

VIRGINIA: A REGULAR MEETING OF THE SURRY COUNTY BOARD OF SUPERVISORS  
HELD IN THE GENERAL DISTRICT COURTROOM OF THE COUNTY  
GOVERNMENT CENTER ON MARCH 1, 2012 AT 7:00P.M.

PRESENT: SUPERVISOR JUDY S. LYTTLE, CHAIRMAN  
SUPERVISOR JOHN M. SEWARD, VICE-CHAIR  
SUPERVISOR ERNEST L. BLOUNT  
SUPERVISOR KENNETH R. HOLMES  
SUPERVISOR GIRON R. WOODEN, SR.

ALSO

PRESENT: MR. TYRONE W. FRANKLIN, COUNTY ADMINISTRATOR  
MS. TERRI HALE, DIRECTOR OF FINANCE  
MR. BRENDAN HEFTY, HEFTY & WILEY, COUNTY ATTORNEY  
MS. RHONDA R. MACK, DIRECTOR OF PLANNING  
MRS. DEBORAH NEE, COMMISSIONER OF THE REVENUE  
MR. ERVIN JONES, DIRECTOR OF PARKS & RECREATION  
SHERIFF ALVIN W. CLAYTON, SR.  
MR. GLENN SLADE, VCE, AGRICULTURAL AGENT  
MR. STACEY WILLIAMS, BUILDING OFFICIAL  
MRS. VALERIE PIERCE, DIRECTOR OF SOCIAL SERVICES  
MRS. SOPHENIA PIERCE, DIRECTOR, OFFICE ON YOUTH

### **CALL TO ORDER/MOMENT OF SILENCE/PLEDGE OF ALLEGIANCE**

The meeting was called to order by Chairman Lyttle who then asked for a moment of silence. Following the moment of silence, she asked those present to stand and say the pledge of allegiance.

### **CONSENT ITEMS**

1. Approval of January 26, 2012 Minutes, Board of Supervisors
2. Approval of February 2, 2012 Minutes, Board of Supervisors Work Session
3. Approval of February 2, 2012 Minutes, Board of Supervisors
4. Approval of March 2012 Accounts Payable:

	Accounts Payable	Additional	Total
General Fund	\$58,971.18	\$168,408.50	\$227,379.68
Debt Service	\$0.00	\$586.63	\$586.63
Capital	\$0.00	\$84.47	\$84.47
Water & Sewer	\$300.50	\$3,540.96	\$3,841.46
CSA	\$290.83	\$0.00	\$290.83
Indoor Plumbing	\$0.00	\$0.00	\$0.00
<b>Totals</b>	<b>\$59,562.51</b>	<b>\$172,620.56</b>	<b>\$232,183.07</b>

5. Appropriation Requests:

<b>School System - March 2012</b>	Instruction	\$817,499.00
	Admin./Health	\$50,000.00
	Pupil Transp.	\$80,000.00
	Operation/Maint.	\$120,000.00
	Food Serv.	\$35,000.00
	Debt Service	\$0.00
	Capital Projects	\$0.00
	Technology	\$25,000.00
	<b>Total</b>	<b>\$1,127,499.00</b>
<hr/>		
<b>Dept. of Social Serv. - March 2012</b>		<b>\$150,000.00</b>

Supervisor Seward made a motion that the Board approve the Consent Items as enumerated; Supervisor Holmes seconded the motion. Supervisors Lyttle, Blount, Wooden, Seward and Holmes voted affirmatively to approve the motion.

**PROGRESS REPORTS**

1. VDOT

No representative of VDOT was available to present a report to the Board.

A. Right-of-Way Abandonment

Mr. Franklin advised the Board that during its February 2, 2012 meeting, Supervisors had voted to schedule a public hearing to hear comments regarding a request by Mr. William B. Savedge to abandon the right-of-way on Villa Road (Route 613, Claremont Beach) which adjoins his property as well as that of Mr. Richard Norris. The property in question had been determined by VDOT to be a prescriptive right-of-way and the process of abandonment required that the Board post a Notice of Intent to Abandon 30 days prior to a public hearing. Since that time staff have been informed by Mr. Rossie Carroll, VDOT Williamsburg Residency Administrator, that further investigation into the matter is required before the process can move forward. Mr. Franklin asked the Board to consider rescinding their earlier action to schedule a public hearing on the matter for April 5, 2012 at 7:00pm.

Supervisor Blount made a motion to rescind the Board's earlier action to schedule a public hearing regarding the right-of-way abandonment. The motion was seconded by Supervisor Seward; all present voted affirmatively.

2. Treasurer

A. Investment Letter

Chairman Lyttle read the investment letter submitted by Mary H. Shaw, Treasurer. She stated that as of February 2, 2012 the county had \$17,802,428.14 in the LGIP Fund. Since that report, accrued interest for January 2012 in the amount of \$2,369.66 had increased that balance to \$17,804,797.80. As of March 1, 2012 the county had \$18,309,061.37 in total

investments, including one CD valued at \$504,263.57 which matures January 18, 2013.

B. Mr. Franklin introduced correspondence from the Treasurer's office requesting the Board's approval of a refund in the amount of \$3,554.15 due to Samuel I. White, P.C. on behalf of Angelo Claiborne (Tax Map # 47-14B) for the overpayment of Real Estate taxes. Supervisor Seward made a motion that the Board approve the refund request as presented; Supervisor Wooden seconded the motion. The motion was unanimously approved.

### 3. County Administration

#### A. Presentation: Hampton Roads Planning District Commission (HRPDC)

Mr. Greg Grootendorst, Chief Economist, HRPDC. appeared before the Board to provide an update regarding the economic climate and economic development activities in the Hampton Roads Region. ***(A copy of Mr. Grootendorst's presentation is included as an integral component of these minutes.)***

Following the presentation, there was some discussion regarding possible effects of BRAC Commission recommendations. Mr. Grootendorst speculated that the Hampton Roads area could see reductions in Army and Marine presence, but that he felt that the Navy and Air Force could emerge relatively unscathed. He further admitted that such actions were difficult to predict.

#### B. Presentation: Buggs Island Telephone Cooperative

Mr. Mickey Sims, General Manager, Buggs Island Telephone Cooperative (BIT), addressed the Board with regard to his company's activities in Surry County relative to the County's Broadband Initiatives. Mr. Sims provided some background on BIT and the federal stimulus grant award for the purpose of building, operating and maintaining a fixed broadband wireless network in several rural Virginia counties, including Surry. ***(A copy of Mr. Sims' presentation is included as an integral component of these minutes.)***

Mr. Sims reported that BIT was dependent on Mid-Atlantic Broadband for some of the infrastructure necessary to complete their work and would begin to solicit customers in early September 2012. A customer service and retail center is expected to be located in Smithfield. Mr. Sims reported on pricing options for residential and business customers and stated that BIT was committed to providing service for 100% of Surry County.

#### C. Presentation: Virginia Cooperative Extension (VCE)

Mr. Glenn Slade, VCE Agricultural Agent, addressed the Board and showed a video entitled "Gaining Ground" produced by the US Department of Agriculture which demonstrated many of the no-till practices farmers are currently using to improve the quality of their soil and water and produces higher yields. This method of farming incorporates the use of cover crops, crop rotation and compaction retention. Proponents of no-till farming agree

that this method is less time consuming and labor intensive compared to tilling. No-till farming combines farming and conservation.

D. Surry County High School Renovation Settlement

Mr. Franklin informed the Board that the 2008 construction and renovation of the Surry County High School resulted in a contract dispute between the general contractor and the school board. The superintendent has been meeting with council to settle the dispute. The amount of \$226,262 from the original debt issuance has been set aside to pay for any settlement, which includes payments for the general contractor and legal services. The council for the school board has recommended a settlement amount of \$162,000.

Supervisor Seward reported that the Fiscal Affairs committee of the Board had met with the School Board Fiscal Affairs committee and discussed the matter. Supervisor Seward then made a motion that the Board authorize the payment of \$162,000 in settlement of the dispute between the general contractor and school board on the 2008 high school construction and renovation project. The motion was seconded by Supervisor Blount and unanimously approved.

E. Resolution 2012-03: Hazard Mitigation Plan

Ms. Rhonda Mack addressed the Board with regard to the Richmond-Crater Multi-Regional Hazard Mitigation Plan (HMP). She reminded the Board that an HMP had been adopted by the Board in 2006 which outlined the region's strengths and weaknesses in addressing emergencies and natural disasters. The current proposed plan includes a summary of hazard events since 2006, a reassessment of the region's needs specific to localities and also outlines recommendations for proactively addressing probable disasters in the future.

Supervisor Seward made a motion that the Board approve Resolution 2012-03 adopting the November 2011 Richmond-Crater Multi-Regional Hazard Mitigation Plan. Supervisor Holmes seconded the motion; Supervisors Lytle, Wooden, Blount, Seward and Holmes voted affirmatively.

F. Resolution 2012-04: Surry County Clean-Up Month

Mr. Franklin presented the Board with a draft resolution which, upon approval, would declare April 2012 "*Surry County Clean-Up Month*". During the month of April clean-up activities will be undertaken throughout the county. These activities will include cleaning along the roadways, in neighborhoods, and major debris removal from properties, junked auto pickup and vacant building demolitions as appropriate. Special refuse collection containers will be provided for the convenience of county residents on Saturday, April 14, 2012 and Saturday, April 28, 2012 which have been designated as major debris collection days.

Supervisor Holmes made a motion that the Board approve Resolution 2012-04 designating April 2012 as "*Surry County Clean-Up Month*". The motion was seconded by Supervisor Wooden and unanimously approved.

G. Appointment – Highway Transportation Safety Commission

Mr. Franklin introduced correspondence from Ms. Rhonda Mack indicating that the terms of Mr. W.C. Andrew (Surry District) and Mr. Harold Brown (Carsley District) on the Highway Transportation Safety Commission (HTSC) are due to expire at the end of March 2012. Mr. Brown is eligible and willing to serve another term; however, Mr. Andrews has not been contacted with regard to reappointment. Board members agreed to table the appointment of a representative from the Surry District.

Supervisor Holmes made a motion that the Board reappoint Mr. Harold Brown to the HTSC for a term from March 31, 2012 through March 30, 2016. Supervisor Blount seconded the motion; all present voted in favor of the motion.

At this time Mr. Franklin reminded the Board that representation was still needed on the Highway Transportation Safety Commission. Supervisor Wooden stated that he would be happy to serve on the HTSC. Supervisor Blount made a motion that Mr. Wooden serve as the Board representative to the HTSC; Supervisor Seward seconded the motion which was unanimously approved.

Mr. Franklin stated that Board representation was also needed for the Improvement Association. Supervisor Holmes stated that he would be willing to serve. Supervisor Seward made a motion that Mr. Holmes serve as the Board representative on the Improvement Association. The motion was seconded by Supervisor Blount; all present voted in favor of the motion.

H. Continuation of Board Meeting

Mr. Franklin informed the Board that the Surry County School Board had indicated a desire to meet with the Surry County Board of Supervisors to discuss matters related to the upcoming FY 2012-2013 budgeting process. He recommended that, upon the conclusion of this meeting, the Board continue its meeting to Thursday, April 5, 2012 as 4:00pm at the Surry County High School.

**UNFINISHED BUSINESS**

Mr. Franklin re-introduced a request which the Board had tabled at their February 2, 2012 meeting from the School Board. The request was for a budgetary amendment of \$38,000 to FY 2011-2012 Operation and Maintenance category. The funds represent carry-over funds from unspent portions of the approved FY 2010-2011 Operating Budget. Supervisor Seward added that the School System has historically been awarded carry-over funding for one-time expenditure. Ms. Terri Hale, Director of Finance, added that the balance of unspent funding was \$38,461.

Supervisor Blount made a motion that the Board approve the School System's request to transfer \$38,000 in carry-over funding from FY10-11 to the Operation and Maintenance category of the FY 2011-2012 Operating Budget. Supervisor Seward seconded the motion which was unanimously approved.

Mr. Franklin provided the Board with an update regarding recent contact from the Town of Surry informing of damage to sewer lines in the vicinity of the Government Center addition. Mr. Franklin indicated that correspondence had been sent to the contractor deemed responsible for the work in question. Although the County has not received a written response from the contractor, verbal assurance has been given to indicate that a settlement is pending.

## **NEW BUSINESS**

Supervisor Seward provided a brief update from his attendance at recent meetings of the Crater Planning District Commission and the Hampton Roads Planning District Commission in which concerns were expressed regarding the future of military installations in the region.

The Board briefly discussed their desire to conduct a Board Retreat later this year (June 2012) for the purpose of long term strategic planning.

## **CITIZENS COMMENTS**

Mr. Mike Eggleston (Dendron District) addressed the Board with regard to the Hazard Mitigation Plan discussed earlier in the evening expressing concern that no mention was made of the potential impact of a disaster at the Surry Nuclear Power Station.

Mr. John Stokes (Surry District) appeared before the Board commenting on recent business conducted with Terry's Collision Center, LLC which recently located in Surry County. He stated that it was nice to have this type of service provider located within the County.

## **ADJOURNMENT**

Supervisor Blount made a motion that the Surry County Board of Supervisors continue their meeting to Thursday, April 5, 2012 at 4:00pm, to be held at the Surry County High School. Supervisor Seward seconded the motion; Supervisors Lyttle, Holmes, Wooden, Blount and Seward voted in favor of the motion.

