work in Giles and Bland. Mr. Lytton said he is getting more questions on agriculture not from large producers but from people who move in and have small farms of grapes, vegetables, etc. The dynamic of agriculture is changing in the community and it might be time to look at how to better serve that population.

Howard Spencer: Mr. Spencer asked about rezoning in Midway. Mr. Reed said the Planning Commission discussed rezoning a large section in Midway. The current zoning from the Route 219 intersection through about to the Shell Station is primarily zoned B3. From what he gathered, historically when zoning was put in place, B3 was a "morphed" zone used to cover lumber yards, businesses, residential and was a hodge-podge of land uses. It appears on paper that the zone is perfect for the lots that front on Route 219 – that seems to have been the initial intent. However, they discovered it covers not just the lots fronting on Route 219 but that zoning extends to the base of Wiley Mountain and laps around back of Rich Creek taking in all of the area really not intended as a business zone. Some people are concerned because a lot of things can be put in a B3 Zone 'by-right' that don't necessarily need to be in a residential neighborhood. Some people were asking about things that could be placed there. Mr. Whittaker brought this to the Planning Commission last week and asked them to start looking at this. Mr. Gentry said the Planning Commission is looking at it and has asked staff to come back with a better map (aerial) showing who is served by public water/sewer in that area and where the current businesses are located. Ms. Hobbs asked if the residents in that area requested this. Mr. Reed said he received one phone call about it. He thought Mr. Spencer had received three calls concerning this and Mr.

Whittaker had a couple. He said he did not know where it started but they have received requests. Mr. Gentry said he did not think there was an active request or plan, but people asking "what if." Mr. Spencer said there was a request for a dog kennel on the land just behind Grant's; he thought that was what started the request.

PAYMENT OF WARRANTS

Ms. Hobbs moved to appropriate \$492,016.09 for payment of warrants as presented. Second by Mr. McCoy.

Discussion: Ms. Hobbs asked where the heat pump was replaced. Mr. McKlarney thought it was the Treasurer/Commissioner's office. Ms. Hobbs asked how often Draper Aden monitored and reported on the landfill. Mr. McKlarney said they do this quarterly on the old landfill and Mr. Belcher works with them on this. Ms. Hobbs asked about a charge of \$999 to NBB on the Sheriff's budget for K9 drug dog – training and supplies. She noted that seems excessive. Mr. McKlarney said he would have Ms. Tickle check on that charge.

Motion was approved unanimously (5-0). Voting YES: Mr. McCoy, Mr. Spencer, Mr. Gentry, Ms. Hobbs, Mr. Baker.

EXECUTIVE SESSION

Mr. McCoy moved to go into Executive Session as permitted by Virginia Code 2.2-3711 A(7) Consult with Counsel on the Roark Case. Second by Mr. Baker. Approved unanimously (4-0). Voting YES: Mr. Baker, Mr. McCoy, Mr. Spencer, Mr. Gentry, Ms. Hobbs.

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. Baker. Approved unanimously by roll call vote – Voting YES: Mr. Baker, Mr. McCoy, Mr. Spencer, Mr. Gentry, Ms. Hobbs – Yes.

ANNOUNCEMENTS

Candidates Forum will be on Monday, October 24, 2011. This will be candidates for Board of Supervisors, Sheriff, Commonwealth Attorney, and School Board. It will be in the Circuit Courtroom and is sponsored by the Chamber of Commerce.

ADJOURN

No further business was introduced. Mr. Gentry adjourned the meeting until the recess meeting scheduled for Thursday, October 20, 2011 at 6:30 PM in the Timberlake Building, General District Courtroom.

APPROVED:

Chairperson

ATTEST:

Clerk