

VIRGINIA: At a regular meeting of the Board of Supervisors of the County of Patrick, held at the Patrick County Veterans' Memorial Building on Monday, May 10, 2010 at 6:00 p.m.

PRESENT: Karl Weiss, Chairman, Ron Knight, Vice – Chairman, Crystal P. Harris, Roger Hayden, and Lock Boyce, Board Members.

STAFF PRESENT: Jay Scudder, County Administrator; Tom Rose, Assistant County Administrator; Alan Black, County Attorney; and Geri Hazelwood, Assistant to the County Administrator/Clerk

Others present were: Nancy Lindsey, The Enterprise; Richard Rogers, WHEO, Tom Bishop, Chamber of Commerce

Call to order: Mr. Chairman

Rev. Tom Sheppard provided the invocation.

The Board recited the Pledge of Allegiance to the Flag led by Ms. Harris, followed by a Moment of Silence in honor of past and present U. S. military personnel serving domestically or abroad.

On motion by Roger Hayden to approve the amended agenda by adding executive session seconded by Crystal P. Harris and carried unanimously the Board approved the agenda as presented.

Voting Aye: Hayden, Boyce, Knight, Harris, Weiss

Voting Nay: None

On motion by Lock Boyce seconded by Crystal P. Harris and carried unanimously the Board approved the minutes for March 4, 8, and 22nd as presented.

Voting Aye: Hayden, Boyce, Knight, Harris, Weiss

Voting Nay: None

Mr. Chairman opened the public comment period.

Mr. Jerry Webb, Blue Ridge District, MRRT petition with additional signatures for a total of 229 citizens opposed to the trail.

Mr. Charles Vivier, Blue Ridge District, Residential Garbage. He stated that solid waste is a part of local government. We need to look at ways services can be offered and billed per household as the County doing its own billing for collections.

The Board thanked the citizens for their comments.

Mr. Chairman closed the public comment period.

Mr. Hayden suggested reducing the dependence of real estate, personal property, and decal fee, and to use the extra revenue to run the county. He spoke of making services fee based, and encouraged recycling. Subsidizing the transfer station would not make enough to make the transfer station self sustaining. He stated that RSI does a good job and a fee based would encourage residents to use the service. He would like to make it fair to everyone who brings trash to the transfer station. He spoke of the petition opposing the MRRT and the names that are on the petition stating that a lot of them are from the Blue Ridge District, Stuart, and Patrick Springs areas. He would like to see the TS become self supporting by bringing in revenue and using those to operate the Transfer Station not using monies to go into the general fund. He thanked Mr. Scudder for the work he had done to save the County money and his continued efforts to make the transfer station self sustainable.

Mr. Vivier stated that the transfer station would run a separate operating entity for trash pickup and not co – mingle with the general fund. That would mean doing away with RSI when their contract ends.

Mr. Boyce stated the way the funding is set up for the MRRT is 80% federal funding administered through VDOT, 20% local match may be used. VDOT is not going to hand the County a cash voucher good to apply to any part of the project. The money that has been spent on the project so far has been for engineering fees in the amount of \$350,000.00, the county's portion is

\$75,000.00 and we received a bill and we have to pay it. It does not matter if we get three donated easements they will not be exchanged freely for cash. If we wanted to make an in – kind payment on our engineering fees then we should have found an engineer who would do 20% of the engineering pro bono then that contribution would have counted as our 20% share. If we back out of the project it could cost us \$350,000.00 and could balloon into 4 million dollar project. No justification, the entire project is poorly thought out and planned. The project has a November 2011 deadline and if not completed VDOT funding could be forfeited. This would require the County to pay 100% of the project park construction (2) Road easements, maintenance, and policing of the trail. This will increase your taxes. He stated that RSI does a great job and had thought about raising fees for RSI but would cause a hardship on people who live in the Dan River District. The County is not going to run a pickup of trash for the county for \$18.00 a month. The service the RSI provides is necessary for the County.

Mr. Knight thanked Mr. Vivier and Mr. Webb for their comments and ideas. He stated that he did not know if it would be feasible for the County to operate a trash pick -up service.

Ms. Harris made no comment.

Mr. Chairman stated that he took personal time to study the MRRT. There are 472 rail trails across the US. The information that has been given to me came from the engineers in Blacksburg, Anderson and Associates. Mr. Boucher, and VDOT stated that if we don't spend the federal dollars then someone else will take it. We get federal and state grants for our fire and rescue, for our sheriff, etc and no one is opposed to using those grants. I have researched and have brought that information before the board. He stated that he wanted Patrick County to have the same opportunities as other counties. Mr. Weiss stated that he serves on the Parks and Recreation Committee and he helped them get started on the rustic trail at Dehart Park in Woolwine and they have completed two miles. He stated that he is county supervisor not just one for his district. The County owns 600 acres of land there and supports the trail. He stated that if we have to spend money for the MRRT he would vote against it. He thanked Mr.

