

The Carroll County Board of Supervisors held their regular monthly meeting on, August 14, 2017 in the Board Meeting Room of the Carroll County Governmental Center.

Present were: Joshua Hendrick
Rex L. Hill
Dr. Tom Littrell
Bob Martin
Phil McCraw
Robbie McCraw
Steve Truitt, County Administrator
Nikki Cannon, Assistant County Administrator
Steve Durbin, County Attorney

Mr. Martin called the meeting to order at 4:32 p.m.

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

Upon motion by Mr. Phil McCraw, seconded by Mr. Robbie 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 (A5, A7, A8).

Mr. Durbin explained the reasons for entering Closed Session.

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.

7. Consultation with legal counsel and briefings by staff members or consultants pertaining to actual or probable litigation, where such consultation or briefing in open meeting would adversely affect the negotiating or litigating posture of the public body; and consultation with legal counsel employed or retained by a public body regarding specific legal matters requiring the provision of legal advice by such counsel. For the purposes of this subdivision, "probable litigation" means litigation that has been specifically threatened or on which the public body or its legal counsel has a reasonable basis to believe will be commenced by or against a known party. Nothing in this subdivision shall be construed to permit the closure of a meeting merely because an attorney representing the public body is in attendance or is consulted on a matter.

8. In the case of boards of visitors of public institutions of higher education, discussion or consideration of matters relating to gifts, bequests and fund-raising activities, and grants and contracts for services or work to be performed by such institution. However, the terms and conditions of any such gifts, bequests, grants, and contracts made by a foreign government, a foreign legal entity, or a foreign person and accepted by a public institution of higher education in Virginia shall be subject to public disclosure upon written request to the appropriate board of visitors. For the purpose of this subdivision, (i) "foreign government" means any government other than the United States government or the government of a state or a political subdivision thereof; (ii) "foreign legal entity" means any legal entity created under the laws of the United States or of any state thereof if a majority of the ownership of the stock of such legal entity is owned by foreign governments or foreign persons or if a majority of the membership of any such entity is composed of foreign persons or foreign legal entities, or any legal entity created under the laws of a foreign government; and (iii) "foreign person" means any individual who is not a citizen or national of the United States or a trust territory or protectorate thereof.

VOTES

Mr. Hendrick Yes
Mr. Phil McCraw Yes
Mr. Hill Yes
Mr. Robbie McCraw Yes
Dr. Littrell Yes

Mr. Martin Yes

(Order)

CERTIFICATION OF CLOSED SESSION

Upon motion by Mr. Phil McCraw, seconded by Mr. Robbie McCraw, 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. Hendrick Yes
Mr. Phil McCraw Yes
Mr. Hill Yes
Mr. Robbie McCraw Yes
Dr. Littrell Yes
Mr. Martin Yes

Mr. Hendrick lead in invocation.

Dr. Littrell lead in pledge.

(Order)

APPROVAL OF AGENDA

Upon motion by Mr. Robbie McCraw, seconded by Mr. Hill and passing, the Board approved the agenda.

VOTES

Mr. Hendrick Yes
Mr. Phil McCraw Yes
Mr. Hill Yes
Mr. Robbie McCraw Yes
Dr. Littrell Yes
Mr. Martin Yes

(Order)

APPROVAL OF MINUTES

Upon motion by Mr. Hendrick, seconded by Mr. Phil McCraw and passing, the Board approved the minutes of the meeting on July 10, 2017.

VOTES

Mr. Hendrick Yes
Mr. Phil McCraw Yes

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

(Order)

CONSENT AGENDA

Upon motion by Mr. Hendrick, seconded by Mr. Phil McCraw and passing, the Board approved the Consent Agenda.

VOTES

Mr. Hendrick	Yes
Mr. Phil McCraw	Yes
Mr. Hill	Yes
Mr. Robbie McCraw	Yes
Dr. Littrell	Yes
Mr. Martin	Yes

(Order)

LOC EXTENSION

Upon motion by Mr. Hendrick, seconded by Mr. Phil McCraw and passing, the Board approved the Line of Credit Extension for Exit 19.

VOTES

Mr. Hendrick	Yes
Mr. Phil McCraw	Yes
Mr. Hill	Yes
Mr. Robbie McCraw	Yes
Dr. Littrell	Yes
Mr. Martin	Yes

(Order)

PUBLIC HEARING AUTHORIZATION

Upon motion by Mr. Hendrick, seconded by Mr. Phil McCraw and passing, the Board approved holding a Public Hearing during the September meeting regarding a potential ordinance creating a registry for short term rental of property.

VOTES

Mr. Hendrick	Yes
Mr. Phil McCraw	Yes
Mr. Hill	Yes
Mr. Robbie McCraw	Yes
Dr. Littrell	Yes
Mr. Martin	Yes

(Order)

BUDGET ADJUSTMENT

Upon motion by Mr. Hendrick, seconded by Mr. Phil McCraw and passing, the Board approved the budget adjustment.

VOTES

Mr. Hendrick	Yes
Mr. Phil McCraw	Yes
Mr. Hill	Yes

Mr. Robbie McCraw Yes
Dr. Littrell Yes
Mr. Martin Yes

(Order)

HISTORICAL SOCIETY LEASE

Upon motion by Mr. Hendrick, seconded by Mr. Phil McCraw and passing, the Board approved the Historical Society Lease.

