

**MINUTES
BOARD OF
SUPERVISORS REGULAR
MEETING
September 13, 2022
BOARD ROOM, COUNTY
ADMINISTRATION
BUILDING
8:30 AM**

1. **Meeting called to Order:** Vice Chairman Jerry Boothe opened the meeting at 8:30 a.m., as Chairman Turman was running late.
2. **Opening Prayer** was offered by Supervisor Cox.
3. **Pledge of Allegiance** was led by Supervisor Bechtold.
4. **Quorum:** Dr. Millsaps called the roll. Those present included Supervisor Bechtold, Supervisor Kuchenbuch, Supervisor Cox, and Supervisor Boothe. (Chairman Turman arrived at approximately xxx)
5. **Approval of Agenda:** Per staff request the Board added an additional closed session under A.8. for discussion with legal counsel. On a motion by Supervisor Bechtold, and seconded by Supervisor Kuchenbuch, the Board present and voting approved the agenda as amended. (Chairman Turman was absent).

6. **Approval of disbursements.**

On a motion by Supervisor Kuchenbuch, seconded by Supervisor Bechtold, and approved unanimously by those present and voting, the Board approved disbursement #1 to Norwell. This was the final payment on the HVAC system. (Chairman Turman was absent).

On a motion by Supervisor Cox, seconded by Supervisor Kuchenbuch, and approved unanimously by those present and voting the Board approved Disbursement #2 (Used Chevy Equinox) (Chairman Turman was absent).

On a motion by Supervisor Bechtold, seconded by Supervisor Kuchenbuch, and approved unanimously by those present and voting, the Board approved Disbursement #3 (\$675,478.09) (Chairman Turman was absent).

On a motion by Supervisor Cox, seconded by Supervisor Bechtold, and approved unanimously by those present and voting, the Board approved Disbursement #4. (Chairman Turman was absent).

Dr. Millsaps reminded the public that because of the type of microphones in use, it is very important for speakers to speak directly into the microphones.

Chairman Turman arrived and Vice-Chair Boothe turned over Chairmanship to Supervisor Turman.

7. Presentations

- a. 8:40 a.m. David Rose and Kyle Laux, Davenport & Company, LLC

Mr. David Rose (Davenport and Company): Good evening, good morning. Good to see you. Again, some new faces. I won't say old faces of familiar faces. I've already made one mistake. There'll be others of course. But again, I am David Rose. And I have the good fortune of representing Davenport and Company. And for those of you that are new to the board, we have served and hopefully will continue to serve as your financial advisors. And what that basically means is that we are representing your interests from a financial perspective. Today's presentation is one of education only. We're not asking for any reaction or decisions by any means, but hopefully it starts a dialogue with others. We've done this previously, and what I put together and I've got some extra copies for folks that are here on the audience if you're likely to get first come first serve.

What I have today is what we call a Comprehensive Financial Review, an abbreviated one. As Dr. Millsaps indicated that would help you get sort of kick started towards the next fiscal year's budget, which again will be here before we know it. With that said, I would like to also take the opportunity to thank both Kim and Linda, for being so helpful to us because otherwise, we can't provide you this information.

So as a given with that, I'd like to just go to page two on this little bit of background. I'm not going to cover everything, but I just want to give you the essence of what we see relates to Floyd County. As I mentioned, we go back to 2016 with the county and even more in depth Comprehensive Financial Review. And in doing that, we were able to give the county some suggestions and some thoughts as to how they looked financially because they were about to undertake, or you are about to undertake a series of projects that you had to do. One of the things I would point out as your advisor, I do not recommend projects. I do not bless projects, but rather I react to what you tell me you need, or you believe you need, or you want to have done. And we then talk about what the ramifications are, as it relates to the county's finances. Both in the short run and in the long run. This is now my 41st year doing this. I'm from Richmond. And I've been at Davenport now for 25 years, and I managed to practice so proud to say that you are a more recent client going back to 2016. We've worked with Montgomery County. So probably 30 years or so, you know, I've known Mr. Booth longer than that. But again, my focus solely here is to make sure that things don't go off the rails. And at least you know, if I think you're moving in that direction, I'm going to tell you that I will tell you what the concerns are.

So, I will start by saying before we see any of this, the county is not moving off the rails. Let's do this. Now, having said that, if the 22 fiscal year information, which we're all waiting on, comes back and is a little bit negative, we'll find that out. If it's

positive, we'll find that out. But it's still a work in progress. But nevertheless, the point here is we're going to try to be there as I think Dr. Millsaps wants us to, to make sure that you can make decisions with comfort, or at least more comfort than just your gut, you know, decision making. So with that said, the middle bullet point, we have done a variety of things for the county. We've worked with a lot of your local and regional banks. We are not a bank. We are not competing with those folks. We work with state programs, we don't compete with that either. Again, what we do solely is trying to make sure that the best interest of this county is being served financially. And to point out issues that we see. We've done some new money borrowings, we did the school project, we did economic development, we make recommendations on any number of things. We've also because you've had a good credit standing and interest rates have been good. We've refinanced several your debts, not to extend them, but just simply to save money. And you've saved almost a million dollars in doing that. So, it's been a good situation.

