

THE FRANKLIN COUNTY BOARD OF SUPERVISORS HELD THEIR REGULAR MONTHLY MEETING ON TUESDAY, FEBRUARY 17, 2015 AT 1:30 P.M., IN THE BOARD OF SUPERVISORS MEETING ROOM LOCATED IN THE GOVERNMENT CENTER, 1255 FRANKLIN STREET, SUITE 104, ROCKY MOUNT, VIRGINIA.

THERE WERE PRESENT: Cline Brubaker, Chairman
Charles Wagner, Vice-Chairman
Bob Camicia
Ronnie Thompson
C. B. Reynolds
Bobby Thompson
Leland Mitchell

OTHERS PRESENT: Richard E. Huff, II, County Administrator
Christopher Whitlow, Deputy Co. Administrator
B. J. Jefferson, County Attorney
Sharon K. Tudor, MMC, Clerk

Cline Brubaker, Chairman, called the meeting to order.

Invocation was given by Supervisor Bobby Thompson.

Pledge of Allegiance was led by Supervisor Cline Brubaker.

RESOLUTIONS OF APPRECIATION

 Franklin County Fair

Ronnie Thompson, Boone District Supervisor, stated after a near 40-year hiatus, the Franklin County Fair officially returned September 10-13, 2014 at Franklin County Recreation Park in Rocky Mount. The family-friendly event, which featured midway rides provided by Brinkley Entertainment, Inc., a livestock show, student agricultural exhibits, live entertainment, food and merchandise vendors, and much more, was a celebration of Franklin County agriculture and heritage that welcomed more than 6,500 attendees from throughout the region. The four-day fair will return September 23-26, 2015.

Resolution in Recognition of the Franklin County Agricultural Fair, the Fair Planning Committee and Volunteers

WHEREAS, the Franklin County Agricultural Fair successfully returned September 10-13, 2014 after a near 40-year hiatus; and

WHEREAS, the County Fair welcomed more than 6,500 attendees from Franklin County and throughout the region during the four-day event; and

WHEREAS, the County Fair promotes and educates audiences of all ages about Franklin County's agricultural heritage and products; and

WHEREAS, the County Fair celebrates the skills and traditions of local farmers in growing crops and creating an array of homemade and handcrafted products; and

WHEREAS, the County Fair supports the inclusion and education of Franklin County students through high school agricultural exhibits, career and technical program student displays and competitions, and by welcoming local agriculture-related organizations to present programming for elementary students during day trips to the fairgrounds; and

WHEREAS, the County Fair will continue annually as a community and family-friendly event featuring agricultural exhibits, midway rides, vendors, contests, live music, student displays, and many other activities; and

WHEREAS, this remarkable event is made possible only because of the hard work and dedication of its Planning Committee and volunteers who selflessly give their time, experience and resources in organizing the four-day fair; and

NOW, THEREFORE, BE IT RESOLVED that the Franklin County Board of Supervisors hereby expresses and acknowledges its sincere appreciation for the Franklin County Agricultural Fair, its

Planning Committee and volunteers without whom the fair could not have reached the level of success that it did. The Board of Supervisors honors the fair's celebration of our heritage and its rich contribution to our community and encourages all residents and visitors to attend the fair for enjoyment and for the wealth of educational opportunities it offers.

RECOMMENDATION:

It is recommended that the Board approve the above Resolution in recognition of the Franklin County Agricultural Fair, the Fair Planning Committee and Volunteers.

Bob Camicia, Gills Creek District, stated he would like to thank Tarah Holland for the excellent job she accomplished in pulling all the efforts together for a well presented event for our community.

PUBLIC COMMENT:

❖ *Greg Kitchens - Chapter 11:46-47(b)*

Was not present due to weather.

❖ *Joe Mayes - Cottonwood Drive Road Improvements*

Was not present.

❖ *Mark Laity-Snyder - Mountain Valley Pipeline*

I was contacted last summer about the pipeline by surveyors who made it sound like it wasn't a big deal, just a pipeline put in through my land. They made it very clear that it was a Transmission pipeline, NOT a distribution pipeline and likened it to a freeway – there are only certain exits from a freeway. We said no we didn't want them to survey as it was clear from this brief discussion that it would not benefit us in any way. It wasn't until my wife and I saw members of Preserve Floyd organizing against the pipeline that we realized it was a HUGE deal – a 42" fracked gas pipeline that would cut a 150 foot easement for the entire 330 mile route. We realized the possibility of this Fracked Gas pipeline could be installed next to our house. If something were to go wrong, like just happened in Brooke County WV where a 1 or 2 month old 20" pipeline exploded, our house could be gone. Mountain Valley Pipeline will have 4 times the gas of the pipeline in Brooke County and the blast diameter is almost 1/2 of a mile. The route has moved, but now our neighbors are in the route, and the route is NOT finalized. It could move again to your land, or your land, or your land could be on the chopping block.

The pipeline installation will cause the loss of a basic American right, the right to be secure in our homes without private companies forcibly trespassing for surveys and in the end taking our land for a project that will ultimately ship at least part of the gas overseas. Basic landowner rights will be threatened by the impending Mountain Valley Pipeline."

Preserve Franklin the local group of citizens opposed to the pipeline is protesting the very idea that Mountain Valley Inc. can use eminent domain to slice a 150 foot wide scar through five counties, disrupt the lives of hundreds of families, and install a 42-inch fracked gas transmission pipeline that will have no benefit to the wellbeing of our families."

We are asking for the right which should be obvious to any American – the right for local people to have a say in what happens to the land that we the LOCAL people live on. So we are calling for a community veto power over fossil fuel projects that threaten our air, land and water, our communities and our rights

Lincoln's birthday was the 12th and the Power of Communities to Decide for themselves echoes the final lines from the Gettysburg Address "This Nation, Under God, shall have a new birth of freedom – and that government of the people, by the people, for the people, shall not perish from the earth." I think Lincoln would rollover in his grave if he knew that Freedom of the people was being given to corporations to profit from reckless use of eminent domain. 65 people were at the Preserve Franklin meeting last Thursday to hear the Lawyers Joe Lovett and Isak Howell speak about landowner legal rights. You have heard from the MVP reps at the October meeting and the December open house at the Harvester. Our next event is on March 12th at 7:00 PM at the Redwood United Methodist Church on Rte 40 2 miles e of the Lowes which will be a Community

Forum meeting to give Local people - your neighbors, friends, and constituents a chance to voice their opinion about the pipeline. I urge you to attend.

CONSENT AGENDA

APPROVAL OF ACCOUNTS PAYABLE LISTING, APPROPRIATIONS, TRANSFERS & MINUTES FOR – JANUARY 20 & 26, 2015

AUTHORIZATION TO ADVERTISE FOR PUBLIC HEARING/RENTAL PROPERTY LEASE RENEWAL

The County purchased a house located at 2455 Sontag Road in November 2013. The house was built in 1962 and has 1,653 square feet of finished space and is permitted as a residential property. The house is well constructed and recent renovations have the structure in excellent condition. The first floor includes a kitchen, living room, three bedrooms and a bathroom. The basement includes a laundry room, den, and mechanical room.

This house sits on a one acre parcel that is across the street from the Franklin County Recreation Park. The property is surrounded on three sides by a larger 32 acre parcel that is owned by the County and used for special event parking such as the Franklin County Fair and the Antique Farm Days.

Last year the Board of Supervisors decided that it was in the County's best interest to lease the property as a residence for the immediate future. The Board approved to lease the house to Mr. Brian Hodges which began on April 20, 2014.

The original lease for this property was for one year and will expire in April 19, 2015. The lease includes a sixty day notice of termination provision for either party. It should be noted that the current tenant (Mr. Brian Hodges) has expressed interest in renewing this lease (see attached letter). Mr. Hodges has been a good tenant and the rental of the house has not placed an undue burden on the General Properties Department or the Parks and Recreation Department. The current lease rate is \$500 per month and requires the tenant to supply all appliances.

Staff recommends that the Board continue renting the structure and again lease this property for residential use at this time. The current lease agreement does not have a renewal option. As such, staff would propose a renewal option in next year's lease, whereby such option would allow the County to renew the lease for two successive one year periods under the terms and agreements set forth if agreeable to both parties.

RECOMMENDATION:

Staff respectfully requests that the Board of Supervisors hold a public hearing on March 17th, 2015 to consider leasing the property at 2455 Sontag Road to the interested tenant (Mr. Brian Hodges) with the same terms and provisions of the current lease with a renewal option for two successive one year periods.

VIRGINIA COMMISSION FOR THE ARTS LOCAL CHALLENGE GRANT

The Virginia Commission for the Arts annually offers a Local Challenge Grant to communities to disburse to local arts organizations. This grant must be matched at least dollar-for-dollar in County budget contributions to the same organization that receives the VCA grant funds. For a number of years, the County has applied for and received a grant for the work done at the Blue Ridge Institute in Ferrum and has then turned these funds over to the BRI for marketing and other purposes. The match for these funds would come from existing tourism/economic development funding.

Staff feels that the receipt of the grant has been beneficial to the community in the past and can be matched by already appropriated funding from the County's operational budget. For this reason, staff recommends applying for a \$2,500 grant from the Virginia Commission for the Arts. Staff also recommends forwarding this grant, if received, to the Blue Ridge Institute for marketing and other purposes. The grant application is due on April 1, 2015.

RECOMMENDATION:

Staff respectfully requests approval from the Board to proceed with a grant request in the amount of \$2,500 and, if awarded, to forward the grant funding and local match to the Blue Ridge Institute.

BOARD APPROVAL FOR SMLA BOARD OF DIRECTORS APPOINTEE/RANDY STOW

The TLAC Cooperative Agreement requires the recommendation of the Smith Mountain Lake Association to be approved by the Board of Supervisors.

During the Smith Mountain Lake Association meeting held on Tuesday, January 20, 2015, Randy Stow was appointed to serve on the TLAC Board for 2015, with said term to expire January 19, 2016.

RECOMMENDATION:

Staff respectfully recommends Board approval.

BOONES MILL TRAIN DEPOT

The Town of Boones Mill has successfully relocated the Norfolk Southern Depot to land owned by the Town and away from a site that the railroad wanted vacated as a dangerous location adjacent to its tracks. In addition, the Town has been awarded a Virginia Department of Transportation Grant to restore and preserve the depot. Those grant funds will be made available in 2017-18 and should provide for a nice restoration project.

Because of the long lead time on the grant funds, the Town has requested that the County consider a \$5,000 donation to the Town to assist in some immediate work that has been identified as urgent in order to prevent further deterioration of the building and to properly secure the building from vandals. Such work will include chimney flashing, roof work, gutters to address water damage, timber replacement and some security measures.

RECOMMENDATIONS:

The Town has raised in excess of \$80,000 from private donations to get the depot moved with such funds now being depleted. Staff recommends that the Town's request to assist in preventing deterioration or vandalism while awaiting VDOT grant funds be approved in the amount of \$5,000 from the Board's contingency funds which are sufficient to accommodate the request.

Bob Camicia, stated he would like to pull #2 Public Hearing for Rental Property for further discussion.

(RESOLUTION #01-02-2015)

BE IT THEREFORE RESOLVED, by the Board of Supervisors to approve the consent agenda items, as presented with the request to pull the Authorization to Advertise for Public Hearing/Rental Property Lease Renewal item for further discussion.

MOTION BY: Bobby Thompson

SECONDED BY: Charles Wagner

VOTING ON THE MOTION WAS AS FOLLOWS:

AYES: Mitchell, Thompson, Wagner, Reynolds, Camicia, Thompson & Brubaker

AUTHORIZATION TO ADVERTISE FOR PUBLIC HEARING/RENTAL PROPERTY LEASE RENEWAL

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the County to renew the lease for two successive one year periods under the terms and agreements set forth if agreeable to both parties.

RECOMMENDATION:

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General discussion ensued.

Ronnie Thompson stated he would like to see all of County owned property assessed with fair market values evaluated by a professional realtor to insure the County is receiving proper revenue for County owned rental/leased property.

(RESOLUTION #02-02-2015)

BE IT THEREFORE ORDAINED, by the Board of Supervisors to direct staff to seek fair market rental values for county owned property (Sontag Rental Home) from professional realtors and place the rental rate within the ad to conduct a public hearing for March Board meeting.