VOTES

Mr. Hendrick Yes
Mr. Phil McCraw Yes
Mr. Hill Yes
Mr. Robbie McCraw Yes
Dr. Littrell Yes
Mr. Martin Yes

(Order)

DMV GRANT

Upon motion by Mr. Hendrick, seconded by Mr. Phil McCraw and passing, the Board approved an additional allocation for unspent funds on a DMV grant in the amount of \$9,415.48.

VOTES

Mr. Hendrick Yes
Mr. Phil McCraw Yes
Mr. Hill Yes
Mr. Robbie McCraw Yes
Dr. Littrell Yes
Mr. Martin Yes

(Order)

CCFR

Upon motion by Mr. Hendrick, seconded by Mr. Phil McCraw and passing, the Board approved an additional allocation for Carroll County Fire and Rescue for the expense to run an additional shift.

VOTES

Mr. Hendrick Yes
Mr. Phil McCraw Yes
Mr. Hill Yes
Mr. Robbie McCraw Yes
Dr. Littrell Yes
Mr. Martin Yes

(Order)

ASHLEY EDWARDS – VA COOPERATIVE EXTENSION

Ms. Ashley Edwards told that she is the Commercial Horticulture Agent for Va. Cooperative Extension. She told that she graduated from Va. Tech and she loves her job so far. She told that she has spent most of her time getting to know people and building relationships so she has been on the road a lot. She told that she feels it is very important to have good relationships. She told that during the last month they have been working on the East Coast Broccoli Project which is federal grant funded. She told that the goal of that program is to reduce transportation and there is a test plot in Laurel Fork.

Mr. Martin told that we are already producing a lot of broccoli.

Ms. Edwards told that the past 7 years have done really well.

Mr. Martin told that he knows the family and there are no better young people anywhere. He told that he is tickled it worked out.

Mr. Hill told that he is glad to have you here.

Ms. Edwards told that if anyone has any ideas on how Extension can better serve you to let them know.

(Order)

BEE CLUB

Thank you, Mr. Chairman, Mr. Vice-Chair and Supervisors all. My name is Chris Ecker. I live on a stone road, off of a stone road at the edge of Piper and Fancy Gap. Due to some jerrymandering I think I have been able to vote for four of you in this room, maybe more. I'm not sure if that's legal or not. My wife and I are beekeepers and we have a beekeeping club that meets at the Extension office once a month. We have about 30 folks that attend on a semi-regular basis. The reason that I'm here this evening is in February of this year the club was informed of some regulations that were passed by the Virginia Department of Agriculture and Consumer Services back in November. Usually folks know a little ahead of time if something like that's going to happen; we didn't. We were about four months behind and so we invited a person from VDACS to come down and speak with us. As a matter of fact, the State Apiarist came down and spoke with us. The story was that there was a legal suit in West Virginia where a beekeeper was taken to task because his bees supposedly stung someone. That's a hard case to prove; he actually won the case but lost a lot of money in the process and lost his business supposedly. So, West Virginia said we need to protect the beekeepers and that bled over into Virginia. Administratively, they fast-tracked these regulations that were sort of a copy of the West Virginia regulations. The regulations are to protect beekeepers. They are currently voluntary and beyond that, they are not looking to enforce them. The concern that a lot of beekeepers had, there were a lot of things that seemed heavy-handed in these regulations. There were a lot of practices that a lot of beekeepers don't necessarily adhere to out in the country and the rural areas. The regulations supposedly weren't designed and pointed at the rural areas but regulations as far as I understand are as enforceable as a law. So, we got together as a club initially and then as an adhoc committee after that to think about some things we might want to do. What it came down to was there were so many issues that everybody on the adhoc committee had differences with that we said wait a minute, we're just one small club, what about the rest of central and western Virginia? We came up with a package then with basically three items that went up to state legislators and also to the Farm Bureau and a couple of other avenues. The three things that we're basically asking for is clear communications using the regional Apiary inspectors when we advance something to the state Apiary inspector, a waiver system, and then also a better way to inform everybody within the state of changes; and that's what it amounts to. I'm going to keep it short; I'm just going to open up for questions because there's just a lot of minutia that just isn't worth going into.

Mr. Robbie McCraw stated I passed the packet on to the staff and they prepared this. I think Bob's got a copy/rewrote the Resolutions. Do you need all three Resolutions approved? Is that what you're after?

Mr. Ecker said approval of the three Resolutions would be a move forward. Currently, we haven't heard anything back from the state Senators or Delegate. Understanding that Resolutions are an official opinion basically; they are not enforceable or a law or actionable.

Mr. Truitt asked Mr. Martin if he may ask a question.

Mr. Martin responded yes.

Mr. Truitt said so sir, on these Resolutions maybe I misunderstood what we were, I thought we were going to pick one and then we were going to discuss which one best suits your needs. Is it that you're wanting all three of them?

Mr. Ecker responded yes sir. All three of them have been advanced to the state Delegate and Senators.

Mr. Truitt stated that wasn't clear to me; I'm sorry.

Mr. Ecker replied these are also going forward through the Farm Bureau to be introduced at the state level because they have obviously more momentum than one small bee club. VDACS has also written me back and they are going to open up a segment of the Town Hall electrically so that as many folks as would like to can comment on what we've asked for. That's going to run from the twenty-first of this month to the tenth of September and I have an email list of a lot of folks in the central and western counties of Virginia to see if they'd like to add input on that.