The last thing here, though, I think this is part of the strategy that Dr. Millsaps and Kim have asked us to do is to perhaps think about putting in place some financial policies. And that's something that I think makes a lot of sense for the county. We've shown you in the past how you prepare. But I think perhaps, and I look to Dr. Millsaps coming forward. Let's take that a step further. And let's institute some policies in anticipation of the next fiscal year's budget. I see that happening if that's what you want to do. Once we have the 22 information, once the once the audit is done, we see that happening towards the end of this basically the end of this calendar year. And so, I think we could have those types of discussions in the very beginning of the new calendar year so that it's ready and in place for the budget process for the 24-budget process - 24 fiscal year budget process.

So next page - goals, and objectives. I think I've given a little bit of that in the last few moments. But basically, what we'd like to do is review and give you a five-year perspective on historical results, I think it's important, we're going to talk about where we're going, need to know where we've been. So, we're going to talk about that, we'll show you how we look at that. Second, let's look at the county's debt profile. And then third, let's compare that to others that are we'll call peers, everybody's different, all counties are unique, we tried to pull together some counties that have more similarities than not, as a result, we haven't added Montgomery County in the magnitude of what y'all are size wise, but we tried to add some others within this region.

Next point here goals and objectives. Again, ultimately, is to do some financial policy guidelines, which by the way, can always be changed by you, or by your successors, the thinking and always, if you have those guidelines, and they made sense at one point, even though they continue to get reviewed, the idea here is it makes it harder for some new council or board to come in and all of a sudden, just do things without following some procedures, some policies, it makes it that much more difficult for them to explain to the public, that they're not looking at best practices. And so that's the idea that we have suggested. It's collaborative, really, with your staff, so I don't want to overstate that.

And then lastly, talks about some next steps to be considered. So, page four, what are those regional peers? Again, this is not absolute perfect, that you can see there where you are. And we basically, again, your modest size, population wise. And so, we've taken a variety of communities around you, you may want, for example, to say, why not add this county removed this county to see what the peer group looks like, we certainly can do that. And yet, this was just our attempt at giving you a relative comparative, and I think you're going to see that.

Okay, so let's go to page six and the historical financial operations of last five years. So, the good news is that the county has basically lived within its means. It is basically breakeven as operationally, which means recurring revenues, meet recurring expenditures, that's the good news. Now, you've lived through, and we live with you, a crazy few years where a lot of money has been put at risk by the pandemic, a lot of other monies have been provided by virtue of federal and state governments. So all of that shaking out, for example, in 21, there's a big blue column there, the blue bar, major capital expenditures, a lot of that coming from, we'll call it one time, dollars to time dollars being effectively ARPA and Cares Act monies. All those things that I can tell you in 2016, we never thought about because we were not thinking about pandemics four years earlier. But nevertheless, I think it's going to be particularly important to see how the 22 fiscal year ultimately looks, as again, we should see that I think it is fair to say, see that by the end of the calendar year, if not sooner. So once we get that we can then come back, take a look at how that may change some of these numbers, what you feel like, the only thing that will happen here is I believe I'm in effect, roughly around January; the staff and all of us have a little better idea on how the 23 year the fiscal year that ran now, how is that trending, given all the uncertainty so we're the new staff, and with all the pandemic issues and all the other things going on. I feel like we are doing this the right time to give you some beginning. But as I said, we're not asking you to do anything. We just want you to know it's part of our keeping you informed working with staff and that's why we're here.

Okay, so if you go to a seven, what we look at often times, citizens may not always realize this, is it's one thing to look at revenues and expenditures, but we have to pay particularly know of how many dollars are available at any given moment in time or annually. But for any number of purposes, and one of those is that a lot of people may be fortunate that they get a paycheck. And they get basically, expenditures that are pretty much the same every month. For the 12 months, they can kind of sense what the revenues coming in the revenues and expenditures going out. Local governments in Virginia and countrywide don't have that opportunity, because as you know, you collect taxes one to two times a year as a local government. Plus, the state gives you monies not every single month on an even basis, but they do it typically in sort of quarterly installments. And then on the flip side, you have monthly expenditures of operations, that is standard. But on top of that, you then have debt payments that occur a couple of three times a year that are very lumpy.

And so, what happens basically is local governments then need to have a cushion. And if they don't have a cushion, effectively, they need to be their own bank.

Because if they're not their own bank, then they have to go to the local bank, and borrow money just to make payroll. And that's what we call tans and rands, so one of the reasons why we care about you having fund balances at a certain level at all times, is that you don't have to go out and borrow money short term. Which is a waste of dollars, just to turn around and make bills and other things. So that's the first thing.

The second reason we want to make sure you have those dollars is that let's face it, if we have something like Hurricane Camille, when I was a child, and 69, that comes through and basically devastates the area for a while, you may ultimately get FEMA monies. If you're not getting FEMA monies one month later does not happen in a week later, you need money in the bank to take care of emergency items.