MOTION BY: Bob Camicia
 SECONDED BY: Ronnie Thompson
 VOTING ON THE MOTION WAS AS FOLLOWS:
 AYES: Thompson, Reynolds, Camicia, Thompson & Brubaker
 NAYS: Mitchell & Wagner

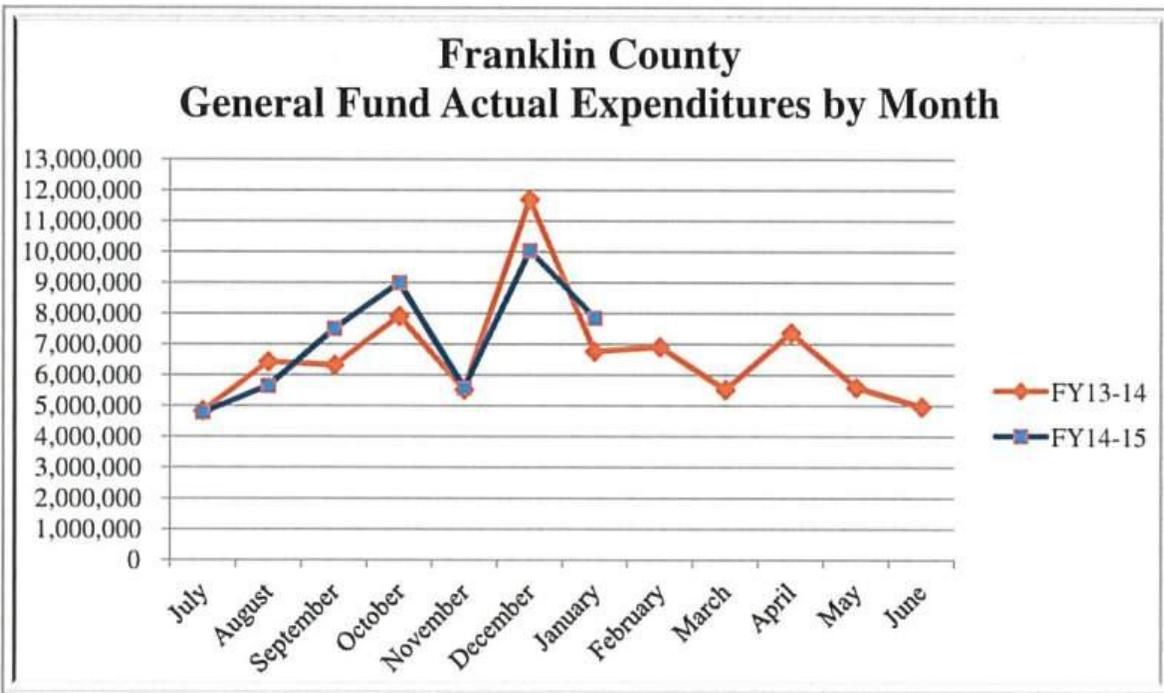
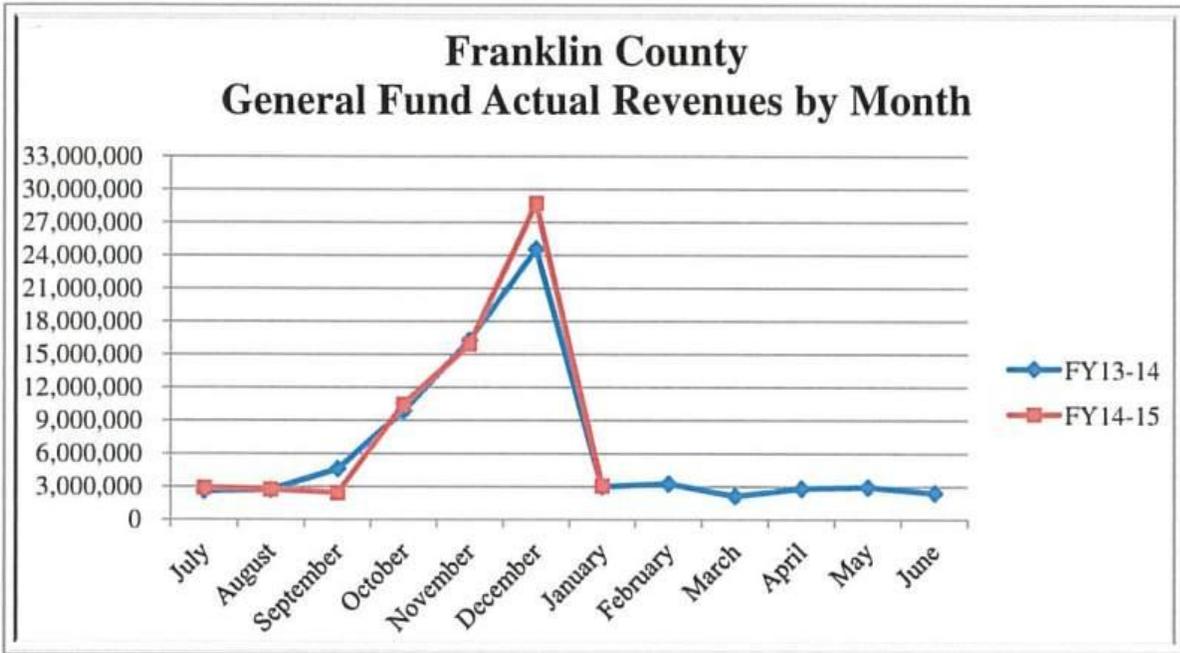
THE MOTION PASSED WITH A 5-2 VOTE.

MONTHLY FINANCIAL REPORT

Vincent K. Copenhaver, Director of Finance, presented the monthly financial reports as follows:

Franklin County
 Cash Basis Revenue and Expenditure Summaries (Unaudited)
 General Fund and School Fund Only
 For The Seven Months Ending January 31, 2015 and 2014

REVENUES:	Budget and Appropriations Current Year	Actual Year to Date Revenues	Balance To Be Realized	Percent of Budget	Prior Year Actual At This Date
General Property Taxes	47,349,410	46,210,668	(1,138,742)	97.6%	44,506,063
Other Local Taxes	11,040,728	7,098,606	(3,942,122)	64.3%	6,117,263
Permits, Fees and Licenses	372,000	323,526	(48,474)	87.0%	222,519
Fines and Forfeitures	98,000	105,681	7,681	107.8%	97,783
Revenue from the use of Money and Property	1,139,883	233,357	(906,526)	20.5%	636,667
Charges for Services	2,615,767	1,598,957	(1,016,810)	61.1%	1,582,305
Miscellaneous Revenue	375,035	504,488	129,453	134.5%	285,416
Recovered Costs	580,390	362,775	(217,615)	62.5%	340,776
Revenue from the Commonwealth	15,619,239	9,720,238	(5,899,001)	62.2%	9,708,537
Federal Government	165,151	92,334	(72,817)	55.9%	70,852
Subtotal	79,355,603	66,250,630	(13,104,973)	83.5%	63,568,181
Carryover Funds	1,573,104				
Total General Fund	<u>80,928,707</u>				
Schools					
Cafeteria, Misc, State, Federal	49,814,309	26,864,458	(22,949,851)	53.9%	26,110,124
Local Funding from County	33,768,223	20,905,311	(12,862,912)	61.9%	19,092,539
Total School Fund	<u>83,582,532</u>	<u>47,769,769</u>	<u>(35,812,763)</u>	<u>57.2%</u>	<u>45,202,663</u>
EXPENDITURES:	Budget and Appropriations Current Year	Actual Year to Date Expenditures	Balance To Be Expended	Percent of Budget	Prior Year Actual At This Date
General and Financial Administration	4,294,232	2,720,187	1,574,045	63.3%	2,475,993
Judicial Administration	2,258,402	1,357,037	901,365	60.1%	1,313,445
Public Safety (Sheriff, Corrections, EMS)	13,627,222	7,451,617	6,175,605	54.7%	7,767,206
Public Works	3,671,331	1,790,908	1,880,423	48.8%	1,724,288
Health and Welfare	11,783,847	6,461,591	5,322,256	54.8%	6,308,857
Parks, Recreation, Libraries, Cmty Colleges	2,016,711	1,097,625	919,086	54.4%	1,073,734
Community Development	2,985,966	1,800,790	1,185,176	60.3%	1,567,183
Transfers to Schools, Capital, Debt	40,290,996	27,736,718	12,554,278	68.8%	27,250,084
Total General Fund	<u>80,928,707</u>	<u>50,416,473</u>	<u>30,512,234</u>	<u>62.3%</u>	<u>49,480,790</u>
School Fund	<u>83,582,532</u>	<u>47,165,739</u>	<u>36,416,793</u>	<u>56.4%</u>	<u>44,458,209</u>



**Franklin County Public Schools
Monthly Statement of Revenues and Expenditures - Cash Basis
Month January 31, 2015**

REVENUES:

Description	Original Budget	Additional Appropriations	Net Category Transfers	Revenues for Month	Revenues Year-to-Date	Unrealized Revenues Year-to-Date
State Funds	\$30,682,197	\$0	\$0	\$2,742,362	\$16,320,843	\$14,361,354
State Sales Tax	8,025,338	0	0	646,593	4,694,245	3,331,093
Federal Funds	8,010,170	97,173	0	449,060	4,279,652	3,827,691
Other Funds	2,983,009	0	0	436,650	1,571,590	1,411,419
County Funds	32,358,730	1,374,747	0	2,778,041	20,251,627	13,481,850
Canneries	51,168	0	0	907	47,782	3,386
Total Revenues	\$82,110,612	\$1,471,920	\$0	\$7,053,613	\$47,165,739	\$36,416,793

EXPENDITURES:

Description	Original Budget	Additional Appropriations	Net Category Transfers	Expenditures for Month	Expenditures Year-to-Date	Remaining Unspent Budget
Instruction	\$53,826,810	\$757,522	\$0	\$4,393,094	\$29,427,535	\$25,156,797
Title I - Instruction	1,780,452	42,648	0	116,713	1,047,015	776,085
Title VI-B-Instruction	2,099,607	54,525	0	206,185	1,258,205	895,927
Administration, Attendance & Health	2,685,952	40,490	0	218,693	1,473,374	1,253,068
Pupil Transportation	5,647,255	471,805	0	433,027	3,423,522	2,695,538
Operation and Maintenance	6,926,054	90,622	0	719,001	4,252,645	2,764,031
School Food Services	3,972,897	0	0	301,809	2,068,179	1,904,718
Facilities	0	0	0	0	17,588	(17,588)
Contingency Reserve	0	0	0	0	0	0
Debt Service	2,650,459	0	0	574,184	2,643,999	6,460
Technology	2,469,958	14,308	0	90,000	1,505,895	978,371
Canneries	51,168	0	0	907	47,782	3,386
Total Expenditures	\$82,110,612	\$1,471,920	\$0	\$7,053,613	\$47,165,739	\$36,416,793

5-Year Capital Plan	\$784,576	\$0	\$0	\$72,600	\$334,186	\$450,390
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5-Year Capital Plan	\$784,576	\$0	\$0	\$72,600	\$334,186	\$450,390

SCHOLARSHIPS

Kay Saleeby and Reba Dillon, Recreation Commission members, stated the Parks and Recreation Department strives to serve all persons in Franklin County. Unfortunately there are a significant number of people in the County that have financial challenges that make participation difficult and sometimes not possible. Especially concerning is the large number of youth that are in this group. Of the 11,098 people under the age of 18 in Franklin County, 29% (3,193) are eligible to receive Supplemental Nutrition Assistance Program (SNAP).

The Recreation Advisory Commission (RAC) feels strongly that athletics are important for positive development and for promoting active and healthy living. The RAC believes that all youth should have the opportunity to play sports and is concerned that some children may be prevented from participating due to limited resources. So as to assist these youth, the RAC would like to provide a scholarship program that would discount the existing \$20 annual fee by 50% to \$10 per child for those eligible youth within the SNAP program.

Last year, Park and Recreation had 3,392 persons register for athletic sports such as Baseball, Softball, T-Ball, Football, Basketball, Lacrosse, Soccer and Wrestling. Of these registrations 2,261 were unduplicated individuals. Assuming that the percentage of County residents receiving SNAP benefits at 29% is the same for those participating in youth sports, there are potentially 651 youth playing sports with Parks and Recreation that receive SNAP benefits.

If a 50% discount was given to these 651 individuals, the revenue generated would drop by approximately \$6,510 from \$45,220 to \$38,710. Should such a scholarship program be implemented this Spring, Parks & Recreation staff would look to absorb the potential \$6,501 loss in revenue from within the existing Parks & Recreation budget.

The procedure for administering this proposed, scholarship program would be coordinated with the County Department of Social Services as follows: 1) When persons qualify for SNAP benefits they receive a "notice of action" or a "proof of verification". 2) Qualifying person(s) would provide this document to the Parks and Recreation Department when they register. 3) If they do not have this document, the Social Services Department will gladly provide one. 4) Parks and Recreation staff would discount their annual registration fee by 50% from \$20 to \$10.

RECOMMENDATION:

The Recreation Advisory Commission respectfully requests the Board of Supervisors consider approving a 50% percent discount to the annual registration fee from \$20 to \$10 for all youth that meet the qualifications for SNAP benefits.

Reba Dillon shared with the Board an example of a mother having to make a choice of which child out of three would be able to participate in sports because she could not afford to send all three. Ms. Dillon urged the Board to consider the recommendation and approve the request.

(RESOLUTION #03-02-2015)

BE IT THEREFORE ORDAINED, by the Board of Supervisors to approve staff's recommendation as presented for individuals who qualify for the SNAP Program criteria.

MOTION BY: Bobby Thompson

SECONDED BY: Ronnie Thompson

VOTING ON THE MOTION WAS AS FOLLOWS:

AYES: Mitchell, Thompson, Wagner, Reynolds, Camicia, Thompson & Brubaker

SOLID WASTE COMPACTION SITES

Don Smith, Director of Public Works, stated for the Board the solid waste collection and disposal are necessary, yet costly services of local government. During the last couple of decades, many localities have streamlined such services migrating from multiple greenbox collection sites to compaction or convenience centers. Bedford, Montgomery, Henry, and Pittsylvania counties have each implemented compaction sites, thereby noting various operational and capital efficiencies. Last month, staff made a presentation to the Board of Supervisors as to the issues with the existing greenbox trash collection system and why it might be time to implement manned compaction sites to address these issues. As a recap, some of these current greenbox collection issues include:

- Increasing expense of maintaining and fueling an inefficient front load truck fleet (operations & capital)
- Loss of landfill revenue and added expense from misuse of greenboxes (i.e. illegal dumping)
- Lack of control of the waste stream. DEQ noting concerns of hazardous materials being thrown in greenboxes (pesticides, oil, car batteries, etc.).
- Traffic safety hazards of current sites and trucks
- Illegal tire and construction debris quite costly
- Site aesthetics and maintenance of numerous sites
- Attraction and retention of qualified drivers for large fleet of specialized front end collection trucks

Franklin County currently operates and maintains a greenbox system of sixty-nine (69) sites with approximately three hundred (300) boxes. During last month's work session, the Board requested some additional follow-up regarding other system considerations including: privatization of a central greenbox collection route; curbside pick-up; small transfer station, etc. As shared in a recent memo, staff utilized the assistance of adjoining counties and a reputable private sector waste hauler to examine such options, thereby finding such methods were cost prohibitive.

