

A meeting of the Botetourt County Board of Supervisors was held on Tuesday, December 8, 2020, at the Greenfield Education and Training Center in Daleville, Virginia, beginning at 6:00 P.M.

PRESENT: Members: Mr. Billy W. Martin, Sr., Chairman  
Dr. Donald M. Scothorn, Vice-Chairman  
Mr. I. Ray Sloan  
Dr. Richard G. Bailey

ABSENT: Members: Mr. Steve Clinton

Others present at the meeting:  
Mr. David Moorman, Deputy County Administrator  
Mr. Gary Larrowe, County Administrator

The Chairman called the meeting to order at 6:05 P.M. with those members present participating remotely within the Greenfield Education and Training Center due to the pandemic.

Mr. Larrowe noted that he and Mr. Martin are experiencing video problems in their location but the public and the other Board members in the ETC should be able to hear their comments.

Mr. Martin stated that tonight's meeting is to conduct two public hearings: consideration of an amendment to the County's FY 21 budget to budget to transfer and appropriate funds regarding the Botetourt County Public Schools FY20 year-end financial balances, which resulted in a surplus of \$1,597,414.64 and an appropriation of \$148,254.27 to provide the full appropriation for the School Division Capital Reserve Fund balance at the time of this notice, this results in a total amendment of \$1,745,668.91 to the FY 20-21 Budget; and consideration of an amendment to the FY 21 budget to appropriate funds in the amount of \$569,808.00 awarded November 18, 2020, by the Commonwealth of Virginia in the form of CARES Act broadband funding for the Fincastle Wireless Project. There is the potential for other grant funds that would require an additional appropriation; therefore, under advice of the County auditor, it is being requested that the FY 20-21 budget be amended in an amount up to \$2,000,000.00.

Mr. Larrowe stated that, in a letter included in this agenda item, Dr. Jonathan Russ, Superintendent of Schools has requested that these FY 21 school budget surplus funds be transferred to the School's Capital Reserve Fund for use on various capital projects.

He stated that the second public hearing is for the appropriation of CARES Act funds recently received for broadband projects. He noted that the County was awarded grants of \$569,808 and \$805,604 by the State. Mr. Larrowe stated that the County has also received \$6,881.69 in CARES Act funds for "utility bill catch-ups" for the Towns of Buchanan and Fincastle. He noted that these funds would be passed through the County and disbursed to the Towns to offset water/sewer utility bills that their customers were not able to pay during the pandemic.

Mr. Larrowe noted that he worked with Tony Zerrilla, Director of Finance, to pull all this information together and then discussed how the Board should handle the transfer/appropriation of these funds. He stated that the auditor suggested that, as there may be additional funds received before December 30, the County hold a public hearing on a FY 21 budget appropriation in an amount up to \$2 million. Mr. Larrowe stated that this would give the County "extra room" in the event other CARES funds are received over the next few weeks.

Mr. Tony Zerrilla, Director of Finance, stated that the Code of Virginia requires the County to advertise/conduct a public hearing on any proposed budget amendment that exceeds

1% of the total adopted budget's expenditures. He noted that this public hearing was advertised on December 2.

Mr. Zerrilla noted that the School's Capital Reserve Fund Policy was amended by the Board of Supervisors in FY 17 whereby 100% of the remaining year-end monies allocated to the Schools would be transferred into the Capital Reserve Fund. He noted that these year-end monies are the result of expenditure savings and revenue surpluses in the School's budget.

Mr. Zerrilla stated that the second public hearing is for a County budget amendment due to the receipt of federal and State-provided CARES Act funds. He noted that these include \$569,808 for the Fincastle Fixed Wireless project; \$805,604 for the Botetourt Fiber Expansion Project; and \$6,881.69 for the utility bill catch-up program for the Towns of Buchanan and Fincastle.

Mr. Zerrilla noted that, in the event that additional monies are received, the County's auditor suggested that this FY 21 budget appropriation for receipt of CARES Act funds be approved in an amount not to exceed \$2 million so that the Board would not have to schedule an additional public hearing in the short amount of time between now and December 30.