Third thing is that when it comes time to borrow money, or even refinance, lenders want to see that you have ample resources that you've got a cushion. And so, this actually saves you money. And then on top of that, especially in now the environment, with these monies sitting there, you earn interest on that money. And those monies further help the general fund. So, there are any number of reasons why we want to see a strong fund balance. And there's different ways of looking at that. Available fund balance is one number. Unassigned is another number. But the upshot of it all is this, when you look at what we call the unassigned, in your case, as at the end of 21, it was basically about \$5.7 million. Let's look at how you compare that to your neighbors. And yours appear to have a medium is about 26 million. That may sound a little startling, you're at \$5.7. But your population is a fraction of that. So again, what we then look at is the next page, and that is, what is your unassigned fund balance. As a percentage of we'll call it your expenditures, your annual expenditures, that's on page nine. And you can see there, it's slightly under 15%. Frankly, we like to see that number up. And because again, if you think about it, and we'll round off here, about 16 ½% is the equivalent of about two months operating reserves. We'd like to see the solid two months, ideally, being as close to three months would be wonderful. And again, you can see the peer median is close to that three-month level. And I would say this, and we work with most of these folks.

You know, with county it's not it's not an outlier is an outlier, but it's it is what it is. I mean, they have they've put dollars away for years with the expectation which right now they're doing have some major capital projects. But again, they have purposely put themselves in that position. Thinking that again, there could be some days ahead that may not be as good as they've been in the past. So, they're being very conservative. That said, you can sort of see where everybody kind of lumps together. So again, for Floyd County's perspective, it's been solid. It's up from years ago, believe it or not, but we'd like to see it go a little higher as possible. And that's something that's to keep in mind.

All right, page 10 is simply what I mentioned in my earlier observations. One thought that you do have just quickly for the moment, would be to get to that number of at least \$6 million. That's 6 million in dollars, at least as of the end of

quarter, one would put you at two months of fund balance, it's easier said than done. But again, it's the type of thing that we think would be helpful for the long run. Now, one thing I should point out, when we've done borrowings on your behalf, we've gone to both local state banks, regional banks, and national banks. If you look at the record, we've gotten some excellent responses. So, while we may not have all the money in the world sitting in fund balances, we have run a tight ship, we say we you have. But at the same time, it's been recognized that this is a solid credit. And this is this is a, a county to bank on, no pun intended, they will look at that that's going to be ready to bank on it. So, we felt good about that, we still feel good about that. Again, if things change for some reason, we'll be back here to talk about maybe what things that may be changed and why. And we'll talk about what we need to do to rectify it. Okay.

So, if I could, I'd like to turn to the debt profile on page 12. And give you a sense of where we stand. After doing a series of projects. Over the last again, half dozen years, we have roughly \$33 million of principal outstanding. And this also includes the 2021 financing that we did for Voc rehab projects. But it does not include the 2019 line of credit. And there's a reason for that. And that is because those dollars, there's a there's a method to pay for those dollars. So, the other takeaway here, and I think this is important for the public, and for you to understand, is that you have what's called a 10-year payout ratio of roughly 60%. What's that? What that means is that if you own a home, and you typically have a 30-year mortgage, after 10 years, how much of that principle is paid off. So, let's assume that you own a home. And the principal on that that you took out is \$100,000. After 10 years; the average homeowner has paid off 25% of that principal. So, they basically owe \$75,000, after 10 years. If you think of it the same way, you've actually paid off 60% of your principal, after 10 years. And so, for the remaining years, you have 40% to pay off. That's a good number. So, we're in a good position as it relates to paying our debts down. What we're not doing as good is we are pushing our debt onto the next generation unfairly. So, I want to give you that perspective and let the folks understand that.

Okay, page 13 is a little bit of that detail. And in fact, you can see here and FY 2020 for the 10-year ratio is 60%. And as you can see, as every year goes by, that percentage goes up and you'd expect it to go up. That's because again, every year we're paying principal down, we keep paying principal down. So again, our final payments around in 2041. But the bulk of our payments are being made over the next 10 years. That said, wanted you to see then how this compares to debt levels of other local governments and the best practice. So, if you go to page 14, it's one thing to have \$33 million. It's another thing to pay it off over, in effect 20 years and most of it in the first 10. But what does it look like as it relates to your overall budget in a given year? So, here's the critical ratio. This is called your credit guard ratio, debt service to expenditures. This basically says for every dollar of expenditures, how much of that dollar goes to debt service. Once again, if you think about this as a mortgage analogy, the average homeowner is told that you really shouldn't have more than 25% of your income, monthly income, going to your mortgage that really basically should be about where you rest for you. You have just a little over 6% of your budget that goes to debt service. So, you might

say well, what does that mean? Is that good? Well, your potential policy that you typically see is about 10%. And if you look on the far-right hand side, one of the big rating agencies is Standard and Poor. And they say that any local government that is 8% or less, like you do, is their strongest category. So, from our perspective, when we look at the debt service of Floyd County, relative to best practices, you very much are comfortably within that practice. So again, that's an important factor for you as you go forward.

And as you look at this, because one of the things I've been dealing with over the years, is sometimes citizens will say, we're just so much debt, you know, they just talk and say, we're in millions of dollars of debt, not really knowing the context of the relative amount of that debt.

You know, I can remember my parents bought their first house, I think they spent about \$5,000. And that seemed like a whole lot of money because relative to my father's income, and the military, that was a very big number. Today, fast forward 60 years later, okay, we don't even think about \$5,000 increments, and yet, that was a whole house. So, everything's relative to the dollars that you have in your budget, your availability to pay. And that's sort of how I think we want to look at this. And that's one of the important things.