Vivier for his comments concerning the Transfer Station. He stated that he welcomed people's ideas. He stated that it is a big tax burden for the County. He stated that he is not for charging a fee to residential for disposal of household waste. He thanked Mr. Scudder for the work he has done concerning the Transfer Station and what he continues to do to save the county even more money.

Mr. Webb stated that grants are tax dollars and Patrick County could set the direction to keep from having such a deficit. If more industry and people were working and bringing in more revenue I still wouldn't agree with the MRRT because, it is going to cost the county money.

Mr. Scudder introduced Mr. Eddie Turner, of Adams Heath Engineering; who has been working on the Patrick Springs Water and Sewer Project since 1995.

Mr. Turner stated that phase 1 of the PSWS project has been advertised for bid. We had a pre-bid conference this Thursday. The bids will be open on May 27th at 2:00pm. We hope to have good qualified bidders. The second phase of the project will be the Patrick Springs School. If approved we can move forward with the extension to the Patrick Springs Elementary School.

Mr. Chairman asked if the Board is able to pick and choose or does it have to go to the lowest bidder. I am for local people working and would love to see a local contractor get the job.

Mr. Turner stated yes and that certainly some locals could help with the sub contracting of the project.

According to the Mr. Scudder and Mr. Turner the designs are 98% completed for the Patrick Springs Elementary School.

Mr. Black, County Attorney; a great deal of the PSWS does occur in the VDOT right of way. He doesn't think that this will add an additional charge through VACO.

Mr. Scudder stated that it is covered under a blanket policy for the county.

Mr. Knight asked if a performance bond would be required.

Mr. Scudder stated, yes.

Mr. Turner stated that they would also have one through VDOT so they will be doubly covered.

Mr. Hayden asked if VDOT had asked for the performance bond and who polices the work.

Mr. Scudder stated yes. VDOT will police the work.

Mr. Boyce asked if they cross 58 will it be under the road.

Mr. Turner stated yes.

On motion by Ron Knight seconded by Roger Hayden to adopt the bond resolution as presented and carried unanimous.

RESOLUTION

On a motion by Ron Knight, seconded by Roger Hayden, which carried unanimously, the following resolution was adopted:

WHEREAS, it becomes necessary from time to time for the County of Patrick to obtain permits from the Virginia Department of Transportation to install, construct, maintain, and operate certain public works and public utilities projects along, across, over, and upon highway systems of the Commonwealth of Virginia; and

WHEREAS, expense, damage, or injury may be sustained by the Commonwealth of Virginia growing out of the granting to the County of Patrick by the Virginia Department of Transportation of said permits for the work aforesaid;

NOW THEREFORE, BE IT RESOLVED by the County of Patrick Board of Supervisors this 10th day of May, 2010.

Section 1: That per the provisions of Section 1.064 of the Land Use Permit Manual of the Virginia Department of Transportation, the County of Patrick does hereby grant assurances to the Virginia Department of Transportation that it shall in all respects comply with all of the conditions of the permit(s) that have been, or will be, granted to the County of Patrick and that said jurisdiction does hereby certify that it will carry liability insurance for personal injury and property damage that may arise from the work performed under permit and/or from the operation of the permitted activity as follows: up to one million dollars (\$1,000,000) each occurrence to protect the Commonwealth Transportation Board members and Department's agents or employees; seventy-five thousand

dollars (\$75,000.00) each occurrence to protect the Board, Department or the Commonwealth in the event of suit.

Section 2: That the County Administrator, be, and hereby is, authorized to execute on behalf of the County of Patrick all Land Use Permits and related documents of the Virginia Department of Transportation.

Section 3: That this resolution shall be a continuing resolution and shall not be revoked unless and until sixty (60) days written notice of any proposed revocation be submitted to the Virginia Department of Transportation.

Section 4: That the County of Patrick shall, if requested by the Virginia Department of Transportation, furnish, or shall require its contractors to furnish to the Virginia Department of Transportation of a performance bond, guarantee fee or irrevocable letter of credit in a minimum amount of Twenty-five thousand dollars (\$25,000.00) to cover the performance of the permitted work.

BE IT STILL FURTHER RESOLVED that the County Administrator is hereby authorized and directed to procure the insurance required by Section 1 above.