He noted that the total requested budget amendment is \$3,745,668.91 as advertised.

Mr. Larrowe stated that all of these budget amendment funds are designated for particular projects—School capital projects and CARES Act grant monies for broadband projects and utility bill catchups for Buchanan and Troutville. He noted that these funds cannot be used for any other purpose than what has been identified.

After questioning by Dr. Bailey, Mr. Zerrilla stated that, if these CARES Act funds are not spent for the identified purposes by December 30, the monies have to be returned to the federal and/or State government.

Mr. Larrowe noted that there have also been some new guidance regulations sent to the County that allows any CARES-related invoices to be paid into January 2021. He noted that staff is still researching these guidelines to ascertain how they can be applied to the County's CARES Act expenditures.

Mr. Zerrilla stated that the January 2021 deadline is a "liquidation period" that allows the County to pay any eligible invoices for good and services received by December 30, 2020.

Dr. Scothorn noted that the County is fortunate to have these funds for the expansion of broadband in the County. After questioning by Dr. Scothorn, Mr. Larrowe stated that under normal circumstances (without the CARES Act funds) it would have taken the County approximately 10 years to install broadband to those areas currently receiving service via Craig-Botetourt Electric Cooperative, the Roanoke Valley Broadband Authority, and Lumos.

Dr. Scothorn noted that the third node which will be used to extend fixed wireless service in Fincastle will reach businesses/residences within a 3+/- mile radius. He further noted that the \$805,604 in CARES Act funds received on December 7th will assist in installing the "backbone" that is needed for the CBEC and RVBA broadband expansion projects.

He stated that the County has contacted the federal government to request an extension of the broadband construction period but no response has yet been received. Dr. Scothorn stated that the County is trying to get as many of these projects completed as possible in the limited time remaining.

Mr. Larrowe stated that it took the County three weeks to obtain approval of the \$805,604 grant allocation under the 'fast-track' program which has delayed the project's completion. He noted that the County is proceeding and will see how far the broadband project can

be extended in the time allowed. He noted that the contractor has been made aware of the December 30 project evaluation date.

Mr. Martin then opened the floor for public comments on the FY 21 School budget amendment in the amount of \$1,745,668.91.

Mr. Danny Goad of Read Mountain Road then questioned what projects can the School's Capital Reserve Fund can be used for.

Mr. Larrowe stated that these funds can be used for School construction, maintenance, and repair projects, which are also known as capital projects.

Dr. Scothorn stated that the funds can be used for school buses, repairs to leaking roofs, and similar capital expenditures.

Mr. Goad then questioned if there are particular projects that these funds will be used for at this point in time.

Mr. Martin stated that Mr. Goad should direct this question to the Superintendent of Schools.

Mr. Goad noted that the Lord Botetourt High School roof has been leaking for years and needs to be replaced.

Dr. Scothorn noted that he serves as a Supervisors member on the School Budget Committee and several issues have been discussed on what these funds can be used for including school buses and the LBHS roof. He noted that the School Board will decide on what these funds will be spent on.

After questioning by Mr. Goad, Dr. Scothorn confirmed that it is the School Board's decision on setting the priorities on how to spend these capital reserve funds.

After discussion, Mr. Martin stated that the Supervisors can allocate the school's funding but we cannot tell them what to spend the monies on. He suggested that Mr. Goad contact the School Board office for answers to his questions.

Mr. Goad stated that there should be other uses for this money—things that have been done and things that might be done. He noted that there should be strong reconsideration given to returning these monies to the taxpayers.

Mr. Martin stated that there is an agreement between the Supervisors and the School Board that requires these funds to be used for capital projects.

Mr. Zerrilla stated that Dr. Russ had planned to attend this meeting but a last minute scheduling conflict arose.

Dr. Bailey stated that these were monies that the County allocated to the Schools in their FY 20 budget which were not spent due to COVID-related shutdowns and non-normal school activities.

Mr. Zerrilla stated that in a typical year the amount of surplus monies in the School budget would be much less and in some years this surplus amount was less than \$5,000. He noted that these are FY 20 School budget funds that were not spent.