The next page is another critical category. And this is just that 33 million, compared to the taxable assessed value of the county. Now, we know there's been rebound. And there's been any number of changes for all of your neighbors in New York that supports happening. But what we simply said is given where the assessed values of the county are at the end of 2023. And we just grew that by 1%, a year on the previous and 0%. Here, we've acted as if there is no growth, not that we think that that's not we're saying we've acted as if there's no growth. That would even be a negative growth and fairness. But go with me, the bottom line is you basically have about one and a half percent of debt to the overall assessed. About that 33 million, simply divided by the 2 billion comes out to about one and a half percent. Once again, this one is a Moody's criteria they have for this, they say if you are in that range, which you are, you're in that double a strong range. So once again, you fall into a very solid category. And those two particular ratios are things that we look at, to make sure that we're staying within good guidelines, if you would, as a local government.

Now, next page, wanted you to see how that debt service versus expenditures compares to your peer group. Interestingly enough, the peer group is even a little bit better than you. They're at 6%, you're about 6.6. Again, you're really right on top of that, and a number of these folks will be doing some additional borrowing. We're working with several of them right now. But the upshot is, you're right there in the thick of it. And then the irony is, this group that we use happens to be pretty conservative, this area tends to be conservative. Interestingly enough, if you were to go further east or your further north, you will find that those ratios numbers tend to go higher. And actually, some of the bigger and larger communities that have very large growth, that are even higher rated, including a Montgomery County are going to have higher elevated levels of this. So, there'll be closer to that 10%. So,

we'll be above that 10%. Again, you're able to take care of it. But again, we just want you to see the relative strength or weakness of the county and it's solid. So again, hopefully you can take that over the next one the depth and assess value. Similarly, the peer medians are slightly lower than here. And you'll find again that you're very much within shouting distance of that peer group. A couple points here, I'd make you look at someone like Franklin County. Franklin County, who we work closely with and have for years, they've got Smith Mountain Lake right there. They've got a whole lot of, if you would, value in those properties. And so, as a result, it helps them - their debt levels are higher. But again, once again, they find that that's one of the benefits of debt to assess value when it looks ok.

Last page. I've been talking for a while but appreciate your listening. What are the next steps? Now, what we would like to do, as I said, is incorporate the fiscal year 22 information into these results. And if asked back, we'd love to come back sometime probably after January or early February, that timeframe. My sense is that you will probably have some unaudited information towards the latter part, you know, this calendar year, we can certainly incorporate that depending upon how much comfort Kim and Linda have this result of changes that might have there. And then also, if there are certain projects and needs that you see on the horizon, we can incorporate those into some planning for the, you know, for the 24 and beyond fiscal years.

And so, we've done that before some of you, I would say that the three in the in the middle that are the old guard here, seen us do that, hopefully, again, if you want us to do that. And part of that is that second bullet point, we'd like you to consider developing a more formalized what we call CIP, capital improvement program, or plan. It's usually a multiyear plan. And it incorporates, not only once, but it covers the needs. And it'll also involves some decisions about how to fund these things over a series of years.

And then lastly, could all be done simultaneous is financially putting together some formalization of policies and having those as guidelines for you. But that I'm happy to answer any questions and appreciate this opportunity.

When Mr. Rose closed his remarks, the Board continued with a few questions regarding interest rates and investments.

b. 9:15 a.m. Dr. John Wheeler, Superintendent, Floyd County Schools

Dr. John Wheeler (Superintendent, Floyd County Schools): Good morning board. I don't have a whole lot.

The supplemental appropriations that came to you was normal with the ESSR. That timeline is run down. And like I said before, that's very fortunate to be able to put back what was taken out. And so that's still in the process. With that, and we'll continue with those projects. And we're going to get another overview of all the other infrastructures from the standpoint of cost feasibility in our schools. Which are really the late 1990s and early 2000 units on a lot of our larger areas, the gym,

so we're going to look at those. And hopefully be able to use some of the ESSR funds for that.

Our two worse roofs that aren't involved in the CCDC project. It looks like we're going to be able to get those repaired too. They don't leak, but they continuously have been repaired for many, many, many years. And when they were placed in service multiple years ago - obviously they're worn out. And so we're going to be able to get those two replaced and start that on the books with some of our ESSR and construction money too. So, we've already started that process.

The supplemental appropriations that you see is purely for the HVAC and I think there's a couple other items. Part of that is just another item, touchless bottle fillers. And you have to have water fountains. Every old water fountain has been replaced in the schools with this money. So, it's been it's been very, very useful and didn't have to look far for a project. But those are the supplemental appropriations. Nothing amazing there.

We did once again have quite a few awards. We were able to honor two more students last night because their scores on the PSAT - which we provide the costs for PSATs. Usually, 10th graders if the 11th and 12th. It's a great assessment tool, we provide the costs, it's part of our budget. Two of our students scored so high that the National Rural School Association recognized them nationally. So, and we're a part of that. That group was small rural schools, it's more of a lobbyist group in each state. But this is also an educational a national education group. So that was, that was a great honor for those two students to see.

But we're still rolling, still off to a great start. And hopefully we keep winning. And our sports, we are truly back to a fairly normal school year. Which is very nice.

Everything on the CCDC is coming along. A lot of now that there's no site work except for the end. All of its going into phase two, all the work. So, they're, they're pushing it hard. We're in great shape with that all of phase one, and still keep running through the checklist. But we're, it's, it's working great. And we'll be anxious to get the whole thing going. And get that whole campus put together. And it's going to be an impressive and a great experience for our kids. Once again, we are exploring for and more opportunities over the next couple of years through this. We've worked with the EDA and went to those meetings last week with Dr. Millsaps. So, we're aware of what we need to do. All good so far and a beautiful, pretty much fall day.

