

February 10, 2020

The Carroll County Board of Supervisors held their regular monthly meeting on February 10, 2020 in the Board Meeting Room of the Carroll County Governmental Center.

Members Present:

Rex L. Hill  
Dr. Tom Littrell  
Phillip McCraw  
Robbie McCraw  
Tracy Moore  
Joe Webb

Staff Present:

Cellell Dalton, County Administrator  
Steve Durbin, County Attorney  
Crystal Adams       Michelle Dalton  
Ken Miller           Keith Schlabach

**CALL TO ORDER**

Mr. Webb called the meeting to order.

**CLOSED SESSION – PURSUANT TO VIRGINIA CODE SECTION 2.2-3711**

Supervisor Robbie McCraw made a motion, seconded by Mr. Tracy Moore, to enter into Closed Meeting under Section 2.2-3711- A1, A8.

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

8. Consultation with legal counsel employed or retained by a public body regarding specific legal matters requiring the provision of legal advice by such counsel. 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.

Roll call vote was as follows:

AYES:       Rex Hill                               Joe Webb  
              Robbie McCraw  
              Phillip McCraw                     Tracy Moore

NAYS:       None

ABSENT:    Tom Littrell

**COME OUT OF CLOSED SESSION**

Mr. Hill made a motion to come out of Closed Session. Mr. Moore seconded the motion.

Roll call vote was as follows:

AYES:       Rex Hill                               Joe Webb

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Robbie McCraw  
Phillip McCraw                      Tracy Moore

NAYS:            None

ABSENT:        Tom Littrell

**CERTIFICATION OF CLOSED SESSION**

Mr. Hill made a motion to certify Closed Session with 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.

Mr. Phillip McCraw seconded the motion.

Roll call vote was as follows:

AYES:            Rex Hill                                      Joe Webb  
                      Robbie McCraw  
                      Phillip McCraw                              Tracy Moore

NAYS:            None

ABSENT:        Tom Littrell

**CITIZENS TIME**

Donna Peery stated that there has been some controversy about you closing the trailer at the Rec Department and I applaud you for doing it. We need to save pennies where we can and that is a good start. It needs to be done throughout the County. There seems to be a lot of overtime and comp time and I would request some type of system to monitor the comings and goings of employees. Blue Ridge Designs took over Classic Creation, there were back taxes owed and I wonder if they got a clear title to the building. The EMS situation bothers me. There is no reason for anyone not to have a payer source for health insurance. I think it is time for the County to start billing for those services and hard billing. It is time for the Board to step up and treat people equally.

**ROBINSON, FARMER, COX – GORDON JONES**

Mr. Gordon Jones distributed an Audit Presentation and reviewed the information on the most recent Carroll County audit. All reports were clean and unmodified.

Mr. Dalton asked about the property tax increase and if it was a result of tax increases.

Mr. Jones replied that without drilling down on it, I would say a lot has to do with the rate increase that happened in 2016. It could be that and delinquent tax collections.

Mr. Dalton mentioned that there was \$7.9 million cash balance at the end of June, and we had an operating budget of \$74 million which is about \$7.5 million per month. If we spend that per month for July, August, September and October, would twice per year tax collections help that.

Mr. Jones replied it certainly would. It would also help your fund balance. In the year that you went to that you would have the full year collections in December, and you would also have a half year in June.

Mr. Dalton asked if our fund balance is less than what the Board set it at which is 12%. Twice a year would help with the fund balance but would some other method of reducing debt or expenditures not be required to do that, in your opinion.

Mr. Jones replied, I don't think it would, I think the one time hit of an increase would get you to that fund balance amount. That does not take into consideration items that you may need to purchase that you have put off, that could take you back in the other direction.

Mr. Dalton asked if other counties are increasing in the same areas that Carroll is.

Mr. Jones replied that public safety is increasing similar. I would not say that Health and Welfare is increasing over the last 5 years. I tried to drill down on those because there is such an increase. It is all related to Social Services and CSA.

Mr. Dalton mentioned in the comments that Social Services overspent by \$87,000. How can we go about making sure that doesn't happen in the future?

Mr. Jones responded that if they get an additional appropriation from the State that doesn't require a match from the county, sometimes they don't get that appropriated by the Board and that is a mistake. Anything that they spend has to be appropriated by the Board.

Mr. Hill made a motion to accept the audit as presented. Mr. Robbie McCraw seconded the motion.

Roll call vote was as follows:

AYES:	Rex Hill	Joe Webb
	Robbie McCraw	
	Phillip McCraw	Tracy Moore

NAYS: None

ABSENT: Tom Littrell

## **PUBLIC HEARING – BUDGET ADJUSTMENTS**

Mr. Webb opened the Public Hearing at 6:37 p.m.