Following further discussions, research and analysis, staff notes the migration from a greenbox collection system to that of compaction or convenience centers will provide Franklin County with operational and capital efficiencies. Once such a program is phased in and fully operational, the analysis indicates a potential net operational savings of approximately \$38K annually. While this same analysis notes some additional capital costs (i.e. roll off trucks, initial site development), over time the numbers indicate potential annual capital savings of approximately \$97K. Neither the operational nor the capital savings include any additional dollar savings or revenue recapture in lost revenue due to illegal use of the greenboxes.

As an example of revenue recapture, Henry County staffs their sites six days a week and reported an estimated savings of \$167,000 (revenue recapture) from green box illegal use recaptured the first year of the compaction system. Staff anticipates lost revenue from illegal use of the greenboxes could also be recaptured if such a compaction system were implemented here. It is important to note that during the last few years the County has experienced a drop in landfill scale receipts from decreasing tonnage, while greenbox tonnage continues to increase. None of the counties that had converted to compaction sites said that making a conversion to compaction sites was initially easy, but all agreed in the long term it had been a good move financially.

Pure savings alone is likely not the primary reason to move forward although there are savings. Beneficial reasons include: addressing the illegal use of the greenboxes; the ability to monitor what goes into the compactors and preventing hazardous substances from being disposed; improving traffic safety. The value added advantage of offering a substantially better customer service experience for County citizens as they dispose of their household waste while addressing growth in the future without relying on ever costly front end, fuel inefficient trucks further enhances the benefit equation of why a compaction convenience system is positive for our

citizens. While manned sites are staff's recommendation starting out, if the County experiences a solid level of compliance it is possible that some monitored sites could be considered in future years.

While the analysis indicates sizeable budgetary savings over time, staff understands the migration to a compaction, convenience system will necessitate some service changes for County residents. If such a system is implemented, the current 69 sites will be consolidated into approximately 12 compaction sites and phased in over the next couple of fiscal years. This compares with 8 sites in Henry County, 7 sites in Montgomery County and 18 sites in Pittsylvania County. Franklin County's sites will be strategically located in primary areas along major commuter routes generally within a six mile buffer of most residents. The centers will include recycling boxes and a compactor, whereby the open top roll off boxes will be available providing regular access to the large roll off boxes at all times of the year. Part-time staff would be available to keep the sites continually clean, control illegal dumping, and assist any residents who made need assistance lifting / disposing of their trash. General hours of operations would be directed to best accommodate residential traffic opening weekdays (7am-7pm); Saturday (8am-6pm); Sunday (12pm-5pm). Staff proposes to phase the project in over a two year period so the existing greenbox sites could be closed in an orderly fashion to minimize residents' inconvenience. To assure the efficiencies as noted in this summary, the project is presented as an all or nothing proposal with the continuance of a weekday, Rocky Mount central route that includes government facility greenboxes (i.e. Middle/High schools, Library, Courthouse, etc.).

Phase One of the consolidation could begin next fiscal year and primarily cover the northern portion of the County (i.e. Boones Mill, Windy Gap, Burnt Chimney, Glade Hill, Westlake, Scruggs, and Hardy). Phase Two would then begin the following fiscal year and cover the southern portion of the County (i.e. Callaway, Ferrum, Endicott, Henry, Fork Mountain, Snow Creek, Sontag, Union hall, etc.). As previously noted, the compaction convenience system will require initial capital investment. Staff notes approximately \$750K is available from existing, capital accounts to assist with Phase I. As the radio system project recently received a very competitive interest rate, financing the balance for Phase II of the compaction sites could possibly come from this borrowing should the Board so choose.

RECOMMENDATION: Staff respectfully requests the Board of Supervisors to consider the approval of the compaction sites - convenience center system, thereby phasing such project in over the next couple of fiscal years as noted above with capital funding to come from existing landfill capital accounts, any remaining funds from the proposed Bank of America radio system financing, and future carry over or capital improvement funds.



Green Boxes

The Convenience Dilemma

February 17, 2015

Traffic Safety Concerns

- Blocking intersections while loading
- Backing into traffic

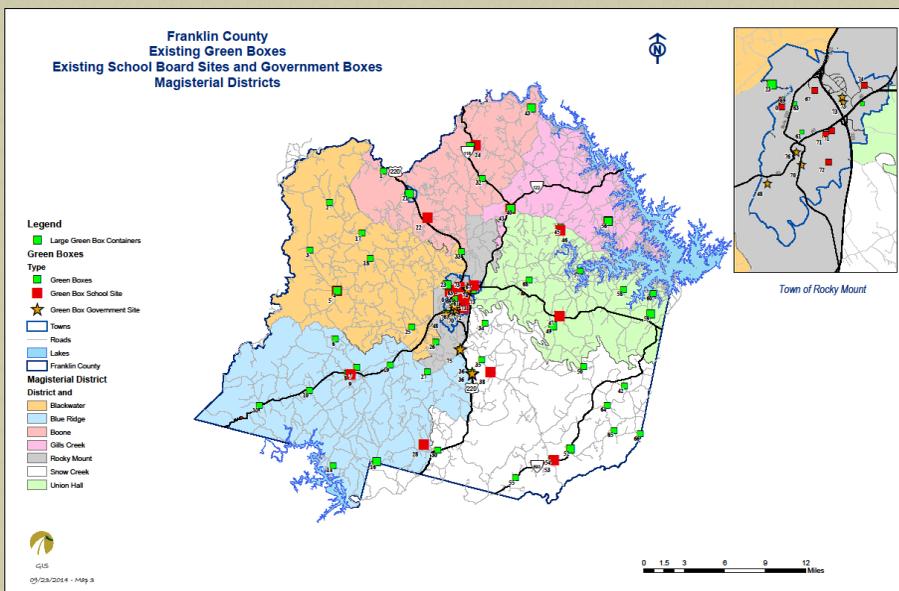


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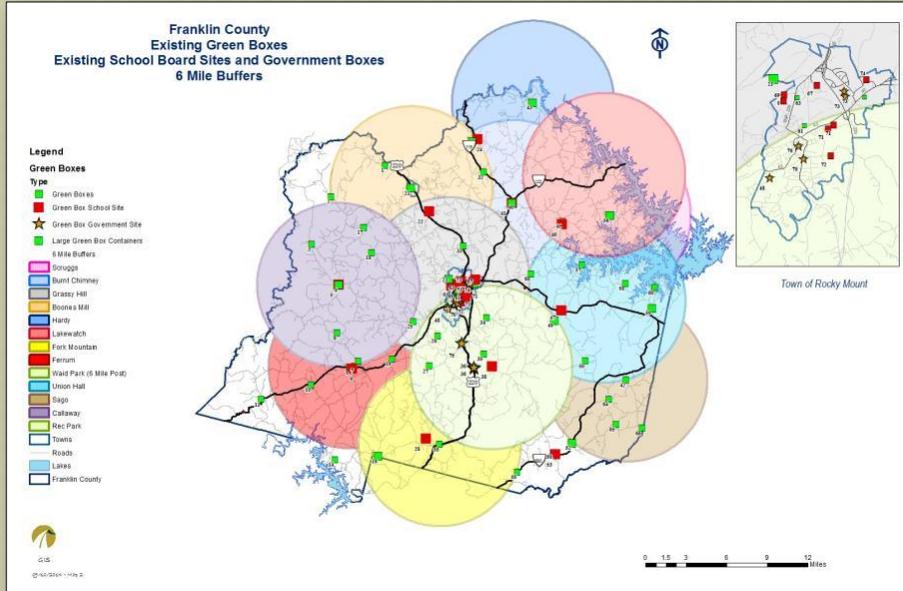
Existing Greenbox System Operations

- **69 total greenbox sites (284 total boxes)**
 - 16 sites (21 boxes) Franklin County School Board
 - 7 sites (7 boxes) Government
 - 4 sites (10 boxes) Ferrum College, 4-H Center, Penhook Boat Dock
 - 10 sites (95 boxes) Picked up twice a day full or not
 - 5 trucks, 7 days a week

6



7



8

Our Neighbors

- Floyd is only neighboring county with greenbox system
- Bedford, Montgomery, Henry, Pittsylvania have varying types of compactor sites
- Roanoke County is 100% curbside pickup

ADJACENT COUNTY COMPARISON

COUNTY	# MANNED SITES	# UNMANNED SITES	SCHOOLS	OPEN SUNDAY	CARDBOARD COMPACTORS
BEDFORD	7	18 Monitored Bagged household waste only	PRIVATIZED	YES	YES
FLOYD	0 Transfer Station	?	PRIVATIZED	YES	NO
FRANKLIN	0	53 Non-School Sites	COUNTY 16 School sites	YES	NO
HENRY	7 Transfer Station	0	PRIVATIZED	NO	NO
MONTGOMERY	7	0	PRIVATIZED	1/2 DAY	YES
PATRICK	0 Transfer Station	0	PRIVATIZED	NA	NA
PITSYLVANIA	0	18 Monitored Bagged household waste only	PRIVATIZED	YES	NO
ROANOKE	NA Countywide curbside pickup \$12 per month	NA	NA	NA	NA
BOTETOURT	NA Countywide curbside pickup and Transfer Station \$24 per month	NA	PRIVATIZED	NA	NA

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Bedford County Manned Site



Pittsylvania County Patrolled Site

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Compactor Systems

- **Stationary Compactor Anchored To Concrete Pad**
 - 3-4 cubic yard hopper that waste is thrown in
 - 40 cubic yard receiving box
 - Capable of compacting waste to 1/7 size by volume (1/5 was used for our calculation)
 - 25 greenboxes to fill 1 receiver
- **Straight Frame Truck With Hydraulic Roll Hoist**
 - 40% less than purchase price of front load trucks
 - Double the fuel efficiency
 - Only dispatched when box is full (not daily route to empty boxes)

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Propose Hours of Operation

To maintain control of waste stream and greenbox misuse. The sites will not be available 24 hours a day, 7 days a week.

75 hours per week are proposed:

- Monday through Friday 7 a.m. to 7 p.m.
- Saturday 8 a.m. to 6 p.m.
- Sunday 12 p.m. to 5 p.m.
- Closed on major holidays

Many counties have no service on Sunday and Holidays to alleviate landfill and driver overtime expense.

We can provide enough overflow capacity to accommodate Sunday without overtime

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Alternative – Manned Compaction Sites

BENEFITS

- Consolidates multiple sites
- Provides long term capital expenditure savings
- Controls illegal dumping
- Captures lost commercial revenue
- Addresses environmental issues
- Corrects site aesthetics-cleanliness
- Controls waste stream of items going into the landfill
- Still provides recycling, roll off box services
- Enhances safety, security and provides assistance to residents needing physical help
- Addresses driver and driver safety issues

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Alternative– Manned Compaction Sites

DRAWBACKS

- Increase in part-time labor
 - 12 sites x 75 hours/week x 52= 46,800 hours
 - With Supervisor and \$10/hour rate = \$533,568 annually
- Upfront capital outlay expense
- Not as convenient for residents

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Part-Time Labor

- Potentially 46,800 hours
 - Proposed \$10/hr salary
 - Every dollar less saves \$50,000
 - Bedford minimum wage
 - Montgomery County \$8.84
- Pittsylvania, Campbell, and Bedford have some sites “patrolled” not manned
 - Only after a couple years of manned sites to educate public did this work
 - Montgomery County tried unmanned but had so many problems they stayed manned
 - Volunteers are not acceptable as responsible, County employees will be required to handle public
- All Counties said it was difficult to start but once citizens adjusted to schedule it was very good

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Proposed Sites Would Include

- Compactor
- Open top roll offs at all times, at all sites
 - Furniture
 - White goods
- Recycling Boxes
 - Cans
 - Newspaper
 - Cardboard (Bedford, Montgomery have cardboard compactors)
- Would not allow brush, construction debris, tires

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Potential Hidden Savings

\$50,000 a year in lost revenue

- \$15,000 in tires
- \$35,000 estimated in commercial illegal dumping
 - Conservative estimate
 - This tonnage is still included in compaction load estimates but if eliminated could produce more operating savings in addition to lost revenue
 - Henry County stated they saw a \$167,000 benefit the first year they went to manned sites

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Cost Comparison

ANNUAL OPERATING COST

- Decreases
 - Salaries with benefits and overtime
 - Fuel expense
 - Site leases
 - Sunday and Holiday landfill hours, and driver hours
 - Cleanup expense
- Increases
 - Part-time labor
 - 12 sites x 75 hours/week x 52= 46,800 hours
 - With Supervisor and \$10/hour rate = \$533,568 annually
 - Bedford County minimum wage
 - Montgomery County \$8.68/hour
 - Outlying schools \$83,600
- Net savings in operations of \$38,085 annually

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Cost Comparison

CAPITAL COST

Years 1-10 with compaction system

- Decreases
 - Total truck expense
 - No greenbox purchases
- Increases
 - Site development including new sites for Union Hall, Callaway, LakeWatch
 - Purchase Compactors
- \$20,275 more expensive annually

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CAPITAL COST (Continued)

Years 11-20 with compaction system

- Decreases
 - Truck expense
 - No greenbox purchase
 - No site development
- Increases
 - Replace some compactors
- \$97,199 less expensive annually