After his comments Supervisor Boothe ask about road paving and new building funds from the Commonwealth. Dr. Wheeler indicated that the road paving was complete and that the funds had yet to be run through Richmond.

Supervisor Bechtold asked about the grant programs and suggested that some may be more attractive than 80/20 and retroactive. Dr. Wheeler explained about some other funds she might be referencing. He again stated he has not seen anything yet about new building grants. He also indicated that this administration is

focused on job creation. Supervisor Bechtold confirmed her interest in making sure Floyd is watching for these grants.

Supervisor Kuchenbuch asked for clarification on which roofs are being addressed. Dr. Wheeler indicated that the roofs are at Check Elementary and the part of High School roof that is gravel.

Supervisor Cox said he was happy they are having a good school year. Dr. Wheeler reminded the group of the upcoming arts and crafts fair.

Dr. Wheeler also clarified that the funds being used are one-time only and are not a part of the operating and recurring budget.

c. 9:30 a.m. David Clarke, Engineer, VDOT

David Clark (Engineer, VDOT): There is a horribly long list of gravel roads that we need to get to, unfortunately. It's probably because we had to deal with them a couple of times with the various storms and things we've had. So have been chasing those this last month.

When we haven't been concentrating on them, trying to put them back together, we are trying to get some brush cut with the mow/trim. They have been spending most of their time in the Willis area will be coming in the Check area later. Also have a list of roads down there including Post Office Road, Max Mountain Road, and Canning Factory Road. We got to all of those and a couple of sight distance issues on Rt. 221. Also, and then trying to get some just our regular mowing crews out. They'll be finishing up the mowing for the year for the rest of this month.

And next some pothole patching. As we could. There's still some surface treatment schedule left to go. I think we've got most of the plant mix. I didn't go down Stonewall, but I saw that they had been there. I think it's all done. They haven't got the lines painted but I think most of the plant mix stuff is done.

We got a crew working on your construction project which is Silverleaf. They will finish by the end of this year. We are getting all of our equipment ready for a dry run for snow removal. They get all the equipment together on one day, and it gets evaluated by a pretty stringent checklist to make sure it's ready to go. We do it kind of informally. And then we don't get snow for a while. The other thing is that the equipment is used out on roads, so it gets some wear and tear before the first snow. We get it all ready as if it were going to snow the very next day. So, they check everything - spreaders and blades, the emergency equipment inside. We're also putting together our personnel and getting the routes all set. We go through a whole process for dry run and we're doing that right now. Don't want to jinx us because we have to be ready. So, we will be ready. And that's all I can say.

We are glad to get the brush trimming crew. The way we cycled it is half the county gets it first and the other half going to get it last. We've got to get them through four counties, but we will be coming into the Check area. Questions?

Supervisor Bechtold thanked David for the crew's work. As did Supervisor Boothe.

Supervisor Boothe asked about changing where the 45 mile per hour sign is on Rt. 221 near the Pine Lodge. Mr. Clarke indicated they would look at it as a safety issue. He also asked about patching on Rt. 8 between the Bread Basket and town, as well as the Penn Avenue culvert.

Supervisor Kuchenbuch noted a large pothole on Route 8 that needs work, raised some issues about Thunderstruck, and thanked for work on Brush Creek bridge.

Supervisor Cox mentioned issues with Jerry Lane and provided a packet of information from Mr. Vest. He asked for an update on Lick Ridge culvert, and Goose Creek.

Chairman Turman mentioned DeHart Store Road. He also noted that the storms gutted the roads, and an issue near Harvest on 221. And thanked Mr. Clarke for all they do.

d. 10:00 a.m. Virginia Tech Interns Election Cyber Security

Dr. Millsaps and Chris McNabb prefaced the presentation with a reminder that the Registrar came to the Board some time ago about election security requirements. The presenters are students from Virginia Tech who have been charged with examining our cybersecurity situation and working with Chris to develop a plan. The program is funded by the State. The student's report is over 400 pages long.

Lillian Lyons and Brian Kim (VT Students): Good morning, everybody. My name is Lillian Lyons (and Brian Kim). Yes, and we were the two interns this summer to help out here in Floyd County, with our cyber navigator.

We wanted to give you guys a process of what the internship looked like. Chris was our main communicator for the summer. And he was the one that sent us a timeline at the beginning of the summer, kind of going over what the expectations were for each week. And what the work week was going to look like in terms of that. We had our daily stand ups every morning at nine o'clock. And we only had about six-hour workdays, just because there was a cap on how many hours we could work each week.

Chris and Amy had reviewed the LTSS compliance that you guys were either meeting the standard or not meeting the standard before we had gotten here. And that was what we really used as the foundation to everything that we were working on this summer. There were a lot of templates that were given to us by the Virginia Department of Elections, things like that. And that really helped us set up different policies, standards, plans, and procedures to help you guys out with, you know, future policy and other implementations that you'll need to keep you on track for if another cyber-attack happens or things like that. So, we reviewed a lot of the LSS

compliance. And then we were able to really start from scratch with a lot of these things just because there was a lack of certain policy that was already developed here in Floyd, which honestly helped us out because we were able to make sure that you guys hit certain things for our LSS compliance, then we were able to just put that right in. Or if you didn't have something, we were able to add it very easily.

