

The regular meeting of the Botetourt County Board of Supervisors was held on Tuesday, March 28, 2017, in Rooms 226-228 of the Greenfield Education and Training Center in Daleville, Virginia, beginning at 12:45 P. M.

PRESENT: Members: Mr. L. W. Leffel, Jr., Chairman
Mr. John B. Williamson, III
Dr. Donald M. Scothorn
Mr. Billy W. Martin, Sr.

ABSENT: Members: Mr. Todd L. Dodson, Vice-Chairman

Others present at the meeting:

Mr. Gary Larrowe, County Administrator
Mr. David Moorman, Deputy County Administrator
Mr. Michael W. S. Lockaby, County Attorney

The Chairman called the meeting to order at 12:45 P. M.

On motion by Mr. Leffel, seconded by Mr. Williamson, and carried by the following recorded vote, the Board went into Closed Session to discuss personnel matters regarding specific individuals; the acquisition of real property for public uses or the disposition of publicly held real property where discussion in open session would adversely affect the bargaining position or negotiating strategy of the public body; 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 County; and consultation with legal counsel regarding specific legal matters as per Section 2.2-3711A (1), (3), (5), and (7) of the Code of Virginia of 1950, as amended. (Resolution Number 17-03-01)

AYES: Mr. Williamson, Mr. Martin, Mr. Leffel, Dr. Scothorn

NAYS: None

ABSENT: Mr. Dodson

ABSTAINING: None

The Chairman called the meeting back to order at 2:05 P. M.

On motion by Mr. Leffel, seconded by Mr. Williamson, and carried by the following recorded vote, the Board returned to regular session from Closed Session and adopted the following resolution by roll-call vote. (Resolution Number 17-03-02)

AYES: Mr. Leffel, Mr. Martin, Mr. Williamson, Dr. Scothorn

NAYS: None

ABSENT: Mr. Dodson

ABSTAINING: None

BE IT RESOLVED, that to the best of the Board members' knowledge only public business matters lawfully exempt from open meeting requirements and only such matters as were identified in the motion to go into Closed Session were heard, discussed or considered during the Closed Session.

Mr. Leffel welcomed everyone to the meeting and asked for a moment of silence.

Dr. Scothorn then led the group in reciting the pledge of allegiance.

After questioning by Mr. Leffel, it was noted that no one was present to speak during the public comment period.

There being no discussion, on motion by Mr. Leffel, seconded by Mr. Martin, and carried by the following recorded vote, the Board approved the following consent agenda items: (Resolution number 17-02-03)

AYES: Mr. Williamson, Mr. Martin, Mr. Leffel, Dr. Scothorn

NAYS: None

ABSENT: Mr. Dodson

ABSTAINING: None

Approval of minutes of the regular meeting held on February 28, 2017;

Approval of the following transfers and additional appropriations:

Transfer \$369.32 to Central Purchasing – Store Supplies, 100-4012530-12530-6021, from various departments as follows for store supplies usage:

\$213.00	Economic Devel. – Marketing, 100-4081500-81500-5840
\$ 3.59	Waste Management-Office Supplies, 100-4042400-42400-6001
\$107.97	Deputy Co. Admin. – Office Supplies, 100-4012120-12120-6001
\$ 18.40	Financial Services - Office Supplies, 100-4012430-12430-6001
\$ 14.36	Purchasing - Office Supplies, 100-4012530-12530-6001
\$ 12.00	Maintenance – Office Supplies, 100-4043000-43000-6001

Transfer budgeted funds of \$4,400 from Circuit Court – Capital Outlay – Other Capital, 100-4021100-21100-8012 to Clerk of Circuit Court – Capital Outlay – EDP Equipment, 100-4021600-21600-8007. These funds will be applied to cabling/telephone installation and security system costs charged to the Clerk of Circuit Court account.

Additional appropriation in the amount of \$1,462.94 to Sheriff's Department – DMV Salaries, 100-4031200-31200-1800. These are DMV grant funds received from the State relating to occupant protection.

Additional appropriation in the amount of \$2,227.00 to Sheriff's Department – RAID Patrol, 100-4031200-31200-5830. This is a quarterly reimbursement of RAID program expenses for the Botetourt County Sheriff's Office Alternative Program.

Additional appropriation in the amount of \$70,113.80 to CIP – Dale Court Water System, 100-4094000-400000-8012-423. These are funds received from the Virginia Department of Health as reimbursement # 1 for the Dale Court Water System project.

Additional appropriation in the amount of \$185.36 to Correction & Detention – various accounts, 100-4033100-33100. These funds are for reimbursement of medical supplies and contract payment costs.

Additional appropriation in the amount of \$1,089.92 to Sheriff's Departments – various accounts, 100-4031200-31200. These funds are for reimbursement of extradition and contract payment costs;

Approval of Accounts Payable and ratification of the Short Accounts Payable List;

Approval of a request for Gala Boat Access Significance Determination and De Minimis Impacts.

Consideration was then held on a letter of support for the Arcadia Initiative conservation project's inclusion in the Virginia Outdoors Plan. Mr. Larrowe noted that Mrs. Genevieve Goss with the Valley Conservation Council was present at the meeting.

Mr. Larrowe stated that in December the Board heard a presentation from Mr. Chris Wise and Mr. Lee Merrill with the Rockbridge Area Conservation Council (RACC) requesting support for inclusion of the Arcadia Initiative conservation project area in the 2018 Virginia Outdoors Plan. He noted that this project located in northern Botetourt County and southern Rockbridge County would help boost economic development in this area via eco- and agri-tourism, recreation, water quality, and forestry improvement projects.

He noted that the Board delayed formal action on the request to allow staff an opportunity to meet with RACC members to further review information on the project. Mr. Larrowe

noted that staff has met with RACC's representatives and he is recommending that the draft letter of support as included in the Board's information packets be approved.

There being no further discussion, on motion by Mr. Williamson, seconded by Dr. Scothorn, and carried by the following recorded vote, the Board expressed their support of development of regional, multi-jurisdictional efforts to conserve a landscape scale area in southern Rockbridge and northern Botetourt counties and directed staff to forward a letter of support to the Virginia Department of Conservation and Recreation requesting inclusion of the Arcadia Initiative project in the 2018 Virginia Outdoors Plan. (Resolution Number 17-03-04)

AYES: Mr. Williamson, Mr. Martin, Mr. Leffel, Dr. Scothorn

NAYS: None

ABSENT: Mr. Dodson

ABSTAINING: None

Mr. Williamson then presented the Board members with a copy of a letter from the United States Department of Agriculture Forest Service regarding a ruffed grouse vegetation management project on Jefferson National Forest land in the County.

He noted that the Forest Service has completed a draft environmental assessment on 2,169 acres of their property located along the Blue Ridge Parkway between Camp Bethel in Nace and Buchanan to provide for the production of forest products while improving wildlife habitat for grouse and other animals including turkey, deer, small game, and birds. Mr. Williamson noted that this vegetation project will include clear cutting, thinning of trees and brush, etc., to improve the habitat for grouse and other wildlife.

Mr. Williamson noted that a resolution of support for this project had been included with the information provided to the Board.