Mr. Truitt asks so in Resolution 2 then where you're requesting ways to catalogue waivers and exemptions, it's impractical and impossible to follow the regulations that are in place. What organization would be doing that?

Mr. Ecker responded that would fall into VDACS and that's the plant services department. It would probably fall into the state Apiarist's lap.

Mr. Truitt said so you're basically just asking for assistance from the state to adjust these regulations a little bit for your situation?

Mr. Ecker replied not only ours but beekeepers in general, yes sir.

Mr. Robbie McCraw stated basically all these Resolutions are is just our show of support for what you all are asking for? Is that correct?

Mr. Ecker answered correct.

Mr. Martin commented you submitted, gave us the Resolutions.

Mr. Ecker said yes, sir. There are three total.

Mr. Truitt addressing the Board said he apologized for the confusion. He thought it was one of the three.

Mr. Robbie McCraw stated I really didn't honestly know when I passed it on to you myself.

Mr. Ecker responded I probably should have clarified that; citizen's error.

Mr. Martin inquired so how urgent are we as far as getting those signed and forwarded on to the correct body?

Mr. Ecker said I'm very tired of being urgent anymore so. I don't think the state will meet again in its legislative body until spring time. That gives like five months or so.

Mr. Martin asked so it's okay if we take care of this item.

Mr. Ecker replied feel free to table it, yes sir.

Mr. Martin stated with the Board's approval we can just carry this item over until the next meeting if it's okay.

Mr. Hill asked do we need that in the form of a motion?

Mr. Martin said yes, a motion to table.

Mr. Durbin responded yes, a motion to carry over to the next meeting.

Mr. Hill made a motion to carry this over to the next meeting, seconded by Mr. Robbie McCraw.

Discussion.

Mr. Hendrick	Yes
Mr. Phil McCraw	Yes
Mr. Hill	Yes
Mr. Robbie McCraw	Yes

Dr. Littrell requested to ask Mr. Durbin a question. We have a colony of bees and my wife is a member of this club, does that affect my vote?

Mr. Durbin said it shouldn't. It doesn't appear to be a conflict of interest if there's not \$10,000 annual interest.

Dr. Littrell joked I only wish.

Mr. Durbin said however, I don't see any problem in your standing. This is just a procedural motion to table until the next meeting.

Dr. Littrell said so you're saying abstain.

Mr. Durbin said my suggestion is why don't you abstain, it's just a motion to carry over to the next meeting and we can talk in more detail.

Dr. Littrell	Yes
Mr. Martin	Yes

Dr. Littrell stated I just want to be transparent about the whole thing.

Mr. Truitt said Mr. Ecker while you're here and before we leave we will definitely take this back up at some point. VDACS is who propagates these regulations around and creating frustration because they're really not aware of the situation in rural areas and their practices. What is it that's causing the conflict and how can we resolve it?

Mr. Ecker replied they aimed a lot of the regulations toward the urban beekeepers and they left out maybe half of the state. I mean, admittedly, to me, they said we didn't go beyond Roanoke. It was a fast-track piece of regulation to get it in there because...

Mr. Truitt asked you like North Carolina's regulations better?

Mr. Ecker said there are lots of beekeepers that have to pay a fee and they have to register. I'm sure Virginia will eventually get there too but what we would like is to basically open more communications between rural and state.

Mr. Truitt stated, VDACS please hear what we say. Is that where we are?

Mr. Ecker replied exactly, yes.

Mr. Durbin responded saying that Code section already provides for a limitation of liability. You're wanting to address the specifics?

Mr. Ecker said yes sir, best practices.

Mr. Martin stated with the amount of food that's grown in the county and pumpkins and on and on and on, bees are very, very important to the county. He then thanked Mr. Ecker.

Mr. Ecker said yes, they are and thank you, Mr. Chairman.

(Order)