# Presentation to the Surry County Board of Supervisors

**Hampton Roads Planning District Commission**

**Greg Grootendorst**

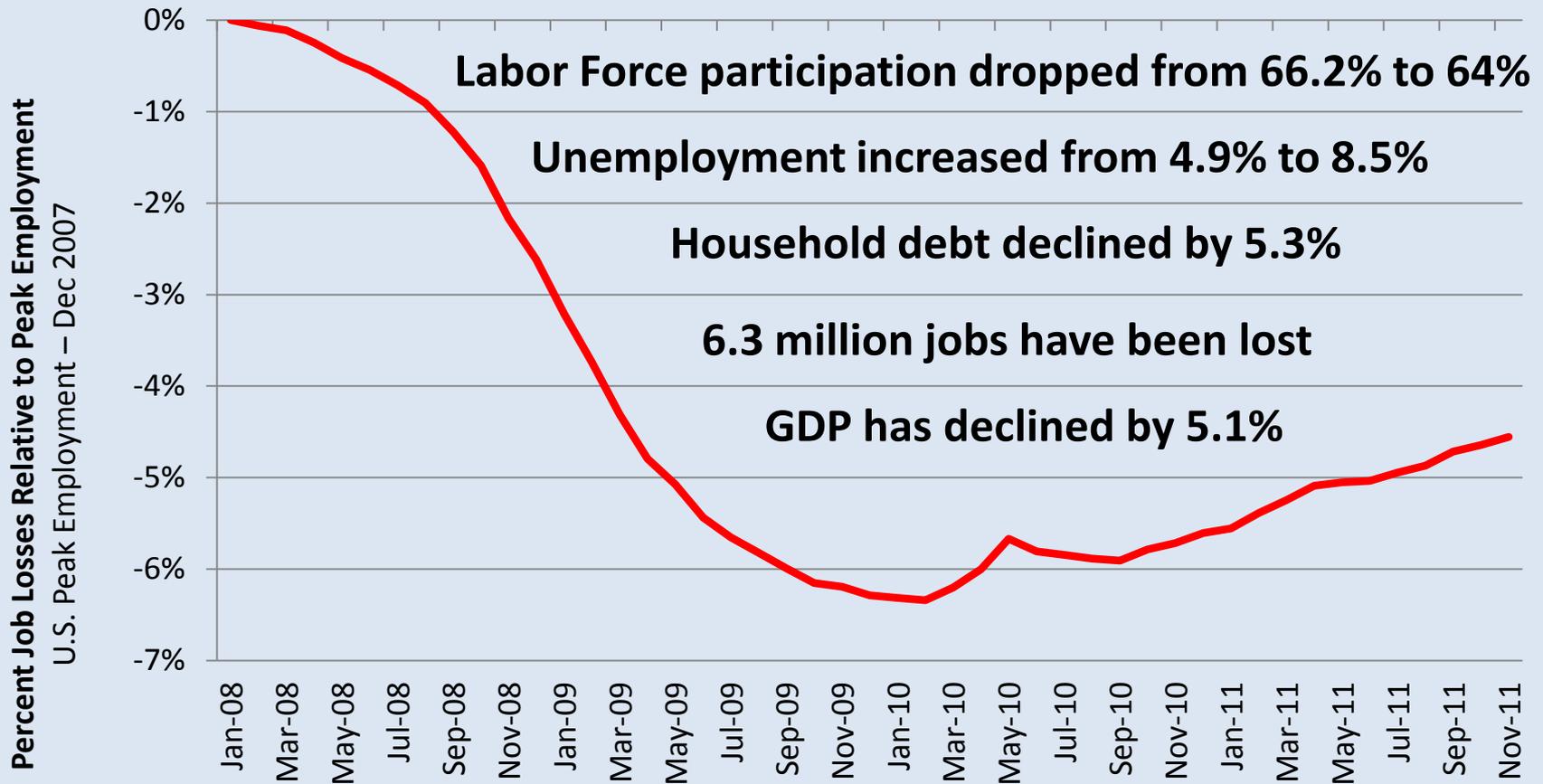
**Chief Economist**

**March 1, 2012**



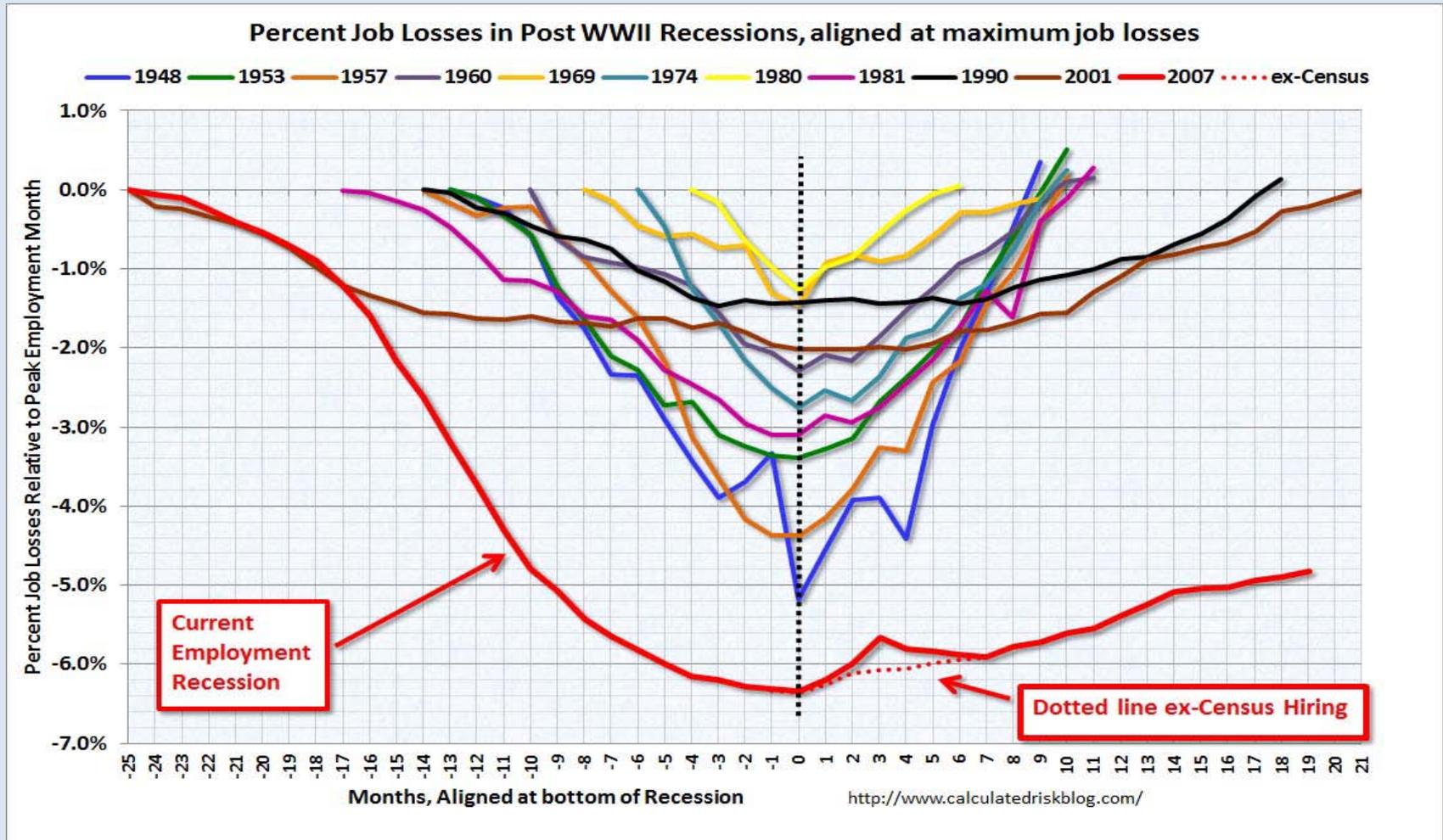
# The "Great Recession"

Percent U.S. Job Losses Relative to Peak Employment

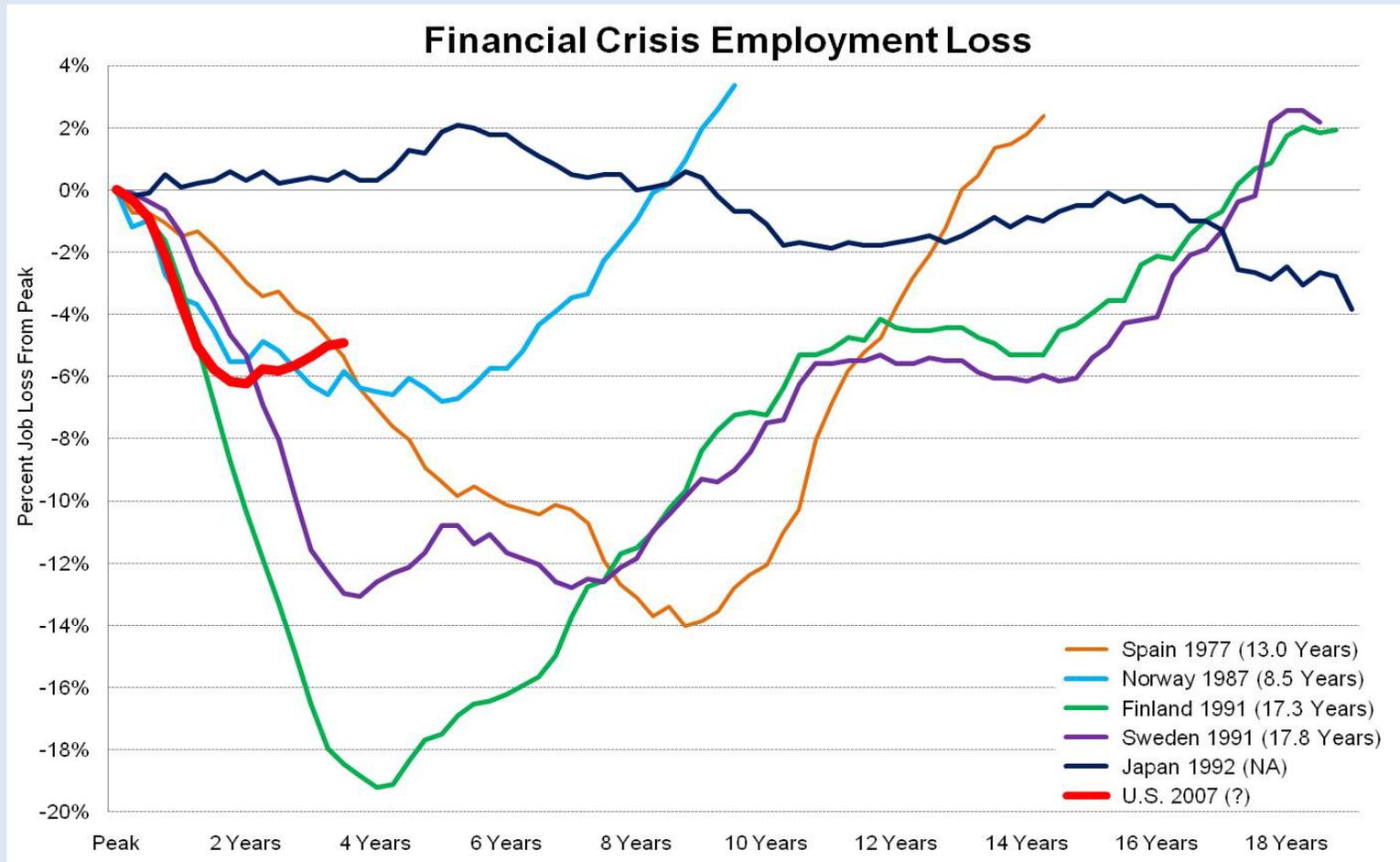


Source: Bureau of Labor Statistics and HRPDC

# The "Great Recession"

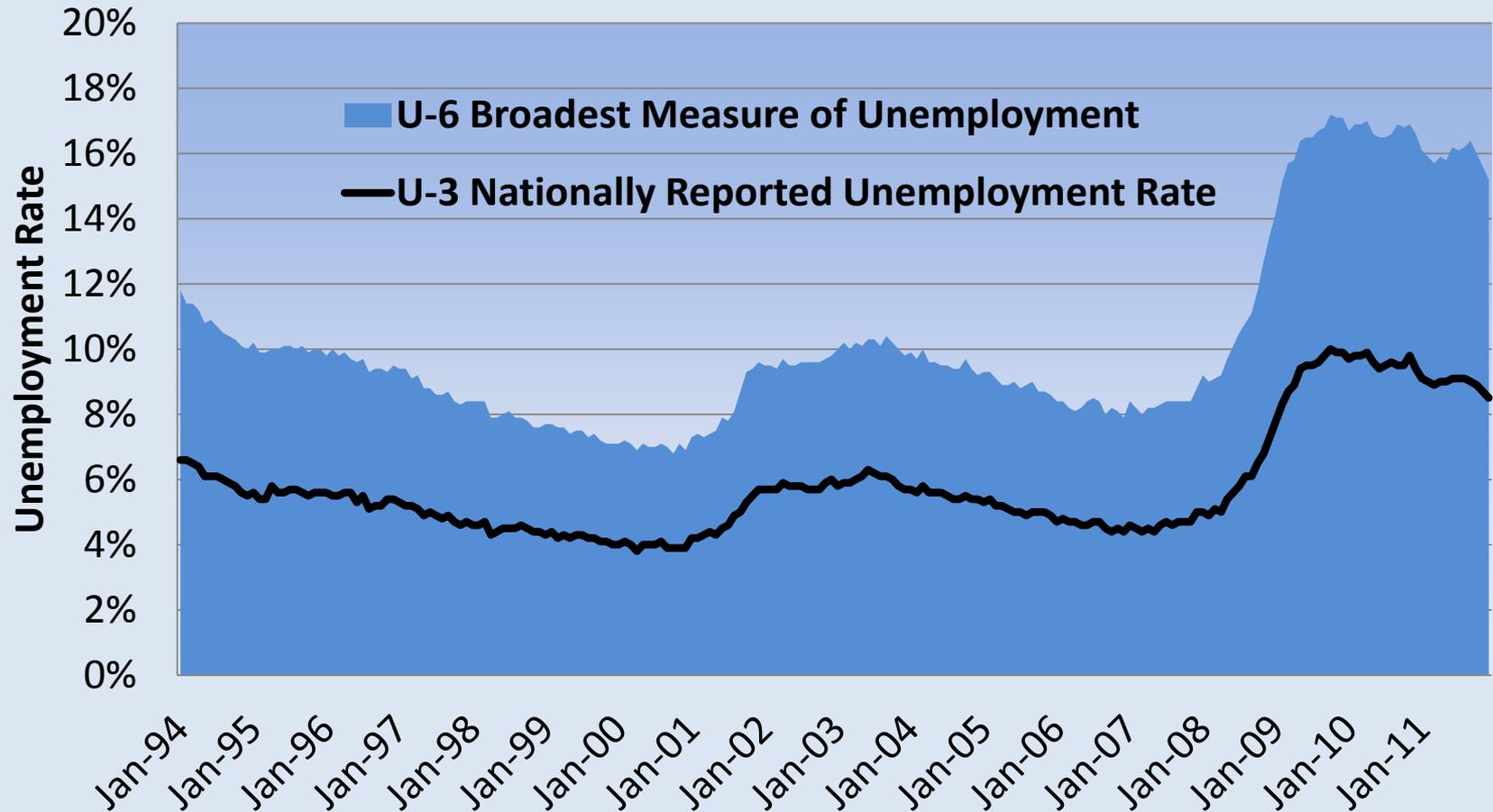


# Other “Great Recessions”



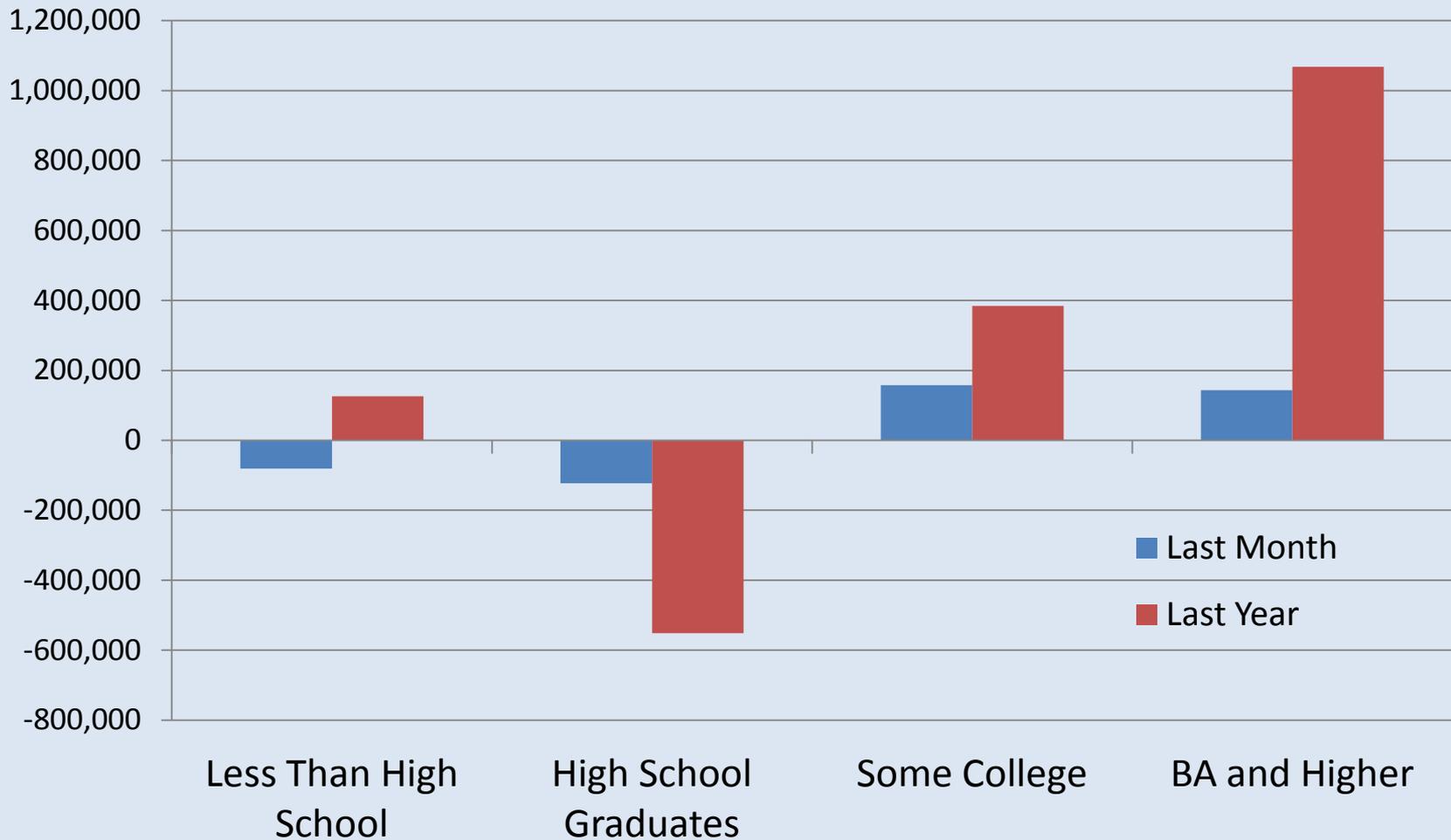
Source: Oregon Office of Economic Analysis