There being no further discussion, on motion by Mr. Williamson, seconded by Mr. Leffel, and carried by the following recorded vote, the Board adopted the following resolution supporting the Pulaski Ruffed Grouse Vegetation Management Project in Botetourt County.

AYES: Mr. Williamson, Mr. Martin, Mr. Leffel, Dr. Scothorn

NAYS: None

ABSENT: Mr. Dodson

ABSTAINING: None

Resolution Number 17-03-05

WHEREAS, the Forest Service is evaluating implementation of "The Pulaski Ruffed Grouse Vegetation Management Project" (The Project) in the Glenwood Ranger District of the George Washington and Jefferson National Forest located in an area of the National Forest approximately five miles south of Buchanan, Virginia, and lying on the lower slopes of the Blue Ridge in generally mountainous terrain; and,

WHEREAS, the project focuses on the vegetation management objectives of the 2004 Revised Jefferson National Forest and Resources Management Plan related to Ruffed Grouse and Woodcock Habitat Emphasis areas, specifically designed to provide improved habitat for the ruffed grouse; and,

WHEREAS, the Botetourt County Board of Supervisors believes that improving ruffed grouse habitat in the National Forest of Botetourt County is important to the hunting community and to the tourism and outdoor recreational interest of the County; and,

WHEREAS, the Board of Supervisors believes the location and scope of The Project is appropriate and an important first step for enhanced ruffed grouse habitat in the County; now, therefore,

BE IT RESOLVED, that the Botetourt County Board of Supervisors does hereby express its full support for implementation of the proposed Pulaski Ruffed Grouse Vegetation Management Project designated as Alternative 2; and,

BE IT FURTHER RESOLVED, that the Clerk of the Board is directed to provide a copy of the Board's resolution to: District Ranger, Glenwood and Pedlar District, Pulaski Vegetation Management Project Scoping Committee, 27 Ranger Lane, Natural Bridge Station, VA 24579.

Mr. Leffel then noted that Mr. Dodson is not in attendance at today's meeting.

A staff review was then held on the EMS Cost Recovery billing process. Mr. Jason Ferguson, Battalion Chief, stated that the Department of Fire and EMS issued a Request for Proposals (RFP) last fall to contract with a third-party billing vendor for emergency medical patient care billing. He noted that the Board approved this contract with EMSMC in December.

Mr. Ferguson stated that since that time staff has met with EMSMC to review the third-party cost recovery billing program which has been in place since 2005 and to discuss options for capturing additional revenues. He noted that staff and consultant are recommending the following strategies and action items be considered: non-County resident hard billing, rate adjustments, billing for supplies, billing for treatment/no transport, and motor vehicle collision billing.

Mr. Ferguson stated that, regarding non-County resident hard billing, the County currently does not directly bill residents for emergency transport expenses; however, their insurance companies are sent an invoice for these costs. He noted that, if the County does not have insurance information for non-residents, the non-resident receives a bill for the actual cost of their emergency response service. Mr. Ferguson stated that, at the federal level, there has recently been some clarification as to how local governments handle residents versus non-residents in these types of billing situations.

He noted that in 2016 over \$119,000 in bad debt was written off by the County for non-resident charges.

Mr. Ferguson stated that staff is recommending that the current billing practice be changed for non-County residents and requests approval to issue a RFP for collection agency services in an attempt to try to obtain these additional monies to increase the County's revenues. He noted that the average cost for this type of collection agency service is approximately 20% of the net revenues collected.

He further noted that currently non-residents and their insurance companies receive three notifications of bills for emergency transport services. Mr. Ferguson stated that, if no revenues are received after 90 days, the balance is written off as bad debt. Mr. Ferguson stated that the County will not garnish an individual's paycheck, tax refund, etc., to recoup these monies

After questioning by Mr. Williamson, Mr. Ferguson stated that when the EMS staff transports these individuals to the hospital they obtain patient contact/insurance information for the electronic records (ImageTrend) system. After further questioning, Mr. Ferguson stated that non-resident transports are usually a result of vehicle accidents.

After questioning by Dr. Scothorn, Mr. Ferguson stated that, for unconscious transport patients, EMSMC works with the local hospitals to obtain the patient's address and insurance information.

After questioning by Mr. Williamson, Mr. Ferguson stated that the typical transport charge is between \$400 - \$900, plus mileage, and the typical insurance policy covers 75% - 80% of this fee.

Mr. Larrowe stated that any funds received from non-County residents in this situation would be used for fire/EMS projects included in the Capital Improvement Plan.

After questioning by Mr. Williamson, Mr. Tony Zerrilla, Director of Finance, stated that he included some of these anticipated revenues in the proposed FY 18 budget.

There being no further discussion, on motion by Mr. Williamson, seconded by Dr. Scothorn, and carried by the following recorded vote, the Board authorized staff to advertise for a Request for Proposals to evaluate and select a collections agency that meets the needs of the County and realign billing practices with the current vendor to hard bill non-County residents for EMS transport costs. (Resolution Number 17-03-06)

AYES: Mr. Williamson, Mr. Martin, Mr. Leffel, Dr. Scothorn

NAYS: None

ABSENT: Mr. Dodson

ABSTAINING: None

Regarding rate adjustments, Mr. Ferguson stated that EMSMC has also evaluated the current cost recovery rates. He noted that these rates are between 150% and 167% of the Medicare allowable charge as Medicare sets the lowest bar for EMS transport cost recovery. Mr. Ferguson noted that private insurance carriers pay more reasonable, market-value prices for these transport services.

Mr. Ferguson noted that staff will draft a revised rate resolution for consideration by the Board in the next few months to adjust all EMS transport billing rates to 167% of the Medicare-allowable rate.

Regarding billing for supplies, Mr. Ferguson noted that the County currently has a flat fee to bill patients for supplies used during their transport to the hospital. He noted that the County has an exchange agreement with the Regional EMS Council and the hospitals for the bulk of disposal medical supplies; however, not all supplies are included in this agreement and the costs of some of these expensive items are not recouped.

He noted that staff and EMSMC are developing a list of high-cost supplies not covered by the exchange agreement. He noted that these supplies, when used during a transport, will be billed as a separate charge to the patient and/or their insurance company in addition to the base transport fee.

After questioning by Dr. Scothorn, Mr. Ferguson stated that no action by the Board is needed on this matter at this time.

Regarding billing for treatment/no transport, Mr. Ferguson stated that there is currently no cost recovery measure in place to bill patients or their insurance company for situations where a person required medical treatment but not transport to a hospital. He gave an example of a diabetic patient who is found unconscious due to a drop in their blood sugar but once they are given an IV with liquid sugar they regain consciousness and do not need or want to be hospitalized. Mr. Ferguson stated that an ambulance and paramedic are dispatched on these types of calls and their time, supplies used, resources, and fuel are not able to be recouped through the existing cost recovery billing system.

After questioning by Dr. Scothorn, Mr. Ferguson stated that when an EMT is sent on a call there is one fee charged; however, when a paramedic responds to a call a separate fee is assessed. After further questioning by Dr. Scothorn regarding "time being a factor of billing," Mr. Ferguson stated that time is not considered but each call is considered an "event."