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BUDGET ITEM	Existing System	PROPOSED SYSTEM	COMMENTS on NEW SYSTEM
OPERATIONS			
Salaries and wages (FT) + benefits	\$274,049	\$182,208	Town route and rolloff time (\$182,208)
Overtime	\$31,670	\$0	None assumed with compactor sites
Salaries and wages (PT)	\$69,630	\$533,568	12 sites at 75 hours per week at \$10/hour +Fica, Supervisor \$30,000
Professional services	\$28,000	\$10,000	
Maintenance service contracts	\$20,000	\$10,000	Existing - repainting and cleanup; reduce to repaint only
Electrical services	\$1,600	\$28,800	12 sites with compactors, lighting@ \$200/month
Phone	\$0	\$3,600	12 sites with phone services @ \$25/month
Repair and Maintenance supplies	\$147,000	\$20,000	Potential truck repair
Fuel	\$340,443	\$133,551	Includes: Compactor routes, 5 day town route and 1 open top per site per week
Lease green box sites	\$9,750	\$0	Close Callaway and Webster \$400/month each
Porta Johns	\$0	\$7,920	12 sites @ \$55/month/site
Water	\$0	\$4,320	12 sites @ \$30/month/site
Peripheral schools and 4-H center	\$0	\$83,600	Privatized quote
Sunday landfill Hours Labor and Fuel	\$18,510	\$0	
Site Cleanup Crew	\$65,000	\$0	
Illegal dumping revenue	\$0	(\$50,000)	Estimated from tire and commercial debris currently dumped in green boxes
SUBTOTAL	\$1,005,652	\$967,567	
TOTAL OPERATIONS	\$1,005,652	\$967,567	Difference = -\$38,085
CAPITAL COSTS - OVER NEXT 10 YEARS			
EQUIPMENT			
Trucks - Top load	\$1,364,833	\$0	No new ones added but will need front load for recycling and schools/GSA
Trucks - Roll off - purchase	\$160,000	\$640,000	4 trucks required;
Green boxes	\$121,760	\$0	No new ones added but will need boxes for recycling and schools/GSA
Compactors and boxes - purchase	\$0	\$493,400	13 sets required + 4 spare containers and attendant shelters.
Roll off boxes	\$0	\$90,000	20-30 yard open tops
		-\$195,000	Credit for boxes and truck value that can be sold.
TOTAL EQUIPMENT	\$1,646,593	\$1,028,400	
			Includes \$40,000 for fence and gates at Doe Run and Recreation Park. Includes new sites in Union Hall, Callaway, and Lakewatch.
SITE DEVELOPMENT	\$0	\$819,950	
TOTAL CAPITAL	\$1,646,593	\$1,848,350	Difference = \$202,757
CAPITAL COSTS - Years 11-20			
Trucks - Front load	\$1,500,216	\$0	5 trucks to be purchased over next 10 year period.
Trucks - Roll off	\$160,000	\$640,000	4 trucks to be replaced in year 2025
Green boxes	\$134,000	\$0	
Compactors and boxes	\$0	\$182,225	5 replacement compactors and box sets, 10-30 yard open tops
TOTAL	\$1,794,216	\$822,225	Difference = -\$971,991

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Item	Scraps	Burnt Chimney	Grassy Hill	Boones Mill	Hardy	Lakewatch	Fork Mountain	Ferrum	Wald Park	Union Hall	Sago	Callaway
Clearing and grubbing for expansion	0	1000	2000	0	0	2000	0	0	2000	2000	0	2000
Grading/Stormwater Management	3000	2000	6000	0	0	47000	500	0	6000	17000	0	17000
Gravel surfacing - 1000' 218" stone	0	4000	6500	2000	0	47000	1000	0	3000	47000	0	47000
Heavy duty asphalt paving at entrance	5000	0	3000	3000	5000	5000	0	0	2000	5000	0	3000
Concrete pad for compactor-50'x10'x8", plus perimeter haunch	12000	3500	3500	3500	3500	3500	3500	3500	3500	3500	3500	3500
Concrete pad for switching compactor containers, 30'x20'x8" plus perimeter haunch, 1 req'd	3500	3500	3500	3500	3500	3500	3500	3500	3500	3500	3500	3500
Concrete pad for roll-off box-30'x10'x8" plus perimeter haunch-1 required	5000	2500	2500	2500	2500	2500	2500	2500	2500	2500	2500	2500
Concrete pad for attendant's shelter, 12'x10'x8", plus perimeter haunch	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000
Chain link fence, 6 ft. height, no barbed wire	11250	7500	20000	15500	11250	20000	0	15000	14500	20000	0	20000
Gate, 24 ft. wide, 2' clear	6000	3000	3000	3000	6000	3000	3000	3000	3000	3000	3000	3000
Stationary compactor, with 40 CY box	50000	25000	25000	25000	25000	25000	25000	25000	25000	25000	25000	25000
Open top roll-off box, 30 CY capacity	4200	4200	4200	4200	4200	4200	4200	4200	4200	4200	4200	4200
Attendant's shelter, 8'x10'	7500	7500	7500	7500	7500	7500	7500	7500	7500	7500	7500	7500
Electrical service, including conduit, wiring, service panels	10000	10000	10000	10000	10000	10000	10000	10000	10000	10000	20000	10000
Telephone service	300	300	300	300	300	300	300	300	300	300	300	300
Site lighting, including pole, fixture, conduit,	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000
Phase converter (VFD)	0	0	1350	1350	1350	1350	0	1350	1350	1350	1350	1350
Signage allowance	500	500	500	500	500	500	500	500	500	500	500	500
Landscape allowance	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000
TOTAL DEVELOPMENT COST	\$121,250	\$77,500	\$101,950	\$84,850	\$83,600	\$155,350	\$65,850	\$78,000	\$91,850	\$155,350	\$74,350	\$155,350

2 YEAR PHASED IMPLEMENTATION

FY 2016

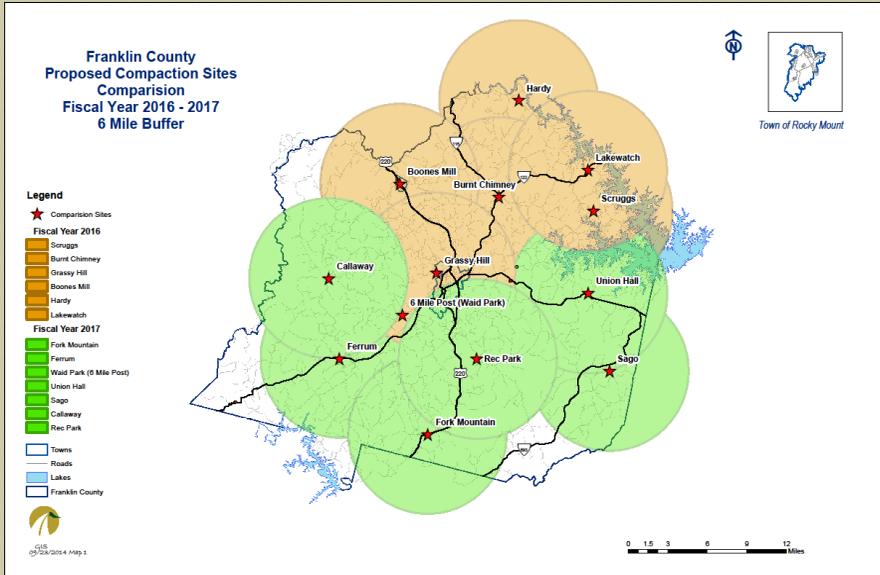
- \$ 624,500 Site Development Cost
- \$ 480,000 3 Roll off trucks
- \$ 45,000 10 Open top roll off boxes
- \$ 1,144,500

FY 2017

- \$ 620,750 Site Development Cost
- \$ 160,000 1 Roll off truck
- \$ 45,000 10 Open top roll off boxes
- \$ 825,750

Does not include land purchase for Callaway or Union Hall.

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Summary

COMPARISON COST

	FY 2015 - 2024		
	Existing	New	
Operating Budget	10,001,420	\$9,675,670	
Capital Expenditures	1,645,593	1,848,350	
	11,321,263	11,524,020	$\Delta=+202,757$

FY 2025 - 2034		
Existing	11,321,263	9,675,670
New		822,225
	11,321,263	10,497,595
		$\Delta=(-823,668)$

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Why Do It?

Long Term Savings

- **Expenditure Reductions**
(i.e. Labor, Fuel, Maintenance, Capital, Overtime, Holiday- Sunday Landfill Hours, etc.)
- **Landfill Space Enhanced**
- **Landfill Waste Flow Control**
- **Revenue Recapture**
(i.e. Tires, Construction Material, etc.)

Immediate Enhanced Services

- **Cleaner – Environmental Safety**
- **Manned Assistance**
(i.e. Seniors, Disabled, Security, & Control)
- **Levels Playing Field**
- **Enhances County Image**
- **Decreases Complaints**
- **Continual, Regular Access to Large Roll Off & Recycling Containers**
- **Matches up with service levels provided by surrounding localities**

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Possible Funding Considerations

- Operational costs to be absorbed within existing, operational budget savings

- Capital Costs \$1,970,250 (Phase I and Phase II)
 (less)-\$ 752,768 (Combined Existing Capital Accounts)
 \$1,217,482 (Remaining Balance Needed:
 Could possibly finance through a short
 term borrowing; add to existing radio
 system borrowing; annually set aside
 dollars from fund balance until total
 amount is achieved, etc.)

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Next Steps

With Board approval of this project Staff will:

- 1) Immediately design site upgrades at Scruggs, Hardy and Burnt Chimney
- 2) Prepare bid packages to purchase 6 compactors and 2 roll-off trucks
- 3) Assess front load box and truck inventories and determine how much can start to be liquidated
- 4) Push to obtain a Lakewatch area site and get it developed

Staff proposes to have these sites in operation by November 2015.

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General discussion ensued.

(RESOLUTION #04-02-2015)

BE IT THEREFORE ORDAINED, by the Board of Supervisors to approve of the compaction sites - convenience center system, thereby phasing such project in over the next couple of fiscal years with capital funding to come from existing landfill capital accounts, any remaining funds from the proposed Bank of America radio system financing, and future carry over or capital improvement funds. The Board authorizes staff to proceed with the proposal of Phase 1 & 2 for Compaction Sites as follows:

1. Immediately design site upgrades at Scruggs, Hardy and Burnt Chimney
2. Prepare bid packages to purchase 6 compactors and 2 roll-off trucks
3. Assess front load box and truck inventories and determine how much can start to be liquidated
4. Push to obtain a Lakewatch area site and get it developed

MOTION BY: Charles Wagner

SECONDED BY: Bob Camicia

VOTING ON THE MOTION WAS AS FOLLOWS:

AYES: Mitchell, Thompson, Wagner, Reynolds, Camicia, Thompson & Brubaker

RADIO SYSTEM FINANCING

Richard E. Huff, II, County Administrator, presented the following PowerPoint regarding the Radio System Financing:

Radio Equipment Lease Financing – Results of Competitive Bidding Process

Franklin County, Virginia



February 17, 2015

DAVENPORT & COMPANY
Member NYSE|FINRA|SIPC

Background



- Davenport & Company LLC ("Davenport") has historically served as Financial Advisor to Franklin County (the "County"), assisting the County with:
 - Borrowing for new projects;
 - Refinancing of existing debt for savings;
 - Multi-year capital planning; and
 - Rating agency interaction.

- In late 2014, County Staff and Davenport developed a Plan of Finance to secure funding for the purchase of a new Radio Communications System from Motorola Solutions Inc. Davenport presented the Plan of Finance to the County Board of Supervisors at the Board's meeting on December 16, 2014.

- As contemplated in the Plan of Finance, the County elected to solicit financing (the "Financing") for the purchase of the Radio System through a competitive Request for Proposals ("RFP") process.

- Davenport, on behalf of the County, distributed the RFP to national, regional, and local lending institutions on Wednesday, January 7, 2015.

- The RFP solicited proposals for the Financing of up to \$12.5 million for terms of 10 years and 15 years.

- The results of the Request for Proposals process are summarized on the following pages.

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February 17, 2015

Franklin County, VA 1

Results of RFP Process



- Responses to the RFP were submitted to Davenport on Thursday, January 22.
- The County received competitive bids from **eleven** banking institutions, as follows (a detailed summary of the eleven proposals is shown in the appendix):
 - **Bank of America;**
 - U.S. Bank;
 - Pinnacle Public Finance;
 - American National Bank;
 - BB&T;
 - Capital One;
 - Carter Bank & Trust;
 - Huntington Bank;
 - PNC;
 - SunTrust; and
 - Wells Fargo.
- Bank of America submitted the lowest interest rate proposal for both the 10-year and 15-year repayment terms. U.S. Bank and Pinnacle Public Finance provided the most competitive alternatives, as summarized below:

Proposing Bank	10-Year Interest Rate	15-Year Interest Rate
Bank of America	1.73%	2.09%
U.S. Bank	1.944%	2.191%
Pinnacle	2.19%	2.49%

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February 17, 2015

Franklin County, VA

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Results of RFP Process, cont. (Bank of America Proposal)



- While the RFP solicited proposals for up to \$12.5 million in financing, the County may only need to borrow \$11.7 million based on updated cost estimates for the Radio System.
- The debt service schedules shown below compare potential repayment of a Financing with Bank of America versus the initial planning estimates presented to the Board of Supervisors in December 2014.

