

April 4, 2019

The Carroll County Board of Supervisors held a Budget meeting on, March 27, 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. The handout does not include the last 2 years, but I don't think there has been a tax increase.

Ms. Cannon said I actually have for you tonight the 2019 estimates. I think Fran had them here last time and there has been a slight modification to the numbers just to give you an idea where we are now. I guess the total was \$2.6 million and you can see it is \$2.6 so it is just steady.

Mr. Hill said we tried with the General Assembly to have a cigarette tax and that didn't go through so it doesn't give us much option. They keep forcing things on us and we just have to deal with it. There is not much adjustment from last year.

Ms. Cannon explained as far as the revenue we did make an adjustment based on this number. The original document had \$13.9 million and we ended up taking 96% of the \$14,850,004 and so the revenue went up. I didn't give you a report tonight, I didn't want to do that then give you one Monday. There is a point where you get too many reports, but I have summarized on this sheet and this is based on our last meeting. It has revenues, expenditures and some proposed cuts that we talked about last meeting. Right now, the total revenues are \$43,767,548 and you should have an email of that in your inboxes. The expenditures are \$45,272,297 so we need to eliminate \$1,505,549.

Mr. Robbie McCraw asked if that includes the school?

Ms. Cannon replied well, no. I mean yes it includes the school increase that they requested and then I made some county eliminations on here and this is what is remaining to be cut. You will ironically notice that this number happens to be the increase in the school budget but that was because our original budget was based on a level transfer. So, now we are out by the amount of the increase in the school request.

Mr. Truitt asked so this is everything that has happened since the last meeting to get to this number?

Mr. Robbie McCraw asked and that has done nothing to the schools yet?

Ms. Cannon replied exactly. Keep in mind it eliminates the \$100,000 capital outlay for the fair and for the savings on the Cana firetruck and all the other contingency. It will be a really tight budget and it eliminated the majority of maintenance construction so if something breaks...

Mr. Hill said look at what we give search and rescue, fire and EMS. We normally pay them a certain amount.

Ms. Cannon said it is usually about \$10,000 a year.

Mr. Hill replied a total. Can we do what we did last year and not have an increase? It's not based on a specific thing, we just supplement.

Ms. Cannon said that is actually us just remitting what we have collected on their behalf.

Mr. Robbie McCraw said it is like a pass through.

Mr. Hill replied Search and Rescue doesn't.

Ms. Cannon said Search and Rescue doesn't but Cana, Pipers Gap.

Mr. Hill asked how about the Fire Departments?

Ms. Cannon replied that is just purely supplement.

Mr. Hill said that is what I was talking about. Those supplements we need to go back like what we did last year.

Ms. Cannon said they didn't have a proposed increase.

Mr. Hill replied some of did have a little bit. If they didn't have any that is fine.

Ms. Cannon said I don't think they did this year, they did the year before I think.

Mr. Hill said if we can keep everything static.

Mr. Truitt asked are you thinking of the fire or EMS?

Ms. Cannon replied I think it was both.

Mr. Truitt said I think there was a request and you already knocked it out.

Mr. Hill responded that may have been what I was looking at.

Mr. Robbie McCraw said they are all flat it looks like.

Mr. Truitt said there was one but that is long gone.

Mr. Hill replied I don't know what you can squeeze out of a turnip.

Mr. Martin asked at the Cana Refuse site, operation machinery what is this?

Ms. Cannon said we have been borrowing a truck from the Regional Landfill to go pick up the trash from Cana. Of the 80,000 miles on the truck Carroll has put about 60,000 of those. There has been a request from the Landfill operator that we look into purchasing our own piece of equipment.

Mr. Truitt said there are scheduling difficulties and they are near the end of life on a couple of cells.

Ms. Cannon said that was actually the \$50,000 that was in the budget that was to try to purchase a used piece of equipment.

Mr. Martin replied for use at the Cana site?

Mr. Truitt responded we would use it for other things but essentially.

Mr. Martin said I would like to see we add another trash substation at the far end of Pine Creek down towards Dugspur. I think it is as many miles away as this. I would also make the case for Sulphur Springs and Pipers Gap.

Mr. Hill asked if we increased the rates that they had to pay down there last year to cover or not?

Mr. Truitt said they are a little bit higher than if you bring it up here. I don't remember if that was last year or the year before.

Mr. Robbie McCraw replied I do remember that being done.

Mr. Hill said I could drive down there and take my trash cheaper than up here.

Mr. Truitt replied it is not like that anymore.

Mr. Martin said I would like to see a station put in down at the far end of Dugspur. As tight as the budget is.