Ms. Teresa Isom, Director of Social Services handed out a packet of information. A reduction of our budget would affect numerous citizens, not only for foster care but those who receive food stamps, fuel assistance, Medicaid, as well as other services. What the County gives is given back much higher for example in 2017, the County gave \$1.3 million and Social Services gave back to the community \$58 million. A cut in Social Services funding is very dangerous for a community.

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Mr. Doug Smith stated that he is glad Libby and Larry spoke up for the Recreation Center. I appreciate that we are keeping things running. I would love to see Garrett given a position. Who is in charge of getting our businesses here? Our business taxes seem to be higher than other areas. Our personal property tax is low. You promised that everyone would suffer on the budget except the judicial area and I would like to see them looked at as well. Hillsville is the County Seat, why don't we merge and get rid of duplicate services and save some money.

Mr. Phillip Berrier told that the Community Centers are not essential services, but they do provide a good service to the community. I appreciate everything that the Board has done for us. The Lambsburg Community Center does several events each year and they have worked hard to upgrade the building and grounds. I think we have a good thing going and we hope that it can continue.

Ms. Maurine Mills commented that the proposed cuts are assigned broadly to agencies, but it is unclear what that would be. It would be helpful to know where the cuts would be coming from. On the revenue side, I am sure there is a plan to collect delinquent taxes. Do the numbers reflect collection of delinquent taxes from previous years? Also, again I ask for EMS support for Laurel Fork.

Mr. Junior Vass stated the budget is a million or so short or the income was overestimated. A million shouldn't be too hard to come up with. You have to make the adjustments; you should have caught this before it got so far. You propose a cut, and somebody pushes, and you back up. To make up some of it, you might want to contribute some of your salary, it is your fault.

Mr. Roger Brooks told the budget for the Commonwealth Attorneys Office was brand new to me when I came in office. I realized that 93% of it is state dictated. I have some control over the other portion. You have made a request for a \$5000 reduction and we will work with what is required but I want you to understand that my office is understaffed by two positions. The state has funded one of those but because we are under the view that the County can not afford it, we have not filled it. On the Day Reporting Program, the last report I saw, it is saving the County over \$100,000 in jail costs. It costs us \$28.65 per day to keep someone in the Regional Jail. The jail is a budget breaker for us, and I am implementing changes on how we will address bond for new charges. Last year the case load was up 14% from the previous year. We should also be hitting on the state, they are not paying their fair share. Our delegates should be at this meeting, they should be answering why they are allowing DOC to balance their budget on our backs. The auditor mentioned that we had been paying our debt at roughly twice the recommended rate, we need to think about how we spend our funds. We will do everything on our part to help.

Mr. Dalton addressed the Board with the following.

It is well documented, and much discussed throughout Carroll County that the Board of Supervisors need to be good fiscal stewards of the taxpayer's money. The plan presented to you tonight was formulated and discussed with the Board of Supervisors budget committee and has many recommendations on how to deal with reducing the current Fiscal Year Budget. With only four months and a few days left in this Fiscal Year it may be impossible to accomplish what has been presented and the next Fiscal Year Budget will be even more difficult. Budget cuts always affect people that you know, care for and respect, sometimes in ways that were never intended.

Some of the ideas I have personally heard is that we need to control spending, reduce taxes, live within our means like everyone else in the County and that we need to engage the public in what is best for Carroll County. I agree with those statements but in the end: we must do what is both the best in the short term and long term to make Carroll County the best it can be and we will all never agree on what those measures should be.

Almost everyone has a different opinion and thought process about what is important in this County, the State, the Country and the world. I know that over the years my own assessments have changed dramatically however one thing has been constant; my belief that a carefully well thought out plan with enough flexibility to change as circumstances change will allow Carroll County and its citizens to succeed and to move forward. A carefully crafted planning document and implemented will make Carroll County the County everyone wants to emulate. The Carroll Board of Supervisors have taken the first step in planning for the future with a financial forecast of how the County will be spending its dollars in the future. We all know that price of goods, utilities, and services keep rising and paychecks do not seem to follow that same trend and a financial forecast helps the Board of Supervisors prepare for the future.

The Future plan for the County while crafted by staff and Board members in the end must have as much input from the citizens as they deem necessary. Once endorsed by the citizens then the Board can adopt and move forward with everyone's understanding that the plan must evolve as we move forward.