	December 2014 Plan of Finance		Bank of America Financing Proposal			
	10 Years	15 Years	10 Years	10 Years	15 Years	15 Years
Amount Borrowed	\$14,000,000	\$14,000,000	\$11,735,000	\$12,500,000	\$11,735,000	\$12,500,000
Term Length	10 Years	15 Years	10 Years	10 Years	15 Years	15 Years
Interest Rate	3.75%	4.00%	1.73%	1.73%	2.09%	2.09%
Total Debt Service	\$17,046,875	\$18,866,800	\$12,829,632	\$13,665,985	\$13,730,846	\$14,625,729
FY						
2016	\$1,705,000	\$1,260,000	\$1,283,319	\$1,366,259	\$915,740	\$975,498
2017	1,705,750	1,262,000	1,282,479	1,367,182	915,580	975,409
2018	1,704,813	1,257,800	1,283,302	1,366,751	915,128	975,016
2019	1,702,188	1,257,600	1,282,796	1,366,965	915,383	975,299
2020	1,702,875	1,261,200	1,282,953	1,366,824	915,314	975,248
2021	1,706,688	1,258,400	1,282,764	1,366,321	914,942	974,862
2022	1,703,438	1,259,400	1,283,220	1,366,445	915,246	975,132
2023	1,703,313	1,259,000	1,283,322	1,366,188	915,216	975,067
2024	1,706,125	1,257,200	1,283,031	1,366,543	915,841	974,826
2025	1,706,688	1,259,000	1,282,426	1,366,508	915,121	974,830
2026		1,259,200	-	-	915,066	974,857
2027		1,257,800	-	-	915,636	975,098
2028		1,259,800	-	-	915,839	975,141
2029		1,260,000	-	-	915,867	974,799
2030		1,258,400	-	-	915,128	975,048

- Initial planning estimates contemplated payments of \$1.7 million per year for 10 years or \$1.26 million per year for 15 years. The budgetary impact of the Financing could be less than initial planning estimates by up to \$420,000 per year (for a 10 year financing) or \$340,000 per year (for a 15 year financing). Over the life of the loan, these savings translate to \$4.2 million and \$5.1 million, respectively.

*Results shown assume a Direct Bank Loan with Bank of America. All figures are preliminary, subject to change. All figures shown include all estimated costs of issuance.

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February 17, 2015

Franklin County, VA

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Recommendation



- Davenport recommends the County pursue the Financing with Bank of America. The benefits of the Bank of America proposal are as follows:
 - Interest rates for both the 10-year option and 15-year option are the lowest out of all banking institutions that responded to the RFP. As a result, debt service payments on the Financing will be significantly lower than initial planning estimates;
 - Interest rates are fixed through final maturity of the loans;
 - Legal terms and conditions regarding security structure are not overly restrictive; and
 - The County maintains flexibility in its ability to prepay the Financing. The proposal calls for a 1% prepayment premium during the first half of the Financing term and no prepayment penalty during the second half of the term.

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February 17, 2015

Franklin County, VA

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Next Steps



The Next Steps to close on the Financing

- Tuesday, February 9
 - **Meeting of the County Board of Supervisors:**
 - Davenport presents results of the competitive bidding process and recommends the selection of Bank of America as lender to the Board of Supervisors.
 - The Board of Supervisors selects the financing term (10 or 15 years), selects the successful proposer, and considers formal approval of financing documents.
- Balance of February
 - Davenport, Sands Anderson, and County Staff prepare for closing.
- On /Before Friday, February 27
 - Close on the Financing.

DAVENPORT & COMPANY

February 17, 2015

Franklin County, VA

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Appendix

Summary of Proposals

	Bank of America Public Capital		U.S. Bank Government Contract & Finance		Pinnacle Public Finance	
	Bank of America	usbank	Pinnacle Public Finance			
	Option 1A & 1B	Option 2A & 2B	Option 1A & 1B	Option 2A & 2B	Option 1A & 1B	Option 2A & 2B
NTE Amount	\$12,500,000		\$12,500,000		\$12,500,000	
Bank Qualification	BQ or Non-BQ	BQ or Non-BQ	BQ or Non-BQ	BQ or Non-BQ	BQ or Non-BQ	BQ or Non-BQ
Term	30 Years	15 Years	30 Years	15 Years	10 Years	15 Years
Final Maturity	2/15/2025	2/15/2030	2/15/2025	2/15/2030	2/15/2025	2/15/2030
Interest Rate	1.72%	2.03%	1.944%	2.191%	2.19%	2.42%
Interest Made	Fixed through maturity		Fixed through maturity		Fixed through maturity	
Prepayment Provisions	Prepayable in whole on a scheduled payment date at 101% during 1st half of term and at 100% during 2nd half		Prepayable at 103% of outstanding balance on any payment date.		Prepayable in whole on a scheduled payment date at 100%. Partial prepayments allowed once a year in a minimum amount (with \$500 fee).	
Bank / Legal Fees	No fees specified		No fees specified		Potential escrow and prepayment fees. Pinnacle is willing to finance any of the County's closing expenses.	
Security	Performance bond naming Bank of America as co-obligor, assignment of Motorola contract, and security interest in the existing system, only until completion of the new system.		Master Tax-Exempt Lease Agreement with title in County's name. Bank will hold a security interest in the equipment during the term. Master Lease structure allows for additional projects to be added using same financing documents.		Equipment Lease Agreement. Moral Obligation of the County. Pinnacle intends to hold the Lease to maturity but reserves the right to assign the Lease to other institutions.	
Escrow Account	County shall deposit proceeds of the Lease in an escrow acceptable to Bank of America. Disbursements must be approved by the Bank.		Funds shall be deposited in a no-fee U.S. Bank NA escrow account. Excess proceeds can be applied to next due lease payment.		If an escrow account is required, the County will be responsible for fees associated with the account. Pinnacle has a pre-negotiated escrow fee of \$750 with BNY Mellon.	
Proposed to be Accepted by	February 13 (per cover letter) or within 5 days (per proposal). To be clarified.		Not specified.		Not specified.	
Revised through	February 27, 2015.		March 20, 2015.		March 6, 2015.	
Notes and Other Terms & Conditions	County may be required to provide, at its expense, casualty insurance. County to provide 3 years of audited financials, tax opinion, most recent budget, insurance certificate, a copy of the Motorola contract. May be required to provide landlord and mortgage waivers and supporting information.		Subject to final credit approval. Requires completion of U.S. Bank's Essential Loan application form. County to provide 3 years of audited financials, tax opinion.		Subject to final credit approval. County must provide letter confirming that the County's financial advisor is acting as an Independent Registered Municipal Advisor. County must provide a copy of all executed transaction documents by closing.	

Summary of Proposals



	American National Bank				Branch Banking & Trust		Capital One Public Funding	
	Option 1A	Option 1B	Option 2A	Option 2B	Option 1A	Option 2A	Option 1A & 1B	Option 2A & 2B
NTE Amount	\$10,000,000	\$12,500,000	\$10,000,000	\$12,500,000	\$10,000,000		\$12,500,000	
Bank Qualification	BQ	Non-BQ	BQ	Non-BQ	BQ	BQ	BQ or Non-BQ	BQ or Non-BQ
Term	10 Years		15 Years		10 Years	15 Years	10 Years	15 Years
Final Maturity	2/15/2025	2/15/2030	2/15/2030	2/15/2030	2/15/2025	2/15/2030	2/15/2025	2/15/2030
Interest Rate	2.25%	2.65%	3.03%	3.65%	2.13%	2.53%	2.54%	3.21%
Interest Mode	Fixed through maturity				Fixed through maturity		Fixed through maturity	
Prepayment Provisions	Prepayable at 101% if \$8,000,000 or more is prepaid from any other financial institution during the first 5 years of the term				Prepayable in whole on a scheduled payment date at 101% OR noncallable for the 1st half of term and prepayable on any payment date at 100% during 2nd half		Prepayable in whole on a scheduled payment date at 102%	
Bank / Legal Fees	Bank Fee of \$2,500				No fees specified.		No fees specified	
Security	Equipment Lease Agreement, Moral Obligation of the County, security interest in the equipment and infrastructure being financed by the 2015 Financing.				First lien on all the equipment installed under the contract for the new emergency radio communications system.		First lien and security interest in the equipment.	
Escrow Account	Not specified.				Not specified		County shall deposit proceeds of the Lease into an account held by an escrow agent appointed by Capital One with disbursements made as equipment is delivered and accepted. Escrow set up fees to be paid by Capital One	
Proposal to be Accepted by	Not specified.				Within 5 business days of proposal (January 29, 2015)		January 30, 2015	
Rates held through	Not specified.				March 8, 2015		February 28, 2015	
Notes and Other Terms & Conditions	Selected additional terms and conditions shown below. See full proposal for complete terms and conditions. UCC-1 Financing Statements will be prepared for all financed equipment by the County. County to provide annual audited financial statements. American National would be willing to add additional projects under the same financing documents.				Subject to final credit approval		Subject to final credit approval. Capital One would be willing to incorporate the ability to add additional projects under the same financing documents.	

Summary of Proposals



	SunTrust Equipment Finance & Leasing Corp.	Wells Fargo Bank
	Option 1A & 1B	Option 1A & 1B / Option 2A & 2B
NTE Amount	\$14,000,000	\$12,500,000
Bank Qualification	BQ or Non-BQ	BQ or Non-BQ
Term	10 Years / 15 Years	10 Years / 15 Years
Final Maturity	2/15/2025	2/15/2025 / 2/15/2030
Interest Rate	2.80%	2.05% / 2.11%
Interest Mode	Fixed through maturity	Fixed 7 years. Above rates are indicative only
Prepayment Provisions	Make-whole beginning August 15, 2018	Make-whole
Bank / Legal Fees	Escrow agent fee of \$250. \$7,500 fee if Bank Counsel is required	Unspecified cost of Bank Counsel
Security	Lease Purchase Agreement, Moral Obligation of the County	Equipment Lease Agreement, Moral Obligation of the County, easements, attachments, and subordination of interest for equipment on County-owned land. For equipment on non-County land, the County must negotiate with landowners to acknowledge the Bank's rights in the equipment.
Escrow Account	Escrow Agent will be SunTrust Bank. County to pay \$200 Escrow Administration Fee for establishing the account. SunTrust will review and approve disbursements prior to disbursement of funds.	Escrow Agent will be SunTrust Bank. County to pay \$200 Escrow Administration Fee for establishing the account. SunTrust will review and approve disbursements prior to disbursement of funds.
Proposal to be Accepted by	January 31, 2015	February 20, 2015
Rates held through	March 15, 2015	Interest rates are indicative only, to be locked 5-10 days prior to closing
Notes and Other Terms & Conditions	Selected additional terms and conditions shown below. See full proposal for complete terms and conditions. County shall purchase insurance for the full cost of property plus \$1 million combined single limit property damage and bodily injury liability insurance with SunTrust named as loss payee and additional insured.	Selected additional terms and conditions shown below. See full proposal for complete terms and conditions. UCC-1 Financing Statements will be prepared for all financed equipment by the County. County to provide annual audited financial statements, approved annual budget, and other information as reasonable requested.

Municipal Advisor Disclaimer



The enclosed information relates to an existing or potential municipal advisor engagement.

The U.S. Securities and Exchange Commission (the "SEC") has clarified that a broker, dealer or municipal securities dealer engaging in municipal advisory activities outside the scope of underwriting a particular issuance of municipal securities should be subject to municipal advisor registration. Davenport & Company LLC ("Davenport") has registered as a municipal advisor with the SEC. As a registered municipal advisor Davenport may provide advice to a municipal entity or obligated person. An obligated person is an entity other than a municipal entity, such as a not for profit corporation, that has commenced an application or negotiation with an entity to issue municipal securities on its behalf and for which it will provide support. If and when an issuer engages Davenport to provide financial advisory or consultant services with respect to the issuance of municipal securities, Davenport is obligated to evidence such a financial advisory relationship with a written agreement.

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01.13.14 GM | KL | DR

DAVENPORT & COMPANY

February 17, 2015

Franklin County, VA 11

**RESOLUTION OF BOARD OF SUPERVISORS OF THE
COUNTY OF FRANKLIN, VIRGINIA APPROVING LEASE PURCHASE FINANCING**

WHEREAS, the Board of Supervisors (**the “Board”**) of the County of Franklin, Virginia (**the “County”**) has determined (i) that a true and very real need exists for significant upgrades and replacements of the existing County public safety communications system and other County facilities, equipment or vehicles (**the “Equipment”**) described in the Lease Agreement (as hereinafter defined) and in a Communications System Agreement (**the “Communications System Contract”**) expected to be entered into between the County and Motorola Solutions, Inc. (**“Motorola”**); (ii) that the Equipment is essential to the governmental functions of the County; and (iii) that it reasonably expects the Equipment to continue to be essential to the governmental functions of the County for a period not less than the term of the Lease Agreement; and

WHEREAS, the Board has taken the necessary steps under the Procurement Act of the Code of Virginia, 1950, as amended, to acquire the Equipment; and

WHEREAS, the Board has paid, beginning no earlier than 60 days prior to the date hereof and will pay, on and after the date hereof, certain expenditures (**the “Expenditures”**) in connection with the design, acquisition, improvement, installation and equipping of the Equipment; and

WHEREAS, the Board has determined that those moneys previously advanced no more than 60 days prior to the date hereof and to be advanced on and after the date hereof to pay the Expenditures are available only for a temporary period and it is necessary to reimburse the County for the Expenditures from the proceeds of one or more issues of tax-exempt Lease Obligations (defined below); and

WHEREAS, the Board proposes to enter into a Master Equipment Lease/Purchase Agreement and one or more schedules thereunder, in the principal amount of not to exceed \$12,500,000 (**the “Lease Agreement”**) with Banc of America Public Capital Corp (**the “Lessor”**) to finance the purchase of the Equipment over a term not to exceed approximately fifteen (15) years, such Lease Agreement being in accordance with the Proposal (as defined below); and

WHEREAS, (i) all amounts payable by the County under the Lease Agreement (**the “Lease Obligations”**) are subject to annual appropriation by the Board; (ii) the Board is not under any obligation to make any appropriation with respect to the Lease Agreement; (iii) the Lease Agreement is not a general obligation of the County or a charge against the general credit or taxing power of the County; and (iv) amounts payable by the County under the Lease Agreement do not constitute a debt of the County within the meaning of any constitutional, charter or statutory limitation; and

NOW, THEREFORE, BE IT RESOLVED, THAT:

1. The Board hereby accepts the proposal of the Lessor submitted on January 21,

2015, (the **"Proposal"**) for the financing of the Equipment on the terms set forth therein, including without limitation, a maximum annual interest rate of 2.09% for a maximum term of approximately fifteen years with the option of selecting a lower rate as set forth in the Proposal for a shorter term.