Mr. Ferguson noted that, at this time, the County has no provision to recover the costs for non-transport patient EMS response. He noted that Medicare does not currently pay for such costs but most private insurance carriers do allow for costs of medical care in these situa-

tions. Mr. Ferguson stated that staff is recommending that the Board institute a fee structure for “Treatment, No Transport” response. He noted that staff is drafting amendments to the County Code to implement this cost recovery fee and they should be completed in the next few months and brought before the Board of Supervisors for public hearing.

Regarding motor vehicle collision billing, Mr. Ferguson stated that it has been a challenge to obtain revenues from these types of EMS response situations because of difficulties in obtaining insurance information from those involved in vehicle collisions. He noted that staff will work with its current fire reporting contractor to develop a mechanism to obtain the necessary data from vehicle owners involved in collisions in order to recover more of these response costs.

Mr. Ferguson noted that no action is required by the Board of Supervisors on this matter.

There being no further discussion, the Board thanked Mr. Ferguson for his review of these cost recovery findings.

Mr. Leffel then recognized Mr. Ray Sloan as being present at the meeting.

Mr. Kevin Hamm, Maintenance Operations Manager, and Mr. Brian Blevins, Assistant Resident Engineer, with the Virginia Department of Transportation, were then present to speak to the Board. Mr. Hamm then reviewed VDoT’s monthly report. He noted that \$3.5 million in pavement repairs, resurfacing, and guardrail repairs on I-81 from mile marker 149.5 to the Route 779 (Valley Road) overpass should begin in the next week couple of weeks. He noted that this work will be done at night from Sunday through Thursday.

Mr. Hamm noted that the Exit 150 project is proceeding and the new roundabout is “starting to take shape;” however, there may be lane closures and traffic shifts during this construction. He stated that this portion of the Exit 150 project should be completed this summer. He further noted that work will start up again this week on the rehabilitation project on the I-81 bridge over the James River at Buchanan. He stated that, because of the nature of this work, motorcycles coming through this area will be detoured off the interstate onto U. S. Route 11 until this fall.

Mr. Hamm then stated that the bridge replacement on Route 11 over Beckner Branch began earlier this month. He noted that traffic in this area has been reduced to one lane in each direction on the southbound side of the bridge while the northbound lanes are replaced. Mr. Hamm noted that there was some conflict with a school bus stop located within the construction work zone; however, the construction manager has contacted the County school system to resolve this issue. He stated that this traffic pattern will be in place until this fall and the project’s completion date is November 2018.

Mr. Hamm stated that VDoT has been reviewing one land development project— water-line replacements along various routes by AquaVirginia—and have issued a total of six private entrance, utility, and special event permits over the past month.

He further noted that as the weather is improving various road repair projects are beginning including the Buhrman Road Rural Rustic Road (RRR) project which should begin next week. Mr. Hamm noted that, when the Buhrman Road project is completed, work will begin on the McFalls Road RRR project once all needed funding is available. He stated that any funds remaining from the Buhrman Road project will be transferred to the McFalls Road project. Mr. Hamm further stated that the McFalls Road project is scheduled for the summer of 2018; however, if adequate funds are available, work could begin this year.

After questioning by Mr. Williamson, Mr. Hamm stated that the pavement repairs on Routes 606, 640, etc., will be scheduled when the asphalt plants open in April for their spring operations.

After questioning by Mr. Martin, Mr. Hamm stated that McFalls Road will be paved with a total of four layers of tar and gravel surfacing.

Regarding traffic engineering study requests, Mr. Hamm stated that VDoT has completed the Town of Buchanan's request for review of the Newtown/Spotswood Avenue intersection. He noted that VDoT has recommended that additional signage be installed to warn drivers of this intersection. Mr. Hamm stated that a request was submitted late last year for "GPS not recommended" signage on Catawba Road (Route 779) from the Roanoke County line to Little Catawba Creek Road (Route 600). He further stated that their traffic engineering staff reviewed this situation including three years of crash/accident data and recommended no changes to the speed limit or the installation of any other truck routing signage at this time; however, a couple of warning signs will be placed.

Mr. Hamm further noted that, upon request, VDoT conducted a review of Route 1125 (Boone Drive) in Troutville and determined that 25 mph speed limit signs were needed. He noted that these signs will be installed within the next few weeks.

Mr. Hamm then stated that the Board had been provided with a listing of County roads scheduled for surface treatment, slurry seal, latex, and plant mix paving from May to August 2017. He noted that these paving projects will cost \$13.5 million. He further noted that the work in 2017 will concentrate in residential streets located behind Lord Botetourt High School over to Catawba Road and in 2018 the roads from Haymakertown Road back toward Fincastle will be paved.

After questioning by Mr. Williamson, Mr. Hamm stated that Route 11 from Route 640 to I-81 Exit 162 will receive plant mix this year.

Mr. Hamm further noted that Mountain Pass Road (Route 652) will receive plant mix as well as have ditch and should work completed this year.

Dr. Scothorn then thanked Mr. Hamm for his attendance late last week at a meeting of the property owners along British Woods Drive in Diamondback Subdivision.

Mr. Leffel then noted that he and the other Board members had received a copy of a petition and a letter from the residents of Clyde's Run (Route 697) located off of Buhrman Road requesting that their gravel road be paved. He asked that VDoT keep aware of this citizen request.

Mr. Hamm stated that the Buhrman Road surface treatment project will be completed within the next month, followed by McFall's Road. Mr. Hamm stated that when the Board reviews future gravel road funding projects either late this year or in 2018, they will be asked to determine whether White Church Road or Stone Coal Road, which are early in the VDoT RRR development process, or some other gravel road should be paved next. He noted that VDoT is "open" to having these roadway projects move forward in any order.

On motion by Mr. Leffel, seconded by Mr. Williamson, and carried by the following recorded vote, the Board directed VDoT to include Clyde's Run (Route 697) on the listing of gravel roads to be considered for future Rural Rustic Road (RRR) projects. (Resolution Number 17-03-07)

AYES: Mr. Williamson, Mr. Martin, Mr. Leffel, Dr. Scothorn

NAYS: None

ABSENT: Mr. Dodson

ABSTAINING: None

After questioning by Mr. Williamson regarding the amount of funds available for paving projects, Mr. Hamm stated that he could provide Mr. Williamson with a spreadsheet of State and federal funds received over the past few years for paving of Interstate, Primary, and Secondary roads. He noted that a determination on when a specific road in the 12-county Salem District is paved is based on a rating by VDOT personnel of various criteria.

Mr. Hamm further noted that as this past winter did not have many snow/ice events, there may be additional monies available for paving projects this year. He stated that VDOT retains a 3 year listing of “shelf-ready projects” that need to be paved in the event additional funds are made available.

The Board then thanked Mr. Hamm and Mr. Blevins for attending today’s meeting.

Consideration was then held on a Library Incentive Fund request for the Blue Ridge Library. Mr. Steve Vest, Library Director, stated that the Friends of the Blue Ridge Library have submitted a request for \$1,500 in matching funds to convert space at the rear of the Blue Ridge Library into a coffee café similar to the successful café at the Eagle Rock Library.