Mr. Hill said there are several things. We talked about Crooked Creek, the state used to run that. Going forward we need to look at and decide, that is where we are. There are not many more things we can cut.

Mr. Robbie McCraw asked if we pay a rental fee at Crooked Creek or do they just allow us to run it?

Ms. Cannon replied we just use the facility.

Mr. Martin asked how much is the budgeted item for Cana sub trash station? How much does that cost us?

Mr. Robbie McCraw replied \$59,000.

Mr. Martin replied plus \$50,000 plus an employee.

Ms. Cannon said that includes 2 part time employees. That is \$60,000 plus the \$50,000 we eliminated.

Mr. Martin said I don't think it is fair to Pine Creek folks to have to pay for this. Either stick one down toward deep water or take this out. I don't mean to be blunt, this is just how I feel about it.

Mr. Hill replied I felt that way to. I don't know why it went down there to begin with. I know the people down there appreciate it.

Mr. Martin said I guarantee Sulphur Springs is further away.

Mr. Robbie McCraw said you take the people at Vaughan.

Mr. Phillip McCraw replied it is only fair. When it went up down there some of them complained and I said look you have something that other parts of the county would love to have.

Mr. Martin said that is \$109,000.

Mr. Hill said it would be difficult to just stop. What would be the process that you would go through?

Mr. Martin replied you would just announce it.

Mr. Hill said there is stuff I guess still being stored there. There is stuff that hasn't been moved out.

Mr. Truitt said we don't have a plan to do it but if you decided to do it we would make a plan. Your point is well taken.

Mr. Phillip McCraw said you could do a different location and have days closed.

Mr. Hill said that is a cost cutting measure. That is one way to do it and gradually wean it out.

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Mr. Truitt said I looked into, they have units that don't require staff and they were more expensive based on what we pay for the staff.

Mr. Robbie McCraw said I like the idea of doing half day.

Mr. Hill asked what our operations are down there now, does anybody know? Is it Monday through Saturday.

Mr. Phillip McCraw responded you just had one day open and let people move around to the others.

Mr. Martin said you are going to have to establish a site for the other districts.

Mr. Phillip McCraw said each could have one day.

Mr. Truitt replied I doubt we could do all districts. Even if it was only one or two days per week for the same cost as doing just one.

Mr. Hill said the only way we can reduce the cost is to operate less days.

Mr. Martin said looking at the budget we are going to have to make some tough cuts and I am just saying that you put everything on the table or as far as I am concerned you are wasting time.

Mr. Hill replied we are in the back end of this, if we was going to do that we need to start in July and say we are going to eliminate this or cut back days. We could cut back days and have some cost savings.

Mr. Martin replied, I propose cutting out seven days a week. It is still \$109,000.

Mr. Truitt said I don't know what they are running now, but if you cut out 2 or 3 days you could probably save \$13,000 to \$15,000. Let me look into it and get back to you.

Mr. Martin said I would also like to look at establishing one in Pine Creek then.

Mr. Truitt said I imagine it would cost about the same.

Mr. Martin replied if we can't cut \$109,000 let's add a spot.

Mr. Hill said we can do a roving one.

Mr. Truitt said I thought that is actually what you were suggesting. That would cost more than just having it sit there obviously and it would be complicated for people to know when it was open, but we can look at that too.

Mr. Martin said there is going to be a cost to cutting nearly \$2 million.

Ms. Cannon replied we are down to \$782,000.

Mr. Hill said we haven't got to the school.

Mr. Martin replied I just saved you \$109,000.

Ms. Cannon said that actually \$50,000 of it is already in my cuts.

Mr. Hill responded let's let Steve look at this. When we got to start cutting folks have to realize what are we going to cut. You either raise property taxes and that ain't going to cover it either. We don't have money in the bank unfortunately because we spent that years ago or through the years. That is why we are in the predicament we are in. What is recovered cost on EMS?

Ms. Cannon said it is where we get the payments.

Mr. Hill said it looks like you have dropped it down from \$1,547,306 to \$1,450,000.

Ms. Cannon replied yes sir, based on historical trends. It is trending downward a little bit.

Mr. Hill said it looks like it went up from 2017.

Ms. Cannon replied it did but our collections this year are down a little bit. Right now, we are at \$1,157,873.

Mr. Martin said I have some more questions on this one page. Highway Safety Motor Vehicles \$80,000?

Ms. Cannon asked are you asking what is that?

Mr. Martin replied yes.

Ms. Cannon replied five Sheriff Department vehicles. The five new ones they were going to get next year.

Mr. Martin asked if they are paying for it?

Ms. Cannon replied out of Highway Safety but I mean, do you want me to leave it in there?