Dr. Bailey agreed that this large surplus amount was unusual and noted that it is the School Board's decision on how these funds will be used for the betterment of the County's schools.

Ms. Terri Brockly of Daleville then asked that a map be created to show the location of the current broadband expansion projects. She noted that the County needs to provide more transparency as to where this money is being expended.

Ms. Brockly stated that, regarding the utility bill catch up monies for the Towns of Fincastle and Buchanan, there are many County residents that have had problems in paying their utility bills over the past 9 months.

Ms. Brockly stated that she has concerns about the appropriation of year-end funds to the School Capital Reserve Fund. Ms. Brockly stated that her daughter attended Lord Botetourt in the last 1990s/early 2000s and the school's roof was leaking during that time. Ms. Brockly stated that she recalls the Supervisors voting three times to increase taxes because LBHS needed improvements and "here in 2021 we still do not have a roof."

Ms. Brockly stated that she has concerns about this money being returned to the School Board as "they have issues with spending the money." She stated that this is the taxpayers' money, not the School Board's. Ms. Brockly stated that, with the on-line classes being conducted due to the pandemic, parents have to teach their own children. She stated that the County should talk to the Schools about giving some of this money back to the taxpayers who have worked hard during the pandemic to teach their children at home.

Ms. Linda Rothman of Hardbarger Road in Buchanan then questioned what is the current size of the School's Capital Reserve Fund.

Mr. Zerrilla stated that this Fund's current balance is \$225,254.

After further questioning by Ms. Rothman, Mr. Zerrilla stated that this balance varies depending on the School's year-end results and what projects the Schools were able to complete during the fiscal year.

Ms. Rothman questioned why this "one-time windfall" is possible and questioned why the County couldn't designate what the funds are to be used for.

Mr. Zerrilla stated that these questions should be answered by the Superintendent of Schools.

Ms. Rothman stated that this is a giant windfall for the Schools and some assurance should be obtained in exchange for allocating these funds; there should be "strings attached to the expenditure of these funds."

Dr. Scothorn suggested that the County Administrator try to contact the County Attorney to answer these citizens' questions on why the County cannot specify what these capital reserve funds could be used for.

Dr. Scothorn stated that the County's citizens are gaining a lot from receipt of the federal CARES Act money including the purchase of new school buses to replace the aging fleet.

Dr. Bailey stated that many items were cut from the School system's FY 21 budget; however, through the receipt of \$1 million in CARES Act funds, Chromebook computers for all middle and high school students who did not currently have those devices along with 6 new school buses were purchased.

Dr. Bailey stated that the School Board makes the decisions on the expenditure of the budget funds provided by the Supervisors. He noted that these excess FY 20 year-end funds were made available due to certain school operational items not being implemented because of the pandemic shutdown/virtual learning schedule. Dr. Bailey further stated that there is a policy in place between the Supervisors and the School Board that these funds can only be spent on capital projects and Ms. Rothman should direct her questions to the School Board Office.

Ms. Rothman stated that the LBHS roof has not been repaired in 20 years.

Dr. Bailey stated that the roof has been repaired but it has not been replaced.

Ms. Rothman stated that the Board should take this opportunity to exert some influence control to make something happen regarding this school's roof.

Mr. Larrowe then noted that he had contacted County Attorney Mike Lockaby on the telephone and would put him on speakerphone.

Mr. Larrowe then questioned Mr. Lockaby whether the Supervisors can attach strings to the Capital Reserve Fund money to restrict its use.

Mr. Lockaby stated that the Board of Supervisors is authorized only to appropriate funds to the Schools as a block amount for the Schools to use as they designate, or the Supervisors can approve the school budget by category which includes a "facilities" line item. He noted that which facilities the monies are used for is determined by the School Board.

After questioning by Ms. Rothman, Mr. Lockaby stated that these school budget funding authorizations are part of the Code of Virginia's budget statutes for localities and school boards. He noted that Virginia is a "Dillon Rule" state and localities are only allowed to do what the General Assembly gives them authorization to do.