Mr. Vest stated that this \$3,000 total request will necessitate moving some existing shelving, and includes painting, purchase of a coffee pot, credenza, chairs, electric fireplace, rug, etc. He noted that charging stations and electrical outlets will be installed in some existing tables for patrons’ use with their laptops or other electrical devices.

After questioning by Mr. Martin, Mr. Vest stated that, as you are standing at the front desk, this coffee café will be located toward the windows at the rear of the building on the right hand side of the room. Mr. Martin stated that he believes that this would be a nice area to have at the Blue Ridge Library.

There being no further discussion, on motion by Mr. Martin, seconded by Mr. Leffel, and carried by the following recorded vote, the Board approved the Library Incentive Fund application from the Friends of the Blue Ridge Library in the amount of \$1,500 in matching funds to convert space at the Blue Ridge Library into a coffee café. (Resolution Number 17-03-08)

AYES: Mr. Williamson, Mr. Martin, Mr. Leffel, Dr. Scothorn

NAYS: None

ABSENT: Mr. Dodson

ABSTAINING: None

Consideration was then held on a request for a public hearing to amend Chapter 10. Erosion and Sediment Control/Stormwater Management of the Botetourt County Code to remove provisions regarding MS4 certification. Mr. David Givens, Development Services Manager, stated that in October 2015 the County added Article IV. Illicit Discharge Ordinance to the E&S Ordinance as a requirement of the County’s Municipal Separate Storm Sewer System (MS4) Permit which was issued in July 2013.

He noted that the County was designated as a “Regulated Small MS4” area and obtained a Virginia Pollutant Discharge Elimination System Phase II permit in July 2003. Mr. Givens stated that, during submittal of the last 2 years’ of required annual reports for the MS4 permit, staff reviewed the permit requirements and questioned Virginia Department of Environmental Quality (DEQ) personnel as to whether the MS4 designation was applicable to Botetourt County. He noted that the County does not own/operate stormwater systems in the southern portion of the County except those located within Botetourt Center at Greenfield and Vista Corporate Park industrial parks.

Mr. Givens stated that the County requested and received an "Applicability Review" from DEQ in February 2017 and they determined that the County does not fall under the guidelines for designation as a MS4. He noted that, since adoption of the Illicit Discharge Ordinance was a requirement of the MS4 designation, the County no longer has a need for this ordinance and staff is requesting that a public hearing be advertised for the regular April Board meeting to delete this section from the E&S Ordinance.

Mr. Givens further stated that staff is also recommending that the public hearing include amendments to Section 10-58. Review of stormwater management plan. Mr. Givens stated that, when the E&S Ordinance was amended in 2014, subsections under Section 10-58 were inadvertently removed and staff would like to again include these sections, which have been slightly revised, in the County Code. He noted that these sections pertain to submittal of construction record drawings for all structures within a stormwater management system.

After questioning by Mr. Williamson, Mr. Givens stated that his department has continued to request these record drawings even after these sections were inadvertently removed from the ordinance in 2014. After further questioning, Mr. Givens stated that these are not new regulations.

Mr. Givens noted that subsections (d) through (f) were implemented in 2005 but were left out of the stormwater ordinance revisions approved in 2014. He then reviewed these proposed amendments in further detail and noted that these subsections pertain to dedication of a fee simple lot containing the stormwater management structures to the owner/home association so that this infrastructure will be perpetually maintained.

After questioning by Mr. Williamson, Mr. Lockaby stated that, as DEQ has terminated the County's MS4 Permit, the Illicit Discharge Ordinance is no longer required in the County Code.

There being no further discussion, on motion by Mr. Williamson, seconded by Dr. Scothorn, and carried by the following recorded vote, the Board directed staff to advertise for a public hearing at the April 25 regular meeting to delete Article IV. Illicit Discharge Ordinance from Chapter 10. Erosion and Sediment Control/Stormwater Management of the Botetourt County Code and to amend Section 10-58. Review of stormwater management plan as discussed. (Resolution Number 17-03-09)

AYES: Mr. Williamson, Mr. Martin, Mr. Leffel, Dr. Scothorn

NAYS: None

ABSENT: Mr. Dodson

ABSTAINING: None

Consideration was then held on a request to advertise for a public hearing to lease part of the Blue Ridge Park for a proposed cell tower site. Mr. Jason Ferguson, Battalion Chief, stated that Blue Ridge Towers, Inc., of Roanoke has contacted the County about leasing property within Blue Ridge Park to construct a 199' monopole tower in order to lease space to wireless communications carriers. He noted that County staff met with company representatives and identified a location north of the tennis courts that does not infringe upon or interfere with current, planned, or future development/use by the County.

Mr. Ferguson stated that the staff and the company are trying to parallel the process so that the County would have a lease agreement to review while Blue Ridge Towers files for a Special Exceptions Permit.

He noted that the proposed lease agreement, which was provided in the agenda item for this request, would grant the company a one year option to lease a 60' X 60' ground area at an annual fee of \$1,000 with the option for the agreement to be extended one additional year. Mr.

Ferguson stated that, should the company exercise the lease option, it would be for a term of five years with six five-year renewals at a monthly rent of \$1,250 with 3% annual increases. He also stated that, if the company leases tower space to more than one wireless carrier, the company would pay the County an additional \$250/month for each additional carrier and the County would also be provided space on the tower for the location of an antenna at no cost.

Mr. Ferguson stated that the County Attorney has reviewed the draft option and lease agreement and, as this tower is proposed to be located on County property, staff requests authorization to advertise this lease for public hearing as per the Code of Virginia.

After questioning by Mr. Williamson, Mrs. Nicole Pendleton, Planning Manager, stated that Blue Ridge Towers has not submitted a SEP application for this proposed cell tower as of this time.

Mr. Lockaby clarified that this draft lease document is actually an option.

There being no further discussion, on motion by Mr. Martin, seconded by Dr. Scothorn, and carried by the following recorded vote, the Board authorized staff to advertise for a public hearing at the April regular meeting for consideration of entering into and executing an option and lease agreement with Blue Ridge Towers, Inc., for the location of a monopole tower in Blue Ridge Park, in substantial conformance with the draft agreement, upon the review and approval of the County Attorney, and contingent upon approval of a Special Exceptions Permit. (Resolution 17-03-10)

AYES: Mr. Williamson, Mr. Martin, Mr. Leffel, Dr. Scothorn

NAYS: None

ABSENT: Mr. Dodson

ABSTAINING: None

The Chairman then called for a 5 minute break.

The Chairman called the meeting back to order at 3:03 P. M.

A public hearing was then held on conveyance of the Dale Court Water Corporation's assets from the County to the Western Virginia Water Authority. Mr. Kevin Shearer, General Services Director, stated that the Dale Court water line project has been completed, all water customers have been connected to the new line, and the former well has been abandoned and decertified by the Virginia Department of Health.

Mr. Shearer stated that the County has received all assets including the distribution system, water mains, and any prescriptive easements formerly owned by the Corporation. He noted that a public hearing is required before the County can formally transfer these assets and the new water line to the Western Virginia Water Authority's ownership.