Mr. Martin asked are they paying for it or are we?

Mr. Robbie McCraw replied they are.

Ms. Cannon replied they are paying for it out of Highway Safety, but it is all general fund dollars and all goes into the same bank account.

Mr. Truitt said when you look at the revenue there is a source for that.

Mr. Hill said that one other thing that the Sheriff's Department did was cover the requests for two positions for the courts and the Sheriff is going to cover that, correct?

Mr. Truitt replied that is what he said.

Mr. Hill said somebody is stepping up and all we can do is appreciate what they are doing.

Ms. Cannon said that is not to say they can't get the five vehicles, but like we had said at the last meeting, in the event that the money starts coming in and if we start doing some tax sales and get money to fund some of these capital improvements then we will fund them during the year with budget amendments.

Mr. Robbie McCraw said they would fund that through their highway safety. So, if they want to request it they just request it and we just appropriate it.

Mr. Martin said there is \$70,000 in capital outlay.

Ms. Cannon asked if you want to know what it is? I think it is bullet proof vests.

Mr. Martin said I am not opposed to that. What is the \$100,000 to volunteer fire department?

Ms. Cannon replied that was like savings towards the fire apparatus CIP. It was basically putting aside \$100,000 this year to go towards a firetruck.

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Mr. Truitt said it is looking rough for this year.

Mr. Hill replied it doesn't get any better next year.

Mr. Martin asked under recreation \$59,000, machinery and equipment?

Ms. Cannon replied it is a truck.

Mr. Martin asked what kind of truck?

Ms. Cannon replied a pickup truck and \$3000 for playground equipment, \$6000 for additional picnic shelters, \$8000 for football equipment, \$5000 for trail systems, \$6000 for new playground system and \$2000 for fitness trail.

Mr. Hill said the only thing was the picnic shelters pretty much pay for themselves over time.

Mr. Martin asked what is Kevin getting at the Farmers Market for \$10,000?

Ms. Cannon replied what is he not getting?

Mr. Truitt replied boxes.

Mr. Robbie McCraw said that is recoverable cost too.

Mr. Hill responded we discussed that to be moved into supplies.

Mr. Martin asked so are we saying this \$782,749 is sacred?

Mr. Robbie McCraw said we need to find that much to cut.

Mr. Truitt said this adds up to \$770,000, that is what we already cut. We came in last week and we are \$1.5 out so we took all of that out and now we are \$780,000 away.

Mr. Martin replied all of this.

Mr. Truitt replied that is what we are talking about doing today.

Mr. Hill said one other option is to go ahead and do the hard billing and that would increase.

Mr. Truitt said we are going to do that, and I think we are going to have to do a resolution because I think what we discussed is we will do hard billing but have a procedure if someone can't afford it they could petition for relief and we would do that for our citizens. So that is in process although I'll be honest I haven't worked on it.

Mr. Hill replied I know you have had everything else going on.

Ms. Cannon asked if you want to look at changing that number upward?

Mr. Hill replied only if we think it is realistic.

Mr. Truitt said I don't know what the elasticity is if you change to hard bill how much, is it 10% increase or is it 30%?

Ms. Cannon said especially if there is an incentive to pay up front and get a discount.

Mr. Robbie McCraw said they basically survive off of their calls?

Ms. Cannon replied it is a little short. Some of it is county funded. I guess that you could look at the amounts they end up writing off but that is through another company. We can get them to look at it.

Mr. Hill said the other things we need to look at with that is that if people calls for emergency service they need to pay for it or if they don't want a transport they are still going to get charged. We get a lot of refusals.

Mr. Robbie McCraw said I thought it was after the 3<sup>rd</sup> time.

Mr. Truitt replied that is how it is now.

Mr. Martin asked how much we still lack?

Mr. Robbie McCraw showed him the number.

Mr. Hill said that is 3 cents.

Mr. Martin said looking at the school budget, that hadn't factored in yet.

Ms. Cannon replied exactly. We need some guidance on that.

Mr. Martin asked you have factored in the capital outlay?

Mr. Robbie McCraw replied it is in the school budget.

Ms. Cannon said I think they have about \$400,000.

Mr. Martin asked if schools is the only place left?

Ms. Cannon said I don't know if you remember at last meeting we talked about how much of the delinquent taxes were budgeted in to cover the shortfall. Right now, we have \$1.5 budgeted.

Mr. Martin asked if we think we will get \$1.5?

Ms. Cannon replied I hope we at least get that, I hope we get more.

Mr. Hill said we are going to have to step up and move forward as fast as we can. We are spending that so the next year, 2 years down the road you are not going to have it. We are still using that to cover our expenditures. That is just a short bank account for 2 or 3 years.