Some of the things we all need to consider as we look to the future and makes plans on how to allocate our limited funds:

### **Taxes and Fees**

#### **Real Estate Tax –**

The current tax rate is 69.5 cents per hundred dollars of assessed value. A dedicated amount needs to be allocated to EMS, Volunteer Rescue and Volunteer Fire Department and that amount printed on tax tickets to show the allocation. These funds would be used exclusively for refurbishing existing equipment when possible and to update the current fleet. Since an ambulance cost a little more than \$150,000 to refurbish and over \$200,000 to purchase new. Fire Trucks can cost over \$500,000. I would recommend that the Real Estate Tax rate be raised to provide for 1.5 cent allocation to this cause. One penny of real estate tax equates to \$200,000+/- . The real estate tax relief ordinance should be re-evaluated and tied to inflation for the elderly and handicapped. The Land Use Ordinance and program should be reevaluated. The current program which reduces the levy by over \$1.4 is currently a burden to the overall financial health of the County.

#### **Machine and Tools Tax-**

Evaluate this tax levy and make it compatible with the locations that Carroll is competing for new business. An increase in this tax is recommended.

#### **Personal Property –**

The current tax rate for personal property is \$1.95 per hundred of value and the value is based on loan value and not retail value. An increase of this tax of \$0.35 to \$2.30 is recommended.

Adopt special tax rates for large investments such as data centers with investments over \$100 million, airplanes over \$750,000, and other technology driven investments that allows Carroll to be competitive with surrounding localities.

#### **Incentive Programs for business, industry and tourism to include retention**

Develop and approve an incentive-based program that allows expanding and/or relocating business and industry to recoup some of the initial cost to build, retool or expand into Carroll County, This program would be based on a positive return on investment to the Carroll County tax base. This program should provide for job incentives for any job over \$15 per hour and total pay package that exceeds \$40,000 per to include benefits.

### **Non-Profits**

The Board of Supervisors should set a grand total amount of funds to be allocated to non-profits on a Fiscal Year basis. These allocations would be allocated based on competitive grant procedure. The criteria would include number of County residents served and would only be eligible to non-profits physically located in Carroll and those that supply continuous service to County Residents. The funds would be prorated based on funding available.

### **Tourism/Recreation**

Use the legislation that allows mixed drinks effective July 1 to develop tourism zones that allow for incentives based on a return investment to the County. The Tourism department and EDA should be charged with development of the map and ROI calculations which would be reviewed and adopted by the CCBOS after the required public involvement. The Board should consider that mid to large scale youth and adult events could play an important part into local business success.

### **Fee Structure**

The County currently charges a recreational fee for youth sports, disc golf and church leagues and some other items. The fee structure should be set to more accurately reflect the actual cost.

The County should develop a fee structure for facility use to include an option for daily rentals, daily usage and/or monthly or yearly usage for all facilities.

## **Schools**

**Schedule an annual joint meeting to include facilities tours between the School Board and County Board so each Board can share the challenges and plans they have for the next Fiscal Year and beyond.**

Renovation and upgrades – Renovations and upgrades will never be finished; public buildings basically wear out in 20 – 30 years even with a great maintenance program. A long-term plan should be included in the capital improvement plan and included in financial forecast.

School salaries – need to be competitive within the region while taking in an adjustment for location as noted in the VIAA report.

Transportation – a line item needs to be established for an annual purchase of buses – typical life cycle for a bus is 15 + years.

Administration – While essential to the mission, this needs to be kept at a bare bones level with funding priorities being placed on students

Debt Service - A funding cap should be placed on school with a formula that includes county value, county median family income, number of students, required local effort and tax rates to include a means to adjust for inflation over time.

Joint Facility Use – An agreement should be negotiated and put in place that allows the Board of Supervisors use of the school facilities for county recreation, adult classes, etc. in priority after school sponsored activities.

### **County Government**

This portion of government should have a maximum employment level and look at every means to privatize when possible. Some suggested items include the cleaning of buildings, vehicle repair, and others. These items when done by private local vendors allows existing and new business to flourish, pay taxes and improve the local economy. Except in a few isolated cases rarely can government be as cost effective as a for profit company.

### **Regional Activities**

Review regional activities and agreements on two-year basis to ensure that the regional approach is still the most cost-effective method for the service. While initially these activities may address a need over time, they may not be the best method of service to the County, hidden cost such as travel and inconvenience to County residents may not be in the best interest of the taxpayer. When regionalism adversely affects the access of local citizens or make it cumbersome to use then we should reevaluate that service delivery.

### **Public Safety**

Evaluate current ordinances and funding to ensure that the County is not absorbing cost and hidden cost that would not normally be seen by the County.

### **Health and Welfare**

The current program needs to be evaluated by an independent third party and a report issued on how the program can be improved and cost controlled.