EMERGENCY OPERATIONS PLAN

Mr. Everett Lineberry said good evening. Thank you for letting me come and talk to you today about our EOP, Emergency Operations Plan. It is the time of year, once every four years I should say, that we're required to review and update our plan. That is a requirement by the Commonwealth of Virginia Emergency Services and Disaster laws of 2000; it was amended in 2010. It requires each locality to develop and maintain an Emergency Operations Plan. This is not a plan that deals with day-to-day operations of fire and EMS services; this is more about large scale disasters and emergencies. Our EOP, just to give you a little bit of history here, is a multi-discipline, all hazards plan. It establishes a single, comprehensive framework for the management of major emergencies and disasters within the county. It sets guidelines to manage events in an effective, efficient and in a timely manner. It's an accurate and appropriate reflection of how the county will address natural and man-made disasters as they develop. Our county is threatened by emergencies and disasters such as wildland fires, flash flooding and other severe phenomenon especially during the winter. The I-77 corridor that comes through the county presents specific situations and threats to us in the way of hazardous materials and large scale vehicle accidents that we have seen too often so far. The EOP is activated when it becomes necessary to mobilize identified resources in order to save lives, protect property and infrastructure. It establishes overall roles and responsibility for emergency management operations. It is used in conjunction with established operational procedures, plans and protocols. The development and maintenance of this plan and supporting plans is the basis for our emergency management department. The current version of this EOP was adopted by the Board of Supervisors on September 9, 2013; I believe the Resolution for that is on page 38 in the Appendices of this, near the front of the manual or plan. A requirement, like I said before, calls for the plan to be reviewed yearly and readopted by the local governing body every four years which is of course what brings me to you today. Our EOP is set up very similar to how most localities have their EOP set up. You can either set up EOPs using what they call Emergency Support Functions or ESFs or you can do it through the use of Support Annexes or a combination of both. Ours is a combination of both. The ESFs, there's a standard set of ESFs that all EOPs have. I should say there is a maximum number of ESFs; Emergency Support Functions go anywhere from as many as 17 which is what ours has. We include all of them. If the EOP were ever to be activated because of say some sort of man-made or natural disaster, we may or may not use all of those ESFs but we could if we wanted to and the plan addresses that and how we would manage each one of those. The Support Annexes which is in the back of the manual, they are more addressed to the ability of specific departments and outside organizations to coordinate and execute common functional processes. An example of that is Dam Safety, Dam Safety Annex, we have three state-controlled, Department of Conservation and Recreation, they regulate three dams in Carroll County, Buck Dam, Billsby and Lovill's Creek Dam in Cana. So, the Dam Safety Support Annex part of our EOP is in conjunction with AEP for example who had their own Emergency Plans for Buck and Billsby Dams. We meet with them regularly and go over emergency operations and those kinds of things. This year's change is actually very little. For those of you who were here in 2013 and saw this, it's very, very similar. When I met with the Virginia Department of Emergency Management, they've reviewed the plan. They believe our plan is sound and that the biggest changes we needed to make were in the way of updating contact information; names, addresses, phone numbers, that sort of thing. The only real change that they recommended that we did do was the Damage Assessment Annex in the back; there's a matrix that VDEM used for assessing damages of homes say in a storm, tornado, something like that. That was out of date and they recommended that we use a FEMA form instead of the one that VDEM published and so that one is now included. It's actually separated into two different ones: one for manufactured homes and one for conventionally, constructed homes. Other than that, it's very, very much similar to the way it's always been. Any questions that I can answer for you? It's a quite large document. I hope you've been able to get all of it; it's almost 200 pages.

Mr. Truitt said I just wanted to add to your remarks Everett, and express appreciation for Ronald Newman, who has in addition to all the work that you did, previewed the updated plan to ensure that everything's consistent with our comprehensive plan and agrees that it is so he has that piece in place as well for this plan.

Mr. Martin asked so we need to adopt a Resolution.

Mr. Lineberry responded saying before September 9, we will have to have a Resolution adopting an EOP, whether it's this or changes you would like to see made, I can go back and do that. But, that is when our current one expires and for us to remain compliant with the regulation we have to have it updated before this one expires on September 9.

Mr. Phil McCraw asked and everything you've shown you got in this new plan, is ok with the state? It meets their specifications?

Mr. Lineberry stated yes, we had met with Ms. Sara Harrington; she's an all hazards planner and manages EOP updates through VDEM and I met with her on two different occasions. She has a copy of the plan; she'll get a new copy once we finally adopt it. She's very satisfied that the plan is complete, doesn't have any problems with it at all.

Mr. Phil McCraw said Mr. Chairman, I make a motion that we adopt the Emergency Operations Plan that is being presented to us tonight.

Mr. Robbie McCraw seconds the motion.

Mr. Martin reiterates that there was a motion by Phil, seconded by Robbie, and calls for Discussion.

VOTE

Mr. Hendrick	Yes
Mr. Phil McCraw	Yes
Mr. Hill	Yes
Mr. Robbie McCraw	Yes
Dr. Littrell	Yes
Mr. Martin	Yes

Mr. Martin thanked Mr. Lineberry.

FENCE IN DISCUSSION

Mr. Truitt told if you will recall we have at least one citizen in the county that is very vocal about his displeasure about the results of Carroll County being a fence out county since there was livestock running loose on his property so you had me put this on the agenda. He told that we are fence out and that is because of our long history of being an agricultural county. He told what that means is if you don't want peoples cows on your land you need to put up a fence to keep them out. He told there is no pressing need to do anything about this.

Mr. Martin asked if most of the counties in Virginia are fence in or fence out.

Mr. Truitt told that most are fence in now a days.

Mr. Durbin he told that he would say Charlottesville and east are all fence in and most of the fence out are on the western side.

Mr. Phil McCraw told that rural counties are fence out.

Mr. Martin told that someone that had a large field with small crops and didn't have a fence.

Mr. Truitt told that you would need a fence up to keep livestock out. He told that typically when you have an animal as high as a beef cow you are going to have them fenced in. He told he doesn't know how big of a problem this is, we are only responding to the one gentleman.

Mr. Phil McCraw told the only complaints he has heard is a goat problem.

Mr. Truitt told that the vast majority of parcels but the acreage is large. He told at some point you may want to say it is getting a little more suburban.

Mr. Phil McCraw told that he thinks it works the way it is.

Mr. Robbie McCraw told that he agrees, most responsible animal owners do what they are supposed to do.

Mr. Hendrick told that last time we visited this subject, fence in comes with some strings attached and potential liability if you don't build a fence the way the state says.