Mr. Truitt replied it absolutely makes sense, but it also is true that it is money that wasn't available in past years to cover. I think it has been part of why the fund balance has come down. I would love to see that money back in the fund balance.

Mr. Robbie McCraw said their total capital outlay is \$844,572.

Ms. Cannon asked if that includes purchase services?

Mr. Robbie McCraw replied no, just capital outlay. We have raped our CIP, that's what needs to happen to them too.

Mr. Hill stated these don't match the CIP.

Mr. Robbie McCraw replied I still want to know what purchase services is.

Ms. Cannon said that she asked about the purchase services in other categories. I did not see it in facilities. I imagine it would be like fire extinguisher contracts and all those maintenance contracts.

Mr. Robbie McCraw said I would be curious to know. Over in proposed food service, if there are less students why is there \$178,000 in increases there. There is \$70,000 of food capital outlay.

Mr. Hill said you look at Caroline County who has 1000 less students and they operate cheaper.

Dr. Littrell asked how much the contract is with the food service?

Mr. Robbie McCraw stated I don't know. When you look at food service it takes about collected income, but it doesn't say what the contract is and I am not sure how that works.

Dr. Littrell asked if it includes the food?

Mr. Robbie McCraw said it looks like we buy it separate. They really cut the text book fund, it must mean they are not going to replace any text books.

Mr. Hill stated that they computerize it in a lot of classes. It will probably increase next year. Did they include the debt last year?

Mr. Robbie McCraw said I don't think they put it in our book last year but they did this year.

Mr. Hill replied because the amount has gone down \$85,000.

Ms. Cannon said that is what it says in our budget to. I did go in and change the required local effort based off the numbers. Our required local effort is \$7,471,162 and we are about \$4 million over and when that changed it went down to about \$3.8 million.

Mr. Hill said our local required effort went down from last year. What we are required to pay the school board went down but they are asking for \$782,000 more.

Mr. Robbie McCraw asked the \$844,000, if you add this \$70,000 on food service that puts us at?

Ms. Cannon replied \$914,000.

Mr. Robbie McCraw said cut their capital outlay out like we have done ours.

Mr. Hill asked where that leaves us?

Mr. Robbie McCraw said that takes care of it.

Mr. Hill replied it can't be that easy.

Ms. Cannon said I wouldn't say cutting almost \$1 million in capital outlay will be easy.

Mr. Hill replied I mean the numbers.

Ms. Cannon said I do know when Cana Refuse is open, 8-5 Monday through Friday close 1 to 2 for lunch and 8-1 on Saturday.

Mr. Hill said we should eliminate at least one day.

Ms. Cannon said it balances the budget if we remove the outlay.

Mr. Hill replied I am all for that.

Mr. Martin asked for cutting out capital outlay?

Mr. Hill said the only thing, I want to look at, this is what bothers me, their capital outlay never matches this stuff.



Ms. Cannon said I think they ask us to fund things they don't take care of internally. I think they look at them separately. You don't typically see buses in their capital outlay on their side, they usually rely on the board to fund the buses.

Mr. Robbie McCraw said it is just like Rex has said with everything else, as the money comes in we can do things.

Mr. Hill replied all we need to do it prioritize it.

Mr. Robbie McCraw said that is giving them their raises and everything else. It is covering the 12% on their insurance, correct? We are just taking capital outlay out.

Mr. Truitt replied whatever amount of money you decide to give them, they will have to decide what to do with it.

Mr. Hill responded, just like we have to do, what the citizens decide to give us.

Ms. Cannon said on some of my capital outlay like Farmers Market, part of that capital has an offsetting revenue. Like the Sheriff's Department vehicles, I only propose taking out 80 because they are already under contract for 120. There may be some CIP that they have contracts with. If they have to be funded, it is going to have to come from somewhere.

Mr. Robbie McCraw said if we had somebody here tonight to explain to us we could find out those questions.

Mr. Martin replied I am with you Rex, if we can cut out capital outlay or postpone they can, but I think it is good business instead of giving them a Saturday night to surprise we come face to face.

Mr. Robbie McCraw said they were asked for somebody to be here tonight, so we could ask questions and we were denied.

Mr. Martin replied I didn't know that. I was wondering why we hadn't invited them.

Mr. Hill said in reality if you look everywhere else they are just like we are right now. Grayson County, Wythe County if you read the newspapers they sit there and discuss these issues.

Mr. Phillip McCraw stated when they fail to come that says do what you need to do.