# National Unemployment Rate



Source: Bureau of Labor Statistics and HRPDC

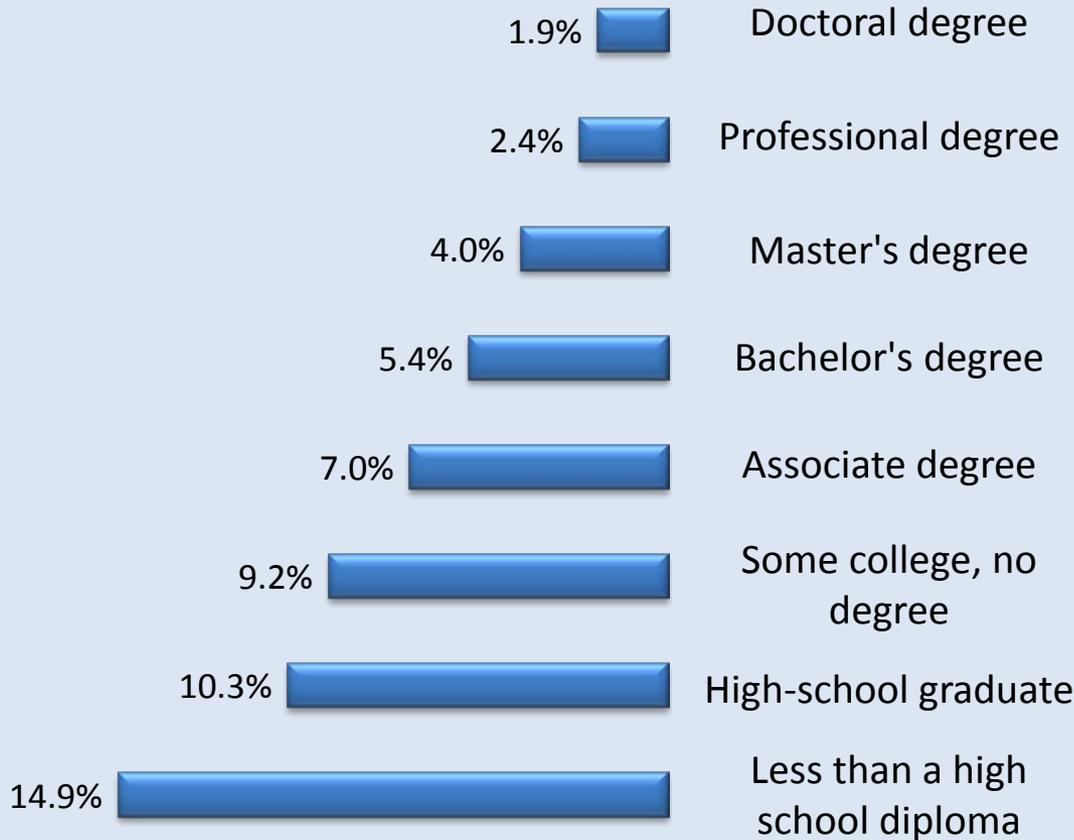
# Employment Gains/Losses By Education



Source: Bureau of Labor Statistics and HRPDC

# Education Pays

U.S. Unemployment Rate by Education 2010

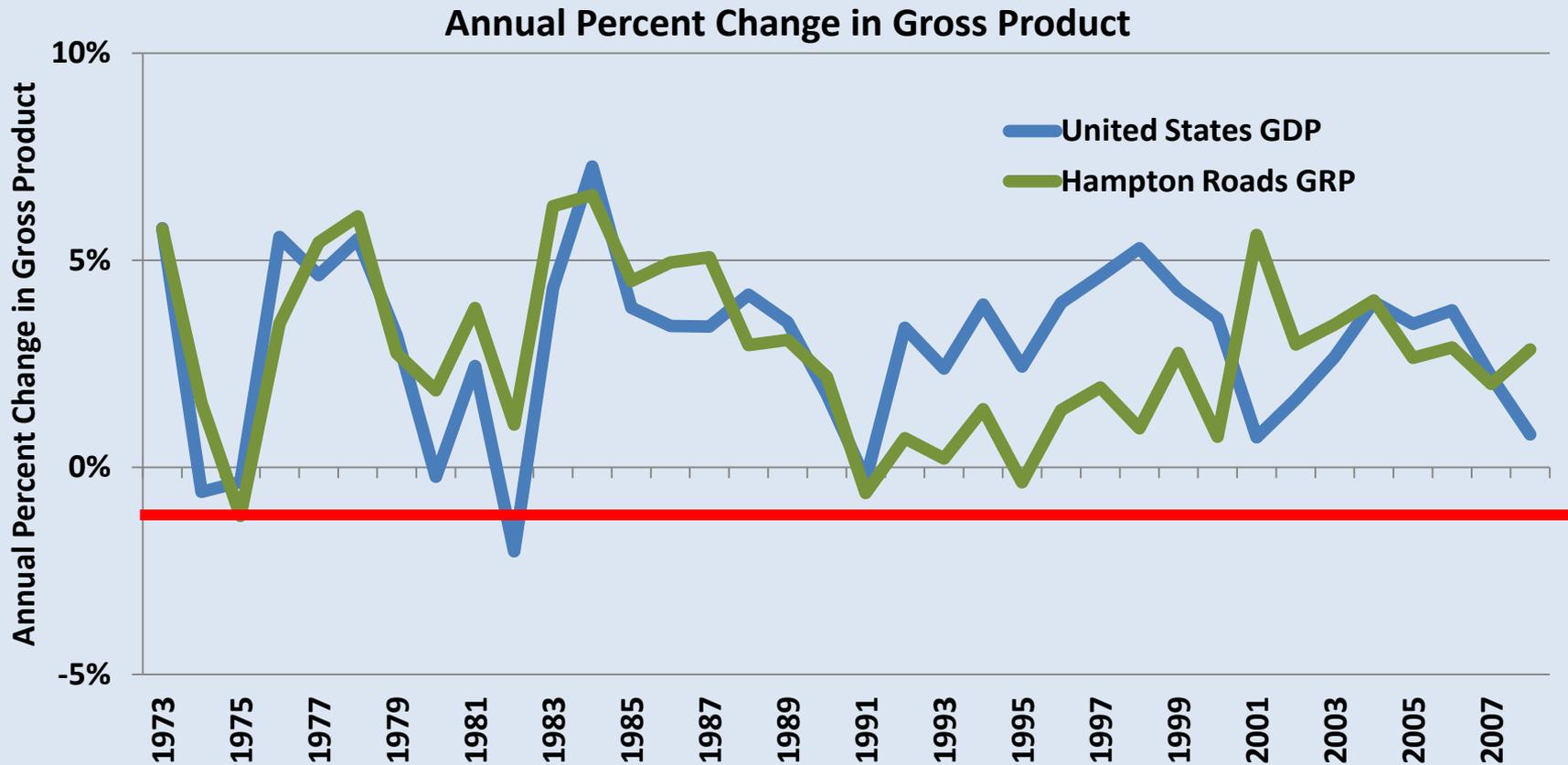


U.S. Median Weekly Earnings by Education Level 2010



Source: Bureau of Labor Statistics and HRPDC

# Economic Growth- Compared to US



Source: Regional Economic Modeling, Inc. & HRPDC

# 2010 American Community Survey Data for Hampton Roads

## HR Rank in the Top 100 Metro Areas

18.1 % **% of the Civilian Population Who Are Veterans**

47.9 % **% Who Worked Outside County of Residence**

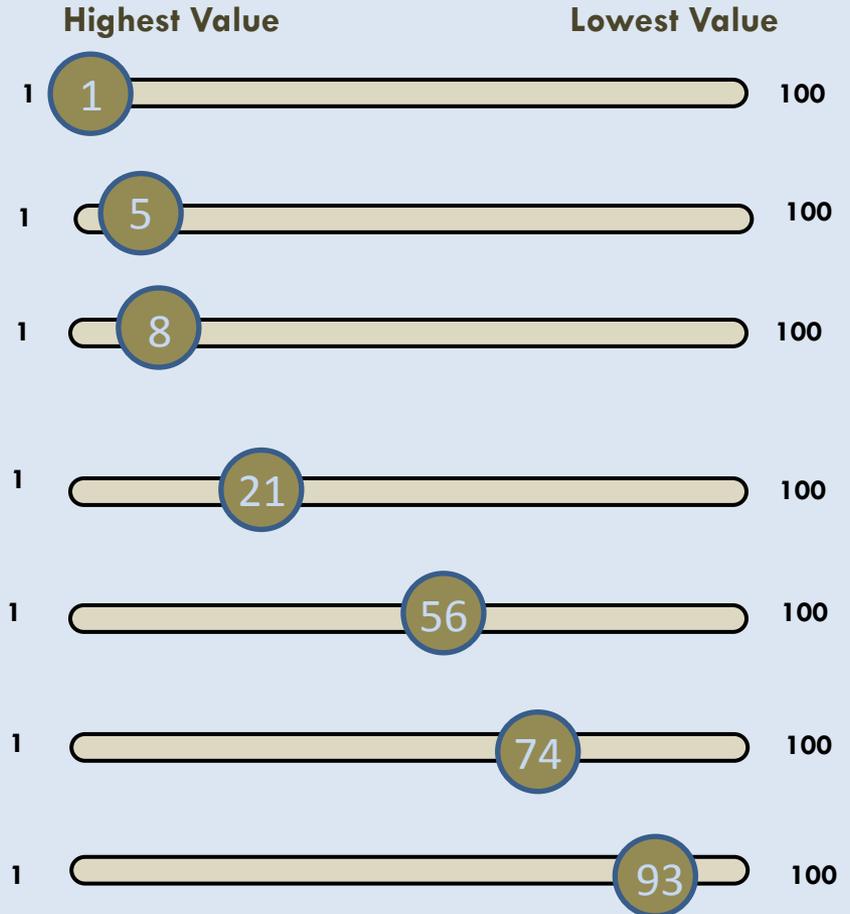
31.3 % **% of Population Who Are African American**

89.6 % **% of People Who Completed High School**

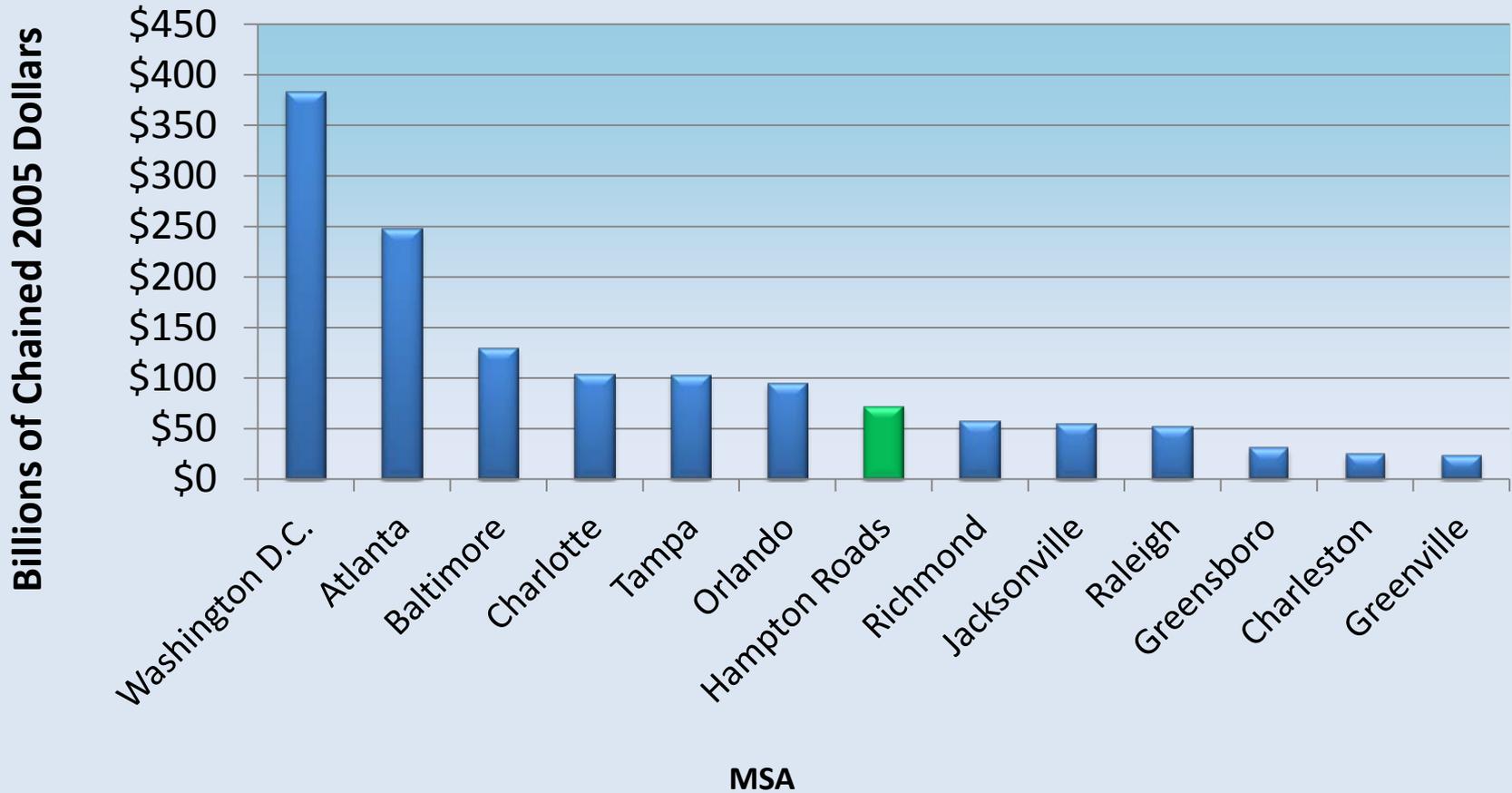
28.5 % **% of People Who Have a Bachelor's Degree**

