

April 11, 2019

The Carroll County Board of Supervisors held a Budget meeting on, April 11, 2019 in the Board Meeting Room of the Carroll County Governmental Center.

Present were:

Rex L. Hill  
Dr. Tom Littrell  
Phillip McCraw  
Robbie McCraw  
Bob Martin  
Steve Truitt, County Administrator  
Nikki Cannon, Assistant County Administrator

Mr. Hill called the meeting to order.

Mr. Hill stated that there are a couple things I would like to do if possible. On our revenue sheet, if we could separate volunteer rescue squads the revenue that they bring in from the total EMS. I know we pay them a certain amount.

Ms. Cannon told you want the revenue when we get payment. I don't know that we can do that. I'm not saying we can't, I just don't know that we can. I don't see the revenue side of it but I know that it comes in a volume of a lot of different payments. In one check we could have 4 different entries. I will certainly inquire to the Treasurers Office to see what we can do.

Mr. Hill responded it may not be worth it. I would kind of like to see if they are keeping up to par.

Ms. Cannon told you have that on the expenditure side. That is what we send that we have collected on their behalf minus the amount of the payment that we pay.

Mr. Hill asked do we say you need to collect this, this is what we expect you to get this year in revenue to cover that.

Mr. Truitt told we don't really do that.

Dr. Littrell told you could get an average on the amount of calls they make.

Mr. Hill told it may not even be worth doing.

Mr. Truitt told you could budget if you wanted some kind of separation of collections regardless of.

Mr. Hill replied that is my next thing. On tax collections.

Mr. Truitt told that is not what I was referring to.

Mr. Hill told what I would like to see is if we can separate. I know we only list one on the revenue sheet. I would like to separate, I know we have it by year going back to 20 years ago.

Ms. Cannon told we have 5 years on personal property and 20 on real estate.

Mr. Hill told what I am looking at is if we can make several categories there. Like 1995 to 2000 and show what delinquents are there. And then come down to the next 5 years so we can see when those are coming off. Is there a way to do that.

Ms. Cannon replied there is. It would be much easier not to do it on the revenue side I would think because you can get a print out. I can show you a print out that I have and I think this would suffice. This is just a matter of maybe including it in the board packet. This is the personal property by year and it basically has every year and what the balance is.

Mr. Hill told if we had both of those it would be helpful. I know we have a total and that would help us to know which ones we need to go after because we don't want this falling off the books.

Mr. Robbie McCraw asked how long on personal property.

Ms. Cannon replied 5 years. On the revenue side you have more categories. Like we have machinery & tool, merchants capital on the 300's is in the Treasurers accountability fund. They only have one category for personal property. All the machinery & tools, the old farm machinery tax, they are all in one category even the vehicle license fee. That should give you what you want.

Mr. Hill told this way we know and look at.

Mr. Martin asked when you are evaluating the properties are you factoring in that this group is about to drop off.

Mr. Durbin replied age is not so much a factor on the real property side because if you look the stuff that is 20 years old, there is very little value there. It is not something that we really worry about. What we try to focus on is we want to have some decent value property mixed in with some low value property so people will come to the sale. If you have a bunch of \$1000 strips of land in between 2 houses no one really cares for except the 2 owners then no one is going to come to the sale. You need to mix in some good value property along with the low value.

Ms. Cannon replied just one observation, if they are delinquent in 1995 they are delinquent in 2008 as well. You have to apply to the most delinquent tax first.

Mr. Truitt told before we get to the point where we are deciding to include in a sale, you notify every single person on the list.

Mr. Durbin replied yes.

Mr. Truitt responded every single person gets notified and they all get suit filed against them. After you have collected whatever you can collect then you want to be strategic about not wanting to drive the real estate market into the ground. I just want to make sure everyone understands we are not just picking and choosing.

Mr. Durbin told if you want we can take the entire delinquent list and send out notices and start sending out payment plans on those people.

Mr. Hill told you look at this list and you have \$2.00, \$20.00, \$34.00 and then we have some high dollar ones so that really helped.

Mr. Phillip McCraw asked when you sell it will it be a clear deed or will you be stuck with other things.

Mr. Durbin told a tax commissioners sale wipes out all liens.

Mr. Hill asked if anyone has a suggestion on where we should go from here.

Mr. Truitt told as challenging as it is going to be it is really important that we shoot for having a number for the school by the end of this meeting if at all possible.