Mr. Robbie McCraw replied I have high respect for everybody on the School Board and all the teachers and everything that they do. I think they do a very good job but knowing the situation we were in and still come in and ask for that much money. That put us in a very bad spot.

Mr. Martin stated frankly, what I have seen in the past is regardless of what amount of money you allocate they want more and that is human nature, but we can't tell them where to cut.

Mr. Hill said if you have a grandkid and give them a candy bar and he wants another one. He eats that and wants another one, somewhere you have to say no.

Mr. Robbie McCraw said that \$782,000 is 3 cents on the tax rate. I don't think anybody wants to see taxes go up. I would also recommend that we do our allocations to them by those categories.

Mr. Hill replied we need to do it.

Mr. Robbie McCraw said that is not going to make them happy but...

Mr. Martin replied set it up by category.

Mr. Hill replied just like it says in the Code.

Ms. Cannon said we have done it here a while back.

Mr. Hill said the Code also says their budget to post it as soon as we approve and shall include the local required effort but they didn't used to do.

Mr. Martin stated, while I am feeling brave I think we have sent the wrong message to the employees that are under the County. The road to the bad place is paved with good intentions. The motion was made and passed to not do any raises but in certain areas. That was bad enough, but the other part of the motion was to do an analysis of job performance at the same time which makes it sound like you don't deserve a pay raise because your work level is not up to snuff.

Mr. Hill said that is a job task analysis.

Mr. Martin replied I am just saying.

Mr. Hill said the intent of that is just like we have had the discussion in here about maybe taking away the maintenance for the schools and putting everything under one roof then we charge schools for any maintenance we do. We keep tabs of what is required, it is our people. Essentially all they are doing is renting from us anyway. What happens when they want to close a school, they just leave.

Mr. Robbie McCraw replied leave it and dump it back on us.

Mr. Hill said it is our schools, we are paying ourselves the rent by the debt. If we don't have say, I mean I see cracks in the old middle school now and if something is not done then it is going to be just like Woodlawn. It is not safe. I have not got to with the folks. I know at Giles County, everything is under Giles County it is not under the school. The school buses, the garage it is all under the county then they get charged.

Ms. Cannon said we have a similar agreement with Social Services, I just invoiced them today on the MOU for rent of the building and parking lot spaces and those sorts of things. There is a history of that.

Mr. Hill said that it is within our pursue to do those things.

Mr. Martin said I like the round robin discussion, but I also have to remind myself that we are setting out in open session and whatever we say, Mr. Reporter over there can record. I am just talking to myself.

Mr. Hill replied I don't mind saying those things. I am looking at trying to save money for the citizens of Carroll County.

Mr. Martin stated I am too, but I am just saying that I have to give myself a word of caution because you know.

Mr. Robbie McCraw said I look at it as if we would have left it like it was we are looking at a 3-cent tax increase plus an assessment coming up. That is just not good business.

Mr. Hill replied that is why I showed you the chart. If you look at Northern Virginia it probably goes like that, property taxes because they have people coming in and paying higher dollars for the same piece of property over 2 or 3 years. We don't have that luxury.

Mr. Martin said I recently sat down with one of the employees of the county whose name shall only be known to God and me. They were upset about several of the things that we had done. Everything you said is true but also, I look at the morale and I don't

know how high the morale is. If somebody said Bob, you are not getting a pay raise and also we are going to do a job performance analysis on you I wouldn't like it.

Mr. Hill responded, let me ask you this. If you are a Constitutional and you only get 3% every 4 or 5 years but the county gets pay raises every year, who is more upset? Some pay raises have been up to 41% since 2010. We can talk about those things as well.

Mr. Martin said I don't have all the answers, but we are only as good as the employees that we have. My next-door seat mate Dr. Littrell made a point at some time about the importance of the employees.

Mr. Hill said you also have to look at the importance of the citizens and what they have to pay.

Mr. Martin replied I agree with everything you have said. To make this thing work we are going to have to get junkyard mean.

Mr. Hill replied exactly.

Mr. Martin said that means collecting unpaid taxes. I passed out legal information in open session which may have been a mistake because press now gets it, but it is still the law.

Mr. Hill replied you can look up the Code of Virginia anytime you want.

Ms. Cannon said you had asked at the last meeting for some information and I went ahead and gathered it for you and this is all information taken from regional financial reports from adjacent counties.

Mr. Phillip McCraw said we have major debt that we are facing. We have some that is going to come off in a few years, but we are tight against it right now. Did you ever go to town with your dad and he told you before you left the house I haven't got much money, don't be asking for a whole lot today?