After questioning by Mr. Walter Michael of Archway Road in Blue Ridge, Dr. Scothorn stated that he and Dr. Bailey serve as the Supervisors' representatives on the School Budget Committee.

Mr. Keri Martell of Pinehaven Road, Fincastle, questioned if these excess monies could be used for expenses that have not been paid on the new Colonial Elementary School.

Mr. Bailey stated that this would be the School Board's decision.

Mr. Zerrilla stated that spending on the new Colonial Elementary School construction project is not yet complete.

After questioning by a lady in the audience, Dr. Bailey stated that it is possible that the budgeted amount for the new school might not be met.

The lady stated that there should have been an alternate representative from the School Board in attendance at this meeting. She noted that it is frustrating to not have her questions answered. She stated that "we seem to have an excess" and there are different pots of money that have been identified. She stated that she is tired of hearing the same answer to her questions and stated that the school's roof has not been replaced for 20 years.

After questioning by Mr. Martin, it was noted that there was no one else present either at the meeting or on the telephone who wished to speak regarding this matter. The public hearing was then closed.

After discussion, on motion by Dr. Bailey, seconded by Mr. Sloan, and carried by the following recorded vote, the Board approved an amendment to the County's FY 21 budget for a transfer in the amount of \$1,597,414.64 from the County's Undesignated General Fund Balance to the School Division Capital Reserve Fund regarding the Botetourt County Public Schools FY20 year-end financial balances. (Resolution Number 20-12-01)

AYES: Mr. Sloan, Mr. Martin, Dr. Bailey, Dr. Scothorn

NAYS: None

ABSENT: Mr. Clinton

ABSTAINING: None

On motion by Dr. Bailey, seconded by Mr. Sloan, and carried by the following recorded vote, the Board approved an appropriation in the amount of \$1,745,668.91 for Fund 301 which will provide for full coverage for the above transfer and the current balance in the School Division Capital Reserve Fund. (Resolution Number 20-12-02)

AYES: Mr. Sloan, Mr. Martin, Dr. Bailey, Dr. Scothorn

NAYS: None

ABSENT: Mr. Clinton

ABSTAINING: None

A public hearing was then held on an amendment to the County's FY 21 budget to appropriate funds in the amount of \$569,808.00 awarded November 18, 2020, by the Commonwealth of Virginia in the form of CARES Act broadband funding for the Fincastle Wireless Project. It was noted that there is the potential for other grant funds that would require an additional appropriation; therefore, under advice of the County auditor, it is being requested that the FY 20-21 budget be amended in an amount up to \$2,000,000.00.

Mr. Danny Goad of Read Mountain Road stated that he is not clear on what makes up the requested \$2 million appropriation.

Dr. Scothorn stated that the County's auditor has suggested that the FY 21 budget amendment be in an amount not to exceed \$2 million as there may be other CARES Act monies that could be received/approved by the County before December 30.

After questioning by Mr. Goad, Dr. Scothorn stated that the \$569,808 in CARES Act funding is being spent on a broadband expansion project in the Fincastle area. He further noted that the CARES Act funds received to date for broadband projects total \$1,375,412 (\$569,808 and \$805,604).

Mr. Goad stated that, in order to spend this money, the County will have to purchase a lot of equipment and labor. He questioned what additional expenditures would be required in the future to be able to put this equipment into use.

Dr. Scothorn stated that there are additional costs for boring through rock or under roadways versus installation of fiber optic cables on poles.

After further questioning by Mr. Goad, Dr. Bailey stated that the \$805,604 in CARES broadband funds will be used to install the necessary backbone equipment for fiber installation of a 4.35 mile broadband expansion project being constructed by the Roanoke Valley Broadband Authority to interconnect their line on Etzler Road to Catawba Road and to the Craig-Botetourt Electric Cooperative's switching station near the landfill.

Dr. Bailey stated that, when these funds are applied for, they have to be designated for a specific project. He noted that, if the CBEC project is not completed by December 30, the County will need to spend a portion of these funds to finish the work.