Ms. Cannon told we were scheduled to have a public hearing on the school budget on April 22<sup>nd</sup>. We do not have enough time to get it advertised and have a public hearing so we need to modify that. The 29<sup>th</sup> would work for adoption in May.

Mr. Robbie McCraw asked if we have to have a public hearing and have it approved by May 15<sup>th</sup>.

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Ms. Cannon replied yes. It looks like April 29<sup>th</sup> will work for having enough time to get it advertised.

Mr. Hill replied that works for me.

Ms. Cannon told it was originally advertised for April 22<sup>nd</sup>.

Mr. Hill told that is the absolute drop dead date on the school budget. Ours can run until June 30<sup>th</sup> if necessary.

Ms. Cannon told presentation is scheduled for May 13<sup>th</sup>.

Mr. Martin asked where we need to put the School Board budget number to make things come out even. We can guesstimate on unpaid taxes but we don't know for sure.

Mr. Hill told we have to get a balanced budget. We have no fund balance to back up to.

Mr. Robbie McCraw asked on Public Service that \$17,561 are they not going to do that.

Ms. Cannon told there is a new document that it.

Mr. Truitt told if you look at what Jessica presented it is not in there.

Ms. Cannon told that is gone, there is a new number now.

Mr. Robbie McCraw asked what the new number is.

Ms. Cannon told it is a variable number depending on the school budget. The changes are we removed the increase in PSA, we added \$5500 to the Chamber because we had zero in, there was a slight modification on the Social Services revenue. The state has come through and said they are going to fund 100% of the medicade expansion positions. And then it is depending on the school number.

Mr. Robbie McCraw told we have cut everything we can from ourselves.

Ms. Cannon told it is very thin. It is going to be a lean budget.

Mr. Robbie McCraw asked what the school number needs to be.

Mr. Truitt told it needs to be something like flat, in that neighborhood.

Mr. Martin stated same amount as last year.

Mr. Truitt replied something like that. You can always go through and look one more time.

Dr. Littrell told I am sure everyone else caught it but I thought we were working with that \$782,000. I thought that was the number we needed and I had left off the bus transportation.

Ms. Cannon told it was a little unusual. They came in with their ask which was \$782,000 higher but then in addition to that they designated another \$311,000 for the transportation modifications.

Dr. Littrell told I was thinking we were looking at \$782,000. I missed the \$311,000.

Ms. Cannon told the total ask was a little over \$1 million.

Mr. Martin asked what was the \$300,000.

Dr. Littrell told it is for employees raises and such. It is an additional appropriation request.

Mr. Hill told my question was how much was required of us to give teachers and SOQ's.

Ms. Cannon told it is not answered here.

Mr. Hill asked does that mean our portion is \$276,448 for all of that. If you take the \$1 million and minus \$784,000 I come up with \$276,448.

Ms. Cannon told that is what they are saying would be funded locally. The locality portion would be \$276,448, that is for SOQ and non-SOQ.

Mr. Truitt told the state pays 70% for the SOQ.

Mr. Robbie McCraw told if we look at FY18 actual and leave out debt service we are at \$11,180,810.

Ms. Cannon replied flat for me is \$11,249,000.

Mr. Robbie McCraw told I was just adding up the numbers listed here.

Ms. Cannon told level in mine is the \$11,251,664. That is adding the required local effort and the in excess of required local effort.

Mr. Truitt asked if that includes the mysterious \$311,000.

Ms. Cannon replied no.

Mr. Robbie McCraw told I know what you are talking about and I couldn't sort it out either.

Dr. Littrell told I thought it was part of the \$782,000 until I realized it was separate.

Mr. Martin asked if the \$311,000 was for grade increase.

Mr. Truitt told it was for health insurance and stuff like that for bus drivers.

Dr. Littrell replied it was for part timers who were not getting the benefits and a pay increase. They were having a hard time getting drivers I think. Joe kind of pushed that.

Mr. Hill told they also said a lot of the drivers were not taking advantage of that.

Ms. Cannon replied it was like 2.

Mr. Robbie McCraw asked would flat.

Ms. Cannon replied balance the budget, yes sir.

Mr. Martin asked is flat the \$311,000.

Ms. Cannon replied it is not included. Not only is the \$311,000 not included by the additional \$782,749 that they requested.

Mr. Truitt told it is nothing above what you saw last year.