### **Public Service and Economic Development**

Carroll needs to look deeply at these two items and how they are funded. Both play important and critical roles in the future success of the County.

The CCPSA current rate structure, debt service levels, capacity fees and connection fees need to be reevaluated and set so that they can be financially solvent. This evaluation also needs to be done on a system by system basis. A system by system approach allows those that use the facilities to pay their fair share.

The EDA needs to develop a ROI structure so that staff can evaluate and present projects effectively.

### **Publicly owned property**

Every property owned by the County or a component unit of the County should be evaluated and for those properties deemed valuable a master plan developed on how that property should be developed to its best intended use. All properties should be returned to the County and any property not deemed to have a future use should be sold publicly so that every citizen has an opportunity to purchase the property.

Overall the County needs to have a no holds barred review of how the County provides services and what type services, funds agencies, and

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develops budgets and to look how we can better serve those that use those services. Criticism should always be used as a tool to improve ourselves and reevaluate programs. At least to someone we have given the perception things are not as they could or should be and we need improvement in our delivery of those services. To those that take their time to attend or speak to the Board and staff we need to have a well thought out response either verbally or written after the subject can be researched. Thanks for your time.

Dr. Mark Burnette stated that they will be good stewards of money and we won't go out and wastefully spend. For us to be competitive, \$40,000 per year for a teacher's salary is a good investment. We serve the same kids that Ms. Isom spoke about and those kids cost twice as much. As far as using facilities, we have always had agreements with Recreation to use our facilities whenever they needed, and it is an agreement that is still open. We have looked at a date to provide tours of the schools to see the needs. Our biggest facility need is at the High School and it is a safety issue.

Mr. Robbie McCraw made a motion to close the Public Hearing at 7:42 p.m.

Mr. Phillip McCraw seconded the motion.

Roll call vote was as follows:

AYES:	Rex Hill	Joe Webb
	Robbie McCraw	
	Phillip McCraw	Tracy Moore

NAYS: None

ABSENT: Tom Littrell

**PAYMENT OF INVOICES**

Mr. Hill made a motion, seconded by Mr. Moore to approve the Invoices as presented.

Roll call vote was as follows:

AYES:	Rex Hill	Joe Webb
	Robbie McCraw	
	Phillip McCraw	Tracy Moore

NAYS: None

ABSENT: Tom Littrell

**MINUTES OF PREVIOUS MEETING**

Mr. Robbie McCraw made a motion, seconded by Mr. Phillip McCraw to pass the minutes from the January 27, 2020 Minutes.

Roll call vote was as follows:

AYES:	Rex Hill	Joe Webb
	Robbie McCraw	
	Phillip McCraw	Tracy Moore

NAYS: None

ABSENT: Tom Littrell

**NEW BUSINESS:**

**CONSENT CALENDAR**

Mr. Robbie McCraw made a motion, seconded by Mr. Hill to approve the Consent Calendar as presented.

Roll call vote was as follows:

AYES:	Rex Hill	Joe Webb
	Robbie McCraw	
	Phillip McCraw	Tracy Moore

NAYS: None

ABSENT: Tom Littrell

**ELECTRONIC SUMMONS ORDINANCE**

Mr. Hill made a motion, seconded by Mr. Moore to hold a Public Hearing on the Electronic Summons Ordinance during the March 9, 2020 Meeting.

Roll call vote was as follows:

AYES:	Rex Hill	Joe Webb
	Robbie McCraw	
	Phillip McCraw	Tracy Moore

NAYS: None

ABSENT: Tom Littrell

**TAX SALES**

Mr. Dalton explained that from this point forward, all new tax sales will be done by this new firm and the remaining sales that are with Sands Anderson will be sold by them so you will have two attorneys for a period of time.

Mr. Webb asked if you are referring to the sale of delinquent properties.

Mr. Durbin replied yes.

Mr. Dalton stated that we have a draft Twice Per Year Tax Collection Ordinance to review before the Public Hearing on February 24<sup>th</sup>.

**NOTICE OF CLAIM**

Mr. Durbin explained this is just for information.

**OLD BUSINESS**

**COMMITTEE APPOINTMENTS**

Mr. Hill made a motion to increase the number of appointments on the Recreation Commission to include all the applicants who have applied and to reappoint all terms that expired.

Mr. Robbie McCraw seconded the motion.

Roll call vote was as follows:

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AYES: Rex Hill Joe Webb  
Robbie McCraw  
Phillip McCraw Tracy Moore

NAYS: None

ABSENT: Tom Littrell

***NRRWA FINANCIAL REPORT***

Mr. Robbie McCraw made a motion, seconded by Mr. Hill to accept the New River Regional Water Authority Financial Report.