Dr. Bailey noted that the second grant is for the installation of a third node for a wireless connection in Fincastle that will serve citizens within an approximate 3 mile radius of the site. He noted that this equipment will be put in place by a specific method and will not require a lot of infrastructure to make operational.

Mr. Goad then questioned are we going down a road where these projects will not be completed by December 30 and the County will then have to pay more money in the future to get the full value of these broadband infrastructure improvements.

Dr. Bailey stated that the County is encouraging CBEC, RVBA, and Lumos to work as fast as they can so these funds can be spent and the projects completed by December 30. He noted that the County hopes to have a lot of these projects completed "but not dig a hole that will cost us a lot of money later." He stated that the value of this effort is huge and in a regular budget cycle would take years to complete. Dr. Bailey stated that the CARES Act money allows the County to speed up the process of extending broadband service to unserved areas.

Dr. Scothorn stated that the County has also received State VATI (Virginia Telecommunication Initiative) grant monies for public/private partnerships to expand broadband service.

Dr. Bailey stated that using CARES Act funds the County has been able to extend broadband beyond the area included in the VATI grant application. Dr. Scothorn stated that he has been working on the County's Broadband Committee for three years to extend broadband service into unserved areas. He noted that this (broadband) is a sensitive issue for him.

Mr. Goad stated that he understands the importance of broadband to the citizens and to the customers of his realty business who are interested in moving to the County.

Ms. Brockly stated that she appreciated the efforts to expand broadband in the County and was happy to hear about the Etzler Road to Catawba Road portion of this project which may serve her home.

After questioning by Ms. Brockly, Mr. Larrowe stated that she should contact the RVBA about whether their broadband project service area includes her home.

After questioning by Mr. Martin, it was noted that there was no one else present either in person or on the phone to speak regarding this matter. The public hearing was then closed.

Dr. Bailey then thanked Mr. Larrowe and his staff for their efforts in applying for these grant applications on such short notice and ensuring that these monies are being used appropriately.

Dr. Scothorn also concurred with Dr. Bailey's comments. He noted that being able to obtain the VATI funds and to use the CARES Act funds to expand broadband service is a great thing for the County. He noted, however, that it is unfortunate that it took a pandemic to bring this about.

He further stated that Mr. Larrowe has done a lot to assist in the broadband grant process and has come up with ways to get things accomplished in the quickest manner possible. He noted that the broadband expansion projects would not be to this stage without him.

Mr. Sloan agreed with Dr. Scothorn's comments and noted that it has been amazing to watch the process of obtaining funds and expanding broadband in the County over the past few months. Mr. Sloan stated that the Buchanan area of the County has not received broadband service yet but the "tentacles are coming." He noted that the work that has been accomplished in other areas of the County has been outstanding.

Mr. Martin also agreed with the comments that have been made. He noted that the grant application process has been difficult. Mr. Martin also noted that Dr. Scothorn has done a great job on the Broadband Committee and Dr. Bailey on the CARES Act Committee in moving the County forward.

There being no further discussion, on motion by Dr. Scothorn, seconded by Dr. Bailey, and carried by the following recorded vote, the Board approved an appropriation in an amount up to \$2,000,000 to Fund 260-CARES Act of 2020 for an amendment to the FY 21 County budget. (Resolution Number 20-12-03)

AYES: Mr. Sloan, Mr. Martin, Dr. Bailey, Dr. Scothorn

NAYS: None

ABSENT: Mr. Clinton

ABSTAINING: None

Mr. Larrowe stated that it has been a pleasure to serve the citizens of Botetourt County.

Mr. Martin then stated that he has received an e-mail from Mr. Doug Gimbert of Blue Ridge who requested that the \$3 million in budget amendment funds be put into a debt service fund to pay off some of the County's debt.

Mr. Larrowe noted that these funds are grant monies that can only be used for specific projects. He noted that there is no legal way for these monies to be spent in any other manner than as proposed in the budget amendment motions.

There being no further discussion, the meeting was adjourned at 7:21 P. M.