

VIRGINIA: A CONTINUED MEETING OF THE SURRY COUNTY BOARD OF SUPERVISORS HELD ON MAY 21, 2009 AT 7:00 P.M. IN THE GENERAL DISTRICT COURTROOM OF THE COUNTY GOVERNMENT CENTER.

PRESENT: SUPERVISOR M. SHERLOCK HOLMES, CHAIRMAN
SUPERVISOR JOHN M. SEWARD, VICE-CHAIRMAN
SUPERVISOR ERNEST L. BLOUNT
SUPERVISOR REGINALD O. HARRISON

ABSENT: SUPERVISOR JUDY S. LYTTLE

ALSO

PRESENT: MR. TYRONE W. FRANKLIN, COUNTY ADMINISTRATOR
MRS. MELISSA D. ROLLINS, FINANCE & TECHNOLOGY DIRECTOR
MR. JEFF GORE, HEFTY & WILEY
MRS. DEBORAH NEE, COMMISSIONER OF REVENUE
MR. LLOYD A. HAMLIN, SCHOOL DIVISION SUPERINTENDENT

I. Call To Order/Moment of Silence/Pledge of Allegiance

The meeting was called to order by Chairman Holmes. He asked for a moment of silence. Following the moment of silence, he asked the citizens to stand and say the pledge of allegiance.

II. Consent Item

- **School System Funding for High School Renovation Project**

Mr. Franklin asked Mrs. Rollins to come forward and explain this agenda note to the Board. Mrs. Melissa D. Rollins, Finance Director, appeared before the Board and advised the Board that include in the Board's agenda packet was information relative to the expenditures associated with the School Renovation projects and the source of funding allotted to the School System for capital improvements. She stated that the attached information was prepared to provide a clear understanding of the funding available to the schools, specifically for the High School Renovation Project.

She stated that it is the interpretation of the School System that \$4.0 million has been appropriated specifically for this work. However, funding sources made available by the County from FY 2007 through the current period totals \$4.0 million for all projects commencing with the elementary school electrical upgrades. County records included this project as a part of the total

\$4.0 million made available for the school projects. The funding sources include the following:

- \$1.0 million (Proceeds from the \$15.0 million loan acquired for the Courthouse Project)
- \$3.0 million (Virginia Public School Authority-VPSA 2008B Loan)

Discussion ensued among the Board members, Mr. Franklin and Mrs. Rollins.

It was the concensus of the Board to advise the School System that the remaining balance for the high school renovation is \$2,419,460.

- **Financial Advisor's Report**

Mr. Franklin asked Mrs. Rollins to advise this agenda note. Mrs. Rollins advised the Board that Mr. Kevin Rotty, the county's Financial Advisor, has updated the county's debt capacity module.

She stated that according to Mr. Rotty, as the county's need for borrowing has increased over the past several years, it has evaluated its "debt capacity" by measuring its compliance against two key financial policies:

1. Net Debt as a percentage of assessed value will not exceed 3%
2. General obligation debt and capital lease payments as a percentage of general governmental expenditures will not exceed 10%.

Mrs. Rollins stated that currently the county has \$23.4 million of outstanding debt. However, should the county issue an additional \$15 million of debt, it will exceed the debt as a percent of general governmental limitation of 10%.

Discussion ensued among the Board members.

- **School System Request FY 09-10 Categorical Transfers**

Supervisor Harrison moved to approve the School System FY 09-10 Categorical Transfer as noted below; Vice-Chairman Seward seconded the motion; Supervisors Holmes, Seward, Blount and Harrison voted in favor of the motion; Supervisor Lyttle was absent.

Instruction	\$10,918,676
Administration & Health	\$ 887,048
Pupil Transportation	\$ 1,246,100
Operation & Maintenance	\$ 1,892,249
Food Services	\$ 628,899
Debt Service	\$ 334,198

Facilities/Capital Outlay	\$	-0-
Technology	\$	885,622

- **School System Request – FY 09-10 Budget Amendments**

Vice-Chairman Seward moved to transfer the following School System FY 09-10 Budget Amendments as noted below; Supervisor Blount seconded the motion; Supervisors Holmes, Seward, Blount and Harrison voted in favor of the motion; Supervisor Lyttle was absent.