After questioning by Mr. Leffel, it was noted that there was no one present to speak regarding this matter. There being no further discussion, the public hearing was then closed.

On motion by Dr. Scothorn, seconded by Mr. Williamson, and carried by the following recorded vote, the Board authorized County staff to convey the Dale Court Water Corporation's assets from the County to the Western Virginia Water Authority, and authorized the County Administrator to sign all necessary documents on the County's behalf. (Resolution Number 17-03-11)

AYES: Mr. Williamson, Mr. Martin, Mr. Leffel, Dr. Scothorn

NAYS: None

ABSENT: Mr. Dodson

ABSTAINING: None

A public hearing was then held on the transfer of certain property and easements formerly owned by the Botetourt County Service Authority from the name of the Board of Supervisors of Botetourt County to Botetourt County, Virginia, for conveyance to the Western Virginia Water Authority. Mr. Michael Lockaby, County Attorney, stated that in the late 1980s the Botetourt County Public Service Authority was dissolved and its assets/properties were conveyed to the ownership of the "Board of Supervisors of Botetourt County, Virginia."

Mr. Lockaby stated that there are many permutations of the County's name on various recorded documents which makes it difficult to find all of the properties when lawyers conduct title searches. Mr. Lockaby stated, that in order to make future title searches easier, he is proposing to transfer ownership of these former Service Authority properties to "Botetourt County, Virginia." He noted that these properties will then be transferred from "Botetourt County, Virginia" to the Western Virginia Water Authority.

He noted that the Code of Virginia requires that a public hearing be held on the transfer/disposition of public property and this public hearing has been advertised under those provisions.

After questioning by Mr. Leffel, it was noted that there was no one present to speak regarding this matter. The public hearing was then closed.

On motion by Mr. Williamson, seconded by Dr. Scothorn, and carried by the following recorded vote, the Board authorized the Chairman and County Administrator to sign the Special Warranty Deed and/or any other conveyance documents necessary to transfer certain property and easements formerly owned by the Botetourt County Service Authority from the name of the Board of Supervisors of Botetourt County to Botetourt County, Virginia, for conveyance to the Western Virginia Water Authority. (Resolution Number 17-03-12)

AYES: Mr. Williamson, Mr. Martin, Mr. Leffel, Dr. Scothorn

NAYS: None

ABSENT: Mr. Dodson

ABSTAINING: None

A public hearing was then held on amendments to Chapter 23. Taxation of the County Code authorizing the Treasurer to issue refunds for corrected assessments less than \$2,500 effective January 1, 2017. Mr. Michael Lockaby, County Attorney, stated that, as discussed last month, the Treasurer is requesting authorization to administratively issue refunds for less than \$2,500 for corrected assessments. He noted that this process would reduce the time needed to issue these refunds by eliminating the need to obtain both the County Attorney's and the Board of Supervisors' authorization to do so.

Mr. Lockaby then stated that since the February Board meeting the Treasurer has found an agenda item from August 1999 which gives this administrative authority to the Treasurer for refunds up to \$2,500; however, this action was not formally codified in the Botetourt County Code.

He noted that this administrative process would help in situations where a new survey of real estate was done and it was discovered that the acreage was actually five acres less than previously surveyed and assessed by the County or when a vehicle was assessed for more than it was worth due to incorrect mileage or other information.

Mr. Lockaby noted that proposed language to add Section 23-7. Administrative correction of erroneous assessments to the County Code to this effect were included in the Board's information packets.

After questioning by Mr. Leffel, it was noted that there was no one present to speak regarding this matter. The public hearing was then closed.

On motion by Dr. Scothorn, seconded by Mr. Leffel, and carried by the following recorded vote, the Board adopted the following amendments to add Section 23-7. Administrative correction of erroneous assessments to Chapter 23. Taxation of the Botetourt County Code authorizing the Treasurer to issue refunds for corrected assessments less than \$2,500, effective January 1, 2017. (Resolution Number 17-03-13)

AYES: Mr. Williamson, Mr. Martin, Mr. Leffel, Dr. Scothorn

NAYS: None

ABSENT: Mr. Dodson

ABSTAINING: None

BOTETOURT COUNTY CODE

CHAPTER 23. TAXATION

ARTICLE I. IN GENERAL

* * *

Sec. 23-7. – Administrative correction of erroneous assessments.

- (a) Any person assessed with a local tax aggrieved by such assessment may apply to the commissioner of the revenue for correction thereof within three years from the last day of the tax year for which such assessment is made, or within one year from the date of the assessment, whichever is later.
- (b) If the commissioner of the revenue is satisfied that he has erroneously assessed such applicant with any such tax, he shall correct such assessment. If the assessment exceeds the proper amount, he shall exonerate the applicant from the payment of so much as is erroneously charged if not paid into the treasury of the county or city. If the assessment has been paid, the board of supervisors shall, upon the certificate of the commissioner with the consent of the county attorney, that such assessment was erroneous, direct the treasurer to refund the excess to the taxpayer, with interest if authorized by law.
- (c) Notwithstanding the provisions of subsection (b), upon presentation of the certificate of the commissioner of the revenue that a tax has been erroneously assessed, the treasurer is authorized to approve and issue any refund up to \$2,500 as a result of an erroneous assessment.

(Statutory Reference: Va. Code §§ 58.1-3980 through -3983.)

Secs. 23-8 – 23-20. Reserved

Mr. Leffel then noted that, due to a new employment opportunity, Mr. Mike Flint has resigned from the Economic Development Authority effective April 1, 2017.

After discussion, the Board tabled consideration of this appointment until the April regular meeting so that all members of the Board could be present.

On motion by Mr. Williamson, seconded by Mr. Leffel, and carried by the following recorded vote, the Board directed staff to send a letter to Mr. Flint thanking him for his previous service on the Economic Development Authority. (Resolution Number 17-03-14)

AYES: Mr. Williamson, Mr. Martin, Mr. Leffel, Dr. Scothorn

NAYS: None

ABSENT: Mr. Dodson

ABSTAINING: None

The Chairman then called for a 10 minute break.

The Chairman called the meeting back to order at 3:30 P. M.

Mrs. Beth Doughty, Executive Director of the Roanoke Regional Partnership, was then present to give the organization's annual report. Mrs. Doughty stated that the Partnership, which was created in 1983, is a public/private group consisting of eight local governments, including Botetourt County. She noted that there were nine economic development announcements in 2016 of both new industry locations and existing facility expansions, including the Botetourt County locations of Eldor, Ballast Point Brewery, and Virginia Community College System's shared services center.

She stated that these announcements are estimated to result in \$234 million in investment and 1,670 in direct, new jobs for the region. She noted that "Implan" software was used to calculate the economic impact of these new/expanded industry announcements and their calculations show that these announcements will result in an annual regional economic impact of \$904 million.

She then stated that 33% of the new Eldor jobs are expected to be Botetourt County residents and these new industries are estimated to generate \$9 million in sales for the County.

Mrs. Doughty stated that the new 100,000 square foot shell building in Greenfield should be completed in April 2017 and there has been a "good flow" of prospects who have looked at the building to date.