2. It is hereby found and determined that the terms of the Lease Agreement as provided in the Proposal are in the best interests of the County for the design, acquisition, improvement, installation and equipping of the Equipment.

3. The Lease Agreement and related financing documents are hereby approved. The Chairman, the Vice Chairman and the County Administrator, each of whom is authorized to act, are hereby authorized to execute, acknowledge and deliver the Lease Agreement and related financing documents, including but not limited to an escrow agreement with an authorized escrow agent, if required, as selected by the Chairman, Vice Chairman or County Administrator, and a restricted account agreement if utilized by the County, with any changes, insertions and omissions therein as may be approved by the individuals executing the Lease Agreement and such documents, including but not limited to the annual interest rate, payment dates, lease term, description of Equipment and prepayment provisions, such approval to be conclusively evidenced by the execution and delivery thereof.

4. The same officers of the Board, and the County Administrator and the County Attorney are authorized and directed to execute and deliver any and all other agreements, financing statements, papers, instruments, opinions, certificates, affidavits and other documents and to do or cause to be done any and all other acts and things necessary or proper for carrying out the purposes and intents of this resolution and the Lease Agreement.

5. The approvals set forth in this Resolution to enter into the Lease Agreement are subject to and contingent upon the Communications System Contract being entered into by the County and Motorola.

6. The County covenants that it shall not take or omit to take any action the taking or omission of which will cause the Lease Obligations to be "arbitrage bonds" within the meaning of Section 148 of the Code, or otherwise cause interest on the Lease Obligations derived from the interest component of rental payments made by the County under the Lease Agreement to be includable in the gross income for Federal income tax purposes of the registered owners thereof under existing law. Without limiting the generality of the foregoing, the County shall comply with any provision of law that may require it at any time to rebate to the United States any part of the earnings derived from the investment of the gross proceeds of the Lease Obligations.

7. The County further covenants that it shall not permit the proceeds of the Lease Obligations to be used in any manner that would result in (a) 10% or more of such proceeds being used in a trade or business carried on by any person other than a governmental unit, as provided in Section 141(b) of the Code, provided that no more than 5% of such proceeds may be used in a trade or business unrelated to the County's use of the Equipment, (b) 5% or more of such proceeds being used with respect to any "output facility" (other than a facility for the furnishing of water), within the meaning of Section 141(b)(4) of the Code, or (c) 5% or more of

such proceeds being used directly or indirectly to make or finance loans to any persons other than a governmental unit, as provided in Section 141(c) of the Code; provided, however, that if the County receives an opinion of nationally recognized bond counsel that any such covenants need not be complied with to prevent the interest on the Lease Obligations from being includable in the gross income for Federal income tax purposes of the registered owner thereof under existing law, the County need not comply with such covenants.

8. The County hereby declares, in accordance with U.S. Treasury Regulation Section 1.150-2, as amended from time to time, the County's intent to reimburse the Board with the proceeds of the Lease Obligations for the Expenditures with respect to the Equipment made no more than 60 days prior to the date hereof. The County reasonably expects on the date hereof that it will reimburse the Expenditures with the proceeds of the Lease Obligations. Each Expenditure was and will be either (a) of a type properly chargeable to a capital account under general federal income tax principles (determined in each case as of the date of the Expenditures), (b) a cost of issuance with respect to the Lease Obligations, (c) a nonrecurring item that is not customarily payable from current revenues, or (d) a grant to a party that is not related to or an agent of the County so long as such grant does not impose any obligation or condition (directly or indirectly) to repay any amount to or for the benefit of the County. The maximum principal amount of the Lease Obligations expected to be issued for the Equipment is \$12,500,000. The County will make a reimbursement allocation, which is a written allocation by the County that evidences the County's use of proceeds of the Lease Obligations to reimburse an Expenditure, no later than 18 months after the later of the date on which the Expenditure is paid or the Equipment is placed in service or abandoned, but in no event more than three years after the date on which the Expenditure is paid. The County recognizes that exceptions are available for certain "preliminary expenditures," costs of issuance, certain de minimis amounts, expenditures by "small issuers" (based on the year of issuance and not the year of expenditure) and expenditures for construction projects of at least 5 years.

9. The Board hereby determines that it is in the best interests of the County to authorize the County Treasurer to participate in the State Non-Arbitrage Program in connection with the Lease Obligations, if directed by the Chairman.

10. The recitals to this resolution are hereby incorporated by reference and are declared to be findings of the County in connection with its decision to acquire and finance the Equipment.

11. All acts of the officers, agents and representatives of the County that are in conformity with the purposes and intent of this resolution and in furtherance of the leasing of the Equipment by the County to finance the Equipment and the design, acquisition, improvement, installation and equipping of the Equipment are hereby approved, ratified and confirmed.

12. This resolution shall be effective immediately upon its adoption.

Date of Adoption: February 17, 2015.

CERTIFICATION OF ADOPTION OF RESOLUTION

The undersigned Clerk of the Board of Supervisors of the County of Franklin, Virginia hereby certifies that the Resolution set forth above was adopted during an open meeting on February 17, 2015, by the Board of Supervisors with the following votes:

Aye:

Nay:

Abstentions:

Signed this ___ day of _____, 2015.

By: _____
Clerk, Board of Supervisors

(RESOLUTION #05-02-2015)

BE IT THEREFORE ORDAINED, by the Board of Supervisors to authorize the County Administrator to execute the 10 year option (Interest Rate 1.73%) with a fixed interest rate through final maturity of the loan with the County maintaining flexibility in its ability to prepay the financing to Bank of America.

MOTION BY: Bob Camicia

SECONDED BY: Charles Wagner

VOTING ON THE MOTION WAS AS FOLLOWS:

AYES: Mitchell, Thompson, Wagner, Reynolds, Camicia, Thompson & Brubaker

WELLS FARGO/EMPLOYEE HEALTH INSURANCE

Chris Whitlow, Deputy County Administrator, shared with the Board, an update on bids received for County Employee Health Insurance, as follows:



Franklin County

_____ February 17, 2015
2015 –Board Meeting



Review of Goals and Objectives – Short Term

	Short Term Goals (Current Year)	Mid Term Goals (Years 2-3)	Long Term Goals (Years 4-5)
Plan Design	✓ Maintain benefit levels as close to current	<ul style="list-style-type: none"> • Possibly phase out \$25/\$500 • Consider a High Deductible Plan offering 	<ul style="list-style-type: none"> • Consider a High Deductible Plan offering

	Short Term Goals (Current Year)	Mid Term Goals (Years 2-3)	Long Term Goals (Years 4-5)
Contribution	✓ Review other local contribution structure for employee and dependent	<ul style="list-style-type: none"> • Need to increase cost of coverage for dependents and maintain/decrease cost for employees 	<ul style="list-style-type: none"> • Move toward defined contribution strategy for benefits

1

Health Reimbursement Account

After careful review and analysis, the consensus is to eliminate the Health Reimbursement Account (HRA) component for the reasons outlined below:

1. The HRA's purpose was to incent consumerism, but this was not achieved through benefit design.
2. Anthem & Aetna have restrictions on plan design and administration capabilities when an HRA is involved.
3. Not Funded
4. Within the industry, many employers are moving away from HRA design towards HSA design.

2

Executive Summary- Medical RFP

- Wells Fargo released the Medical RFP to the market on November 14, 2014.
- The following vendors responded to the RFP:

Carrier Name	Contact Name	Medical Proposal
Aetna	Nick Carel	✓
Anthem	Carl LaFerney	✓
Cigna	James (Jay) Pruett, Jr.	✓
Optima	Susan Landside	Declined to Quote
The Local Choice (Anthem)	Carl LaFerney	✓ (Self-Insured)
UnitedHealthcare	James Brennan	✓

Good News in the Results

Why did we receive such good responses?

- Better claims experience
- Increased market competition- Anthem is fighting for market share
- Possible impact from Spousal Exclusion

4

Executive Summary- Medical RFP

- Wells Fargo Insurance reviewed all the proposals and prepared an extensive RFP analysis report that we presented to Franklin County senior staff on January 22, 2015
- The analysis focused on:
 - Benefits
 - Network
 - Cost
 - Administration
- After the presentation, Aetna/Coventry (Incumbent) and Anthem were selected as finalists. Finalists meetings were conducted on Wednesday, February 4, 2015.

Wells Fargo Insurance

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Aetna

	Coventry/Aetna		Aetna			
	Current POS \$25/\$500	Current POS \$30/\$1,000	Negotiated Renewal with HRA POS \$25/\$500	Negotiated Renewal with HRA POS \$30/\$1,000	Renewal without HRA POS \$25/\$500	Renewal without HRA POS \$30/\$1,000
Employee Only	\$551.38	\$519.08	\$521.90	\$496.83	\$502.59	\$493.85
Employee + Child	\$827.07	\$778.63	\$939.41	\$894.29	\$904.65	\$888.92
Employee + Children	\$1,157.90	\$1,090.07	\$939.41	\$894.29	\$904.65	\$888.92
Employee + Spouse	\$1,185.47	\$1,116.02	\$1,122.08	\$1,068.17	\$1,080.56	\$1,061.76
Family	\$1,764.43	\$1,661.06	\$1,670.07	\$1,589.84	\$1,608.28	\$1,580.30
Monthly Premium	\$48,687	\$220,376	\$46,710	\$210,033	\$44,982	\$208,773
Annual Premium	\$584,243	\$2,644,511	\$560,518	\$2,520,401	\$539,779	\$2,505,276
Combined Annual Premiur		\$3,228,754		\$3,080,919		\$3,045,054
\$ Change to Current Rates				-\$147,834		-\$183,699
% Change to Current Rates				-4.6%		-5.7%

- Original Aetna renewal came in at -1.6%, Wells Fargo was able to negotiate additional savings prior to the finalist meeting. The above chart represents Aetna's final renewal offer.

Wells Fargo Insurance

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Anthem

	Coventry/Aetna		Anthem			
	Current POS \$25/\$500	Current POS \$30/\$1,000	Best and Final KC 25	Best and Final KC 30	Best and Final HK Value Advantage \$25/\$500	Best and Final HK Value Advantage \$30/\$1,000
Employee Only	\$551.38	\$519.08	\$484.23	\$470.80	\$460.25	\$447.49
Employee + Child	\$827.07	\$778.63	\$726.33	\$706.19	\$690.36	\$671.21
Employee + Children	\$1,157.90	\$1,090.07	\$1,016.88	\$988.68	\$966.52	\$939.73
Employee + Spouse	\$1,185.47	\$1,116.02	\$1,041.10	\$1,012.23	\$989.54	\$962.10
Family	\$1,764.43	\$1,661.06	\$1,549.54	\$1,506.57	\$1,472.79	\$1,431.96
Monthly Premium	\$48,687	\$220,376	\$42,757	\$199,879	\$40,640	\$189,981
Annual Premium	\$584,243	\$2,644,511	\$513,089	\$2,398,544	\$487,679	\$2,279,769
Combined Annual Premium		\$3,228,754		\$2,911,633		\$2,767,448
\$ Change to Current Rates				-\$317,121		-\$461,306
% Change to Current Rates				-10%		-14%

- The above chart represents Anthem's final offer.

Wells Fargo Insurance

7

Anthem & Aetna Comparison

- Anthem**
 - Local Account Management (same AM's as in the past when Franklin had Anthem)
 - Able to offer the current PCP/Specialist copay structure
 - Lower Urgent Care copay
 - Telemedicine offering, includes family members that are not covered by the Franklin medical plan
 - Will not offer Wellness Dollars
- Aetna**
 - Can offer both a plan with an HRA and without the HRA
 - Can offer the HRA, however, the plan design will not be able to have any copay structure
 - Telemedicine offering, only includes those on the plan
 - Offered Wellness Dollars
 - Account Management has changed often in the last year

8

Visit with a doctor online, anytime.
From work, at home or on the go.

LiveHealth Online:

- Is available in most states including DC*
- Is available 24 hours a day, 7 days a week, 365 days a year
- Is available anywhere you have a computer or mobile device with Internet access (at home, in the office or on the go)
- Provides access to in-network, board-certified doctors
- Allows doctors to ePrescribe** utilizing local pharmacies (where applicable)
- Takes member payments via Visa, MasterCard and Discover
- Is secure, convenient and easy-to-use

*LHO is not yet available in the following states: AK, TX, LA, AR, AL and NH.

**In certain states, prescriptions cannot be issued as a result of an online interaction with a doctor. For state telehealth availability, check the map on www.LiveHealthOnline.com.

LiveHealth Online is the trade name of Health Management Corporation, a separate company providing telehealth services on behalf of Anthem Blue Cross and Blue Shield.



A great consumer experience

Say "ahhhh."

90%

patient satisfaction

"I am very impressed and will continue to recommend this service to friends, family and co-workers."

85%

completely resolve their medical issue

"I was able to get things taken care of in less than 10 minutes."

90%

saved time

"I will definitely use it again. I saved at least three hours by not going in to the doctor — and a ton of cash!"

10 LiveHealth Online is the trade name of Health Management Corporation, a separate company providing telehealth services on behalf of Anthem Blue Cross and Blue Shield.