Voting Aye: Hayden, Boyce, Knight, Harris, Weiss

Voting Nay: None

Report to the Board, Mr. Scudder, County Administrator

Mr. Scudder presented the Board with a deferred compensation plan through VRS due to employee request to participate in the plan. The Board needs to pass a resolution so the employees can contribute with no cost to the County.

The Board members asked if it would be available to all County employees as well as School employees.

Mr. Scudder stated that he would check into it.

Mr. Black suggested that the Schoolboard could vote on a resolution for the School employees.

On motion by Lock Boyce seconded by Roger Hayden to adopt the resolution as presented and carried unanimous.

RESOLUTION
DEFERRED COMPENSATION PLAN OF THE COMMONWEALTH OF
VIRGINIA

WHEREAS, the Patrick County Board of Supervisors, the governing body of the County of Patrick, desires to establish a Deferred Compensation Plan for the employees of the Patrick County Government; and,

WHEREAS, a Deferred Compensation Plan is permitted by the Code of Virginia, Sections 51.1-600 et seq and Internal Revenue Code section 457(b);

Now, Therefore, Be it Resolved That the Patrick County Board of Supervisors hereby approves the establishment of a Deferred Compensation Plan for the employees of the Patrick County Government in accordance with the provisions of the Virginia Code; and,

BE IT FURTHER RESOLVED That the staff is hereby directed to develop and implement a Deferred Compensation Plan at the earliest possible date but no sooner than July 1, 2010.

Voting Aye: Hayden, Boyce, Knight, Harris, Weiss
Voting Nay: None

Mr. Scudder presented the Board with a letter discussing the downsizing of VDOT and who would be assisting Patrick County. The Martinsville Residency will be responsible for road maintenance in Carroll, Henry, and Patrick.

Mr. Scudder presented the Board with a letter of invitation to participate in a pilot regional economic development initiative proposed by Governor Robert McDonnell. Lt. Governor Bill Bolling and Mr. Jeff Anderson, President of the Virginia Economic Development Partnership, met with six Southern Virginia localities and discussed effective ways of how the Commonwealth can more effectively promote the Southern Virginia Region. The governor and his administration have agreed to commit \$200,000.00, an expected \$200,000.00 from the Tobacco Commission, and are asking that the communities that are involved in the discussion to collectively commit an additional \$200,000.00 to development of the regional marketing program to bring in industry. If everyone involved with the pilot program will agree to participate \$600,000.00 would be generated to go toward the development of an unprecedented regional economic development marketing program for Southern Virginia. He stated that Mr. Tom Rose had been attending the meetings and will share information with the Board as he obtains it.

The Board discussed the timeframe of the proposed project which according to Mr. Rose is once a month regional meetings for 18 to 24 months; they also discussed costs, and benefits for Patrick County. Mr. Rose stated that the county is not going to write a \$40,000 check which would be their share of the \$200,000.00. The contribution is based on per capita which would put Patrick County at a much smaller amount.

Mr. Weiss attended the meeting with Mr. Rose and stated that it is the responsibility of the EDA to bring information back to the Board. We have the option to back out if money is going to be spent. We need to keep all options open. If we could offer a job to people in Patrick County even if they had to

commute an hour or forty five minutes it would be reasonable. He thanked Mr. Rose for bringing the information back to the Board for discussion.

The Board took no action on the Pilot Economic Development Initiative.

Mr. Scudder discussed the landfill seep repair, and engineering services per Olver's recommendations. It was the consensus of the Board to proceed with obtaining bids to have the repairs taken care of. (letter on file)

Mr. Scudder prepared a report for the Board with recommendations for the fee structure at the Patrick County Transfer Station as follows:



COUNTY OF PATRICK
Office of the County Administrator

Memo

To: Patrick County Board of Supervisors
From: Jay Scudder, County Administrator
Date: April 13, 2010
Re: Solid Waste Fee Structure

During the past several years Patrick County has evaluated and considered establishing a new fee structure for solid waste users. The primary objective of this effort has been to base more of the direct costs for solid waste disposal to the actual users, thereby having fewer subsidies on the actual real-estate tax rate and having an effect of reducing or preserving the overall tax rate on real-estate. During the March 2010 Board of Supervisors meeting you requested me to come up with a new fee structure based on solid waste users. There was some discussion and question in regards to what users to charge so my recommendation is based on a comprehensive and I feel balanced approach to an overall user based fee structure. The recommended fee structure is based on documentation and research for actual solid waste programs throughout Virginia. The Solid Waste Evaluation Plan conducted by Olver Engineering recommended several options for the county to consider to not only reduce solid waste program costs but to also update our overall fee structure. These options are a part of this revised comprehensive fee structure recommendation.