Mr. Hill told on this forest reserve they put \$1000 and it is always \$10,000. That is payment in lieu of taxes for the National Forest and it is the same amount every year.

Mr. Martin told flat has some hills in it.

Ms. Cannon asked what does that mean.

Mr. Martin told we are giving the same amount as last year.

Mr. Hill told they are getting more from the state and there is less required of us this year.

Ms. Cannon told the state is giving them \$1.1 more.

Mr. Robbie McCraw stated that we were told everything in the food service was funded federally. Does that include their capital outlay.

Ms. Cannon told it is funded with user fees too.

Mr. Robbie McCraw told the reason I was asking is they have \$70,000 in capital outlay.

Ms. Cannon told that would be, they have a separate account for food service. Those capital outlay items were funded with those remaining.

Mr. Robbie McCraw replied so in food service they are not using any local funds.

Ms. Cannon replied except for the fees from people like me who pay for lunches. No tax dollars.

Mr. Hill told they way I see it if we go to give them sufficient amount for the teachers pay raise that would be 1 cent on the property rate increase or you go back to that rate. That is my two options.

Mr. Robbie McCraw replied I can't say yes to a property tax increase.

Mr. Hill stated those are two options.

Mr. Martin told the flat rate increase would be the way to go I think.

Mr. Truitt responded it will be a challenging year for them too.

Mr. Robbie McCraw told I keep going back to these capital outlays. I think that is something that can be worked on.

Ms. Cannon told I think they provided us a list of reductions.

Mr. Hill replied they don't match up with this.

Ms. Cannon told I think they gave us a list that showed, the \$250,000 in facilities.

Mr. Hill asked if this was recently.

Mr. Truitt replied yes. I just called and told you what it was, I didn't send it.

Ms. Cannon told there was \$250,000 in facilities that was taken out. It was mostly all CIP.

Mr. Martin told we are going to have probably the highest paid bus drivers in the area.

Mr. Truitt told they are looking at a reduction in the \$782,000 and they thought it was \$508,000 but it was really about \$390,000.

Dr. Littrell replied so roughly about \$400,000.

Mr. Hill replied yes.

Mr. Martin stated so we need a motion if we are going with the flat rate.

Ms. Cannon told we don't really need a motion, just direct staff to advertise.

Dr. Littrell told what I am understanding is with the reduction they mentioned and we give flat funding it would be \$400,000 short.

Mr. Truitt asked him to say that again.

Dr. Littrell told if we give them flat funding and they have taken that 3 something off the \$782,000.

Mr. Truitt told that 3 something would be included. You wouldn't take it off twice. Flat funding takes that entire \$780,000 and it also takes the \$311,000. What they were saying was out of that \$780,000 they would like to continue to get \$500,000. So I think the answer is actually no.

Mr. Hill told they could still give the teachers a raise with what we give them and cut somewhere else. I don't have a problem on the CIPs if we work with them like we do on ours and bring those folks in with us and we establish a priority as we get delinquent in. We can't keep kicking the can down the road but it gives us an option to work on those things later. We can do an additional appropriation if you want to do that. We need to get together but I want to verify that they need it. I know where they are spending money now.

Mr. Robbie McCraw told I would say you could go right now and point out \$150,000 in the last month.

Ms. Cannon replied I think they would like that.

Mr. Robbie McCraw told we are going to have to sit down just like we are doing right now and talk about this.

Mr. Truitt told the other thing, as disappointed as the School Board will be with any of these options the end result is going to be the best support in this part of the state. I think everybody believes in good education for the kids.

Mr. Martin replied I agree. If you cut out the \$311,000 and level funding what are we looking at.

Mr. Martin told you are looking at \$11.3 million give or take.

Dr. Littrell told let me get one other point of clarification. Rex, I think it was your idea of using county maintenance folks to do the school maintenance.

Mr. Hill replied, down the road. I've not got to look into it but I do know Giles does it. We couldn't do it immediately. ]

Ms. Cannon told it would cut money out of the school budget and put it in the general fund budget.

Mr. Hill told it would be our people looking to see if we need this or that. We need broilers and if we could get them all at one time we could get a deal. If we had gas at all the schools it would be a savings too. All of these things we really need to sit down and have that discussion.

Mr. Martin told we need to get gas to Hillsville Elementary.

Mr. Hill told as a group we need to work with them and make those decisions. They have different pay for their folks. If they are all in the same thing they would be paid similarly. They charge the school for maintenance on the school buses, the janitors instead of paying them extra for elections they would be there and in the summer when

they are not needed they could be mowing. All of these things would be beneficial I think.