6.2 % **% of Population Who Are Foreign Born**

10.6 % **% of People Who are in Poverty**

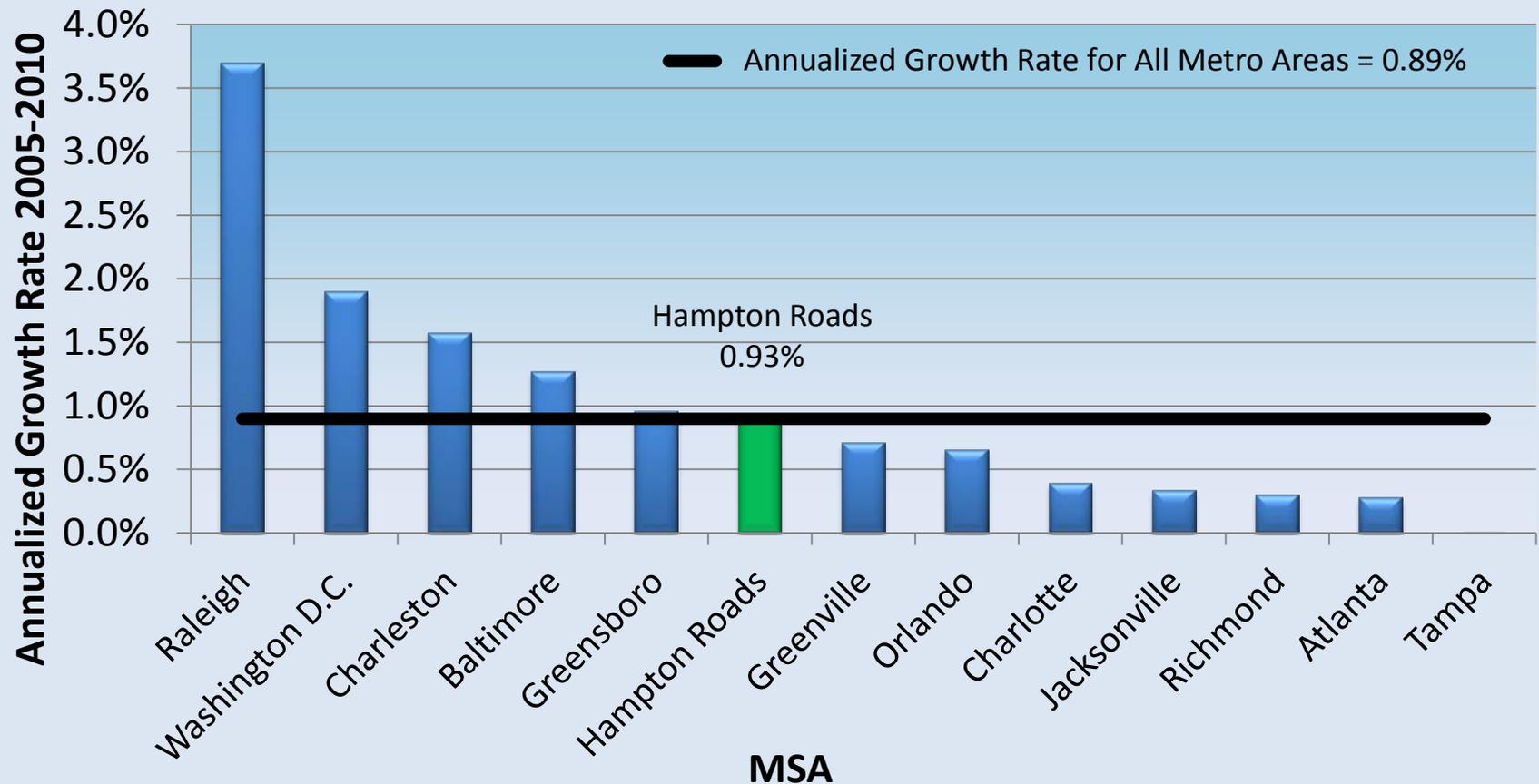


# Real Gross Metro Product in 2010



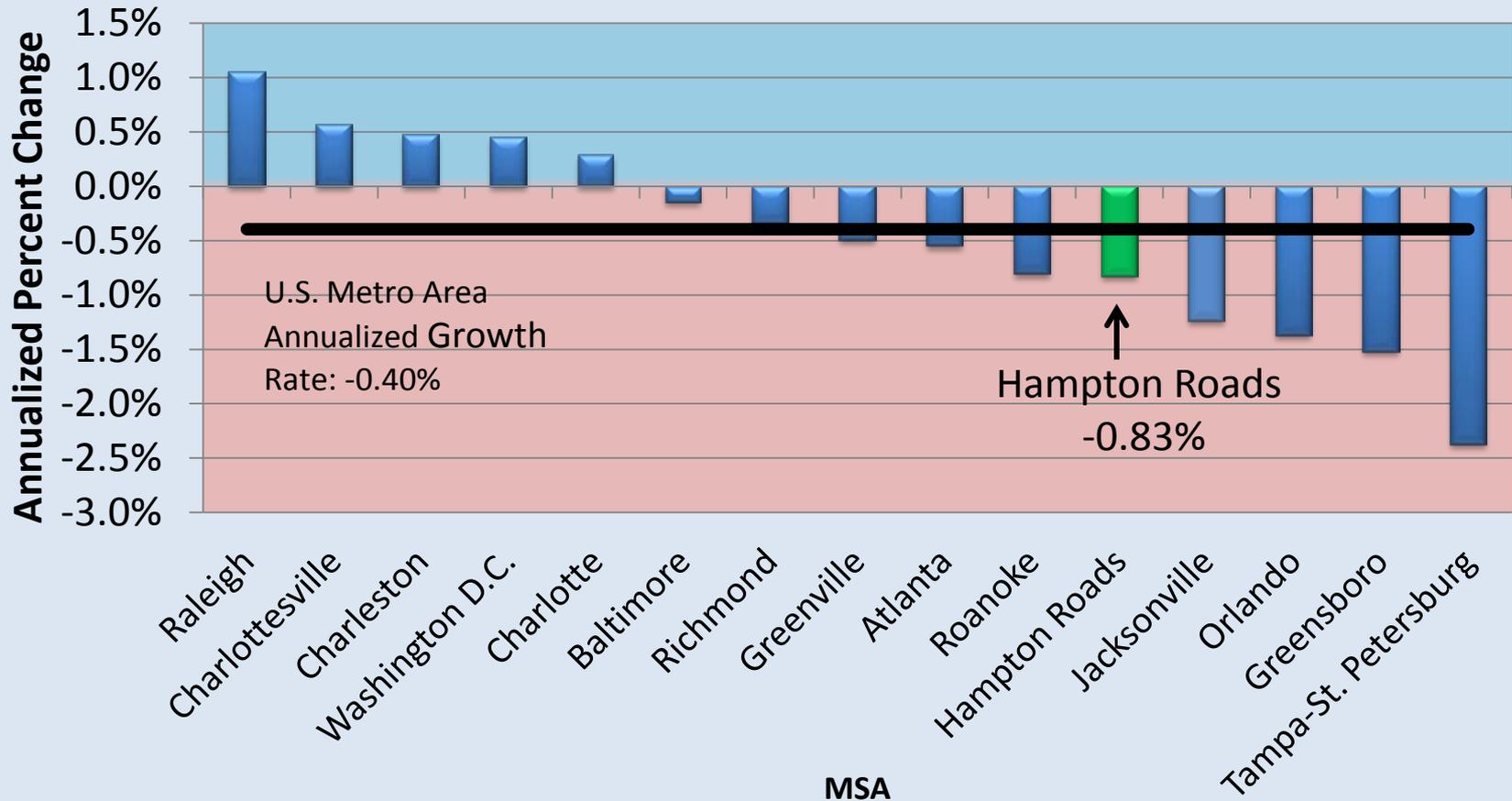
Source: Bureau of Economic Analysis, HRPDC

# 5-Year Annualized Growth Rates in GRP



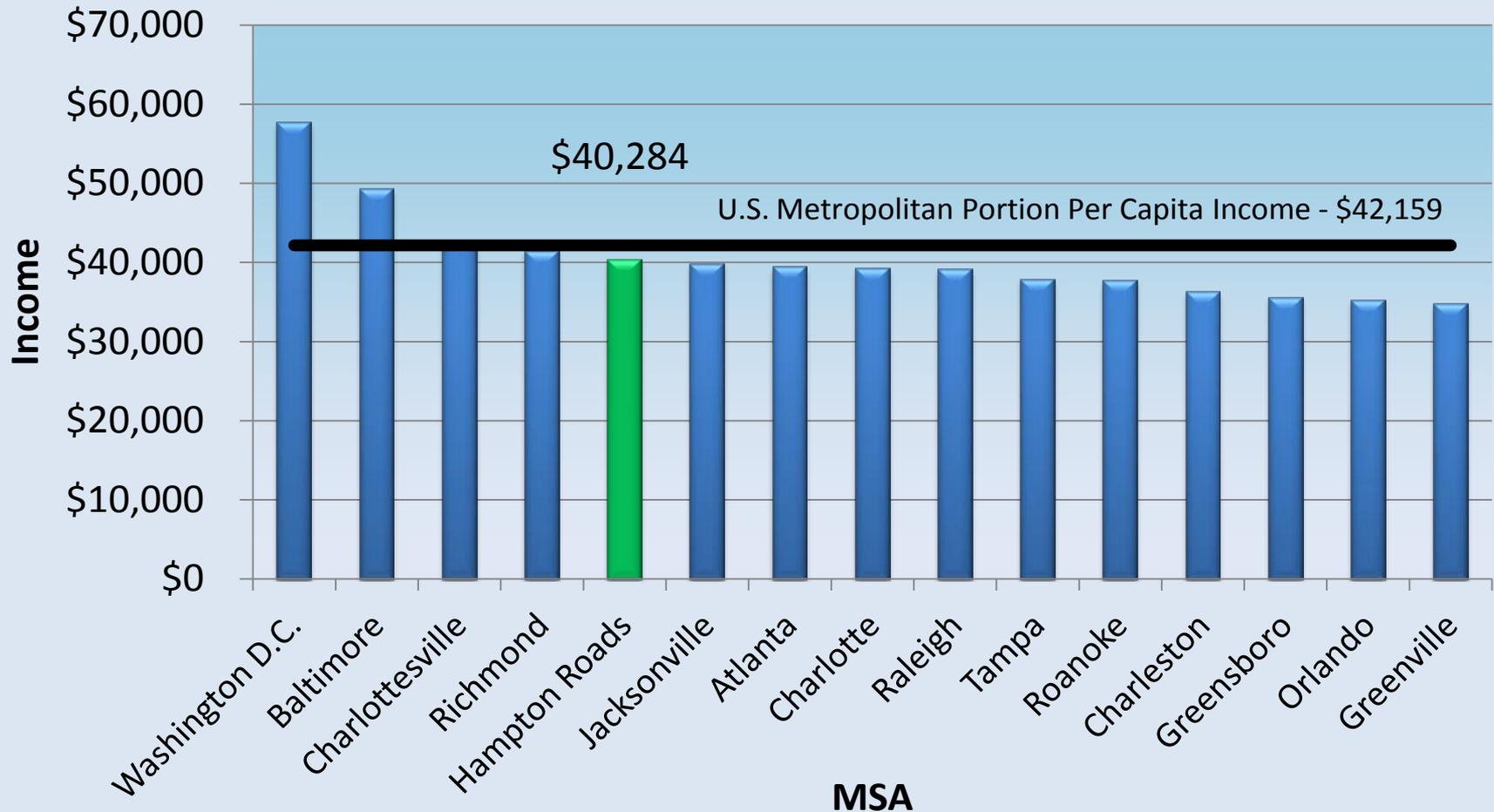
Source: Bureau of Economic Analysis, HRPDC

# Three-Year Annualized Percent Change in Total Employment



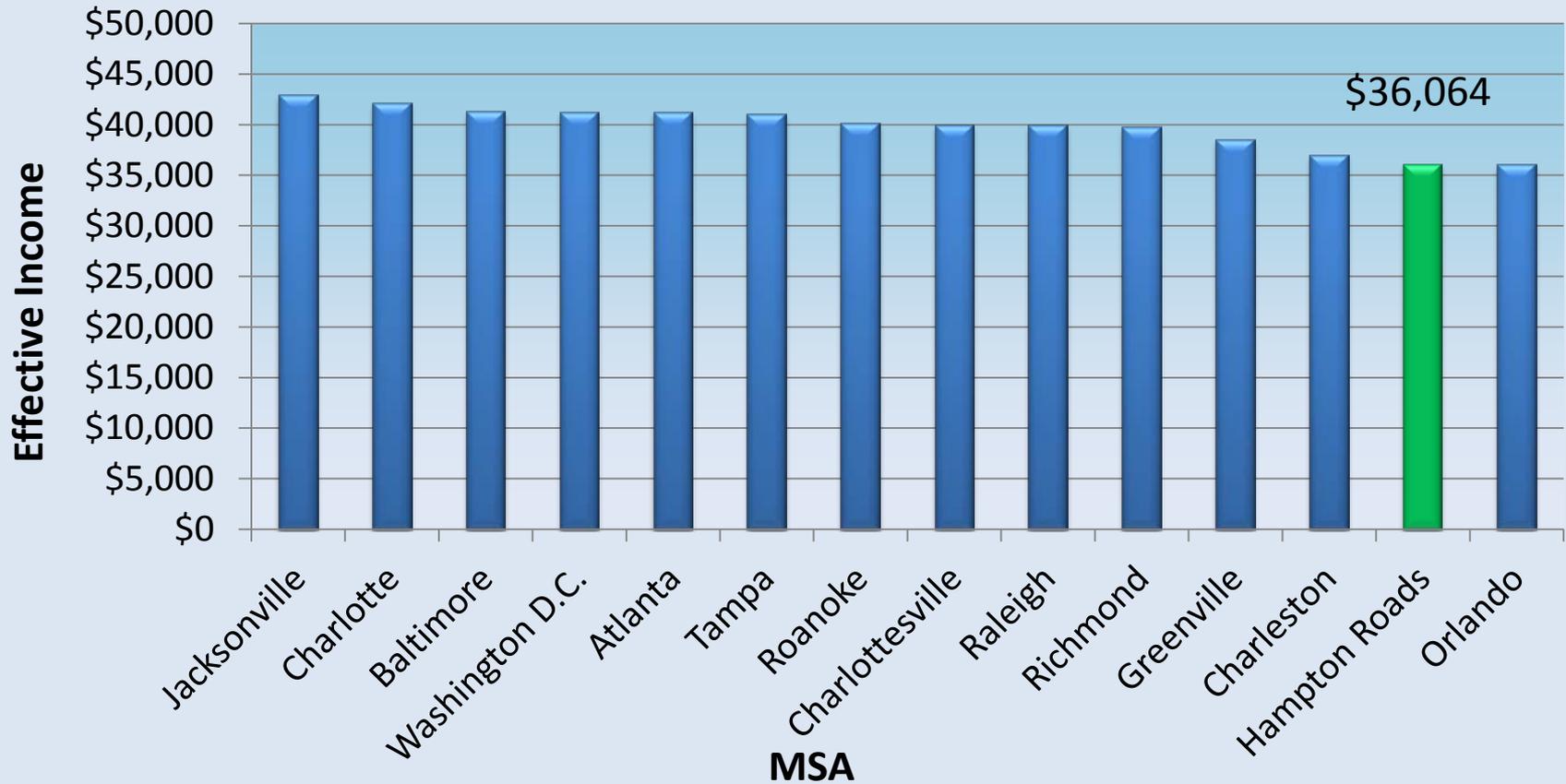
Source: Bureau of Economic Analysis, HRPDC

# Per Capita Incomes in 2010



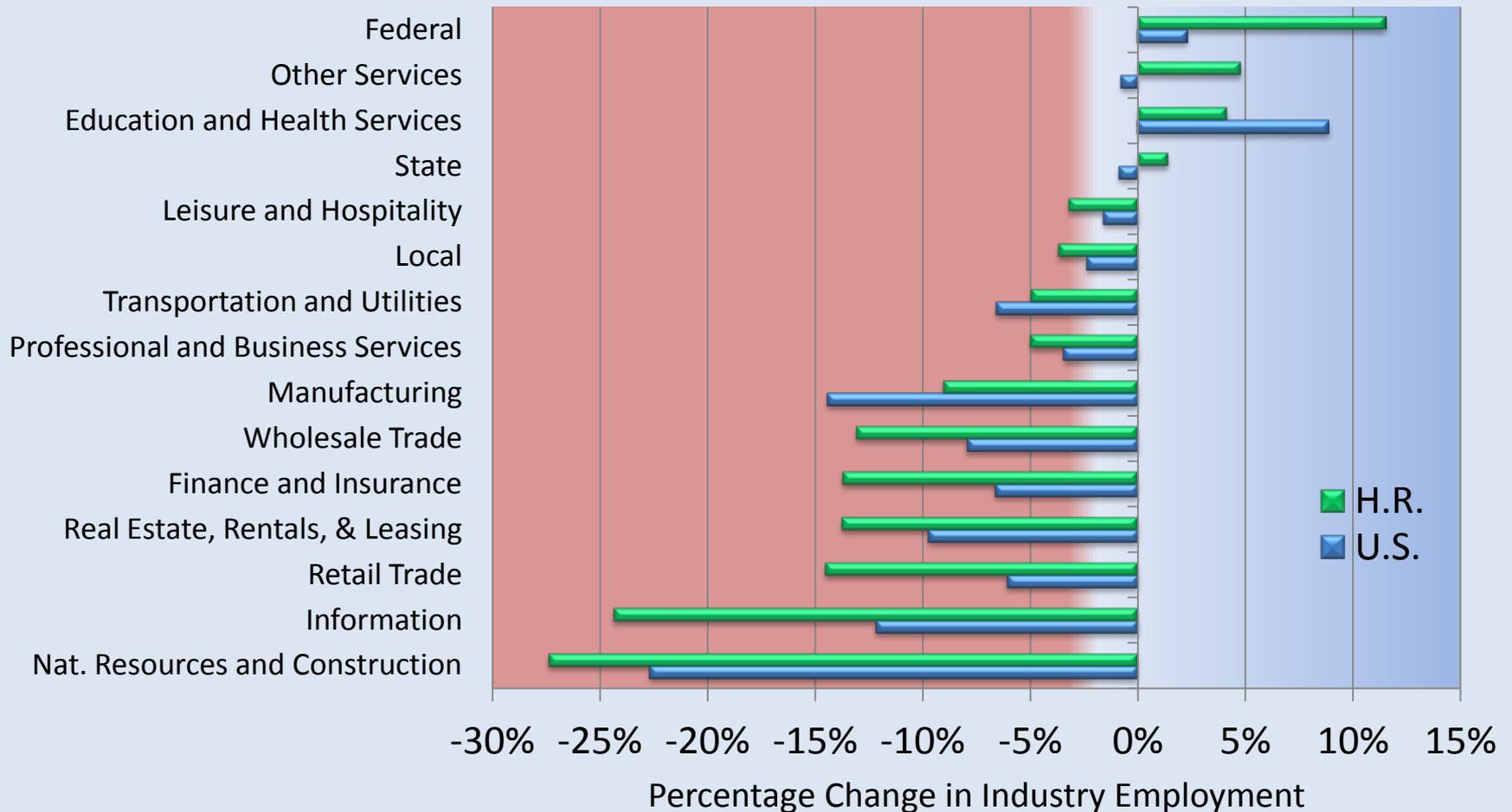
Source: Bureau of Economic Analysis, HRPDC