From Instruction (\$50,000) to Transportation
From Administration & Health (\$15,000) to Transportation
From Operation & Maintenance (\$69,000) to Transportation
From Food Services (47,000) to Transportation

It was the concensus of the Board to deny the request to transfer \$170,000 to capital outlay in addition to the \$160,000 to Transportation.

III. **County Administrator’s Report**

1. **Surry County Request for Proposals – Auditing Services**

Mr. Franklin advised the Board that the county had solicited request for proposals of auditing/accounting firms to conduct the County’s yearend audit for fiscal years, 2009, 2010 and 2011. The contract shall specify one year for options to renew for the other two years.

He stated that the county received proposals from two firms:

Robinson, Farmer Cox Associates – Richmond, VA
Clifton Gunderson LLP – Timonium, MD (Glen Allen Office)

Mr. Franklin stated interviews were conducted with both firms and recommended that the county continue to use the professional services of Robinson, Farmer Cox Associates to conduct the FY 09 audit.

Supervisor Harrison moved to authorize the County to negotiate a contract with Robinson, Farmer Cox Associates for auditing services for FY 2009 with an option to renew for FY 2010 and 2011; Supervisor Blount seconded the motion; Supervisors Holmes, Seward, Blount and Harrison voted in favor of the motion; Supervisor Lyttle was absent.

2. Appointment – Board of Equalization

Mr. Franklin advised the Board that the following members had been contacted and were willing to serve on the Board of Equalization:

Mrs. Alma Blizzard – Bacons Castle Election District
Mr. Russell Ellis – Carsley Election District
Mr. Roger Clayton, Jr., Spring Grove Election District
Mr. Dan Gruber – Dendron Election District
Mr. John Marilla – Surry Election District

Supervisor Blount moved to request the Circuit Court to appoint the Board of Equalization; Vice-Chairman Seward seconded the motion; Supervisors Holmes, Seward, Blount and Harrison voted in favor of the motion; Supervisor Lyttle was absent.

IV. Public Hearing

A. FY 2009-2010 Consolidated Budget

Chairman Holmes called the public hearing to order. He asked for the statement of the case. Mr. Franklin stated that the public hearing was being conducted tonight to receive public comments regarding the FY 09-10 Proposed Consolidated Budget. The budget as advertised is based on the current real estate tax rate of \$0.70 per \$100 of assessed value. All other rates are also proposed to remain the same; Personal Property - \$3.50 per \$100 of assessed value; machinery & Tools - \$1.00 per \$100 of assessed value; Merchant's Capital and Farm Machinery & Tools - \$0.00 per \$100 of assessed value. He asked Mrs. Rollins to come forward and present the FY 09-10 Consolidated Budget.

Mrs. Rollins appeared before the Board and stated that the information that she would be presenting to the Board was basically the same as presented at previously meetings. She stated that staff was able to come up with a balance budget without a tax increase.

She showed the following slide presentation (see attached):

REVENUE BY SOURCE

Local	\$19,265,243
Federal	\$ 1,809,444
State	\$ 6,290,500
Sub-total Operating Revenue	\$27,365,187
Operating Carryover & Use of Reserves	\$ 961,412

Transfer from Capital Project Reserves	<u>\$ 130,000</u>
Total Operating Revenue	\$ 28,456,599
Capital Projects Revenue:	
State	\$ 250,000
FY 09 Carryover	<u>\$ 720,000</u>
Total Capital Projects Revenue	\$ 970,000
Total Operating & Capital Projects	\$29,426,599

EXPENDITURES BY FUND

General Operating Fund	\$ 9,215,951
Water & Sewer Fund	\$ 197,257
Social Services Fund	\$ 2,250,599
School Operating Fund	<u>\$16,792,792</u>
Total Operating Expenditures	\$28,456,599
Capital Projects Fund	\$ 970,000
Total Operating & Capital Budget	\$29,426,599

Mrs. Rollins stated that the budget is based on the current real estate tax rate of \$0.70 per \$100 of assessed value. All other rates are proposed to remain the same; however, the proposed budget does include an adjustment of the personal property tax relief rate from 55.0% to 50.0%.