After discussion, Mrs. Doughty stated that the Partnership's digital platforms saw a 46% increase in web site visits in 2016 and they received 460 information requests which was a 22% increase over 2015. She further noted that the Partnership and the Roanoke Outside Foundation raised approximately \$80,000 last year through crowdfunding efforts for the construction of a kayak and canoe launch site on the Roanoke River in downtown Roanoke. She noted that the ribbon cutting on this site was held last October. She noted that these types of activities are considered "untraditional asset management."

Mrs. Doughty stated that the Partnership has also helped the County staff put together information on economic development and the region's assets for various presentations. She noted that they offer a "full service program of work" which helps all of the Partnership's participating members improve their economic development efforts.

Mrs. Doughty further noted that the Partnership's staff is working on their next five year program of work. She noted that, besides business attraction and asset development, they will work on "talent attraction" in order to ensure the region's competitiveness in attracting and retaining employees that meet the businesses' needs.

Mrs. Doughty stated that overall 2016 was a great year. She noted that the Partnership values the relationship that they have with Botetourt County as the County's staff are dedicated and hard working. Mrs. Doughty then stated that she appreciated the opportunity to present their annual report to the Board today. She noted that the Board members should have previously received a copy of the Partnership's annual report.

Mr. Williamson thanked Mrs. Doughty for a "banner year" in Botetourt County. He noted that the Partnership has great staff. Mr. Williamson then noted that the first time he met Mrs. Doughty was in 1986/1987 and she has grown into the best economic developer in the country. He noted that she recently received an award as being one of the 50 top economic developers in the nation.

Mrs. Doughty noted that the Partnership also received the 2017 Excellence in Economic Development Award from the Site Selectors Guild a few weeks ago.

Dr. Scothorn stated that the Board appreciates all of the work that Mrs. Doughty, her staff, and the Partnership's Board of Directors have done for the County.

After questioning by Dr. Scothorn, Mrs. Doughty stated that there have been 3 site visits to the new Greenfield shell building as of this time; however, they continue to see a lot of interest in this building. She noted that "everyone is in a hurry" now to grow their business which creates more opportunities for Botetourt County.

Mr. Leffel thanked Mrs. Doughty and her staff for their assistance and encouraged them to continue to bring new businesses to the County.

There being no further discussion, Mrs. Doughty then left the meeting at this time.

The Chairman then called for a 10 minute break.

The Chairman called the meeting back to order at 4:15 P. M.

A work session was then held on the proposed FY 2017-18 County budget. Mr. Tony Zerrilla, Director of Finance, stated that he; Cody Sexton, Management Assistant; and David Moorman, Deputy County Administrator; have had several budget development meetings with the General Fund Budget Subcommittee (Mr. Williamson and Mr. Leffel). He further stated that they also met within the last week with Mr. Martin and Dr. Scothorn and will meet with Mr. Dodson late tomorrow afternoon to review the proposed budget in more detail.

He noted that today's PowerPoint presentation is to review the current proposed budget with all available Board members at one time. Mr. Zerrilla stated that this overview will include major budget considerations, revenues and expenditures by major category, capital improvement projects, County compensation increase proposal, and the proposed school budget.

Mr. Zerrilla stated that the FY 18 budget is still in draft form at this time. He noted that the operations budget has been reduced by \$739,000 and the CIP decreased by \$670,000 from the original departmental request amounts; the proposed school budget is essentially flat compared to the current (FY 17) budget; there is a slight revenue increase anticipated from the County's primary tax base; funding was included for local economic development incentives as several projects/payments are "on the horizon;" the proposed budget is balanced; and there is no tax increase proposed.

Mr. Zerrilla stated that the FY 17 budget was the first budget in the recent past that was balanced without the use of retained funds; however, it was balanced with the implementation of a real estate and personal property tax increase. He noted that the proposed FY 18 budget is anticipated to be balanced via use of incoming revenues only. He stated that economic development continues to have a major impact in both revenues and expenditures through the payment of incentives; several personnel-related requests were considered during development of the FY 18 budget; and the proposed CIP focuses on community/economic development, building maintenance, and public safety.

Mr. Zerrilla then reviewed General Fund revenues by source. He noted that anticipated local revenues for FY 18 are proposed to increase by 4.8% (\$2.2 million); State revenues are anticipated to increase 1.0%, and federal revenues are flat (0.3%) increase. He further noted that personal property taxes received in FY 17 exceeded the anticipated budget amount and this is estimated to be from higher-value used vehicles. Mr. Zerrilla stated that other anticipated revenue increases are from "real growth." Mr. Zerrilla noted that 81% of the County's revenues are from local taxes, 18% from State revenues, and 1% from the federal government. He noted that federal revenues have decreased ½% over the current budget.

Mr. Zerrilla stated that local revenues including real estate taxes, public service corporation taxes, personal property taxes, sales taxes, and hotel and meals taxes are anticipated to increase in FY 18 which indicates growth in the local economy. He noted that the public service corporation tax increases are due to the completion of the AEP substation improvement project in Cloverdale. He noted that this project should generate \$900,000 in new tax revenue for the County. Mr. Zerrilla stated that the County's sales taxes showed good results in FY 16 and FY 17; however, they are behind the 8 month actual figure for FY 17. He noted that the hotel/meals tax revenues show a 4% combined growth. Mr. Zerrilla stated that, due to VDoT's efforts to retain and direct traffic flow through the Exit 150 intersection, no significant revenue impacts are anticipated from the Gateway Crossing construction project.

Regarding State revenues, Mr. Zerrilla stated that non-categorical aid and shared expenses (approximately \$1 million) remain mostly level in FY 18 and categorical aid/Compensation Board and Personal Property Tax Relief Act funds are expected to increase less than 1%. He further stated that a 4% (\$77,000) increase is anticipated in Comprehensive Services Act funding due to additional CSA activity in support of mandated at-risk youth services. He noted that the County receives reimbursement for our CSA expenses which are expected to increase in FY 18.

Regarding federal revenues, Mr. Zerrilla noted that there has been no commitment at this time by the U. S. Congress to provide payment-in-lieu-of-taxes funding to the County in FY 18. He further noted that, based on previous history, the County has included funding (\$167,000) for receipt of these revenues at an increase versus the FY 17 amount. Mr. Zerrilla stated that federal welfare payments are budgeted to decrease due to the Social Services' reduced FY 18 budget.

In summary, Mr. Zerrilla stated that local revenue growth is anticipated with a significant contribution from the AEP Cloverdale project, a small increase in State revenues due to CSA activity, and the federal revenues consisting of PILT and welfare dollars, with an overall General Fund revenue increase proposed at \$2.4 million (4%).

Mr. Zerrilla then stated that a slight decrease in expenditures is proposed in the FY 18 budget. He noted that the public safety category is proposed to increase by 1.9%; health and welfare are anticipated to increase by 3.2%; and expenditures for miscellaneous organizations are proposed to increase by 3.7%. He further noted that the parks/recreation/cultural budget category is proposed to decrease 4.4% over the FY 17 amount.