So, these are the policies that we worked on throughout the entire summer. Most of these are ready for implementation. I'm pretty sure that we made most of the checks on the checklist, most of these were pretty much crossed up. So we just needed to write them up, just to make sure they exist for reference. |

We had a lot of templates for all of these policies, again, that were handed to us. A lot of them. So one of the specific ones that I thought was the most important one was the data classification. One is one of the first policies that we wrote about. Kind of putting all of the data or information that you guys are passing along or sending it back, classifies them into Restricted, Confidential, you know, certain things like that, so that you know what to do when you have - when you're passing along that information. And how long those documents, you know, could maybe be in the printer. And kind of what is going to keep you the safest and make sure that your information is kept safe as well. So, on top of that, again, a lot of these are still, as Brian said earlier, they're going to be able to be implemented very quickly. And then going to the further plans and standards. They are kind of still under construction.

- - - Most of the policies are ready for implementation, except for I think, there were a few that Chris made sure that we knew about such as the Incident Management Policy. Which would have to be implemented alongside the incident response plan. So, we're still waiting on that. Yeah, there's a couple of things again, that you guys are going to have to look, add to it, whatever it is, that we can't exactly help out with as much.

These are the plans we went over this summer as well. The disaster recovery, I know is still under construction a little bit as well as the incident response. The BIA is also kind of at that point. Just because again, there's a couple other things that needed to be added to be looked at. I know that there's lawyers to talk to things like that in order to make sure that this is able to get to the implementation phase.

So, as I mentioned before, the incident response plan isn't quite finished yet. I think Chris said he was going to talk to a few more people get some signatures and different notions about ...

* At this point Chris McNabb joined in the presentation and explained that he and the Registrar discussed what standards and SOPs were needed early on. He also indicated that while they initially thought these standards would be for just the Board of Elections, he determined that they needed to apply to the entirety of county government. And before that could happen, he needed to interview each county department to see where they are in terms of plans before he could move forward.

Back to the students: So, our standards we kind of started from a clean slate, from scratch with this one. Just because we weren't given any templates or anything that, you know, they had passed down to us. However, we did, again, look at the code, and the LSS standards that you guys were meeting and not meeting. And then we tried to rectify that in all of these.

So, the biggest one, I thought was the physical environment and the password management. Password Management is extremely important in today's day and age, just because passwords are so easily hacked. They're very easy to, you know, get somebody's birthday or their family name or something like that, that they use as their passwords. And we wanted to help you guys make sure that you're at a point where, you know, how often you need to change passwords, what the character limit is, things like that. And setting that standard from what the elections department was saying that we needed to have. And then also making sure that there was more added to that. So, they were hitting that standard, you were making sure that you were meeting everything that you needed to.

Okay, and then the physical environment. Physical security is also extremely important. So, this kind of went into, you know, what your backup generators look like, we did a lot of that when we had our on-site visits. And the making sure that, you know, your offices were secure, what sort of things I know, Amy talked about certain authentication measurements that she wanted to implement in her office and in that area. And so we kind of put that into that as well, to make sure that your physical environment is as secure as your cyber network.

Oh, I just wanted to mention that personally I also believe that personnel security management is an important standard. So, in the personal security standard, or what I was trying to write, was if we get government workers and our big contract workers. And what's stopping them from possibly sharing information or insider information. But if we have some sort of a contract or some sort of agreement that's signed, we can somehow prevent that. And that's all written down in the personnel security management standard. But it's sort of in a rough draft stage where some of these things inside them, standards have not also been implemented.

I know that the fiscal and environmental protection is under construction. And then so is the maintenance standard up here, as well as a couple other more, because these are the last things that we worked on this summer. So with the timeline, minute time limit and everything, we weren't able to completely put them into proposal form, things like that.

Procedures, there's just the audit and accountability. Not too much to speak on that one. I know that Chris has a lot more specific work to do on that from his side of things.

* Chris McNabb interjected that there is a standard and a procedure for audit and accountability. And that this will have to be addressed in conjunction with legal

counsel.

Back to the students: And then over the summer we had that total of three on site visits, where we attended some electoral board meetings. And we kind of learned our way around Floyd, we took some voting system equipment inventory. And we also made sure to look at things like around the courthouse. Chris, so showed us some of the security measures that you guys had in there. And the physical security aspect of it, which was, which is cool to learn and see. And then again, meeting everybody here in the office, things like that. And overall, you know, we hope to have improved the policies and standards that you guys have you're employed to make sure that you're a little bit more cyber and physical, physically secure. And then we know that there's a lot of work to be done. But we hope that we helped out a little bit over the summer for you guys in the future. That's it. Any questions?

The Board asked some clarifying questions, as the students about their perspective, and thanked the students for their work. As well as Chris McNabb. Chris indicated the students put in 600 hours of work on the policies. Chris also stated that "We are definitely on the downhill in terms of effort" and that no additional IT staffing is required in the current budget cycle.

* Dr. Millsaps took the opportunity to introduce Gracie Anderson, the county's graduate student assistant for the academic year. Ms. Anderson has an undergraduate degree in agribusiness and is getting a master's in public administration with an emphasis on agriculture policy.

* The Chairman invited Sheriff Craig, who was waiting in the audience, to offer comments.