Mr. Truitt told that it is the same for fence out.

Mr. Hendrick told he can see it both ways. He told last time we had some people from Farm Bureau and he thinks their stance is fence out.

Mr. Martin told that we can take it under advisement.

(Order)

FUND BALANCE POLICY REVIEW

Mr. Truitt told that he is both requested and required to present a fund balance policy as it exists and our compliance against the policy. He told that it is also a discussion of some options that we can pursue to improve our current position. He told that we all know a few months ago when Gordon Jones talked about the financial state of the County. He told he is not going to change that story except to say the trend line over the last several years has been in the wrong direction and this last year is in the right direction. He told the fund balance has been in place since 2011, although as Rex will tell you we have had things around a lot longer that tell us we need to take care of our money. He told the policy mandates the size and composition of the money we have and there are 5 types of funds that fall in to basically two types of funds and he explained those funds. Mr. Truitt went over the PowerPoint below.

Mr. Martin asked, on June 30th we have to be in compliance, haven't we been in compliance much of the year.

Mr. Truitt told the chart shows you whether you are or not in compliance. He told that we are in compliance nearly half the year, every year. He told there are things we can do to do a little better than that. He told the good news is, we are not broke and the second piece of good news is we are better off than we were last year. He told the bad news is we are not in compliance and not as strong as we need to be. He told the choices we have for getting into compliance all suck.

FUND BALANCE POLICY COMPLIANCE REPORT – FY 2017

STATUS AND OPTIONS FOR IMPROVEMENT



Carroll County Fund Balance Policy – Quick Review

- Picking up where Gordon Jones left off...
- Fund Balance Policy adopted 1/13/2011 – revised 7/11/2011 – based on concepts provided by Robinson, Farmer, Cox (actual amounts determined by BOS at that time)
- Policy mandates size and composition of Carroll's financial reserves



Carroll County Fund Balance Policy – Quick Review

Fund Balance comprises five types of funds:

- Reserved Fund Balance
 - Reserve Restricted (Non-spendable - inventories, prepayments, etc.)
 - Reserved for Encumbrances (specific purposes, legal or constitutional provisions)
- Unreserved Fund Balance
 - Fiscal Stability (balance designated for cash liquidity)
 - Designated for Grants
 - Undesignated
 - ❖ Increase Reserved Fund Balances as Required
 - ❖ Increase Unreserved Designated Balances as required
 - ❖ Purchase CIP Items
 - ❖ Beginning balance for Annual Budget

Carroll County Fund Balance Policy – Quick Review – The Rules

Determining compliance:

- Calculated annually by the Finance Director and presented to the County Administrator to report to the Board of Supervisors
- Compliance at end of Fiscal Year =

June 30 General Cash Balance / Adopted Budget for New Fiscal Year >= 12%
- Other Considerations:
 - Amounts designated for grants shall be not less than 2.5% of budget
 - Should the Unreserved, Designated for Fiscal Stability Fund Balance amount fall below the 12% targeted level, the BOS must approve and adopt a plan to restore this balance to the target level within 24 months.
 - If restoration of the reserve cannot be accomplished within such period without severe hardship to the County, then the Board will establish a different time period.

Carroll County Fund Balance Policy – FY 2017 Status (detailed calculation as of 6/30/2017)

FY2018 County General Fund Budget	41,451,784	
FY2018 School Board Operating Fund Budget	42,917,007	
Total 2018 Budget		84,368,791
Less FY2018 County share School Board Operating Budget	11,251,664	
Adopted 2018 Budget		73,117,127
Cash Balance Required for Compliance (Fiscal Stability Amount)	\$ 8,774,055	12.0%
June 30, 2017 Cash Balance Reported on July, 2017 Treasurer's Report	\$ 6,310,196	8.6%
Cash Requirements		
Reserve Restricted	249,161	Asset Forfeiture, Escrow
Reserve for Encumbrances	121,277	FM, Narcotics, Law Library, Comm. Atty.
Unassigned Designated Fiscal Stability	8,774,055	
Unassigned Designated Grants	1,036,295	Mandated by Policy at 2.5%
Cash Requirement Total	\$ 10,180,787	
Amount out of Compliance as of 6/30/2017		3.4%

Carroll County Fund Balance Policy – Compliance Over Time



Change the Process? Change the Rules?

- Currently in compliance with the FB policy November through May
- Currently not in compliance June through October
- Just pick a different month and we're in compliance now 😎
- Average is ~\$500K per month short over entire year

Change the Process? Change the Rules?