I want to point out some observations involving solid waste programs. First, all jurisdictions are responsible for providing this utility and it is subsidized by taxes. Second, in the vast majority of jurisdictions the tax rate subsidy is supplemented by user fees. The degree of this subsidy and fee structure varies among jurisdictions. The more advanced solid waste programs structure their costs around the user fee to support the solid waste program. This practice is more prevalent among Solid Waste Authorities where multiple jurisdictions combine resources to handle solid waste. Third, recycling is a state requirement and the combination of fees and education has a direct effect on the recycling effort. These three components of a solid waste program if balanced, reduce the burden on the real-estate tax, place more emphasis on users and reduce the tonnage of waste through recycling.

Effective user based fee structures must take a balanced approach across all users. In the case of Patrick County this becomes more prevalent due to the customers being served by the franchise agreement with Rural Services. If collection costs are affected for

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Rural Services and not for other residential users an imbalance may occur. In our region several jurisdictions base solid waste costs on the user. For example the Grayson, Carroll, Galax, Solid Waste Authority charges citizens, towns and commercial carriers or franchise haulers. There are many other programs that operate on a similar fee structure; I mention this one because they are neighboring jurisdictions. The Authority has a fee structure that is straight forward and the collections of fees are based on cash. The towns and franchise haulers in the service area are charged the established tipping fee by the ton. I recommend Patrick County adopt a fee structure modeled after this program. Attached is a fee schedule for this example, Attachment A.

Like the above mentioned example, Patrick County operates its fee structure on a cash basis for waste that falls into a fee category. Please see attachment B for these charges. Residential household waste in small volume brought to the transfer station by residents is not charged a fee. Additionally, both the Town of Stuart and Rural Services are not charged for the residential refuse they bring to the transfer station. These fee practices are the difference in the example model discussed previously. The total amount budgeted for fiscal year 2010-2011 for Patrick County's solid waste program is \$627,059; fee revenues for the facility for the fiscal year are estimated to be \$276,000. The estimated net cost of Patrick County's solid waste program would be \$351,000 or 2.7 cents on the tax rate. Based on estimated revenue projections if Patrick County implemented a fee structure similar to the Grayson, Carroll, Galax Authority additional user fees would generate additional revenues of approximately \$300,000 or more. These additional user fees would have the capability to cause the solid waste program to become self sustaining. As mentioned above going to a more user based fee system would equate to a savings of 2.7 cents on the tax rate.

As I stated previously fee structures differ between jurisdictions and solid waste authorities. I want to again emphasize that most solid waste programs are designed to be more user fee based. A fee structure based on users reduces pressure on the real-estate tax rate. A debate regarding the initiation of user based fees has been the concern that trash will end up on our roads and other remote areas throughout the county. Based on other localities experience fees have lead to no significant increases in illegal dumping. Normally, once fines are imposed for those prosecuted for illegal dumping it sends a message that thwarts rampant use. It could also be argued that those that engage in illegal dumping activities are going to do it fee or no fee.

The Solid Waste Management System Assessment conducted for Patrick County by Olver Engineering, Inc; stated that we have a relatively simple waste program that is cost effective and meets the Counties needs. The assessment did point out some areas of accountability and fee adjustments that could improve the system. One observation was that the franchise collector Rural Services combines commercial and residential waste. Since the residential is not subject to fees the commercial portion which is subject to a fee is estimated and a reimbursement amount paid to the county. This practice is difficult to determine because it is not based on a defined tipping fee by tonnage. The assessment pointed out that additional revenue could be gained by charging RSI a tipping fee, the same increase would be derived from the Town of Stuart. In a meeting with RSI it was

mentioned that if they were subject to a tipping fee it would impact their current rates and that a balance in customer base may be maintained by having the residential user fee for all residential users. In order to adjust to increases in cost for the solid waste program the County through Olver Engineering renegotiated the contract with Waste Management that resulted in approximate saving of \$400,000 over a three year period. However, overall costs have gone up for solid waste programs and will likely continue. The assessment recommended several options based on either increases in the tax rate or change to a user fee system based on a fee structure that is similar to that of the model I have mentioned, see attachment C for the executive summary, conclusions and recommendations. This information provides a prospective from experts on ways we may be able to meet future cost obligations and manage our solid waste program.