Mr. Martin said it is bad when Carroll County leads the Regional Jail in inmates and it is just as bad for uncollected taxes if we lead all these other surrounding counties in percentage of uncollected taxes. I'm telling you, I am willing to be mean as a junkyard dog, but you put everything on the table as you carry it forward. It is not right that my mother in the grave didn't have squat and she paid her taxes religiously. Built in there was paying for a whole lot of wealthy affluent people who weren't paying their taxes. It is just not right, and you look at these delinquent taxes for the years.

Mr. Hill responded don't hold back, tell us how you really feel.

Mr. Martin said I pay my taxes and my bills, and I pay a whole lot of taxes. The only thing good about this would be if Carroll County had a triple-A baseball team and they would be leading the whole region with their baseball team, but it is unpaid taxes. That is just not right. The next thing is, I thought we lowered the boom last year and I swanny to goodness I don't see where anything changed. We didn't get things we asked for towards the end of last year and then this year, am I correct in that?

Mr. Truitt asked if you are talking about things like lists of delinquent tax payers?

Mr. Martin replied yes.

Mr. Truitt responded it would be good if we could get on a more steady program on getting that stuff across and processed. It hasn't been a regular thing.

Mr. Hill said we are going to have to escalate talking people to court.

Mr. Truitt replied it does start with the list.

Mr. Hill replied yes, I agree. We have a list.

Mr. Truitt said the last list we got we pretty much have processed through.

Mr. Hill replied that is the high dollar stuff. This is the other disadvantage, once those people start paying on the payment plan, if they miss a payment we are right back to where we were before. We have to go back and take the property.

Mr. Martin replied you are right, and I am not arguing with you. It is just I hear all of these flowery words, but proof is in the pudding. What does a payment plan mean in the Treasurer's Office and we had the authority to find out what it means and so forth?

Mr. Truitt stated you are right. It gets to a point where there diminishing returns but what does happen as you go through the process with each list is a certain amount of them don't want to be in the paper and they pay. A certain amount don't like that they got sued and they pay and a certain amount can't afford it and need a payment plan. We have got several hundred thousand of dollars from that list that we processed. If we were doing a list like that at least every six months that would be a good thing.

Mr. Hill said we still have people that we have not worked on that is on that list.

Mr. Truitt replied I don't think so. They all have at least gotten their initial notifications and most of them have had suit filed against them if they didn't respond.

Mr. Robbie McCraw said I know several of the counties it is published on their County website. The list is there an updated frequently.

Mr. Truitt replied we can do that to, if we had it.

Dr. Littrell asked on these numbers are they for each year or is it a running number?

Ms. Cannon said those are for each year, but I mean it is a cumulative number. Basically, what it is its all classes of taxes that are delinquent. It is personal property, real estate, merchant's capital, mobile homes, all classes of taxes that are delinquent. It is basically a 10-year average so in 2009 it was 2.5 and in 2018 there is now 5.1.

Mr. Robbie McCraw asked if that is just a 10-year average?

Ms. Cannon replied that is not an average, that is what it is now. That is what is was as of June 2018.

Mr. Truitt said it takes into account anything that has been collected and anything that has become uncollectable because it aged out and anything that has been added.

Ms. Cannon said we have had another tax year and 2019 is not included in that.

Mr. Robbie McCraw replied and we don't know what fell off?

Dr. Littrell asked about the 23.66%?

Ms. Cannon stated that is the percent to the levy that was originally billed.

Dr. Littrell replied so we are collecting about  $\frac{3}{4}$  of what we billed?

Ms. Cannon replied ummhummm.

Dr. Littrell said most businesses would go out of business if they did that.

Mr. Martin replied you dang right.

Mr. Hill stated we are close. Is there any more damage that we can do tonight?

Mr. Martin replied so we are probably going to one of the few places left which is the school side. I am disappointed that they were asked, and they didn't come. All of this just worries me.

Mr. Hill responded I sit up at night worrying as well.

Mr. Martin said I just feel like if I am going to sweat there should be some other people sweating too.

Mr. Hill asked going forward is everybody in agreement on this or do we need to look forward?

Mr. Robbie McCraw replied as long as they don't come back and tell us there are certain things.

Mr. Truitt said I had a question for you all, I was waiting until we got to this point. They will be doing a presentation to you on Monday and obviously it has whatever this groups decides to do about what come out of that presentation. It will have a huge impact on the remaining work product.

Mr. Hill replied we won't be doing it that night.

Mr. Truitt said that is where I am going with it. I am wondering if we should even bother presenting ours or if we should wait.

Mr. Hill replied my suggestion is us have a meeting the next Thursday after, so we can review what we learned there and then look at what we need to do. So, whatever is presented we can get questions asked and come back and discuss what we think we should do. Robbie spent a lot of time on that I can tell. That needs more work than somewhere else I was working.