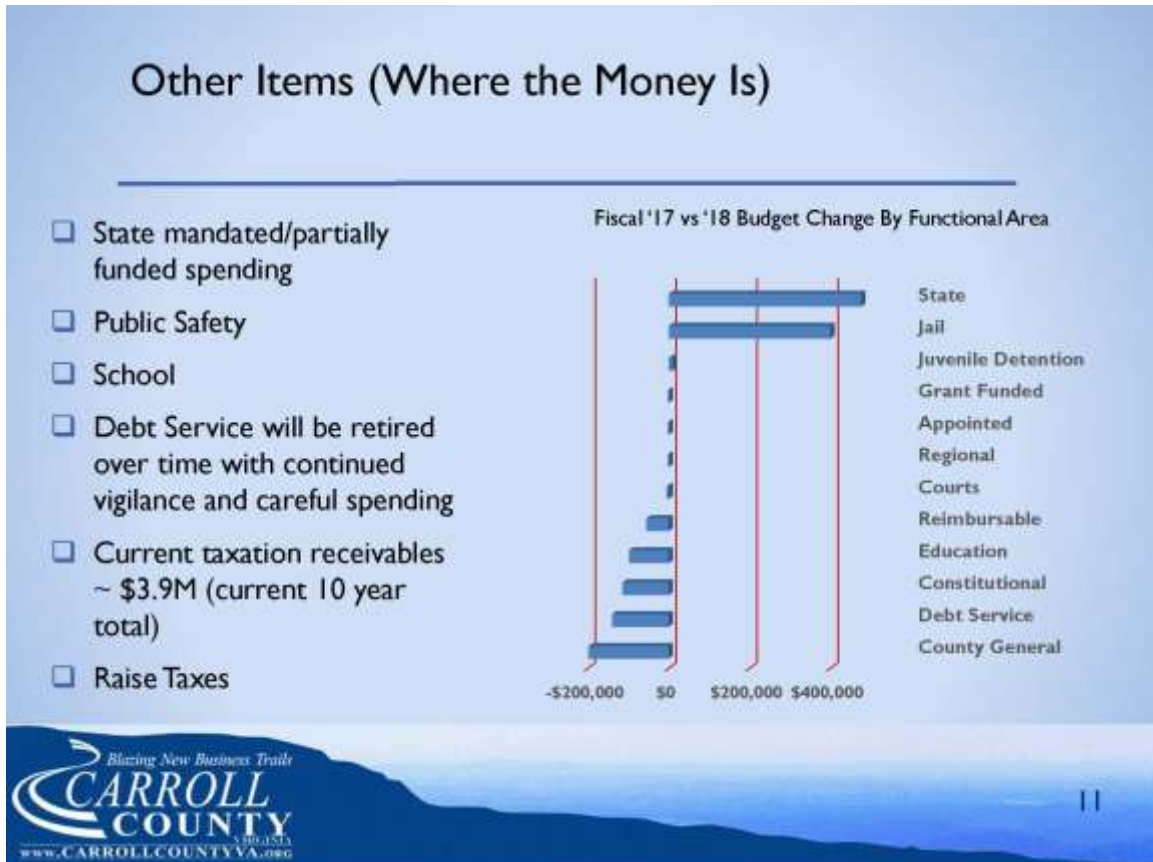
- Under current process, to be in compliance year round would require somewhere between \$3.5M to \$5.5M in additional cash depending on cash flows and cash management
- Twice a year tax collections (for real estate taxes), while not improving our actual cash position, would bring us into compliance an estimated additional 3 - 4 months per year and reduce the total amount required to be in compliance
- Does Grant set-aside need to be 2.5%?
- Why 12%?

To Consider: Budget Items

Option	Potential Saving/Effects
Manage County General budgets tightly – adjust over-estimated amounts out of budget and downward whenever identified	\$125K (estimated) by identifying “fluff” items in various departmental budgets. IMO some fluff is necessary to run a department properly given the uncertainties in the economy and our environment.
Impose County-Wide Budget Reduction	\$500K assuming 2.5% indiscriminate cuts across County General. I do NOT recommend this course of action. The risk of unintended side effects is great.
Implement “hard billing” for CCFR	\$300K – current receivable is just under \$1M (estimate based on Grayson County’s experience).

To Consider: Personnel

Option	Potential Saving/Effects
Whenever possible do not fill positions vacated due to attrition (assume 7 positions become vacant per year at \$45K average total compensation)	\$135K if we leave 3 positions unfilled – effects on services delivery not known as of yet.
“Slow-roll” replacement hires when possible (3 month delay before filling vacated slots)	\$45K if we delay filling 4 positions by three months.
Eliminate Holiday Bonus	\$24K – IMO negative effects on morale not worth relatively small benefit.
One year moratorium on performance increases	\$65K – IMO negative effects on morale not worth relatively small benefit.



Mr. Truitt told that he has talked to Gorden about our situation and he won't let me quote him on a number but he does agree that it doesn't have to be 12%, it could be a lower number. He told we are being conservative with grants and maybe we don't need to set aside a million for grant matching. He told a 2% change in the fund balance and a 1% change and we are almost there to be in compliance. He told being in compliance and financial health are two different things and we want both. He told if we went to twice a year tax collections the line would be even tighter. He told it would cost some money and be more effort but it would be like you getting paid every two weeks instead of once a month, you can manage it a little better. He told that he talked with Bonita and Fran about that and neither one are excited about the idea but both are willing to do it if it would help us. He told 36 counties do once a year and the rest do twice a year so it is the wave of the future. He reviewed the ways that we could consider doing within the budget. He told all of the things add up to a million dollars which doesn't fix the problem and may cause as many problems as it solves but we can put it on the table and talk about it. He told that we reduced the budget about \$620,000 but unfortunately the spending that we have to put aside for the jail and the state has gone up by well over a million so it is disheartening. He told we are trying to make progress. He told that you have the Sheriff's Department and we don't want them to stop arresting people, you have the school and no one is against education for our children, but it is a big pile of money that we need to watch just as closely as the rest of it. He told the debt service will go away with time, we just have to make sure it doesn't get bigger. He told that he talked with Bonita and we all agree that we do our best to collect back taxes the best we can. He told those are the choices to get completely in compliance and there is always more that you can talk about. He told that we need to take the money we already have and manage it the best that we can.