Rather than subsidize the solid waste program with the real-estate rate overall, I recommend that items number 4, 5, and 6 are adopted from page 13 of the executive summary. This recommendation maintains the current fee structure; see attachment D. The recommended modifications if implemented will charge both the town of Stuart and Rural Services for residential waste disposal. Individual households will be charged a user fee of \$3 for a visit to the transfer station with up to five, 30 pound bags. After evaluating how the collection process operates today, I recommend assigning one of the three transfer station staff to operate a collections booth. If this causes stress on the work load, two part time staff at a total yearly cost of approximately \$20,000 could operate collections. Please keep in mind that this would be only if necessary and that the estimated additional revenue from this new user fee base is estimated at \$350,000. I would also recommend we change the holiday policy at the transfer station to be more operational during non general public holidays. This action would only close the transfer station during the holidays of Independence Day, Thanksgiving, Christmas Day and New Year's Day. This schedule was changed a few years ago and I have questioned the practice due to reduced customer service for our citizens.

Thank you for your thoughts and consideration to this matter. I look forward to your ideas and discussion.

Jay Scudder
County Administrator

(attachments on file)

The Board discussed the recommendations provided in Mr. Scudder's report and thanked Jay for the work that he put in to it.

The Board took no action.

Mr. Hayden read a note commending the Patrick County High School Band for their achievements followed by a round of applause from the Board.

Mr. Scudder spoke of the pilot program Next Generation E-911. The project is ready to implement participating jurisdictions, some grant funding has changed with VITA; however, they will still continue to fund the program. Henry County and the City of Martinsville do not want to be part of the pilot program. He stated that he gave Mr. Black a copy of the agreement to look over. He stated that CenturyLink can provide the service as well as Intrado, and is concerned about the future. CenturyLink provides the County with a lot of services.

Mr. Weiss asked what the County would have to pay back.

Mr. Scudder stated nothing, the system of tariffs would be charged.

Mr. Weiss asked why the EMC wasn't involved. He stated that he would like for Mickie Martin, Garry Brown, and the Sheriff to come before the Board and give an explanation.

The Board suggested speaking with Benny and Clarence and check into using CenturyLink, and to look hard before signing a contract.

Executive Session

On motion by Ron Knight seconded by Crystal P. Harris, the Board convened into Executive Session to discuss legal matters [Section 2.2-3711(A)(7), 1950 Code of Virginia, as amended]; real estate [Section 2.2-3711(A)(3), 1950 Code of Virginia, as amended]; and personnel matters [Section 2.2 – 3711(A)(1)]

Roll Call Vote:

Boyce: Aye

Hayden: Nay

Knight: Aye

Harris: Aye

Weiss: Aye

WHEREAS, the Patrick County Board of Supervisors has convened an executive meeting on this date pursuant to an affirmative recorded vote and in accordance with provisions of the Virginia Freedom of Information Act, and

WHEREAS, Section 2.1-344.1 of the Code of Virginia requires a certification by the Board that such executive meeting was conducted in conformity with Virginia law,

NOW, THEREFORE, BE IT RESOLVED that the Patrick County Board of Supervisors does hereby certify that, to the best of each member's knowledge, only such public business matters as were identified in the motion convening the executive meeting were heard, discussed or considered by the Board,

BE IT FURTHER RESOLVED that the Patrick County Board of Supervisors does hereby certify that, to the best of each member's knowledge, only public business matters lawfully exempted from open meeting requirements by Virginia law were discussed in the executive meeting to which this certification resolution applies.

On motion by Lock Boyce seconded by Roger Hayden and carried unanimously the Board reconvened into regular session.

Voting Aye: Boyce, Hayden, Knight, Harris, Weiss

Voting Nay: None

Bills, Claims, Transfers, and Appropriations

The Board had discussion concerning the outsourcing of the tax tickets, adult ed. and Step rental assistance paid by grant funding.

Mr. Weiss asked if the Board could get a breakdown each month from the Schoolboard for the money they are requesting. Mr. Weiss invited Mr. Rorrer from the Patrick County Schoolboard to come to the May 24, 2010 meeting.

On motion by Crystal P. Harris seconded by Lock Boyce and carried unanimous the Board approved the County General Claims as presented this day and as evidenced by check number's # General Fund-Vendor Payments 95033-95206 , Jail Construction Fund 100005-100008, Inmate Commissary Fund 246-250.

Voting Aye: Hayden, Boyce, Knight, Harris, Weiss

Voting Nay: None

The Board was invited to attend the GED Graduation on the 21st.

On motion by Lock Boyce seconded by Roger Hayden to adjourn until May 24, 2010 and carried unanimously.