Mr. Martin responded he appreciates it.

Mr. Hill said next Thursday night at 6:00. Anybody have any suggestions?

Mr. Benny Robinson said having worked in industry since about 15 years old, just some comments and I don't want to impeach myself. I've had to do operating plans and spending plans most of my entire life, but I never did them without department heads being present, every single one of them. If your department wasn't in a requirement of needing some approvals and you didn't bother to come to a meeting, we found a new department head. Now I know you have two constitutional officers that you keep referring to that has an election coming up in November. I would be wanting to ask this question for a long time. Who allowed \$5.1 million in delinquent taxes and I am not looking for anybody in the room to say? Who allowed that and you mean to tell me that in the state of Virginia we can't find an issue of dialect of duty somewhere and why we haven't already pushed that button.

Mr. Martin responded in the past we got some misinformation from legal advice. It's one, not the only thing and the story was that you are really limited on what you can do for an elected position such as the Treasurer.

Mr. Robinson replied then you go to the court system.

Mr. Martin said within the last few weeks, Carroll County is under the, four counties in Virginia chose county board form of government and the attorney firm that we have employed they recently stumbled upon some things that we weren't informed of.

Mr. Robinson said I appreciate that effort. It is long past due. Let me just make some bullets. Industrial psychology for a number of years has promoted and has pretty much sold any major industry on the fact that you do not have 100% workforce that is all good. It is not true in Carroll County either. If you look at the demographics of a workforce

there is the pareto analogy is there and there are some that are performing at high level. I used to say in my work, we got 20% of the people doing 80% of the work. Let's kind of get off this idea that everybody in Carroll County is great because the project doesn't show it. Let me just make another bullet and I am not looking for an argument, just planning some seeds to think about. In 40 years in aerospace I went through three major periods of time when the defense industry and the aircraft industry almost went belly up. We quoted contracts in the early 70's doing the borel embargo at cost just to keep the doors open and keep the good people that we had employed. It happened again during the Jimmy Carter Administration and it has happened throughout history. There is nobody in this world that deserves a raise every year. I went through periods of time when I didn't get a raise and you suck it up. Industrial psychology also says that a yearly merit increase lasts about 3 weeks in morale. That is about the life expectancy of it so that leaves 49 weeks for everybody to deal with it. Everybody that don't get a raise is not going to walk out the door I can promise you. You are not going to be standing here void because where else are they going to go in Carroll County? We don't have any jobs for them to go to. I appreciate what you guys are doing, but I just sit back there and cringe when I say everybody that is a department head in Carroll County is throwing the problem over the fence to you guys and asking you all to deal with it. You look confused.

Ms. Cannon replied I am not confused. I don't per say agree with that mentality.

Mr. Robinson asked how many department heads do we have in Carroll County?

Ms. Cannon said our department heads are doing their job in identifying the areas in which they need increased expenditures.

Mr. Robinson asked why are they not in here defending it rather than you guys wrestling with it? I never in my life ever wrestled with one of my subordinates and asked their department. You put your budget together, you put your spending plan together. By the way it is really not a budget, it is a spending plan. It is an approval of a spending plan. I only offer what I have to say I am just amazed at all the hand wringing.

Mr. Robbie McCraw asked when you are referring to department heads are you referring to the ones that are under county general or are you referring to like the schools?

Mr. Robinson replied who has spending plan profit and loss accountability.

Mr. Truitt replied nobody. Revenue is under one person and several different parts of the expenditures are under others. When you do a budget in business the first thing you do is figure out where your revenue is going to come from and what you can afford to do. It doesn't work that way. None of the department heads that work for me have any impact on that except for very small amounts like if we make some money off of selling some souvenirs or some produce.

Mr. Robinson said we are on divergent paths here. I pretty much understands how business works and I kind of understand a little bit about how government works. They are two totally different concepts to balancing the books. When I am referring to a department head I am not referring to you or you or you. I am talking about the PSA, the Solid Waste Authority anybody who has budget or spending plan authorization and has the responsibility to making sure that balance should be here in a meeting. I also think quite frankly you have to find a way to get the Constitutional Officers here as well.

Ms. Cannon said our definition of department head is Ricky Dowdy, the Maintenance Director.

Mr. Robinson replied that is not what I mean.

Mr. Robbie McCraw said that is why I was confused. Solid Waste Authority is pass through.

Mr. Hill said they are their own entity. We are their payroll agent.