Mr. Robbie McCraw told Giles County done it and has for several years. It has worked out to be profitable for them.

Mr. Hill told that takes the schools back to, they really don't in my viewpoint want to be involved in that.

Ms. Cannon replied I think they would love it. I don't want to speak for anyone but I know of at least one that said he would love it.

Mr. Hill told that is things we need to work on for the next year. We can't do it immediately, we have to look ahead.

Mr. Phillip McCraw told this one happened before I came on the Board, but I had a question. The leak at the high school, how long was the roof on and was there more life in it. Could we have patched the one spot if there was 10 years left. I am a patcher if we got time left.

Mr. Hill asked how long did the leak sit there before someone noticed it. There are no inspections. I know our people would do real good inspections so we could identify those things.

Mr. Robbie McCraw told I have to say that our Maintenance Supervisor for the county is very efficient in what he does. I see that he tries to find solutions that actually save us money and still give us what we need. It is pretty amazing.

Mr. Martin told a lot of flat roofs, the problem is the leak may be at this end but it shows up leaking in the other corner. I move that we give the Carroll County School System \$11,251,000 in their budget.

Mr. Hill asked if this is a straw vote.

Mr. Durbin told this is to advertise.

Mr. Martin told I move that we advertise. We are not cutting that much, we are advertising a budget of \$11,251,664.

Mr. Hill told that balances the budget.

Ms. Cannon replied without a tax increase.

Mr. Martin told we need a 2<sup>nd</sup> to that motion.

Mr. Durbin told you have already voted to advertise. You can just direct staff to put in the number.

Mr. Robbie McCraw told it is just direction.

Dr. Littrell told just as a hypothetical question, on your rate increase for the public hearing you can not go up but you can go down. Is this number one where you can't go up.

Ms. Cannon told you won't be able to go up.

Mr. Durbin told with taxes you can't go up. In theory with the school component you could do whatever with it.

Mr. Truitt told we would have to do it all over again really fast.

Ms. Cannon told I am going to advertise in the newspaper next week.

Mr. Durbin told because this component doesn't change the top line or the bottom line of the county budget.

Ms. Cannon replied, it does.

Mr. Durbin told it is not set in stone yet. There is no county budget that has been advertised yet.

Ms. Cannon told I was going to advertise the whole entire budget at the same time and it locks that number in.

Mr. Durbin told you would be locked in unless you found more somewhere else.

Ms. Cannon replied so the answer is, it locks us to that number.

Dr. Littrell told so in effect it is that number or less, it can not go up.

Ms. Cannon replied yes.

Mr. Hill told we could if we wanted to move a portion of our budget.

Mr. Robbie McCraw told it makes our budget tight. It can't go up or down.

Mr. Durbin replied, without readvertising.

Mr. Robbie McCraw told it also locks us in a the tax rate.

Mr. Martin asked if everyone is in favor.

Mr. Robbie McCraw replied I am okay with that.

Mr. Hill responded it works for me.

Ms. Cannon told I will go ahead and email you a new expenditure report.

Mr. Benny Robinson asked if he could real quickly plant a seed. Have we ever looked at outsourcing the school buses or privatizing them.

Ms. Cannon replied the school has.

Mr. Robinson asked if it showed positive or negative.

Ms. Cannon replied based on the history I think out of Roanoke County and again I wasn't involved in that process so this is just from what I have been told. It was not a successful transition to privatize. The private company ended up withdrawing and they had to rebuild their system back.

Mr. Robinson told I was just curious. I think it is something that you might reinvestigate. If you drive around this county there are a lot of schools that don't own their own buses.

Mr. Hill told there is a thing that some schools have done called a school efficiency study. There is about 25 schools that have done it. Some of them have realized savings by doing certain things. I have read a lot of those and you have to pick your people that you want to analyze.

Mr. Truitt told I think one of the reasons, I don't know this for sure but we keep our buses for so long that the math just didn't work out. They average about 28 years old.

Mr. Robinson told a couple other questions, not looking for an answer but are our rescue squad operating on a positive or a negative cash flow.



Ms. Cannon replied negative.

Mr. Hill told that it has been going up. Since Everett has been in charge of EMS it has grown and covered more.

Ms. Cannon told the gap is closing.