# Purchasing Power of Per Capita Income 2010



Source: Bureau of Economic Analysis, ACCRA, HRPDC

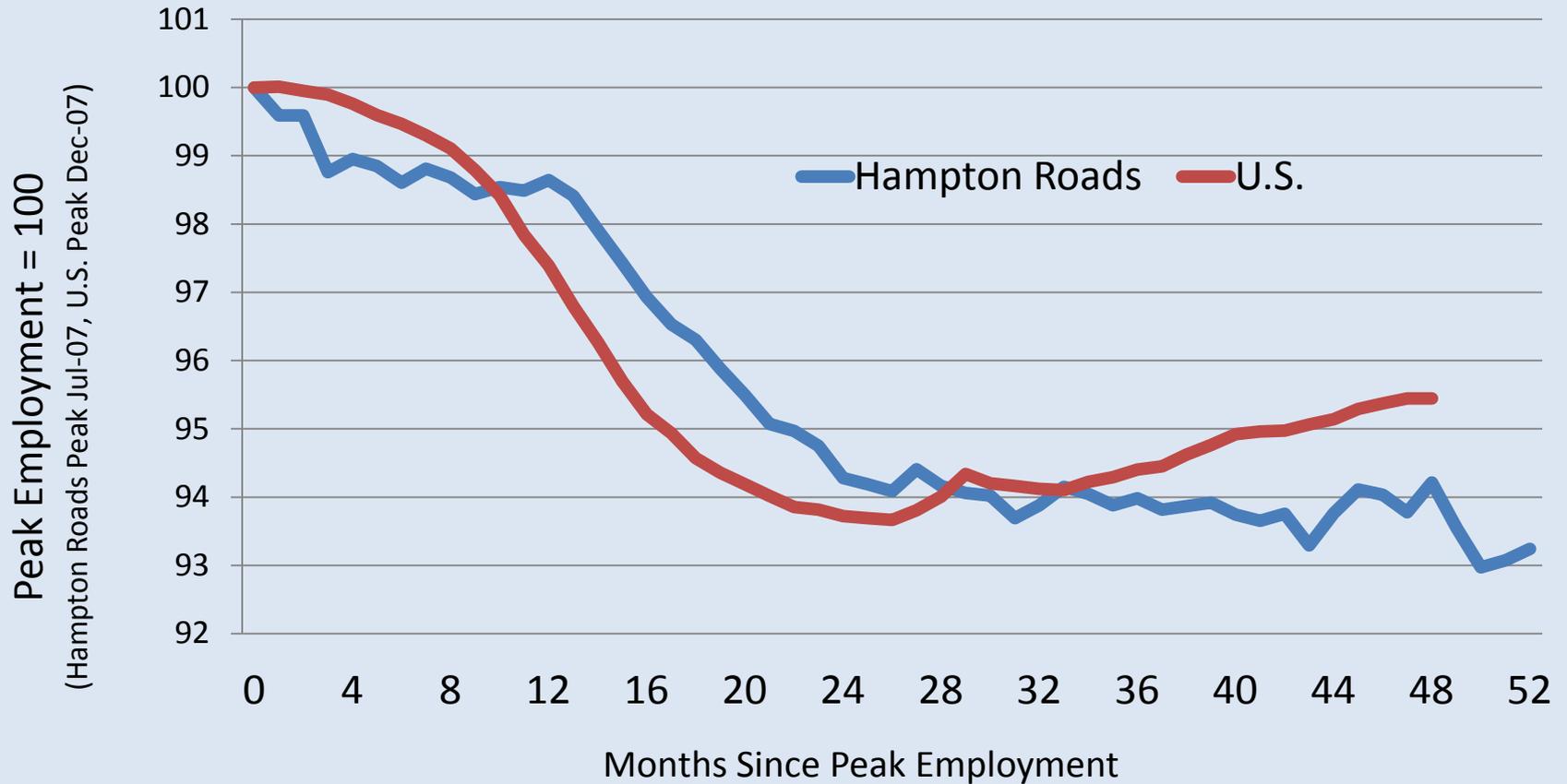
# H.R. and U.S. Percentage Change in Industry Employment: Nov '07 - Nov '11