Mr. Martin asked about the number at the bottom.

Mr. Truitt told that is minus \$200,000 so that means county general budget is \$200,000 lower than it was.

Mr. Martin told he was thinking it was more.

Mr. Truitt told that when you add them all up it is about \$620,000.

Mr. Martin told in constructing a budget with the School System we did a pretty good job at coming up with a budget but things you can't budget for came in a little over a million.

Mr. Truitt told that we as a society are dealing with issues that are very expensive. He told nothing but thanks and gratitude to the people dealing with these problems.

Mr. Phil McCraw told that so many things are mandated now.

Mr. Truitt told that maybe there is a better way to hold prisoners or protect our children but today this is where we are.

Dr. Littrell told that he doesn't have the figures in front of him but he was thinking some years back it was considered to be in compliance if you have 10% of your budget in the cash fund balance.

Mr. Truitt told that he talked to Gorden about that and there is no absolute number but he did say that it varies.

Dr. Littrell told he thinks 10% is about 3 months' worth of business.

Ms. Cannon told that our low point in the last 3 years is about 7.7 so when you start your year on July 1 and don't have your tax collections coming in until December, you probably want to have at least 7.7 in your reserve.

Mr. Truitt told we are going to be careful with the money, aggressive with the budget but we need some help, especially if we are going to remain with the current goal of 12%.

Mr. Martin told that it was an excellent report and made as much sense as anything that has been presented in a long time. He told that he appreciates the job Nikki does along with that trying to keep us in compliance. He told he appreciates the Treasurer and hopefully we will get a couple breaks in there.

Mr. Hendrick told in the presentation was some great information but what he heard is basically a summary of practices that we have tried to do the past three years and none of that is new. He told that we are not going to get there overnight, it took 10 to 15 years to get in that shape. He told that he got voted out this time for that right there, because we voted in a tax increase. He told if he could go back he would do it again because that was the best position we could be in because we made all the cuts we could. He told his position is still the same, not to do anything drastic and wait the debt out. He told that has been his position since 2011, manage the money we have the best we can. He told are we going to be in compliance with the Fund Balance Policy, absolutely not, 12 months out of the year. He told any other options are not pretty.

Mr. Phil McCraw told the debt is going to have to be waited out. He told that we have to get some money off the books and that's going to be another 4 years or so. He told that he agrees with Josh, we have done what we had to do.

Mr. Martin told the things that have been done, he regrets having to pay for it but the water and sewer projects will be the future of the county.

(Order)

PUBLIC HEARING – REAL ESTATE EXEMPTION

Mr. Martin opened the Public Hearing at 7:05 p.m. and told the purpose of the hearing.

Mr. Hendrick told just for clarification can someone give a brief description of what the exemption is for.

Mr. Truitt told it is for the primary residence of the survivor of a public service officer killed in the line of duty. He told there is limitation on acreage.

Mr. Durbin told that it includes the primary residence and up to one acre that it sits on.

Mr. Robbie McCraw asked if it is a total tax break or is it a portion of their tax.

Mr. Truitt told that it is complete for the residence and one acre.

Mr. Hendrick asked if there is a time period.

Mr. Durbin told that it doesn't go away.

Dr. Littrell asked if that includes volunteers or just paid personnel.

Mr. Durbin told it goes by line of duty act and it does include volunteers.

Mr. Martin closed the Public Hearing at 7:09 p.m.

Upon motion by Mr. Hendrick, seconded by Mr. Robbie McCraw and passing, the Board approved the Real Estate Exemption as discussed.

VOTES

Mr. Hendrick	Yes
Mr. Phil McCraw	Yes
Mr. Hill	Yes
Mr. Robbie McCraw	Yes
Dr. Littrell	Yes
Mr. Martin	Yes

(Order)

COMMITTEE APPOINTMENTS

Upon motion by Mr. Hill, seconded by Mr. Phil McCraw and passing, the Board appointed Dr. Littrell to the Airport Board.

VOTES

Mr. Hendrick	Yes
Mr. Phil McCraw	Yes
Mr. Hill	Yes
Mr. Robbie McCraw	Yes
Dr. Littrell	Abstain
Mr. Martin	Yes

Upon motion by Mr. Robbie McCraw, seconded by Mr. Rex Hill and passing, the Board appointed Effie Thompson to the 175th Birthday board.

VOTES

Mr. Hendrick	Yes
Mr. Phil McCraw	Yes
Mr. Hill	Yes
Mr. Robbie McCraw	Yes
Dr. Littrell	Yes
Mr. Martin	Yes

Upon motion by Mr. Hendrick, seconded by Mr. Phil McCraw and passing, the Board appointed Steve Truitt to NRRWA.

VOTES

Mr. Hendrick	Yes
Mr. Phil McCraw	Yes

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

Upon motion by Mr. Hendrick, seconded by Mr. Robbie McCraw and passing, the Board appointed Mr. Greg Yonce to the Airport Board on the provision that he needs to be reappointed.