Mr. Zerrilla stated that most of the FY 18 County departmental budget requests, which were reductions over the FY 17 budget, were reasonable. He noted that the FY 18 Registrar/Electoral Board budget decreased 17% over the FY 17 amount due to there being no presidential election this fall; the Board of Supervisors' professional services line item increased due to an increase in the legal retainer fee; the Deputy County Administrator's budget now includes funding for health insurance consultant fees, the Treasurer's budget has a \$6,000 increase in legal/collection costs; and the Technology Services proposed budget has an increase in maintenance contract costs and a decrease in capital outlay requests.

Regarding Judicial Administration line items, Mr. Zerrilla stated that the budgets for Circuit Court, Magistrate, Commonwealth's Attorney, etc., are proposed to be flat for FY 18 with some reductions due to security system upgrades that will be completed in FY 17. Regarding Public Safety-related budgets, Mr. Zerrilla stated that this category, e.g., Sheriff, Jail, Fire and Rescue/EMS, Probation, Building Inspection, Emergency Communications, etc., is proposed to increase 1.9% (\$300,000) in FY 18. He noted that these increases include salary compression

adjustments for Sheriff's Department personnel, costs for an additional dispatch employee to be added to the health plan, addition of a nurse position at the Jail, two new trucks for Animal Control as per the vehicle replacement schedule, the County's portion of regional animal shelter operational and debt service costs, adoption of full-time equivalent (FTE) proposal for 3 Fire and EMS positions, and the purchase of one ambulance and one support services truck.

Mr. Zerrilla stated that a 10% reduction in operational support costs for Volunteer Fire and Rescue is proposed and the Animal Control budget will increase by \$87,000. He further stated that the staff and Budget Subcommittee held several discussions on the Fire/EMS budget. He noted that the FTE proposal will "swap out" part-time and overtime wages for 3 EMT/Firefighter/ALS positions which will result in only a \$20,000 net expense.

Regarding Public Works, Mr. Zerrilla stated that this category (General Services, Waste Management, and Maintenance) is proposed to have a 4% (\$77,000) decrease in FY 18. He noted that a full-time administrative support position in General Services is now budgeted to be shared with the Central Garage and there is also a proposed decrease in professional service requirements. Mr. Zerrilla stated that the Waste Management budget reflects an \$18,000 increase for "right-sizing" recycling costs. He stated that the proposed Maintenance budget shows a decrease in utility costs, maintenance contract costs, and capital outlay expenditures.

Mr. Zerrilla stated that the Health and Welfare budget (CSA, Van Program, and Social Services) is proposed to increase by 3.2% due to an anticipated increase in the CSA activities and caseload. He noted that the County receives reimbursements of between 60% - 65% from the State for these expenses.

After questioning by Mr. Williamson regarding whether the declining student enrollment and a decrease in the number of children in the County would impact the CSA budget, Mr. Zerrilla stated that a combination of factors impact the CSA budget. He noted that determinations are made on what are the best placement services for these at-risk youth; the caseload has increased; and there have been many clients requiring residential treatment services. Mr. Zerrilla stated that staff does believe that there are opportunities for reductions in FY 18 versus FY 17 activity in the CSA budget.

After further questioning by Mr. Williamson, Mr. Zerrilla stated that there are a lot of mental health-related expenses for CSA clients.

Regarding the Parks, Recreation, Cultural category (Recreation/Facilities (formerly Maintenance), Sports Complex, Library), Mr. Zerrilla stated that a 4.4% decrease is proposed due to a reduction in part-time wages and health plan participants, decrease in fuel costs and capital outlay projects, reduction in operating expenses and capital outlay costs at the Sports Complex, and a reduction in maintenance and telecommunication costs for the libraries.

After questioning by Mr. Williamson, Mr. Zerrilla stated new netting for the Sports Complex's ballfields was included in the current (FY 17) budget.

Regarding Community Development (Economic Development and Planning/Zoning), Mr. Zerrilla stated that the FY 17 budget for the Economic Development department was its first budget and, after review of that budget with the Economic Development Director, additional budget reductions (-16.9%) were included in the FY 18 budget. He noted that overall a 7.5% reduction is proposed in this category. He noted that a new Agricultural Development Officer position was included in the Economic Development budget and there is a reduction from full-time to part-time secretarial support for that office. Regarding Planning/Zoning, Mr. Zerrilla stated that increases in personnel over the past few years have brought the department to full staffing and allowed their FY18 budget request to remain flat vs the FY17 budget.

Mr. Zerrilla stated that the proposed budget includes a \$1.85 million transfer to the Economic Development Authority for incentive payments for Eldor and Ballast Point Brewery (\$1.4 million), preliminary site engineering costs for Greenfield (\$150,000), and various project development costs (\$300,000).

Mr. Williamson noted that the site engineering costs are for development of Phase 2 of Greenfield. He noted that the County is absorbing this amount and will charge it in the next budget cycle once these economic development projects come on-line.

After questioning by Dr. Scothorn, Mr. Larowe stated that the proposed \$300,000 for project development costs includes funding for an extension of International Parkway along with the use of VDoT industrial access road funds. After further questioning, Mr. Ken McFadyen, Economic Development Manager, stated that the State's maximum industrial access allocation is \$650,000 but there is a requirement that the locality provides \$150,000 in matching funds. After further questioning, Mr. McFadyen stated that a locality can have multiple industrial access projects ongoing at the same time as long as the locality has the funding available to do so.

Mr. Zerrilla noted that the Non-departmental and Debt Service category (wellness program, revenue refunds, personnel/compensation adjustments) is proposed to decrease 34.5% in FY 18 due to the reclassification of revenue refunds as a reduction of source revenues (contra-revenues). He noted that there is \$125,000 proposed for personnel/compensation adjustments in FY 18 in anticipation of completion of a regional salary study. He noted that the City of Salem is proposing \$450,000 in their FY 18 budget in preparation of potential salary changes based on their upcoming pay study. Regarding the proposed debt service increase of 4.5%, Mr. Zerrilla stated that this includes \$200,000 for a lease/purchase plan to finance new fire apparatus and includes the reallocation of \$36,000 to the Animal Control line item for the County's portion of regional animal control debt service costs.

After discussion, Mr. Zerrilla stated that the County will advertise for bids from financial agencies for the lease/purchase financing of this new equipment.

Mr. Williamson stated that the new fire equipment request includes the lease/purchase of up to 3 new fire apparatus.

Regarding Miscellaneous Organizations, Mr. Zerrilla stated that this categorical budget is increasing in FY 18 to include new funding for the Western Virginia Regional Industrial Facility Authority and a \$20,000 increase in the budget allocation to Virginia's Blue Ridge (Roanoke Valley Convention and Visitors Bureau). He further stated that funding for the Botetourt and Roanoke Regional chambers of commerce and the Roanoke Regional Small Business Development Center have been transferred to the Economic Development category.

Mr. Williamson noted that the funding increase to Virginia's Blue Ridge is due to collection of the 2% increase in the lodging tax approved by the General Assembly in 2016. He noted that this is a pass-through of increased revenue and the Board will be asked to consider a transfer/appropriation of these funds in June/July 2017 as part of the annual reconciliation process.