Roll call vote was as follows:

AYES: Rex Hill Joe Webb  
Robbie McCraw  
Phillip McCraw Tracy Moore

NAYS: None

ABSENT: Tom Littrell

***SOLID WASTE AUTHORITY FINANCIAL REPORT***

Mr. Hill made a motion, seconded by Mr. Phillip McCraw to accept the Solid Waste Authority Financial Report.

Roll call vote was as follows:

AYES: Rex Hill Joe Webb  
Robbie McCraw  
Phillip McCraw Tracy Moore

NAYS: None

ABSENT: Tom Littrell

***SOLID WASTE FRANCHISE AGREEMENT***

Mr. Hill made a motion, seconded by Phillip McCraw to refer the Solid Waste Franchise Agreement to the Finance Committee to negotiate.

Roll call vote was as follows:

AYES: Rex Hill Joe Webb  
Robbie McCraw  
Phillip McCraw Tracy Moore

NAYS: None

ABSENT: Tom Littrell

***BOARD MEMBER COMMENTS***

Mr. Webb told I hope everyone has an idea of what we are up against. The budget is our fault, we entrusted the people who work under us to present a balanced budget. We had no idea that it was short on the revenue side, or I

didn't until we had a change of staff and our Interim County Administrator found it. When the next one comes out, I find the people to explain page by page. It was never done intentionally. We are working on the emergency services in Laurel Fork.

Mr. Phillip McCraw thanked everyone for coming out. Please sympathize with us and what we are doing. Please work with us.

Mr. Hill stated that debt on delinquent taxes is paid by the oldest first. It takes about 18 months once you start the process to put a piece of property up for auction. We are not paying any extra payments on our debt; we are paying what is due. The PSA and EDA debt was not included. Prospect Businesses is handled by the EDA and I am going to make sure that we get a return on our investment.

Mr. Robbie McCraw thanked everyone for coming. This group has made a commitment to fix things. I will be asking a lot more questions moving forward. Mr. Dalton has brought a lot of things to our attention. Mr. Barrier is doing a great job at Lambsburg Community Center.

Mr. Moore thanked everyone for coming out. I want to thank Roger and Larry for taking a stand and helping us out. Good to see some farmers here from the community. I've been going through the budgets and I will dig it to all of it.

Mr. Robbie McCraw thanked Benny Quesenberry for his efforts in Richmond last week.

**COUNTY ADMINISTRATOR COMMENTS**

Mr. Dalton requested approval to hire Recreation staff as well as make a recommendation that we combine the Department Head of Recreation/Tourism into one and have the authority to advertise and hire those positions that have left.

Mr. Hill made a motion, seconded by Mr. Robbie McCraw to advertise and hire Recreation staff as well as have the Tourism Director to also be the Recreation Director.

Roll call vote was as follows:

AYES:	Rex Hill	Joe Webb
	Robbie McCraw	
	Phillip McCraw	Tracy Moore

NAYS: None

ABSENT: Tom Littrell

Mr. Dalton explained that he has an invoice from the Town of Hillsville for the County's half of the fireworks which is not budgeted in this year's budget.

Mr. Hill stated that he thought it was in the budget, but he was not able to find it. My understanding is they use the contingency fund to pay for that which was eliminated last year. This is a joint thing that we have been doing with the Town for several years.

Mr. Hill made a motion to appropriate \$9582 for fireworks.

Mr. Robbie McCraw seconded the motion.

Mr. Hill asked if this has already been contracted for this year. If so, they would be stuck paying it all.

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Mr. Webb stated that he loves the firework show as good as everybody, but we are cutting budgets. Do we have \$9500 to watch 40 minutes of fireworks? We are in a reassessment year; the Town uses the assessment values and we have asked them to pay a portion and they refused. I think we need to table this until we can talk to the Town.

Mr. Hill made a motion to table this until next meeting.

Mr. Moore seconded the motion.

Roll call vote was as follows:

AYES:	Rex Hill	Joe Webb
	Robbie McCraw	
	Phillip McCraw	Tracy Moore

NAYS: None

ABSENT: Tom Littrell

Mr. Dalton recommended that we send the budget requests out to departments and ask that they respond to those for the February 24<sup>th</sup> meeting where we can accept those or

#### **ADJOURNMENT**

Mr. Hill made a motion, seconded by Mr. Robbie McCraw to adjourn the meeting.

Roll call vote was as follows:

AYES:	Rex Hill	Joe Webb
	Robbie McCraw	
	Phillip McCraw	Tracy Moore

NAYS: None

ABSENT: Tom Littrell

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Chairman