Mr. Robinson asked on personal property delinquency, how do we know that property is still in place. How do we know it hasn't already been sold.

Mr. Truitt replied we wouldn't but that doesn't mean they don't owe the taxes.

Mr. Hill told they can conceivably do that and not pay taxes and sell it.

Mr. Robinson told the key point is the taxes are still due.

Mr. Hill replied yes.

Mr. Robbie McCraw told if I am right with the DMV stops when they get an innated it follows the person instead of the vehicle.

Mr. Robinson told I am thinking more like tractors and combines more than a titled vehicle.

Mr. Robbie McCraw told we don't do farm machinery tax.

Ms. Cannon told that it depends on if it is a schedule c. We no longer tax farm machinery equipment.

Mr. Robinson told it didn't notice that on my taxes this year.

Mr. Robbie McCraw told that has been out a couple years.

Mr. Robinson replied I thought you went to half first.

Ms. Cannon replied they did and then they eliminated the 2<sup>nd</sup> half.

Mr. Phillip McCraw asked if we can discuss Cana Recycling in open session. I seen solid waste has money could they set a station up in different parts of the county.

Mr. Martin told it will cost a lot of money. Everybody is in favor of that until you tell them it is going to be next door.

Mr. Hill replied we don't own the landfill ourselves. We still have to pay the tipping fees.

Mr. Truitt told they have always let us use their truck for Cana. The truck has about 80,000 miles on it and about 60,000 has been put on by Carroll County maintenance running back and forth. They don't want to do that anymore.

Mr. Hill responded tell them to give us our backhoe back.

Mr. Martin told the Solid Waste Authority has been very lenient with the use of their equipment at times.

Mr. Truitt told when that road caved in they were very helpful. We all work together.

Mr. Phillip McCraw told I thought it went up and maybe we were getting that thing on solid ground. I didn't realize we are still \$109,000 in the hole. It is a service that I wish we could come up with where they could all have 2 days or something.

Mr. Martin told Wythe County has stations like that. Of course they are fenced in and I don't know if they are open every day

(Order)

**ADJOURNMENT**

Upon motion by Dr. Littrell, second by Mr. Hill and passing, the Board adjourned the budget meeting.

**VOTES**

Mr. Webb	Not Present
Mr. Phillip McCraw	Yes
Mr. Hill	Yes
Mr. Robbie McCraw	Yes
Dr. Littrell	Yes
Mr. Martin	Yes

(Order)

Mr. Hill called the meeting from April 8, 2019 out of recess.

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

Upon motion by Mr. Robbie McCraw, seconded by Mr. Phillip McCraw, and passing, the Board convened a Closed Session for the discussion, as authorized by Virginia Code Section 2.2-3711 ( A3, A5, A8).

Mr. Truitt explained the reasons for entering Closed Session.

3. Discussion or consideration of the acquisition of real property for a public purpose, or of the disposition of publicly held real property, where discussion in an open meeting would adversely affect the bargaining position or negotiating strategy of the public body.

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.

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.

**VOTES**

Mr. Webb	Not Present
Mr. Phillip McCraw	Yes
Mr. Hill	Yes
Mr. Robbie McCraw	Yes
Dr. Littrell	Yes
Mr. Martin	Yes

(Order)

**COME OUT OF CLOSED SESSION**

Upon motion by Mr. Robbie McCraw, seconded by Mr. Phillip McCraw and passing, the Board came out of Closed Session.

**VOTES**

Mr. Webb	Not Present
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Mr. Phillip McCraw	Yes
Mr. Hill	Yes
Mr. Robbie McCraw	Yes
Dr. Littrell	Yes
Mr. Martin	Yes

(Order)

### **CERTIFICATION OF CLOSED SESSION**

Upon motion by Mr. Martin, seconded by Mr. Phillip 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. Webb	Not Present
Mr. Phillip McCraw	Yes
Mr. Hill	Yes
Mr. Robbie McCraw	Yes
Dr. Littrell	Yes
Mr. Martin	Yes

### **ADJOURNMENT**

Upon motion by Mr. Robbie McCraw, second by Mr. Phillip McCraw and passing, the Board adjourned.

#### **VOTES**

Mr. Webb	Not Present
Mr. Phillip McCraw	Yes
Mr. Hill	Yes
Mr. Robbie McCraw	Yes
Dr. Littrell	Yes
Mr. Martin	Yes

(Order)

April 11, 2019

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Chairman

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Clerk