Brian Craig (Floyd County Sheriff): Well, I just start with my typical check in day.

We have one deputy position open, and we have one that is transferring to animal control. We had a position open there. He will start there in October. I forget which day, but October coming up. And then of course once we get him transition in there, then we can start expanding our hours of operation at animal control. The hours we are open to the public. So we're pretty excited about that. Trying to keep that going. But other than that, things seem to be going well in the sheriff's office for now. Hopefully it will stay that way.

The Board discussed a few things with the Sheriff and thanked him for all they do. Supervisor Boothe raised a constituent idea about building a fenced in space for animal control.

8. Public Comment: Chairman Turman opened the public comment period and offered his normal statement related to providing assistance if needed due to a handicapping condition. He also reminded everyone that the time limit for comments is four minutes each.

Gerald Vest (Locust Grove District): I went through the whole spiel last month. And I won't do that today. And I want to thank you all for sending the information to VDOT. I want to thank Levi for making sure Mr. Clark got a copy of it this morning because he didn't want it last month. I don't think he probably didn't want it this morning. I'm just going to come right out and say we have been ignored. Basically, everything's been ignored until a week after I was here. They put down maybe a half a load of gravel, and a little bit of tar. And it's already coming back, the holes. Not as deep yet, but they will be. But anyway, on the other side of that, I did have a discussion with one of his employees yesterday, Mr. Price. Yesterday afternoon, and I heard Mr. Clark say that he had spoken to him about what we talked about. And we basically discussed about everything that I had on my list. And I am not going to say he's promised anything. But he told me that he would check into the pavement, and he would check into the traffic and have a traffic count study. In other words, like we used to put the rope across the road to see what, how much traffic. And he said he could determine which ones were trucks and which ones were cars. So that's, that's good.

Speed reduction, we talked about a little bit. And I think we agreed on that.

As Mr. Clark said this morning, the tree trimming and bush cutting, he said they were in Giles. And they'd be back in Floyd County in a couple of weeks, maybe three. And he would make sure that they were scheduled to do the brush cutting that we need to have done. And the drainage I heard him talking about, I heard y'all talking about how the roads getting washed out with these storms we are having. But a lot of that where I live is drainage issues, they don't clean the culverts out, they don't clean the ditches out. So, there's no word for the water to go. It has to go down the road or out somebody's driveway. So that's their fault, because, and Mr. Price agreed with me yesterday that we were way behind on routine maintenance. So, I believe we will get some of that.

As far as the pavement and these trucks, I don't know what's going to happen. We talked about some school bus signs because we had a child almost get struck by a car, getting on school bus, we had two dogs get killed, vehicles being damaged. So, all of these things were safety issues that needs to be addressed immediately. And I think Mr. Price agreed with me on most of that. Now, when or what will happen/transpired? I don't know. But I tried to get in touch with him three or four times. And the only reason I got him yesterday is his secretary didn't ask me my name. So, he picked up the phone. He probably wished he hadn't. But anyway, that's where we are now. If I see any improvement between now and next month, maybe you won't see me next month. Thank you all.

Dan Vest (Locust Grove District): Dan Vest, Locust Grove district. First of all, will be a big man here. And I'll say I made a mistake the other week. I should have brought this up. And if y'all read this, you could probably correct it. This is the site plan for FloydFest in Check. I said 700 parking spaces. That was just I misspoke. That was 700 just for staff and vendor parking and RV. If you add all this up is well over 7000 parking spaces on 200 acres. This is a great read. I don't know if any of you guys have this. You should. You can get it through a FOIA just like we did, or

we can send it to you. It's great information to have. Also, on that property. There are nine wetlands and 11 streams. Also, through another FOIA we just got through the DEQ there's bog turtles on this property. Bog turtles are an endangered species for the county and state and they're our comprehensive plan as being protected. Just to let you know that. I could talk about this all day. It's tons of issues here, but we'll go on. Save that for a later day.

Interesting. The old adage is if you want to learn about something get away from the issue a little bit. This, this is an article from the Martinsville Bulletin by Mr. Bill Wyatt. And basically, the article goes in as a summary of a Board of Supervisors meeting and the record on August 29 in Patrick County. And in it, this gives, basically a summary. But if you want to go to YouTube and look at the real report, it's interesting. You see, some statements that were made in there, and that statement, Patrick County tourism and recreation director, James Houchins reported, you know, that he had a booth up at FloydFest this year. And he had actually spoke to Mr. Pickett, who owns the FloydFest property they had it all up there. And he wasn't really sad to see FloydFest go. Check it out for yourself. Also, Mr. Halogens talked to Sam Calhoun. He reported in this meeting. And he was surprised about this, as well as I am, that Sam Calhoun reported that he pays Patrick County roughly \$12,000 a year for taxes collected on that side. So I got my answer, partially, what a community's worth - \$12,000. We're glad show this to you. You can look it up. That's all I have. Thank you very much.

Staff also read two letters sent to the office (attached).

9. Old Business

Economic Development

a. Closed Session: Incentives and Advanced Manufacturing

On a motion by Supervisor Boothe, seconded by Supervisor Bechtold, and approved unanimously, the Board moved to closed session under the following statutes:

§ 2.2-3711 A.3 - Discussion or consideration of the acquisition of real property for a public purpose, or of the disposition of publicly held real property, where discussion in an open meeting would adversely affect the bargaining position or negotiating strategy of the public body.