Dr. Littrell told that he thought they were staggered

VOTES

Mr. Hendrick	Yes
Mr. Phil McCraw	Yes
Mr. Hill	Yes
Mr. Robbie McCraw	Yes
Dr. Littrell	Yes
Mr. Martin	Yes

Dr. Littrell told that he has not found anyone to serve on Social Services Board yet.

Upon motion by Mr. Phil McCraw, seconded by Mr. Martin and passing, the Board reappointed Mr. Richard Sowers to the IDA.

VOTES

Mr. Hendrick	Yes
Mr. Phil McCraw	Yes
Mr. Hill	Yes
Mr. Robbie McCraw	Yes
Dr. Littrell	Yes
Mr. Martin	Yes

Upon motion by Mr. Robbie McCraw, seconded by Mr. Hendrick and passing, the Board appointed Mr. Ronald Newman to the MRPDC Technical Committee.

VOTES

Mr. Hendrick	Yes
Mr. Phil McCraw	Yes
Mr. Hill	Yes
Mr. Robbie McCraw	Yes
Dr. Littrell	Yes
Mr. Martin	Yes

Mr. Martin asked if Mr. Hendrick would like to serve in something in the future.

Mr. Hendrik told that he might entertain it. He told that he has been approached by one Board member and he told them if it is desired he would rather wait until the new Board takes place.

Mr. Martin told you are a very knowledgeable person and he values your opinion and impute on a lot of things.

(Order)

CITIZENS TIME

Mr. Phillip McCraw told that he just noticed these staggered terms and the IDA, the guys coming in won't have any say so on that, have you thought about that we won't have a chance to vote on those.

Mr. Truitt told that this Board appoints them and they are staggered.

Mr. McCraw told that their terms come up odd and the three supervisor's terms would come up short and we won't have any appointees.

Mr. Truitt told that they come up ever so often.

Mr. Martin told that usually the problem is getting someone to take an active role in these. He told that it is a good point.

Mr. Truitt asked if it is your recommendation to leave them unfilled until the new Board comes in.

Mr. McCraw told that he really doesn't like the staggered term with the supervisors, if they are doing a bad job we should be able to wipe them out and if they are doing a good job we can keep them.

Mr. Martin told that is valid but the other side is he remembers several years ago, several boards had voted to try to get water and Rural Development was giving us about half the money as a gift but we had to agree to mandatory hookups. He told it is hard to turn down 50% free money so the board voted. He told 5 of them bit the dirt at the same time and now you have people demanding to be placed on hookups. He told that he likes it staggered, there needs to be a continuance.

Mr. McCraw told that he is not in favor of the IDA or the PSA. He told you put somebody in that the citizens can't vote on, that's not right. He told he is not big sold on that.

Mr. Martin told that we pay a lot of money to IDA and things they are responsible for. He told that the state wants something separate to work with.

Mr. Truitt told the IDA is financed by the Board and the way it works right now is the Board is fully informed of everything they do.

Mr. Phil McCraw told that a Board member cannot serve on the IDA.

Mr. Truitt told the reason for that is so they are free to pursue Economic Development and they can't do a thing without the financing and approval of the Board. He told that the other thing that he would point out is sometimes the right decision isn't popular until later. He told whatever the current emotional state of the public is might not be what is best for the county in the long haul.

Mr. McCraw told that he understands the IDA and probably PSA is county projects. He told Grayson County just recently entered that and he is not sure it is IDA over there.

Mr. Martin told the deal you get into is half the time he is not sure about some of these things because the state has recommended but you don't have a choice of not having one. He told it is like to trade dollar bills, you give me 50 cents and I'll give you a dollar.

(Order)

SUPERVISORS TIME

Mr. Hendrick told that he appreciates everybody coming out and the hard work that the staff puts in day in and day out.

Mr. Phil McCraw told that he appreciates everybody that is here being here and also thank the staff for their hard work. He told that he appreciates Steve's presentation but Josh eluded to the fact of what we all know and it is going to take a concrete effort of departments and the board to see things through.

Mr. Hill told that he would like to thank Steve, Nikki and all the staff for the presentation and all the hard work they do. He asked everyone to pray for the families of the fallen State Police Officers, its sad that we have to go through this.

Mr. Robbie McCraw thanked everyone for being here, our faithful few. He thanked staff for what they do and the effort and thank Steve and Nikki for the presentation. He thanked the County for allowing him to be on the Board and the rest of these guys for what they do.

Dr. Littrell told he appreciates the opportunity to serve on the Airport Commission one more time, he thinks it is a vital part of the county. He thanked Steve and all of the staff for the numbers. He told that even though they are not perfect it seems that they are going in the right direction.

Mr. Martin told we are paid these big bucks to make these decisions. He told that sometimes it is not good and bad, it is a choice that has to be made. He told one of these days and he hopes to make an announcement really soon that we have finally landed an industrial prospect. He told we have water, sewer, natural gas and a lot of things in place to attract industry and one of these days it will come to be.

Mr. Robbie McCraw reminded everyone of the County Fair next week.

(Order)

ADJOURNMENT

Upon motion by Mr. Hill, seconded by Mr. Phil McCraw and passing, the Board adjourned.

VOTES

Mr. Hendrick	Yes
Mr. Phil McCraw	Yes
Mr. Hill	Yes
Mr. Robbie McCraw	Yes
Dr. Littrell	Yes
Mr. Martin	Yes

(Order)

Chairman

Clerk