Source: Bureau of Labor Statistics and HRPDC

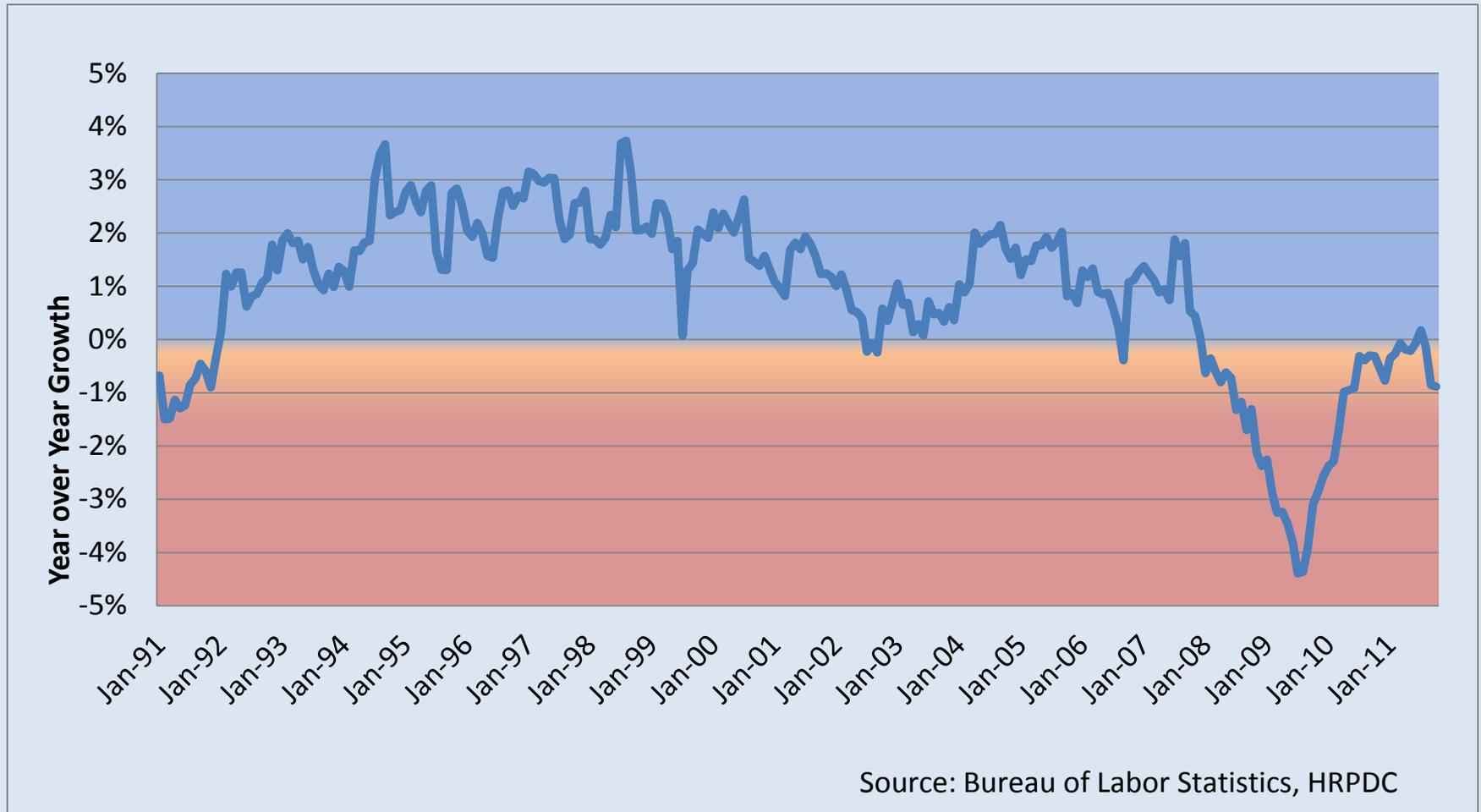
# Indexed Employment

Seasonally Adjusted Peak Employment = 100

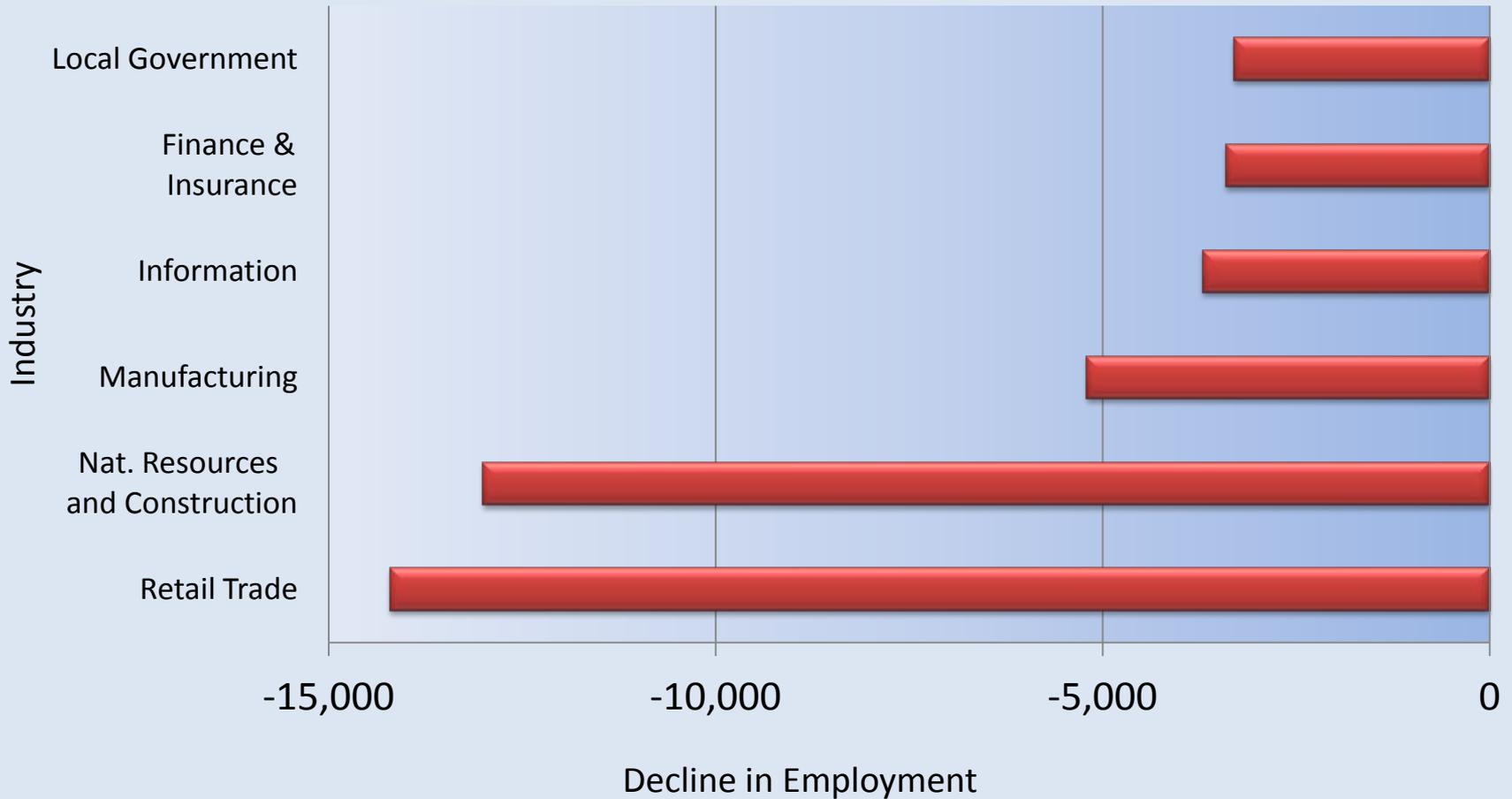


Source: Bureau of Labor Statistics, HRPDC

# Hampton Roads Payroll Growth Year over Year

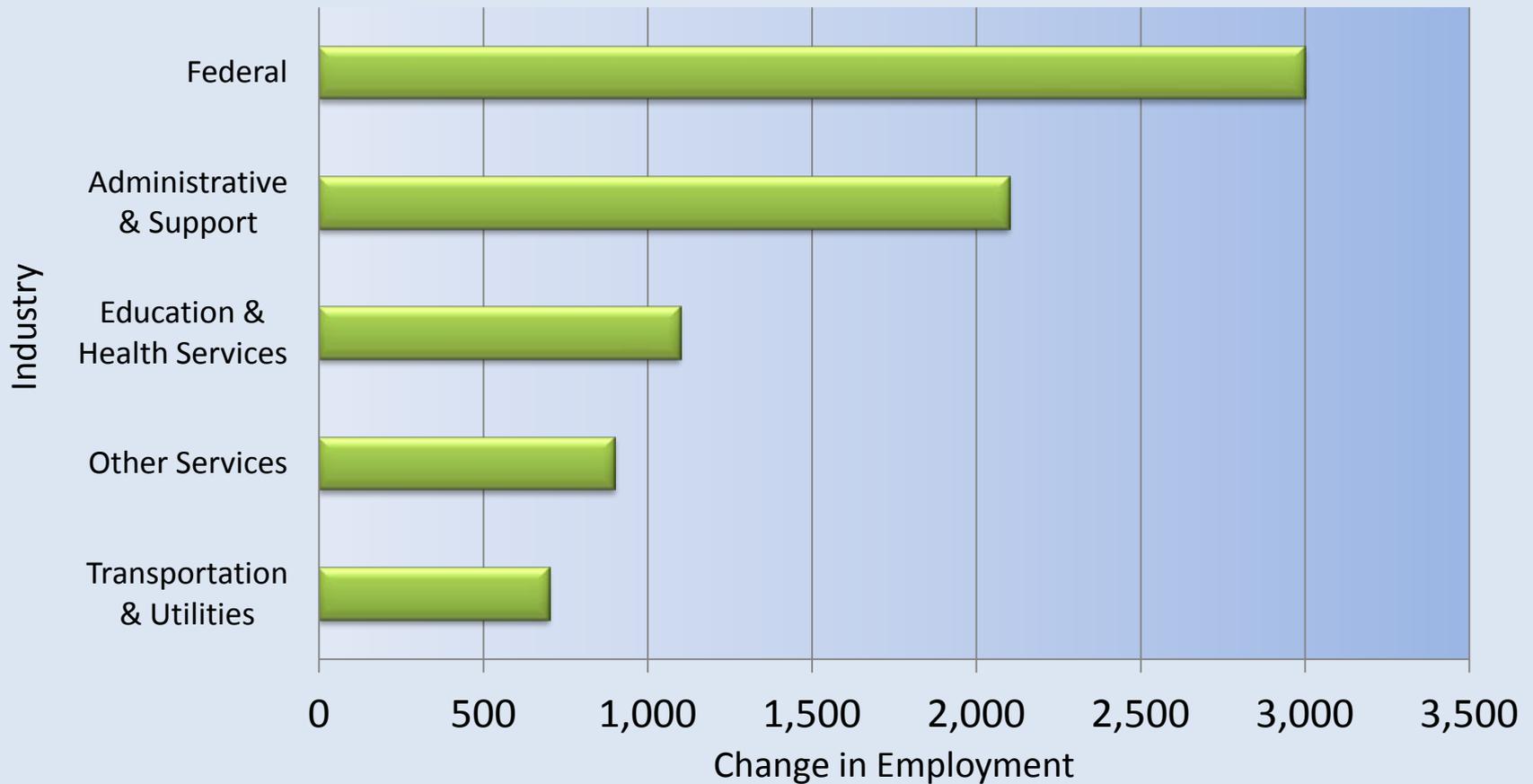


# Industry Employment Change in Hampton Roads: Nov '07 - Nov '11



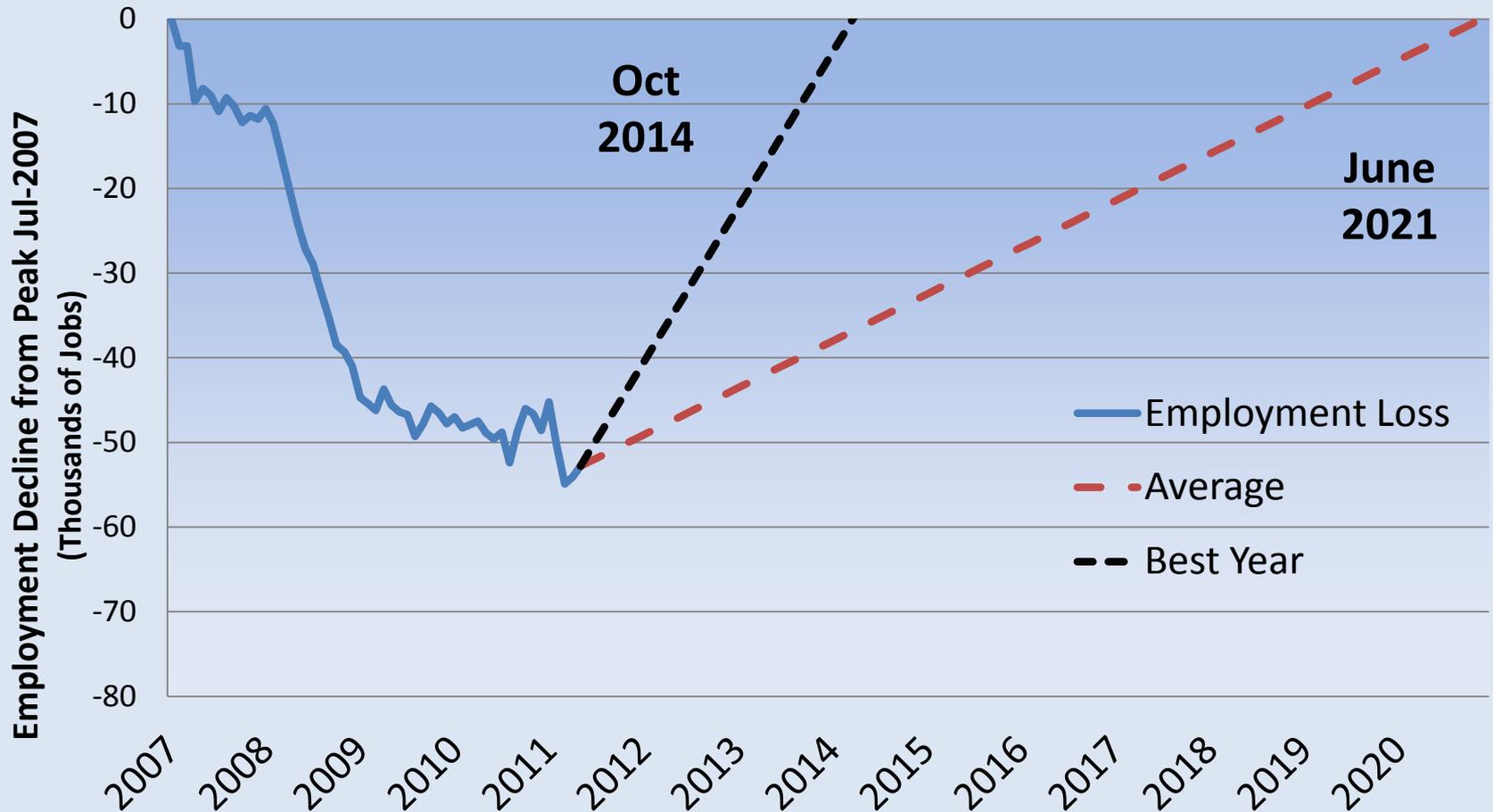
Source: Bureau of Labor Statistics, HRPDC

# Industry Employment Change in Hampton Roads: Nov '09 - Nov '11



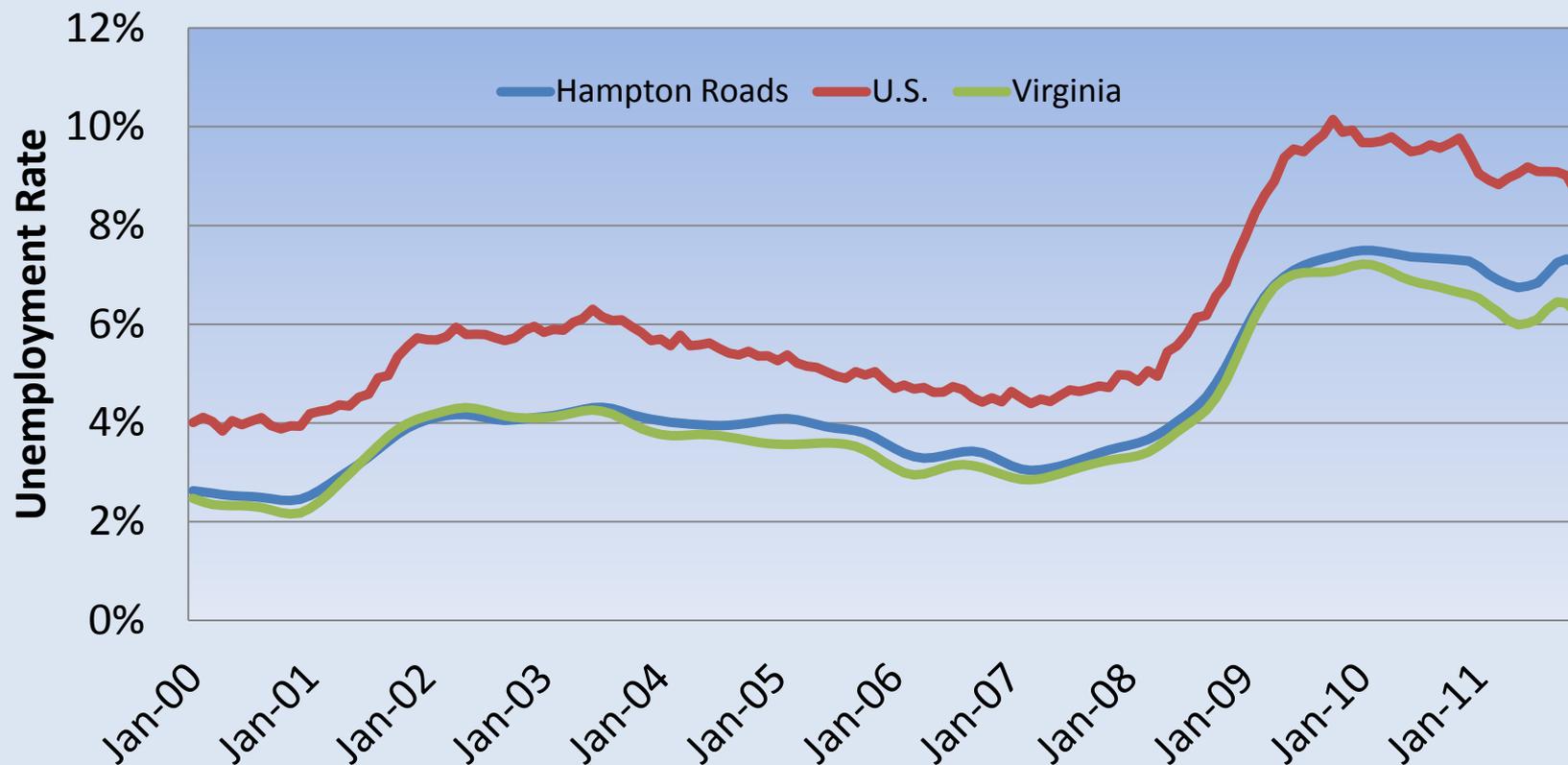
Source: Bureau of Labor Statistics, HRPDC

# HR Employment Loss



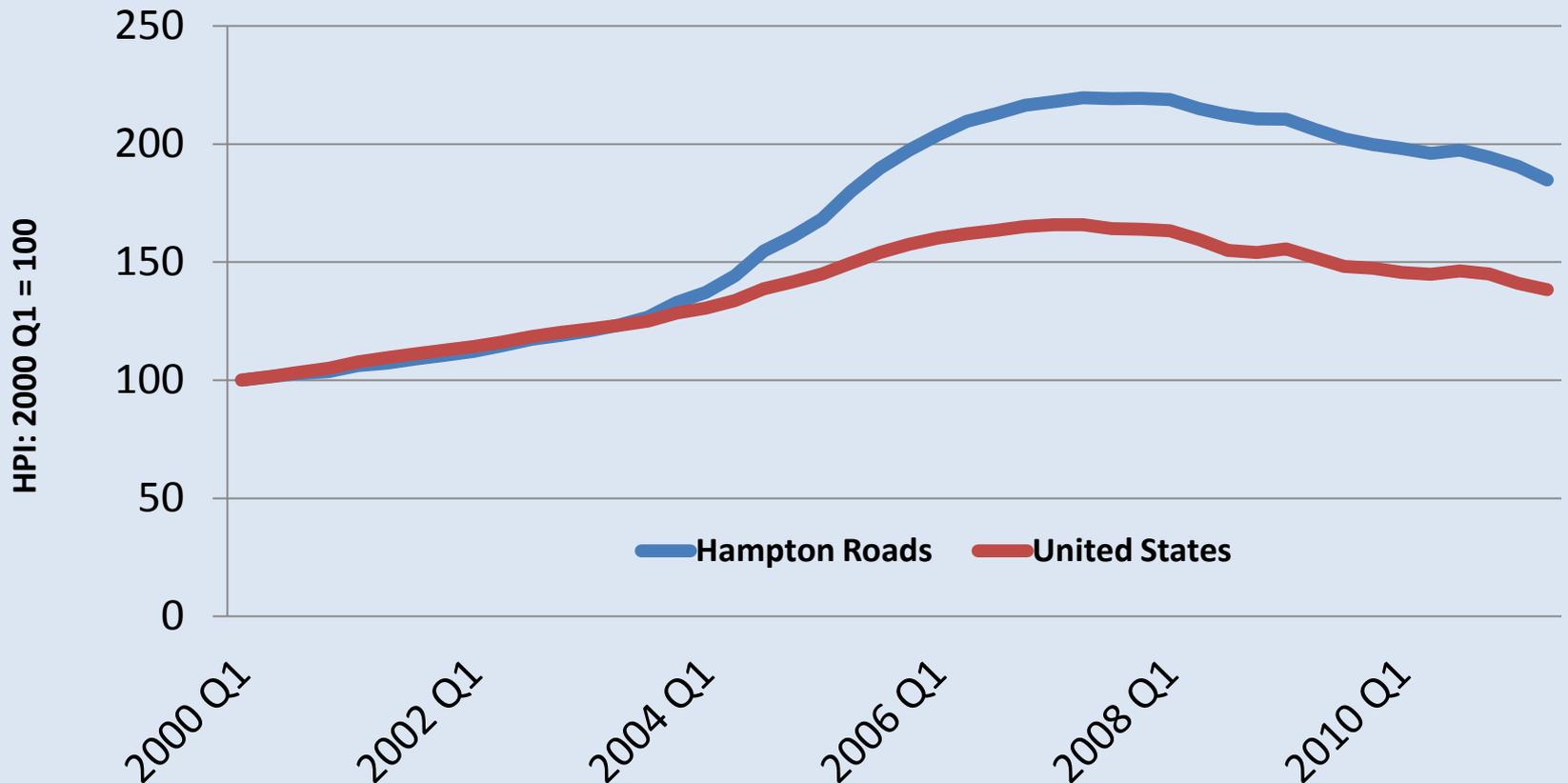
Source: Bureau of Labor Statistics, HRPDC

# U.S., Virginia, & Hampton Roads MSA Unemployment Rate (Seasonally Adjusted)



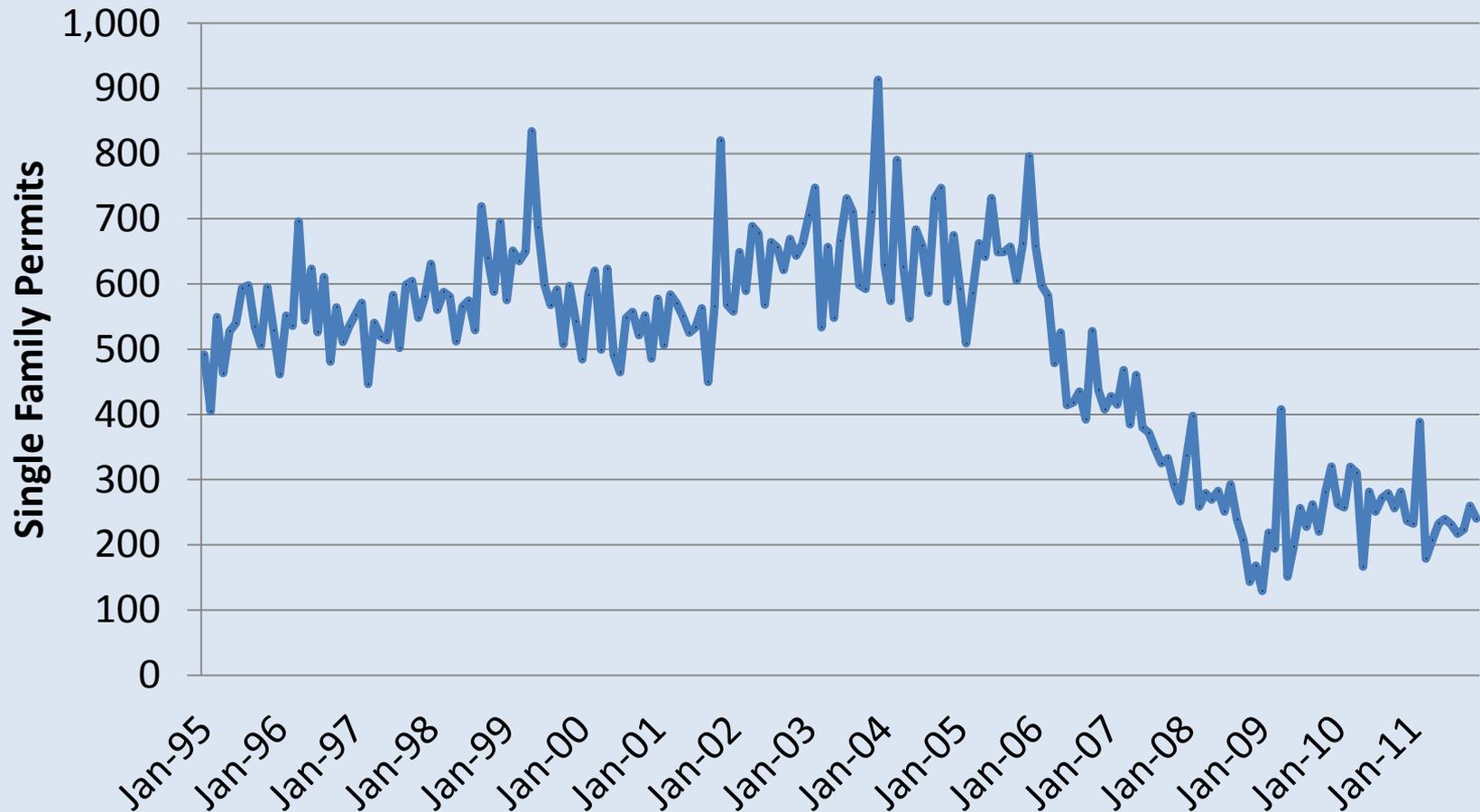
Source: Bureau of Labor Statistics, HRPDC