§ 2.2-3711 A.5 - Discussion concerning a prospective business or industry or the expansion of an existing business or industry where no previous announcement has been made of the business' or industry's interest in locating or expanding its facilities in the community.

§ 2.2-3711 A.8 - Consultation with legal counsel employed or retained by a public body regarding specific legal matters requiring the provision of legal

advice by such counsel. Nothing in this subdivision shall be construed to permit the closure of a meeting merely because an attorney representing the public body is in attendance or is consulted on a matter.

On a motion by Supervisor Kuchenbuch, seconded by Supervisor Cox, and approved unanimously, the Board came out of closed session.

On a motion by Supervisor Boothe, seconded by Supervisor Kuchenbuch, and approved unanimously, the Board certifies that they only discussed the items they were approved to discuss in closed session.

On a motion by Supervisor Boothe, seconded by Supervisor Kuchenbuch, and passed unanimously, the Board voted to amend the agenda to reflect the EDA staff request. The agenda was amended.

The request was for a motion approving Appendix A, authorizing a letter or email from the County Administrator confirming certain provisions, and allow the County Administrator to sign off on the title page of the bid documents. They are all related to Phase Two of the Growth Center.

On a motion by Supervisor Bechtold, seconded by Supervisor Kuchenbuch, and passed unanimously, the Board voted to approve the request.

ARPA Funds

b. Recognition of Funds:

On a motion by Supervisor Boothe, seconded by Supervisor Kuchenbuch, and approved unanimously, the Board appropriated \$1,529,529.50 ARPA as revenue for Floyd County.

c. Review of Current Uses and Outstanding Requests: Dr. Millsaps provided the Board with a listing of current uses, outstanding requests, and initial thoughts about future uses. This included putting down 50% for the new playground equipment. Discussion about the documents occurred.

By consensus the Board asked Department heads to hold off on major expenditures until taxes are collected in December. Dr. Millsaps indicated that she would communicate that information. All discussed making essential purchases only. There was also discussion about the overall county financial position (A prior bank error overcounted the County's fund availability). Supervisor Boothe requested that the County Administration staff begin reviewing the County's overall position.

On a motion by Supervisor Boothe, seconded by Supervisor Bechtold, and approved unanimously the Board voted to pay for the initial year of Munis, plus one year of service, and the final payment for the playground equipment out of ARPA funds.

Dr. Millsaps drew the Board's attention to the funding request from the PSA.

10. New Business

Financial/Budget

c. FY22 Carry Over Requests: Dr. Millsaps reminded the Board of the 100% carry-overs included in and approved as a part of the FY23 budget. Deputy Administrator Chiddo walked the Board through the additional carry-over request.

On a motion by Supervisor Boothe, seconded by Supervisor Kuchenbuch, and approved unanimously, the Board approved the FY23 departmental carry-over requests as presented. The Board also thanked the staff for the clear and detailed presentation.

d and e. FY22 School Appropriation: Expenditure totaling \$401,868.66 for Instructional, Operation and Maintenance Category. See packet for details. FY22 School Appropriation: Revenue totaling \$401,868.66 of Federal and State Funds.

On a motion by Supervisor Boothe, seconded by Supervisor Cox, and approved unanimously, the Board approved both the expenditure and revenue for the schools as presented.

f. Appropriation request for one-time Sheriff's Office Expenditure – Dr. Millsaps provided some background on the request. She also noted that the funds had been included in the reimbursement request, so no further action is needed.

g. Animal Control boarding costs and cost recovery options – Dr. Millsaps informed the Board that the cows are now the property of the county. She also indicated that the county has already paid approximately \$30,000 toward boarding and care. There was also discussion about additional requests.

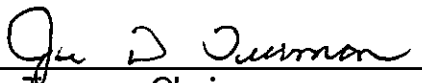
On a motion by Supervisor Boothe, seconded by Supervisor Bechtold, and approved unanimously, the Board directed the staff to move forward with trying to get the animals to market as soon as possible.

11. **Board Time:** Supervisor Boothe asked that the County readvertise for a member of the DSS from the Little River District. Supervisor Bechtold expressed concern about school construction grants not being pursued. Discussion ensued. Supervisor Bechtold requested that the staff follow up on this issue with their own research.
12. **Administrator's Report:** Dr. Millsaps provided updates on the following items:
 - a. EMS Paid
 - b. EMS Volunteer
 - c. Re-bid Deck
 - d. Building Updates
13. **Prioritization and Capital Planning Discussion (2 hours) (Working Lunch) –**

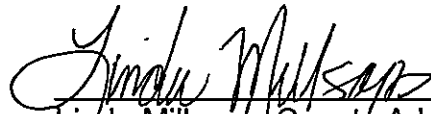
Regional Commission Executive Director Kevin Byrd took the Board through a prioritization process to begin a Floyd County Capital Improvement Plan.

14. **Correspondence** – the Board was reminded that there is correspondence available in their folder.
15. Adjournment – On a motion by Supervisor Bechtold, seconded by Supervisor Kuchenbuch, and approved unanimously, the Board voted to adjourn.

* Note: The minutes are produced in the order items appear on the agenda. On occasion the Board will work out of order due to timing and speaker availability.



Joe Turman, Chairman



Linda Millsaps, County Administrator