Mr. Robinson replied let me go back to my point. We can pick Solid Waste and say they are pretty well off by the way. We could take a few lessons from them I'll tell you that much. I want to help you guys not have to wrangle with empty chairs. You have nobody here to answer the questions. It is not fair to you.

Mr. Hill replied we only invited the School Board.

Mr. Robbie McCraw said a member is what we asked for or somebody to answer questions.

Mr. Robinson said I came and listened to a PSA pitch this last meeting and I just have to make one comment. Nowhere in that pitch did it answer the question, what is our projected revenue gonna be and what is our expenses? Nowhere in that whole pitch. If I had of had a college degree engineer working for me who couldn't put that pitch together and answer that question they wouldn't have come back the next day. Thank you very much.

Mr. Phillip McCraw said we have to look at what increases the people in the county has come up with in the last year. Their pay has not increased much. I hope we don't even have to think about a tax increase.

Mr. Robbie McCraw replied I won't vote on a tax increase.

Unknown citizen from audience, our tax rate is \$.70 per hundred. These other counties that you are comparing yourself to is only \$.49. We are overtaxing our people. I worked out of town for 25 years so that I could pay my taxes. We are digging holes for our citizens.

Mr. Hill said we have an older citizenry in Carroll. We don't have a middle class. We have lost over 300 students in Carroll County since 2010 but their funding keeps going up. Their debt payments have stayed the same since 2010 so we have to ask ourselves where we are spending the money?

Mr. Phillip McCraw replied like I said before when we went to town with dad he would say don't be asking for a whole lot today and that's what we are trying to do. We are in trouble, we don't have it and we don't want to take more from the people. Let's hold spending.

Dr. Littrell said we probably need to take a closer look at these capital expenditures that the School Board has asked for and unless it is an absolute that they are already committed for see if they can defer like we are deferring.

Mr. Martin stated about ¼ of the people are not paying their taxes, was that said?

Dr. Littrell replied it is about 25%. That may not be people.

Mr. Hill said looking at the last thing that was sent out it was a chunk of 20 people where most of the taxes were collected. It's not many.

Mr. Martin said some people it doesn't matter what the tax rate is because they are not going to pay. The problem is, the ones that are paying they get hit even harder.

Mr. Hill said you pay the same whether they pay or not. We get hit harder. I appreciate the work that everyone puts into this. It is not easy, it is difficult to make cuts, but I appreciate what you did with the school stuff.

Mr. Robbie McCraw replied the more I got into it the sicker I got.

Mr. Hill said this is the first time we have had to have tough love. Think about it, have we ever made a cut.

Mr. Robbie McCraw replied not to the school system while I have been here.

Mr. Martin said we are in a vicious cycle. This tough love may go on for some time.

Mr. Hill responded I tried to tell you 3 years ago.

Mr. Martin replied I know, you could see what was coming.

Mr. Hill said I was just looking at the numbers. When they say it is going to get better in 2021, when that gets here we have done taken that savings that we might get.

Mr. Robbie McCraw said we have used our savings to survive.

Mr. Hill replied we have to look forward and next year we are going to have to make a plan. We are going to have to find another funding source or raise taxes. No matter what you do something is going to have to be done. We need to move forward and starting July 1 we need to look at the budget.

Ms. Cannon asked if you want to talk about the board packet?

Mr. Hill replied I do. I sent this out, we will have one packet that we get and that is going to be the one that is on the website. The other thing, Crystal has a drop-dead date of noon on Wednesday prior to the board meeting. If you have anything that you want on the agenda get it to her. After that point if something comes up we will have to approve it in the agenda. It's not a problem, we have had confusion about one of the things being in the consent agenda and that caused some heartburn. We need to make sure and that is one way to do it. Steve, are you going to be working on getting us a where you can review the packet, just go on the website and click a shortcut to take you right to.

Mr. Truitt said I can email you a shortcut, but it is always there.

Mr. Hill replied right, that is just one way you can go to the website. Has everyone got internet access?

Ms. Adams replied that it is actually there as I get it.

Mr. Hill said that way she don't have to drive all over passing out the usb. Steve has said it several times but I look at the packet, so we are not thinking on the same.

Mr. Truitt said we just had a situation where we couldn't get you another fast enough. We did have the paper.

Mr. Hill replied we can print through that sheet and if there is anything that needs to be brought up just bring it up and we will add it to the agenda. It was just one of those things that happens.

Ms. Adams said that PSA is following suit, so it will be online as well.

Mr. Hill replied we are finally getting into the 19<sup>th</sup> century.

(Order)

### **ADJOURNMENT**

Upon motion by Mr. Robbie McCraw, second by Mr. Martin 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)

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Chairman

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Clerk