Chairman Holmes declared the public hearing opened and asked all persons wishing to speak to come forward and be recognized by the chair.

A citizen from the Town of Surry appeared before the Board and inquired whether there was any funding in the proposed budget for the Coal Power Plant. Chairman Holmes responded negatively. The citizen asked if the existing staff would handle the day to day questions related to the project and Chairman Holmes responded affirmatively.

Mr. Claude Reeson of the Carsley Election District, appeared before the Board and inquired about the \$400,000 included in the budget for broadband. Mr. Franklin responded that those funds were for Phase I of the project and to establish a broadband authority.

There being no further public comments, Chairman Holmes declared the public hearing closed. It was the concensus of the Board to set June 4, 2009 to consider adoption of the FY 09-10 Consolidated Budget.

Mr. Franklin advised the Board that regarding the OLF issues, it has been recommended that the committee which consists of the surrounding County Administrators reconvene to discuss this matter. It has been suggested that

the committee along with the respective Board of Supervisors meet on June 15th at the 4-H Center.

Mr. Franklin informed the Board that staff needs to readvertise the public hearing for the establishment of the broadband authority. He stated that he was advised that there was a state requirement that the advertisement had to be published 30 days in advance of the public hearing.

Supervisor Harrison moved to schedule July 2, 2009 at 7:00 p.m. to conduct a public hearing regarding the establishment of a broadband authority; Vice-Chairman Seward seconded the motion; Supervisors Holmes, Seward, Blount and Harrison voted in favor of the motion; Supervisor Lyttle was absent.

Supervisor Blount inquired about the elimination of county decals? Mr. Franklin replied that staff was continuing working on that project. Supervisor Blount commented that he hoped that money was available for the high school renovation project and suggested that the Board's finance committee met to see how the county could move forward on these projects.

V. CITIZENS COMMENTS

Chairman Holmes announced that any persons wishing to speak to come forward and they had three minutes to comment.

Several citizens from the Surry, Spring Grove, Carsley and Dendron Election District appeared before the Board and voiced their opposition of the coal power plant project for the Town of Dendron. They asked the Board to reconsider its decision of support for this project. Some citizens passed out literature to the Board regarding the negative impact of a coal power plant.

Discussion ensued among Chairman Holmes and the citizens.

The attorney representing ODEP appeared before the Board and stated that the representative at the last meeting was misquoted by the reporter from one of the local newspaper and was informed that that article would be retracted and corrected. He stated that in the future, he would appear before the Board to answer questions and provide ODEP case.

VI. CLOSED SESSION

Supervisor Harrison moved that the Board convene in closed session pursuant to Virginia Code Section 2.2-371(A)(1) a personnel matter involving demotion, discipline or resignation of specific employees and Code Section 2.2-3711 (A)(7) consultation with legal counsel about real property;

Vice-Chairman Seward seconded the motion; Supervisors Holmes, Seward, Blount and Harrison voted in favor of the motion; Supervisor Lyttle was absent.

Supervisor Harrison moved that the Board of Supervisors return to open session and certify by roll vote, that the closed session just concluded, noting was discussed except the matter or matters permitted to be discussed under the provisions of the Virginia Freedom of Information Act in the motion; Vice-Chairman Seward seconded the motion; Supervisors Holmes, Seward, Blount and Harrison voted in favor of the motion; Supervisor Lyttle was absent.

VII. ADJOURNMENT

Supervisor Blount moved that the meeting be adjourned; Supervisor Harrison seconded the motion; Supervisors Holmes, Seward, Blount and Harrison voted in favor of the motion; Supervisor Lyttle was absent.