# Home Price Indices for Hampton Roads and the U.S.



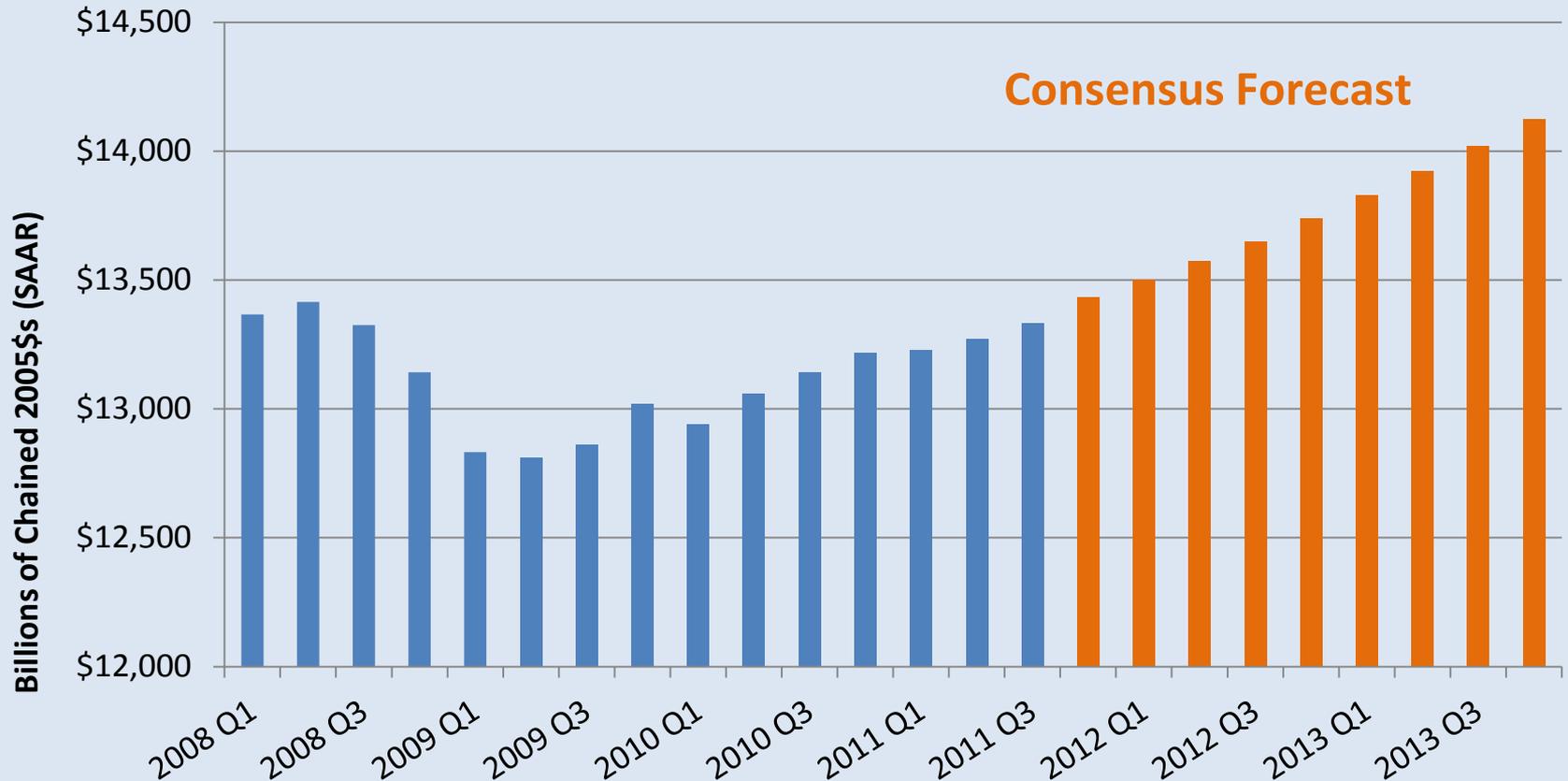
Source: Federal Housing Finance Agency, HRPDC

# Single Family Housing Permits in Hampton Roads



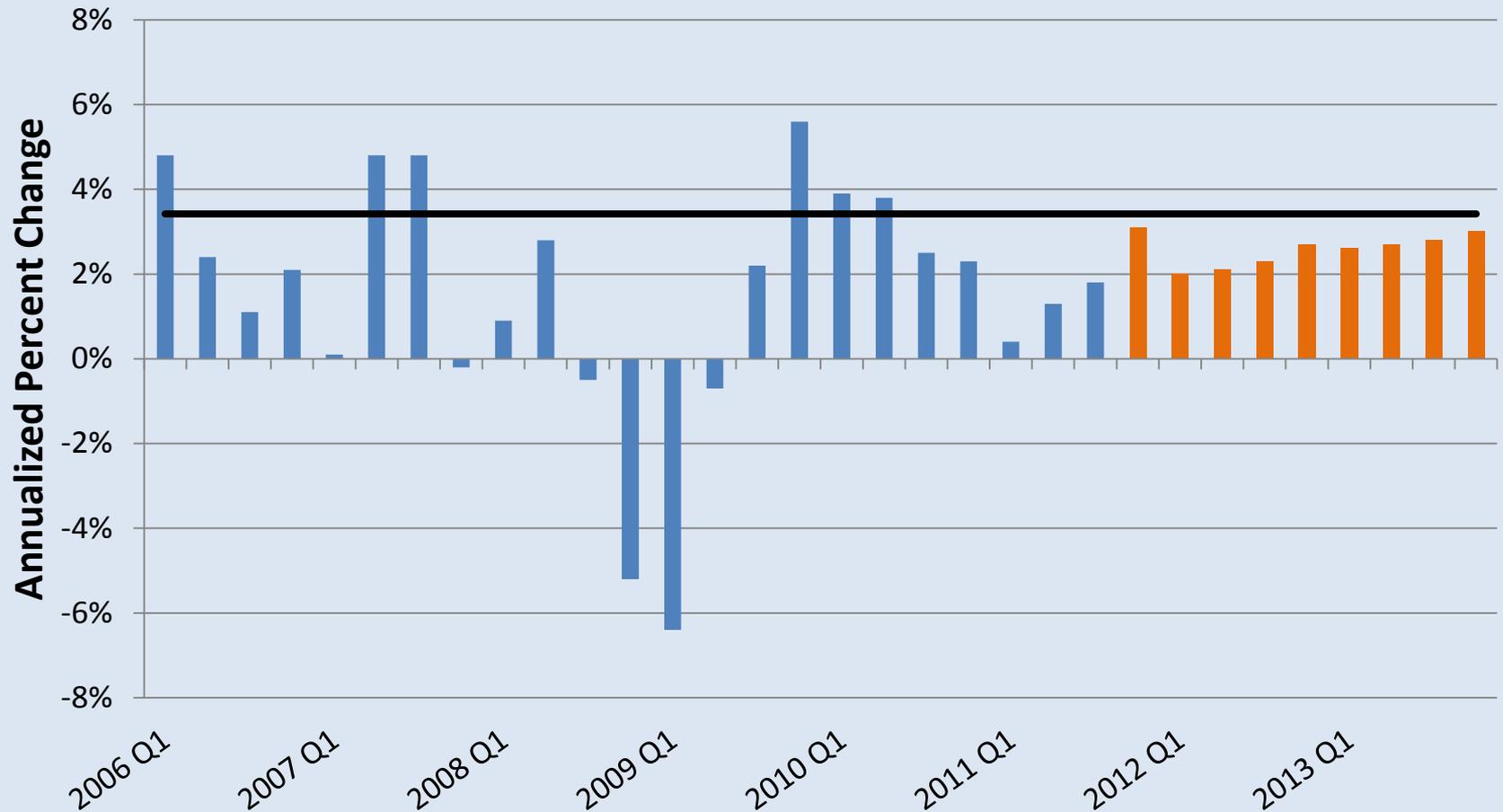
Source: United States Census Bureau and HRPDC

# Real Gross Domestic Product



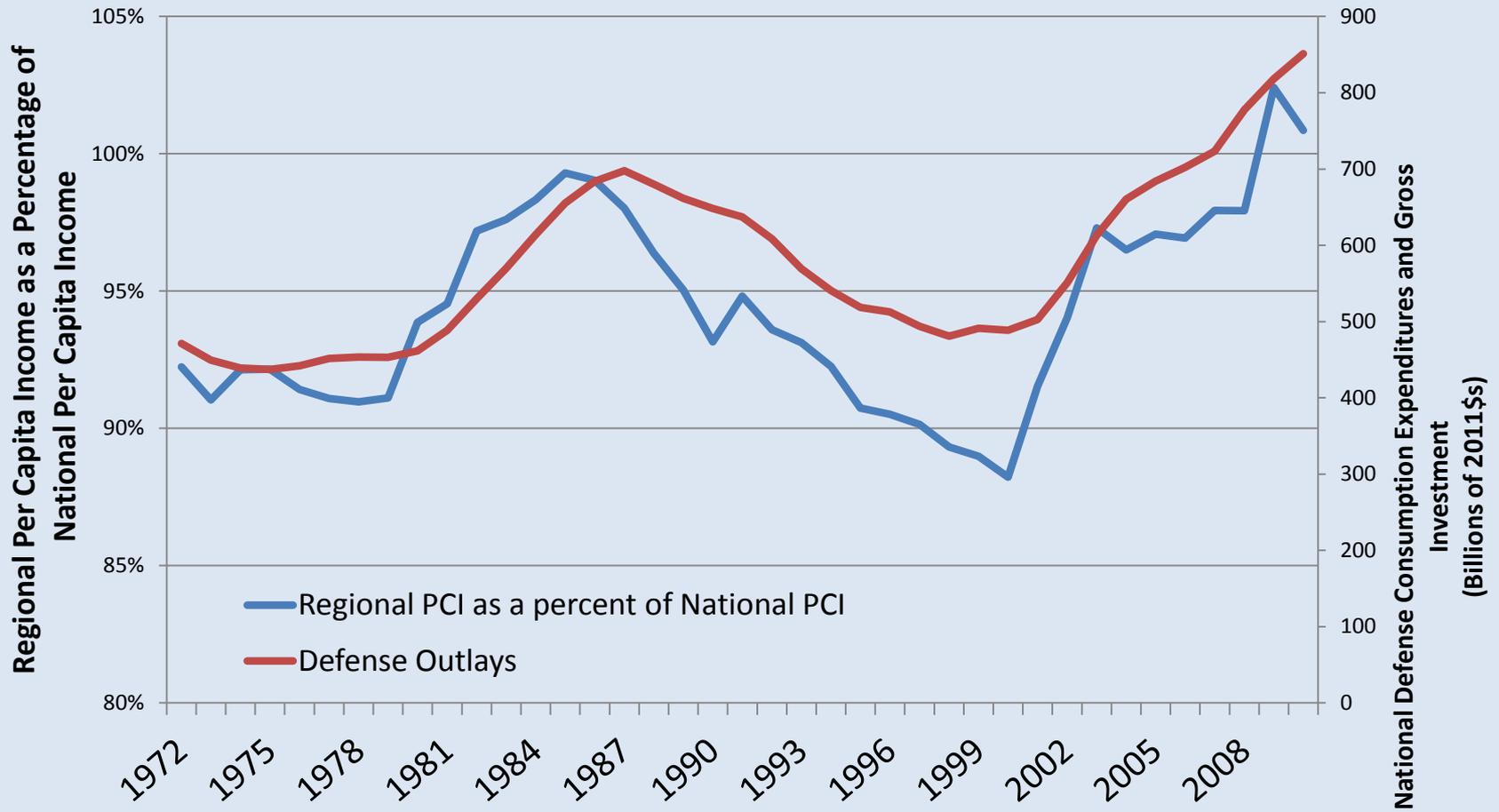
Source: Blue Chip Economic Indicators and HRPDC

# Annualized Percent Change in Gross Domestic Product



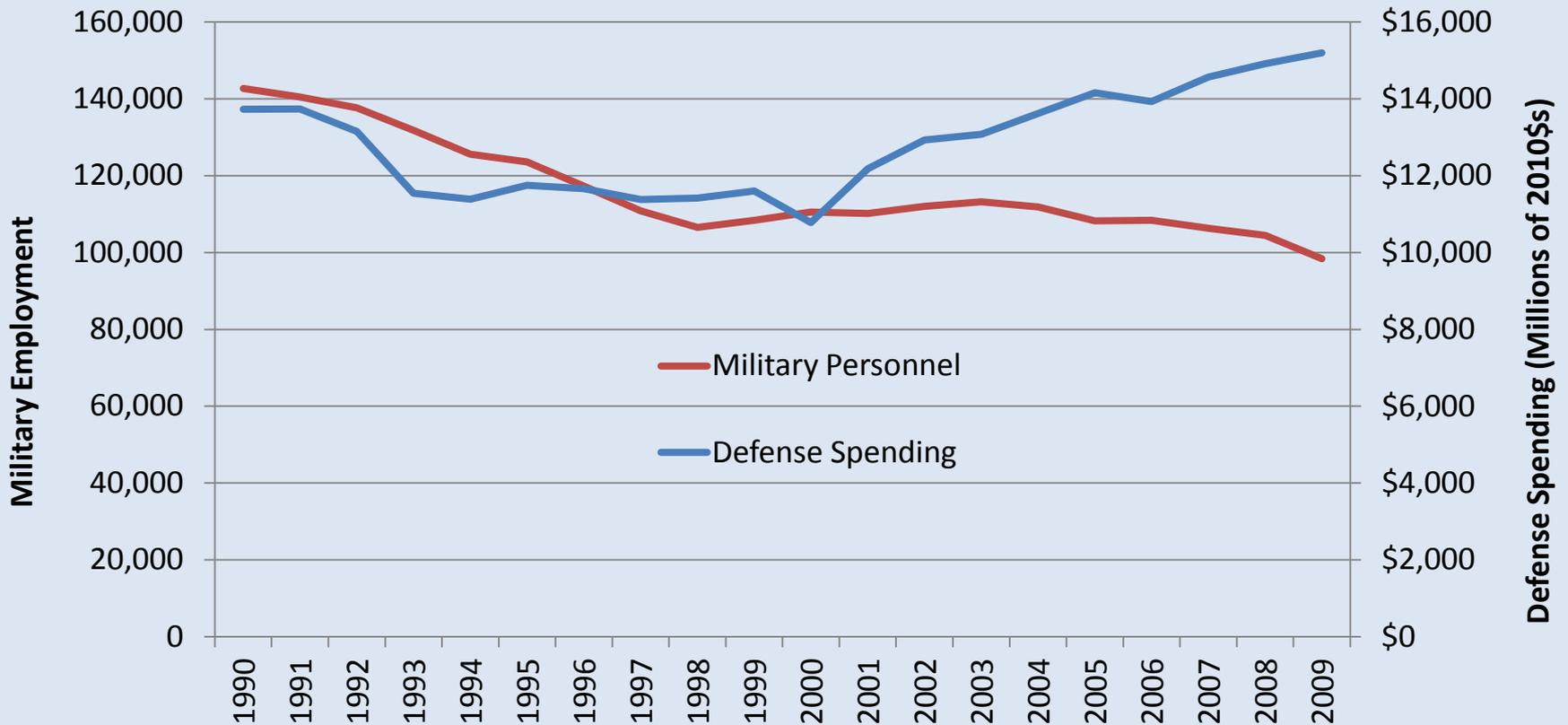
Source: Blue Chip Economic Indicators and HRPDC