Mr. Zerrilla noted that the County Administrator has also proposed budgeting \$5,000 to the Roanoke Valley Broadband Authority in FY 18.

After questioning by Dr. Scothorn regarding the debt service for the lease/purchase of new fire apparatus, Mr. Zerrilla stated that the staff has not identified the number of vehicles to be acquired; however, the debt instrument will probably be for a term of 7 years.

Mr. Williamson stated that some of the County's fire equipment is being moved to other departments based on need and some apparatus is being replaced.

Mr. Zerrilla noted that the proposed CIP includes a 21% (\$317,000) increase to \$1.8 million. He noted that the following projects are proposed: solid waste disposal study and plan, continuation of replacement plan for portable and mobile radios purchased in 1998 (\$55,000), matching funds for greenway development (\$100,000), continuation of maintenance improvements at various County facilities (\$200,000), economic development program funding (\$250,000) and incentive payments (\$225,000), first contribution for the new Daleville YMCA (\$100,000), matching funding for Greenfield historical preservation projects (\$50,000), and a space utilization study for the Greenfield Education and Training Center (\$50,000).

Mr. Williamson noted that, once the energy study's recommended improvements are implemented, funding will be transferred from the utilities line items to debt service.

Mr. Zerrilla stated that he believes that the County should consider using a financial advisor to obtain professional guidance before making some of these funding decisions.

Mr. Zerrilla then stated that the school budget includes reductions to coincide with an approximate 3% reduction in their average daily student membership. He noted that the school system should receive near-level funding from the State in FY 18. Mr. Zerrilla stated that the school system's budget process identified \$1.5 million in additional expenditure needs and he noted that 11 positions were removed from the employee classification plan which saved approximately \$1 million. He further stated that the school budget includes funding for a 2% salary increase for administrative personnel, step corrections for 350 personnel, and funding for lease/purchase of six new school buses.

After discussion, Mr. Zerrilla stated that the school system will also fund a Virginia Retirement System increase and their health insurance plan has been redesigned to be more financially efficient.

Mr. Zerrilla then reviewed various salary compensation items included in the County budget. He noted that the County is proposing raises of 1.5% for employees with a current salary of less than or equal to \$38,000 and a 1.3% increase for employees with a current salary of more than \$38,000, which will total \$288,000 in additional expenditures. He noted that Social Services employees are also included in this salary increase proposal.

He stated that the Sheriff's Department budget includes salary compression adjustments totaling \$87,000. He noted that these adjustments are mostly provided through State funding. He further noted that Sheriff's Department personnel would receive \$80 per year of service for employees with 3 to 30 years of service.

After questioning by Mr. Williamson, Mr. Zerrilla stated that approximately \$73,000 of this increase is being funded through State monies and \$14,000 in County funds.

Mr. Zerrilla stated that the outlook for the FY 18-19 budget includes new industrial development projects coming on line (Eldor and Ballast Point), phase 2 of the Virginia Community College System's shared services center, completion of construction of the Gateway Crossing interchange at Exit 150, economic development opportunities including workforce housing development and marketing of the new Greenfield shell building, and agricultural development opportunities.

He then reviewed the FY 17-18 budget development calendar from November 2016 through May 2017. Mr. Zerrilla noted that the next steps include advertisement and holding of a budget and tax rate public hearing in April, additional budget committee meetings, if necessary, and adoption of the budget in late April/early May.

After discussion, Mr. Zerrilla thanked all of those County and school staff, managers, and department heads who were involved in this year's budget development process and stated

that he appreciated the availability of the General Fund Budget Subcommittee members. He noted that, compared to the past few budgets, this year's budget development has gone smoothly.

Mr. Zerrilla then reviewed the FY 18 budget scorecard. He noted that the proposed budget totals \$95 million compared to \$92.6 million in the FY 17 budget; there is a 4% anticipated revenue growth; expenditures increased \$66,000 including proposed raises and salary compression improvements; the CIP increased 21% over FY 17; work has begun on a regional salary study; debt service includes the costs associated with the lease/purchase of new fire apparatus; there is a proposed \$2.3 million increase in expenditures over FY 17 which includes transfers; the contingency fund will increase to \$232,000 compared to \$157,000 in FY 17; and the school system has requested level funding in FY 18.

Mr. Zerrilla stated that this is a good budget that is fiscally responsible and includes some strategic initiatives.

Mr. Williamson stated that he would like to make a couple of adjustments to the budget prior to it being advertised for a public hearing. Mr. Williamson stated that he has heard concerns from the Sheriff regarding salaries paid to his personnel and would like to make recommendations for budget revisions to improve this situation. Mr. Williamson then recommended that the \$125,000 proposed for personnel/compensation adjustments in the non-departmental category be increased to \$175,000 by using contingency funds, adjust the contingency line item to reflect this reduction, and include a 99¢ per \$100 valuation tax rate for wind farms in the budget public hearing advertisement.

Mr. Williamson noted that all other tax rates are proposed to remain the same as in the current year.

After questioning by Dr. Scothorn, Mr. Williamson stated that there has been a lot of debate about the proposed tax rate for the wind farm to be developed by Apex Clean Energy in northern Botetourt County. He noted that members of the Board and County staff have discussed this issue with Apex's representatives. He noted that the proposed 99¢ rate will generate approximately \$1 million in new revenue for the County.

Mr. Williamson noted that the staff has had discussions with Mr. Dodson about the proposed budget and will meet with him tomorrow afternoon to go into further detail of the budget's contents.

Dr. Scothorn stated that he agrees with Mr. Williamson's proposal to increase the Personnel/Compensation Adjustments line amount from \$125,000 to \$175,000 which would decrease the Contingency amount to \$177,338.

Discussion was then held on the advertisement and public hearing schedule for the proposed FY 18 budget and tax rates.

After discussion, on motion by Mr. Williamson, seconded by Mr. Leffel, and carried by the following recorded vote, the Board directed staff to schedule another budget work session with the Board on April 3, 2017, at 5:30 P. M. in the Circuit Courthouse's second floor conference room to allow discussion on any additional questions, advertise for a budget/tax rate public hearing in The Fincastle Herald on Wednesday April 5 for a public hearing to be held on Tuesday, April 18, 2017, at 7:00 P. M. in Rooms 226-228 at the Greenfield Education and Training Center to include the revisions to the personnel/compensation adjustment line item from \$125,000 to \$175,000, and the inclusion of a 99¢ per \$100 valuation tax rate for wind farms, with the intention to approve the FY 18 budget at the Board's April 25 regular meeting. (Resolution Number 17-03-15)

AYES: Mr. Williamson, Mr. Martin, Mr. Leffel, Dr. Scothorn

NAYS: None

ABSENT: Mr. Dodson

ABSTAINING: None

There being no further discussion, the meeting was continued at 5:35 P. M. until 5:30 P. M. on Monday, April 3, 2017, in the Circuit Courthouse's second floor conference room for a budget work session. (Resolution Number 17-03-16)

AYES: Mr. Williamson, Mr. Martin, Mr. Leffel, Dr. Scothorn

NAYS: None

ABSENT: Mr. Dodson

ABSTAINING: None