# Regional Income and National Defense Outlays



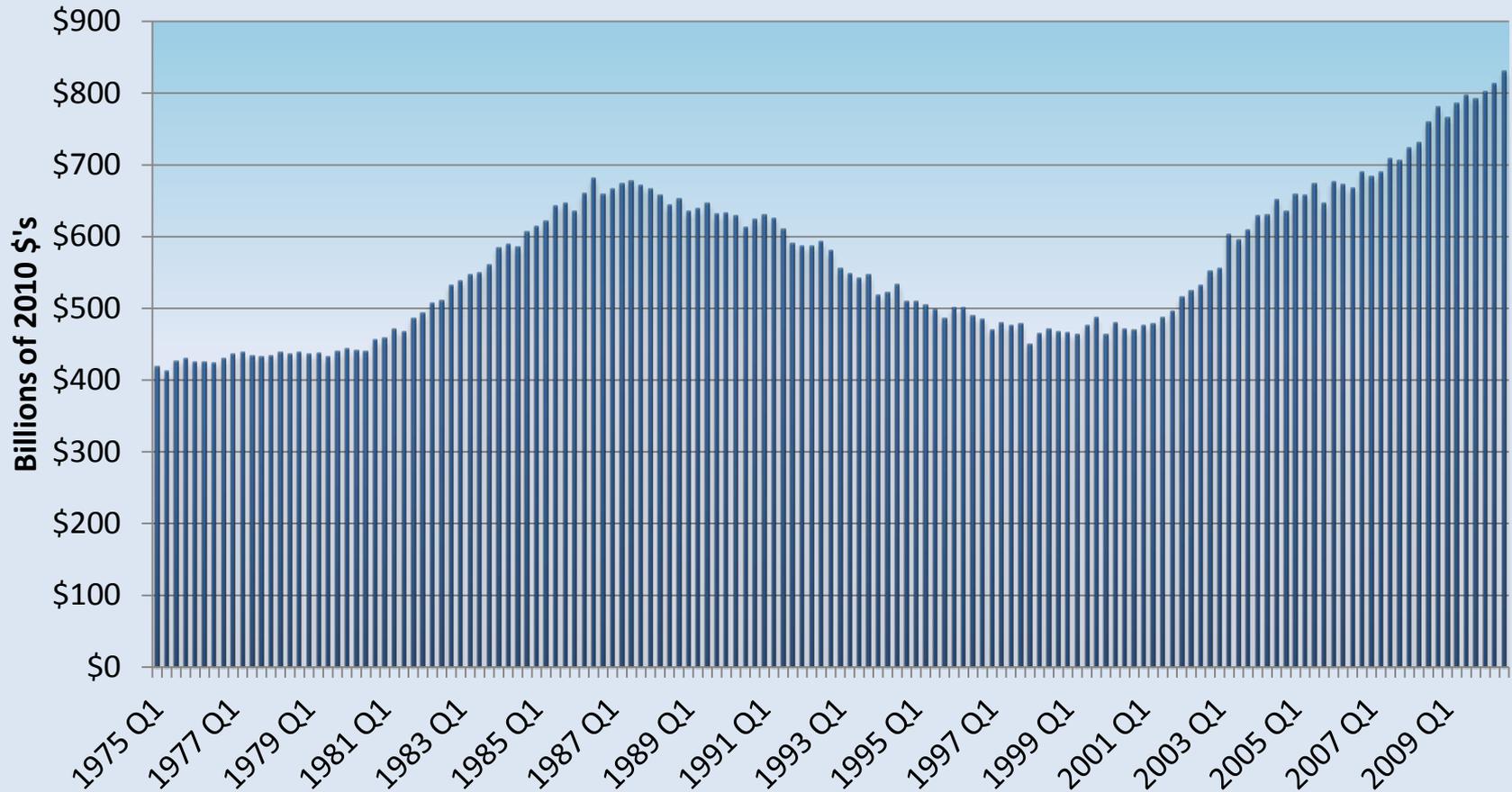
Source: Bureau of Economic Analysis and HRPDC

# Defense Spending and Military Employment in Hampton Roads



Sources: Bureau of Economic Analysis, Census Bureau, and HRPDC

# National DoD Spending



Source: Survey of Current Business

# 2012 HRPDC Forecast

	2011 (Year to Date)	2012 Forecast
<b>U.S.</b>		
Real GDP	1.7%	2.3%
Interest Rates		
Short Government Rates	0.05%	0.1%
Long Government Rates	2.8%	2.3%
<b>Hampton Roads</b>		
Gross Product	NA	1.8%
Civilian Employment	-0.3%	0.8%
Unemployment Rate	7.0%	7.1%
Retail Sales	3.5%	2.8%
Auto and Truck Sales	2.7%	3.0%
Value of Single-Family Residential Building Permits	-11.8%	5.0%

# Questions



Google earth

miles  
km

100

100

1

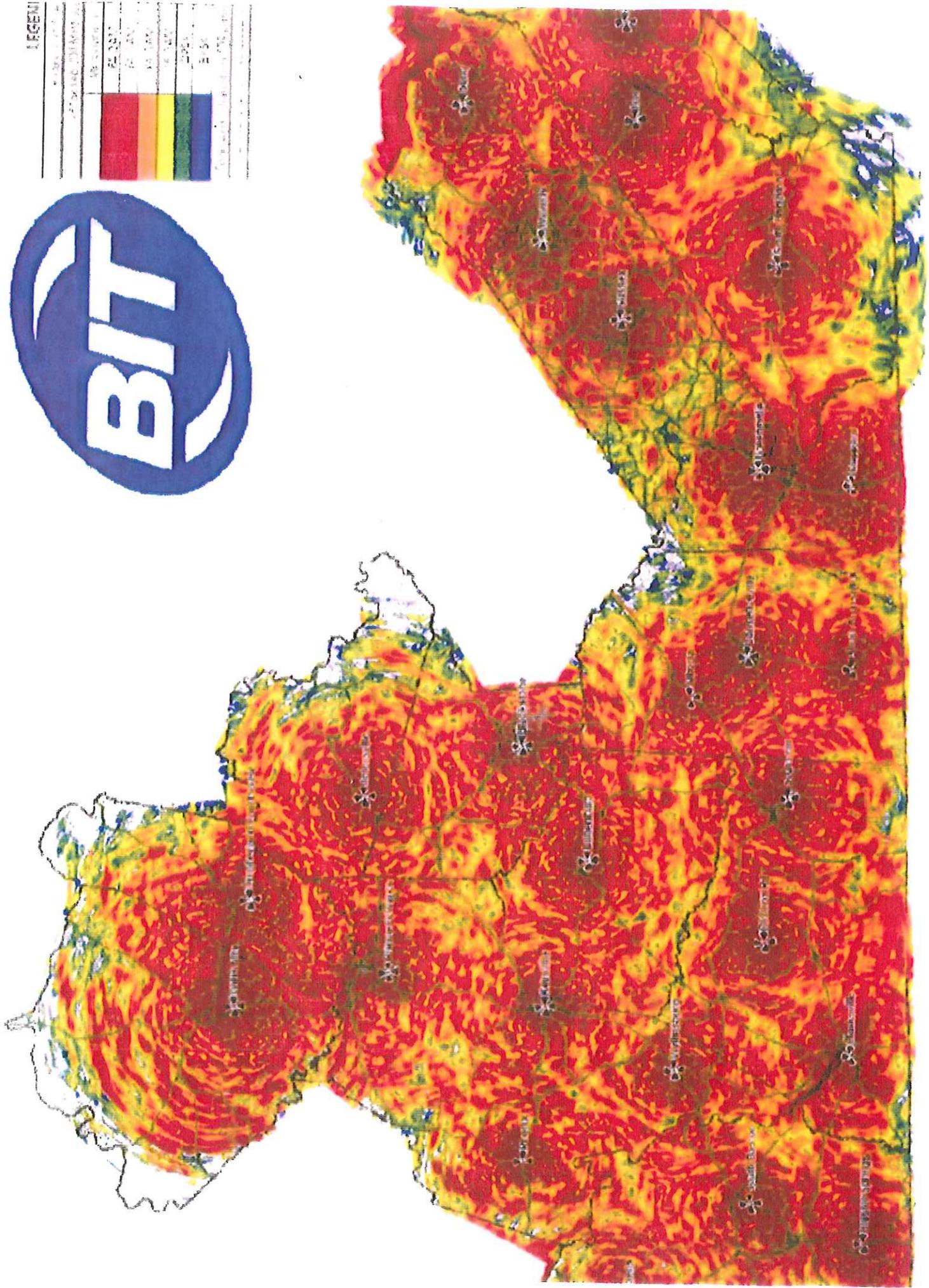
Google earth

Map data © 2012, Community contributions © 2012  
 Imagery © 2012, DigitalGlobe, GeoEye, Earthstar  
 Geographics, CNES/Airbus DS, USDA, AeroGRID, IGN, Esri, DeLorme, NAVTEQ, SwireHaworth, Swire

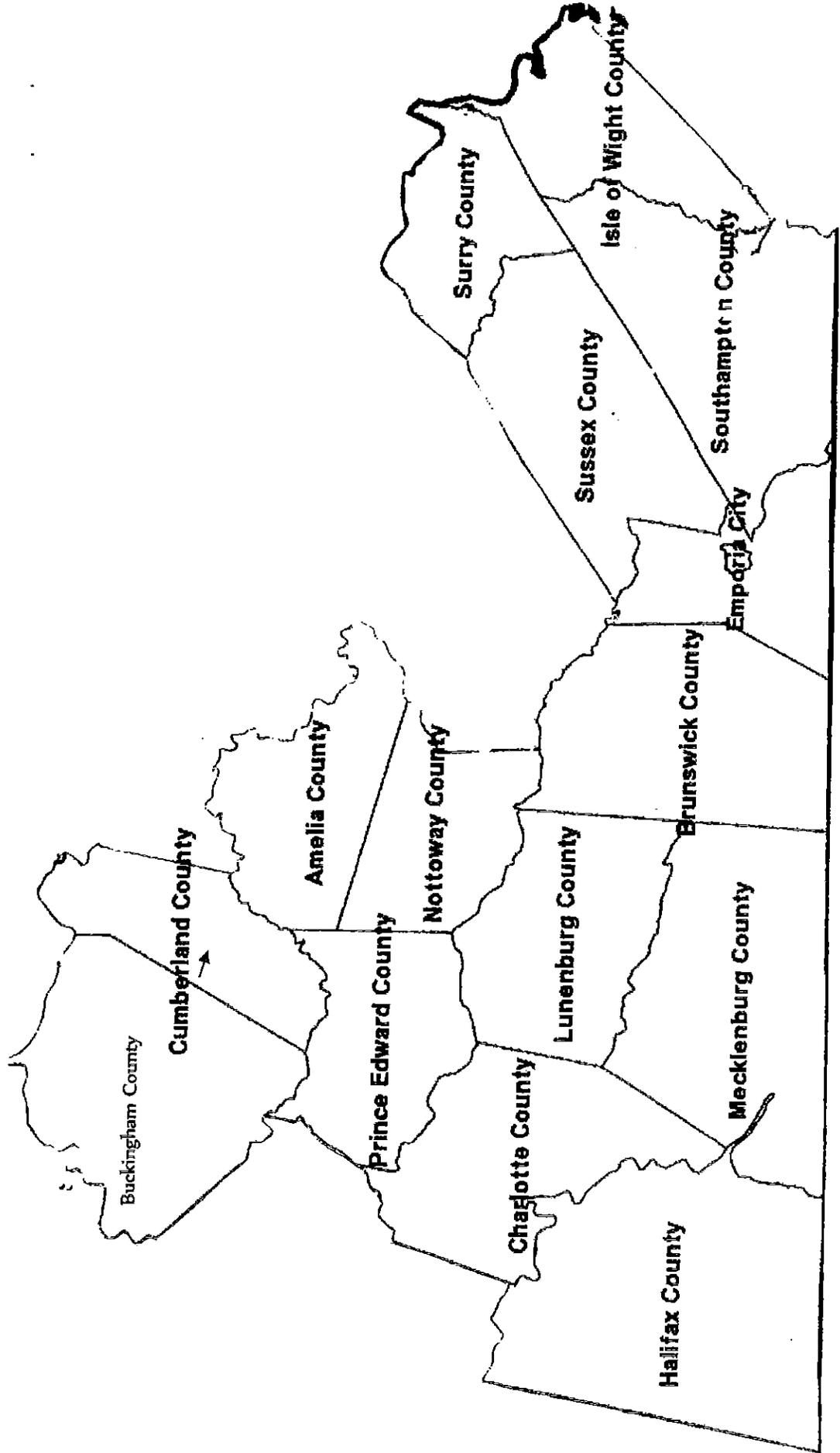


LEGENDA

Warna	Arti
[Red]	[Illegible]
[Orange]	[Illegible]
[Yellow]	[Illegible]
[Green]	[Illegible]
[Blue]	[Illegible]



**BIT's 15 County Serving Area**



## Executive Summary

---

The Buggs Island Telephone Cooperative (BIT) seeks to address the opportunity of providing a “last mile solution” with broadband high-speed Internet access on a non-discriminatory basis to the underserved and unserved rural citizens and businesses of Southside Virginia. The proposed funded service area is a fifteen-county area that includes 38 incorporated towns and two cities. This comprehensive plan includes the building, operation and maintenance of a fixed broadband and voice communications wireless network in fifteen rural counties in Southside Virginia. The project has been designed, engineered and is “shovel ready.”

The BIT network will utilize the latest in proven wireless 802.16d WIMAX technology. BIT, through the auction process, acquired the Federal Communications Commission 700-megahertz spectrum licenses. The wireless licensed area “footprint” covers a population of 277,018 people, and is comprised of approximately 102,468 households 14,882 businesses, 723 community anchor institutions (including 36 libraries and 21 college institutions) 408 medical facilities (exclusive of hospitals), 79 fire departments, 30 rescue operations, 39 police departments/sheriff offices, and five hospitals. The users of this wireless network will consist of all classes and types of consumers, businesses, community support organizations, public safety entities, churches, libraries, schools, healthcare providers, and institutions of higher learning.

Broadband high-speed internet will be available to 100% of the residents and businesses in the licensed service area with a minimum of 1.5 mbps of service. This minimum level of service meets and exceeds the FCC’s definition of broadband. Generally, residential subscribers will have the option to upgrade to 3.0 or 4.0 mbps of service and businesses will have the option to upgrade to 3.0, 4.0 or 10 mbps for an additional monthly fee. Subscribers will be charged a flat monthly rate regardless of bandwidth usage, and BIT estimates that the monthly access rates to residential subscribers will be between \$30 and \$60 per month for internet service based on the selected package. Business rates will be between \$40 and \$200 per month based on the selected package.

BIT will utilize 802.16d WIMAX wireless technology with worldwide-accepted engineering standards and equipment provided by AirSpan, an Israel-based company with installations in over 100 countries, including the United States. Airspan is the world’s second largest provider of WIMAX equipment and currently controls 29% of the total WIMAX market. BIT has engineered this network to maximize usage of the facilities and services available from the Mid-Atlantic Broadband Cooperative (regional fiber network), and to take advantage of existing towers where possible. The project plan is based on completion of the network within two years of the issuance of the federal stimulus award. The total overall infrastructure cost of the broadband system is \$23,729,560 and will provide 100% coverage to the entire 15-county service area.

BIT’s marketing plan relies primarily on BIT-provided customer service and company-owned distribution, however, BIT will offer open access through a wholesale, fixed-price arrangement to providers who are interested in becoming resellers. These entities will have first rights to market and to migrate their existing customers to this upgraded broadband service via a reseller agreement. This reseller relationship meets the open access

requirements and adheres to the principles of "net neutrality". BIT intends to fully comply with the nondiscrimination and interconnection obligations outlined in the Broadband Stimulus NOFA and BIT will negotiate in good faith with any provider requesting interconnection with BIT's network. Furthermore, network management practices will not discriminate against any lawful application or service being transported on the network, and will ensure that reasonable network management practices are in place to provide all subscribers with acceptable levels of service. BIT will also comply with all law enforcement requests and ensure compliance with all Federal, State, and Local Government statutes.

Buggs Island Telephone Cooperative, based in Bracey, Virginia (near South Hill) will heavily invest its own resources by injecting the 20% match requirement and seeking a loan/grant combination. Buggs Island Telephone will also be building a portion of the network and infrastructure in selected areas of Mecklenburg and Brunswick Counties. In addition, BIT will further invest in upgrading its financial, billing, collection and other operating support systems as well as hiring and training the workforce necessary to sustain this business plan. This project will create approximately 64 new jobs with benefits, including group health insurance, with average annual salaries and benefits of over \$40,000.

The Cooperative contemplates having three regional customer service centers, providing service under the brand name of "BIT Communications." Additionally BIT will rely on agents and resellers for further distribution and personalized customer service. This highly-reliable wireless service will primarily be offered in areas where Digital Subscriber Line (DSL) and cable modem Internet access services are unavailable. These types of landline-based services are highly distance-sensitive and are currently not offered outside the more densely populated areas. One advantage of BIT's WIMAX solution is the ability of this wireless service to reach beyond the limits of the current landline-based networks to subscribers who have no access to broadband services.

BIT expects to serve 32,072 subscribers with the proposed wireless system. This estimate is based on a 30 percent market penetration rate throughout the 15-county service area. This projection is based on BIT's past experience of providing broadband services in a rural market, and a Rural Broadband Report conducted by the Rural Policy Research Institute, which estimated that 38.3 percent of rural households subscribe to broadband services. Buggs Island Telephone Cooperative was founded as a local telephone cooperative in 1951 and currently has nine member, elected directors and staff of 23. BIT provides local, long distance, broadband and other communications services to 4,100 subscribers in the south-central region of Virginia. BIT has built and extended broadband to 100% of its service area and has offered high-speed service since 2004. General Manager, Mickey L. Sims, has extensive experience in the independent telephone and wireless businesses. BIT will be the operating entity, and subscribers will be Class B subscribers, not subject to capital credits.

BIT is building a complimentary network with its own funds in Mecklenburg and Brunswick Counties where the Buggs Island Telephone Cooperative operates as an incumbent local exchange carrier and is governed by the National Exchange Carriers Association (NECA) interstate access tariffs.