Proposed Contributions-Scenario 1

		Same Employer Contribution					
		Proposed Total Monthly Premium	Enrollment	Employer %	Employer Cost	Employee Cost	EE Savings
25/500	Employee Only	\$484.23	40	70%	\$338.96	\$145.27	(\$20.15)
	Employee Child	\$726.33	8	60%	\$435.80	\$290.53	(\$40.30)
	Employee Children	\$1,016.88	4	60%	\$610.13	\$406.75	(\$56.41)
	Employee Spouse	\$1,041.10	10	60%	\$624.66	\$416.44	(\$57.75)
	Employee Family	\$1,549.54	2	60%	\$929.72	\$619.82	(\$85.96)
		Proposed Total Monthly Premium	Enrollment	Employer %	Employer Cost	Employee Cost	EE Savings
30/1000	Employee Only	\$470.80	93	85%	\$400.18	\$70.62	(\$7.24)
	Employee Child	\$706.19	28	73%	\$515.52	\$190.67	(\$23.45)
	Employee Children	\$988.68	34	72%	\$711.85	\$276.83	(\$28.39)
	Employee Spouse	\$1,012.23	33	72%	\$728.81	\$283.42	(\$29.07)
	Employee Family	\$1,506.57	46	73%	\$1,099.80	\$406.77	(\$50.02)

County keeps the contribution percentage as they currently are. The reduction is split between the employer and employee. The total annual cost for the enrollment and products outlined above is \$2,911,633.

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Proposed Contributions-Scenario 2

		Reduced Employer Contribution					
		Proposed Total Monthly Premium	Enrollment	Employer %	Employer Cost	Employee Cost	EE Savings
25/500	Employee Only	\$484.23	40	70%	\$338.96	\$145.27	(\$20.15)
	Employee Child	\$726.33	8	55%	\$399.48	\$326.85	(\$3.98)
	Employee Children	\$1,016.88	4	55%	\$559.28	\$457.60	(\$5.56)
	Employee Spouse	\$1,041.10	10	55%	\$572.61	\$468.50	(\$5.69)
	Employee Family	\$1,549.54	2	55%	\$852.25	\$697.29	(\$8.48)
		Proposed Total Monthly Premium	Enrollment	Employer %	Employer Cost	Employee Cost	EE Savings
30/1000	Employee Only	\$470.80	93	85%	\$400.18	\$70.62	(\$7.24)
	Employee Child	\$706.19	28	71%	\$501.39	\$204.80	(\$9.32)
	Employee Children	\$988.68	34	71%	\$701.96	\$286.72	(\$18.50)
	Employee Spouse	\$1,012.23	33	71%	\$718.68	\$293.55	(\$18.94)
	Employee Family	\$1,506.57	46	71%	\$1,069.66	\$436.91	(\$19.88)

County contributes more towards the core plan 30/1000. Increased the contribution level of the dependent tiers and kept the employee only contribution amount current. The total annual cost for the enrollment and products outlined above is \$2,911,633.

12

Ancillary Benefits

Dental- Should receive the renewal soon

Vision- Conducted a RFP and recommendation is to offer coverage through EyeMed (Incumbent is UHC, but will not renew coverage without medical)

Flexible Spending Account- Conducted a RFP and recommendation is to offer coverage through Discovery Benefits (Currently done by Coventry)

COBRA- Conducted a RFP and recommendation is to offer coverage through Discovery Benefits (Currently done in house)

13

Benefit Comparison

- Aetna Plan Deviations

Plan Type	Benefit Category	Requested Benefit	Aetna Proposed Benefit
HRA MCOA 500	In-Network		
	Office Visit Co-pay	\$25/\$50	20%
	Emergency Room Coin	\$250	20%
	Rx - Retail		
	Generic	\$3/\$10	\$10
	Rx - Mail Order Drug		
	Generic	\$3/\$10	\$20
	Brand Non-Formulary	\$180	\$120
	Out-of-Network		
	Emergency Room Coin	\$250	30%

Plan Type	Benefit Category	Requested Benefit	Aetna Proposed Benefit
HRA MCOA 1000	In-Network		
	Office Visit Co-pay	\$30/\$50	20%
	Emergency Room Coin	\$250	20%
	Rx - Retail		
	Generic	\$3/\$10	\$10
	Rx - Mail Order Drug		
	Generic	\$3/\$10	\$20
	Brand Non-Formulary	\$180	\$120
	Out-of-Network		
	Emergency Room Coin	\$250	30%

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Benefit Comparison

- Anthem Plan Deviations
 - \$500 Deductible Plan
 - Urgent Care copay \$25/\$50 (Coventry: \$75)
 - Retail Rx copays \$10/\$30/\$50/20% with \$200 per prescription maximum (Coventry : \$10/\$30/\$60/20% with \$300 per prescription maximum).
 - Mail Order copays 2.5x all tiers (Coventry: 1X/2X/3X methodology)
 - Chiropractic copay \$25, 30 visit maximum (Coventry: 20% after deductible, 10 visit maximum)
 - Routine eye exam \$15 copay (Coventry: \$0)
 - Current \$1,000 Deductible Plan
 - Urgent Care copay \$25/\$50 (Coventry: \$75)
 - Retail Rx copays \$10/\$30/\$50/20% with \$200 per prescription maximum (Coventry : \$10/\$30/\$60/20% with \$300 per prescription maximum).
 - Mail Order copays 2.5x all tiers (Coventry: 1X/2X/3X methodology)
 - Chiropractic copay \$25, 30 visit maximum (Coventry: 20% after deductible, 10 visit maximum)
 - Routine eye exam \$15 copay (Coventry: \$0)
 - Negotiated with Anthem to move from a calendar year deductible to a July plan year deductible (credit will be given during the transition process)

15

FY14-15 Contributions

	Current Total Monthly Premium	Employer %	Employer Cost	Employee Cost	Enrollment
25/500					
Employee Only	\$551.38	70%	\$385.97	\$165.41	40
Employee Child	\$827.07	60%	\$496.24	\$330.83	8
Employee Children	\$1,157.90	60%	\$694.74	\$463.16	4
Employee Spouse	\$1,185.47	60%	\$711.28	\$474.19	10
Employee Family	\$1,764.43	60%	\$1,058.66	\$705.77	2
Annual Cost			\$377,012	\$207,231	
30/1000					
Employee Only	\$519.08	85%	\$441.22	\$77.86	93
Employee Child	\$778.63	73%	\$564.51	\$214.12	28
Employee Children	\$1,090.07	72%	\$784.85	\$305.22	34
Employee Spouse	\$1,116.02	72%	\$803.53	\$312.49	33
Employee Family	\$1,661.06	73%	\$1,204.27	\$456.79	46
Annual Cost			\$1,985,251	\$659,260	

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Marketing Timeline

	Activity	Dates	Responsibility
Market Study (Request for Proposal)	Preliminary meeting to set goals and objectives of RFP project	1 week October 2014	Wells Fargo / Franklin County
	Draft RFP to support goals	1 week Early November 2014	Wells Fargo / Franklin County
	Gather enrollment, claims experience and provider utilization required for RFP	2 weeks November 2014	Wells Fargo / Franklin County / Carrier(s)
	Finalize competitive market study (RFP) document	1 week Late November	Wells Fargo / Franklin County
	Release RFP to qualified carriers	1 week Late November	Franklin County
	Deadline for bid responses	Carriers receive 3 weeks Mid-December 2014	Carriers
	Evaluate and analyze responses and provide an analysis report including recommendations for finalist(s)	2 - 3 weeks Mid-January 2015	Wells Fargo
	Finalist interview(s) and evaluation of best and final offers	1 week Late January 2015	Wells Fargo / Franklin County
	Negotiations with top finalist(s)	1 week Early February 2015	Wells Fargo / Franklin County
	Report to management final recommendation of intent to award	1 week Mid-February 2015	Franklin County
	Implementation of new plans	July 2015	Carrier(s)

Wells Fargo Insurance

17

General discussion ensued.

(RESOLUTION #06-02-2015)

BE IT THEREFORE ORDAINED, by the Board of Supervisors to approve Employee Health Insurance for Fiscal Year 2015-2016 with Anthem Health Care Insurance, (**Option #2**) thereby eliminating the HRA (Health Reimbursement Account) and approving / including the ancillary benefits for vision, flexible spending account and COBRA accordingly.

MOTION BY: Bobby Thompson

SECONDED BY: Charles Wagner

VOTING ON THE MOTION WAS AS FOLLOWS:

AYES: Mitchell, Thompson, Wagner, Reynolds, Camicia, Thompson & Brubaker

2015-2016 BUDGET WORKSESSION

Vincent Copenhaver, Director of Finance, shared with the Board the following budget PowerPoint:

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Franklin County
A Natural Setting for Opportunity

2015-16 Budget Prep

February 17, 2015



Big Picture Focus – 2013 Borrowing

- **Phase 1: Village Center Utility Improvements –**
 \$500,000 Proposed Water Tanks for Utility Extensions Planned in Burnt Chimney & Union Hall Village Centers
- ✓ **Parks, Rec, Aging Facility Reimbursement Funding**
 \$2,350,000 Purchase of YMCA Property Including Essig Recreation Center for Senior Activities and Youth & Adult Programming
- **2014 Business Park**
 \$3,000,000 Future Acquisition and Beginning Development of 100 acre Building Pad for Business Development

Big Picture Focus – 2013

Borrowing

- ❑ **Public Safety Stations**

\$2,562,500 Future Westlake and Glade Hill
Permanent Stations

- ☑ **Short-term Capital Leases**

\$1,230,000 Law Enforcement, Jail, & Public
Safety Software, Library Circulation System,
and Joint Financial Management, General
Ledger, and Payroll System with Schools,
and Landfill Heavy Equipment

Big Picture Focus – 2015

Borrowing

- ☑ **Public Safety Radio System**

Up to \$12.5 million

- ❑ **Animal Shelter - ?**
 - ❑ **Compaction/Convenience Centers?**
 - ❑ **CTE Center?**
-

Discretionary Revenue Summary

	Adopted Budget 14-15	Projected Collections 14-15	Proposed Budget 15-16	Adopted to Proposed Increase (Decrease)	Adopted to Proposed Percent Incr/Decr
General Property Taxes:					
Real Estate	35,484,134	35,566,318	35,732,596	248,462	0.70%
Public Service Corp	872,246	966,773	969,067	96,821	11.10%
Personal Property	9,042,197	9,346,919	9,552,887	510,690	5.65%
Machinery and Tools	639,709	688,654	688,654	48,945	7.65%
Merchants Capital	671,124	662,082	675,000	3,876	0.58%
Penalties and Interest	640,000	631,753	632,000	(8,000)	-1.25%
General Property Taxes	47,349,410	47,862,499	48,250,204	900,794	1.90%
Other Local Taxes:					
Sales Tax	4,003,534	4,179,067	4,125,000	121,466	3.03%
Consumer Utility Taxes	973,782	977,674	975,000	1,218	0.13%
County Business License	4,700	4,700	4,700	0	0.00%
Utility License Tax	220,000	230,923	225,000	5,000	2.27%
Communications Tax	2,271,784	2,244,962	2,244,962	(26,822)	-1.18%
Motor Vehicle License Fees	1,876,174	1,876,174	2,024,637	148,463	7.91%
Bank Stock Taxes	128,791	128,791	128,791	0	0.00%
Tax on Deeds	500,000	424,217	425,000	(75,000)	-15.00%
Hotel/Motel Trans Occ Tax 2%	32,750	34,366	34,000	1,250	3.82%
Meals Tax	980,000	1,015,706	1,000,000	20,000	2.04%
Other Local Taxes	10,991,515	11,116,580	11,187,090	195,575	1.78%
Commonwealth of Virginia Revenues:					
Motor Vehicle Carriers Tax	40,962	42,797	42,500	1,538	3.75%
Mobile Home Titling Tax	110,499	75,328	75,000	(35,499)	-32.13%
Motor Vehicle Rental Tax	46,660	50,118	50,000	3,340	7.16%
Personal Property Tax Relief	2,626,618	2,626,618	2,626,618	0	0.00%
Total Commonwealth Revenue	2,824,739	2,794,861	2,794,118	(30,621)	-1.08%
Total Discretionary Revenue	62,194,987	62,373,940	62,831,412	636,425	1.02%

Discretionary Revenue Summary

School Share of New Discretionary Revenue:	
FY 14-15 Original Budget (Current Year):	
Total School Operating Transfer	29,708,271
Total School Debt Service Transfer	2,650,459
	32,358,730
School Transfers as a Percentage of Discretionary Revenues	
\$32,358,730 divided by \$62,194,987 =	52.03%
Multiply New Revenue by School Percentage	
\$636,425 multiplied by 52.03% =	\$331,118
Remaining New Revenue for the County	
\$636,425 less \$331,118	\$305,307

Franklin County Public Schools
Estimated School Budget Funding Issues for 2015-16
Revised January 26, 2015

The following list consists of some items that may have to be considered for additional funding in the 2015-16 School Budget:

1. VRS Phase-In of Employee Paid Retirement - 1.15% Pay Increase/Employee Pays an Additional 1.00% of Retirement	\$189,741
2. 1.70% Minimum Move-Up-One-Step Pay Increase in 2015-16 (\$469,392 + \$885,509 = \$1,354,901)	1,354,901
3. Additional Instructional Personnel	
a. Spanish Teacher for FCHS (\$41,313 + \$10,626 + \$5,950 = \$57,889)	57,889
b. Business Teacher for FCHS (\$41,313 + \$10,626 + \$5,950 = \$57,889)	57,889
c. Seventh Grade English Teacher for BFMS (\$41,313 + \$10,626 + \$5,950 = \$57,889)	57,889
d. Seventh Grade Mathematics Teacher for BFMS (\$41,313 + \$10,626 + \$5,950 = \$57,889)	57,889
e. Seventh Grade Instructional Coach for BFMS (\$48,132 + \$12,380 + \$5,950 = \$66,462)	66,462
4. Three Additional Social Workers (SAS) (3 x \$39,595 = \$118,785 + \$30,552 + \$17,850 = \$167,187)	167,187
5. Employee Group Health Insurance Increase - 9.5% (\$639 x 1.095% = \$700) (\$565 ÷ \$639 = 88%) \$700 x .85 = \$595 (\$595 - \$565 = \$30 Increase x 950 Contracts = \$28,500 x 10 = \$285,000)	285,000
6. Additional \$1,000 Pay Increase for Teacher Assistants (TA's) and Licensed Practical Nurses (LPN's) (167 + 9 = 176 x \$1,000 = \$176,000 + \$45,267 = \$221,267)	221,267
7. One Additional Behavior Analyst/Specialist (BCBA/BCaBA) (Autism) (\$61,370 + \$15,784 + \$5,950 = \$83,104)	83,104
8. Additional Art and Music Teacher (2 x \$36,482 = \$72,964 + \$18,766 + \$11,900 = \$103,630)	103,630
9. Two Additional Elementary Physical Education Teachers (2 x \$36,482 = \$72,964 + \$18,766 + \$11,900 = \$103,630)	103,630
10. School Bus Replacements - 12 School Buses (10 @ \$100,473 + 2 @ \$84,799 = \$1,174,328)	1,174,328
11. One Additional Administrator for BFMS - Discipline (\$77,295 + \$19,880 + \$5,950 = \$103,125)	103,125
12. Two Additional ITRT's (2 x \$39,595 = \$79,190 + \$20,368 + \$11,900 = \$111,458)	111,458
13. Planning for Focused Usage of Technology (Electronic Textbooks & On-Line Education)	70,000
14. E-Mail Archiving System	70,000
15. Contingency Reserve for Schools	<u>177,335</u>
Total of Items 1 - 15	<u><u>\$4,512,724</u></u>

County New Position Requests:

Department	Job Title/Action Requested		Total Costs
Commissioner of Revenue			
1	New Deputy Clerk II		\$48,835
Sheriff			
4	Patrol Deputies	Cost for 1	\$104,440
		Total for 4	\$417,760
4	Communication Officers	Cost for 1	\$47,980
		Total for 4	\$191,919
Public Safety			
1	Administrative Assistant		\$48,059
Parks and Recreation			
1	Outdoor Recreation Manager		\$63,099
Library - Main			
1	PT to FT Lead Library Lead		\$42,832
12		Total	\$812,505

Examples of Salary Pressures

Paramedic/FF			
			2%
Franklin County	\$32,305.00	\$32,951.10	
Botetourt Co.	\$35,000.00	\$35,700.00	108%
Roanoke City	\$39,445.19	\$40,234.09	122%
Roanoke Co.	\$37,794.00	\$38,549.88	117%
Martinsville	\$36,987.00	\$37,726.74	114%
Campbell Co.	\$35,080.00	\$35,781.60	109%

Deputies			
			2%
Franklin County	\$32,305.00	\$32,951.10	
Roanoke County	\$35,700.00	\$36,414.00	111%
Roanoke-City	\$33,126.00	\$33,788.52	103%
Salem - City	\$32,656.00	\$33,309.12	101%
WVRJ	\$35,000.00	\$35,700.00	108%

Communications Officers			
			2%
Franklin County	\$27,351.00	\$27,898.02	
Roanoke County	\$32,305.00	\$32,951.10	118%
Roanoke-City	\$30,947.00	\$31,565.94	113%
Salem - City	\$31,075.00	\$31,696.50	114%

Franklin County Public Schools
 2014-15 Regional Comparison of 10-Month Teachers' Salaries (Bachelor's Degree)
 October 13, 2014

Step	Franklin County	Bedford County	Botetourt County	Floyd County	Henry County	Pittsylvania County	Roanoke City	Roanoke County	Salem City
1	35,943	37,627	39,116	37,813	39,492	38,211	38,932	36,720	42,500
2	36,587	37,627	39,884	37,813	39,882	38,211	39,711	36,720	43,000
3	36,958	37,627	40,652	37,813	39,995	38,211	39,711	39,600	44,109
4	37,329	37,627	41,418	38,192	40,336	38,211	39,711	39,600	44,109
5	37,701	37,627	42,377	38,192	40,677	38,211	39,748	39,600	44,109
6	38,071	37,973	43,336	38,192	41,017	38,423	39,986	39,600	44,329
7	38,442	38,321	44,294	38,495	41,132	38,635	40,206	40,986	44,551
8	38,813	38,671	45,256	38,592	41,246	38,847	40,462	41,807	44,771
9	39,184	39,024	46,213	38,707	41,359	39,060	40,757	42,403	44,991
10	39,556	39,380	47,171	38,813	41,585	39,272	41,573	42,689	45,892
11	39,927	39,741	48,321	38,876	41,813	39,484	41,814	43,022	46,810
12	42,562	40,177	49,471	38,977	41,926	39,696	42,214	43,620	47,513
13	45,632	40,621	50,622	39,108	42,040	39,909	43,058	44,219	48,225
14	48,701	41,068	51,773	39,209	42,154	40,122	43,532	44,817	48,866
15	51,259	41,519	52,923	39,448	42,382	40,334	44,334	45,483	49,516
16	57,155	42,098	54,074	39,696	43,243	40,653	45,612	46,081	50,175
17	57,155	42,710	55,607	39,958	43,463	40,971	47,162	46,680	50,842
18	57,155	43,326	57,526	40,206	44,313	41,290	48,105	47,278	51,517
19	57,155	44,020	57,526	40,523	45,108	41,608	51,839	47,876	52,204
20	57,155	44,724	57,526	40,979	45,562	41,926	54,432	48,541	52,897
21	57,155	45,441	57,526	41,514	46,552	42,244	55,520	49,139	53,601
22	57,155	46,168	57,526	42,053	46,812	42,563	56,631	49,738	54,314
23	57,155	46,907	57,526	42,604	47,381	42,881	56,631	50,336	55,036
24	57,155	47,657	57,526	43,160	47,949	43,199	56,631	50,935	55,767
25	57,155	48,419	57,526	43,931	48,631	43,517	56,631	51,600	56,509
26	57,155	49,193	57,526	44,710	50,524	43,836	57,675	52,199	57,262
27	57,155	49,981	57,526	45,567	50,744	44,367	58,829	53,460	57,977
28	57,155	50,781	57,526	46,361	56,260	46,066	58,829	55,332	58,702
29	57,155	51,592	57,526	47,231	56,260	47,976	58,829	57,821	59,436
30	57,155	51,923	57,526	48,113	56,260	49,780	59,048	60,510	60,179
31	57,155	52,755	57,526	49,000	56,260	50,310	60,228	61,574	60,179
32	57,155	52,755	57,526	49,178	56,260	50,842	61,434	62,239	60,179
33	57,155	52,755	57,526	50,153	56,260	51,373	61,434	62,239	60,179
34	57,155	52,755	57,526	51,067	56,260	52,010	61,434	62,239	60,179
35	57,155	52,755	57,526	51,963	56,260	52,010	61,434	62,239	60,179
36	57,155	52,755	57,526	52,553	56,260	52,010	61,434	62,239	60,179
37	57,155	52,755	57,526	52,553	56,260	52,010	61,434	63,302	60,179
38	57,155	52,755	57,526	52,553	56,260	52,010	61,434	63,302	60,179
39	57,155	52,755	57,526	52,553	56,260	52,010	61,434	63,302	60,179
40	57,155	52,755	57,526	52,553	56,260	52,010	61,434	63,302	60,179
41	57,155	52,755	57,526	52,553	56,260	52,010	61,434	64,633	60,179
42+	57,155	52,755	57,526	52,553	56,260	52,010	61,434	64,633	60,179

Lifetime Earnings: #1 2,149,850 #2 1,922,630 #3 2,230,657 #4 1,844,078 #5 2,021,218 #6 1,858,329 #7 2,174,155 #8 2,143,655 #9 2,231,857

Rank Colors: #1 #2 #3 #4 #5 #6 #7 #8 #9

CIP:

Largely balanced at this point. Still working to find funds for:

- Veterans Park Erosion Control - \$100,000 request from the Town to assist in this project which is estimated to cost \$800,000.
- Second J and D Courtroom - \$500,000.
- Loader for the Landfill - \$400,000.
- Additional funds for Voting Machine Replacement - \$50,000 (\$50,000 is proposed in local funds for 15-16 bringing the total on hand to \$400,000. This would be additional funds for security carts, programming and training)

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- Additional funds for Voting Machine Replacement - \$50,000 (\$50,000 is proposed in local funds for 15-16 bringing the total on hand to \$400,000. This would be additional funds for security carts, programming and training)

State:

House and Senate Budget Proposals

VACo continues to analyze the budget proposals put forward by the General Assembly's Money Committees. Below are additional details about specific issue areas. Look to future Capitol Contact releases for additional analysis.

Compensation Board

- The Senate maintained the VACo supported salary increases included in the introduced budget for entry-level deputy sheriffs. The House also kept this salary increase through targeted funding and an across the board increase. Both budgets accepted the VACo supported amendment to eliminate the mandate that future salary increases be funded by localities to keep up with changes in inflation.
 - The Senate provides an additional 3 percent salary increase for all constitutional officers and regional jail superintendents and their Compensation Board funded employees, effective September 1, 2015. The House provides a 2 percent salary increase for all constitutional officers and regional jail superintendents and their Compensation Board funded employees, effective August 1, 2015. For both budget proposals the across the board increase is contingent upon the state meeting or exceeding revenue estimates.
-

State:

Elementary and Secondary Education

Pay raise for instructional personnel

Both the House and Senate budgets propose a 1.5 percent pay increase for teachers in FY 2016. The House budget adds \$55 million out of general funds to provide the state share of the 1.5 percent pay increase for teachers and support staff. Under the House proposal school divisions will be eligible to receive the state share on the condition that pay increases occur by January 1, 2016. The Senate proposes an increase of \$50.4 million in general funds for FY 2016 to meet the state's share in providing the 1.5 percent pay increase for teachers.

VRS Pension liability

The House budget transfers \$190 million of the proceeds from old unclaimed stocks be transferred to pay down the deferred contribution portion of the unfunded liability in the teacher retirement account. The Senate budget includes \$187.2 million for the one-time payment. This will lower the unfunded liability for localities and the teacher retirement contribution rate for the state and localities from 14.5 to around 14.07 percent.

General discussion ensued.

CLOSED MEETING
(RESOLUTION #07-02-2015)

BE IT THEREFORE RESOLVED, by the Board of Supervisors to into a closed meeting in accordance with 2.2-3711, a-1, Personnel, a-3, Acquisition of Land, a-5, Discussion of a Prospective New Business or Industry or of Expansion or Retention of an Existing One, of the Code of Virginia, as amended.

MOTION BY: Charles Wagner

SECONDED BY: Leland Mitchell

VOTING ON THE MOTION WAS AS FOLLOWS:

AYES: Mitchell, Thompson, Wagner, Reynolds, Camicia, Thompson & Brubaker

MOTION: Charles Wagner

SECOND: Leland Mitchell

RESOLUTION: #08-02-2015

MEETING DATE FEBRUARY 17, 2015

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

WHEREAS, Section 2.2-3712(d) of the Code of Virginia requires a certification by this Franklin County Board of Supervisors that such closed meeting was conducted in conformity with Virginia law;

NOW, THEREFORE, BE IT RESOLVED, that the Franklin County Board of Supervisors hereby certifies that, to the best of each member's knowledge, (i) only public business matters lawfully exempted from open meeting requirements by Virginia law were discussed in the closed meeting to which this certification resolution applies, and (ii) only such public business matters as were identified in the motion convening the closed meeting were heard, discussed or considered by the Franklin County Board of Supervisors.

VOTE:

AYES: Mitchell, Thompson, Wagner, Reynolds Camicia, Thompson & Brubaker

NAYS: NONE

ABSENT DURING VOTE: NONE

ABSENT DURING MEETING: NONE

Chairman Brubaker recessed the meeting for the previously advertise public hearings as follows:

PETITION FOR REZONE – Petition of Jesse Carlton Saunders, Jr. and Becky S. Saunders/Petitioners /Owners requesting a rezone for a +/- 4.238 total acres from B-2, Business

District General (+/- 1.516 acres) and B-2, Business District General with proffers (+/- 2.722 acres) to A-1, Agricultural District. The subject property is located at 2266 Bluewater Drive (SR 942) in the Gills Creek District of Franklin County; and is further identified as Tax Map/Parcels # 0320002101 and 0320004100. (Case # REZO-11-14-13617)

Neil Holthouser, Director of Planning, presented the staff report as follows:

To:	Franklin County Board of Supervisors
From:	Susannah Smith, Senior Planner / Current Planning Development Manager
Date:	February 17, 2015
Tax #:	32-21.1 and 32-41
District:	Gills Creek District
Applicant:	Jesse Carlton Saunders, Jr. and Becky S. Saunders
Owner:	Jesse Carlton Saunders, Jr. and Becky S. Saunders

REQUEST:

Petition of **Jesse Carlton Saunders, Jr. and Becky S. Saunders/Petitioners /Owners** requesting a rezone for +/- 4.238 total acres from B-2, Business District General (+/- 1.516 acres) and B-2, Business District General with proffers (+/- 2.722 acres) to A-1, Agricultural District. The subject property is located at 2266 Bluewater Drive (SR 942) in the Gills Creek District of Franklin County; and is further identified as Tax Map/Parcels # 0320002101 and 0320004100. The Future Land Use Map of Franklin County's Comprehensive Plan identifies this area as appropriate for Low Density Residential uses, and prescribes a residential density of one to two dwelling units per acre. The existing B-2 zoning category does not prescribe a specific residential density. The proposed A-1 zoning category allows a maximum residential density of 1.25 dwelling units per acre. The petition for rezone does not specify a requested residential density.

Site Statistics	
Location:	2266 Bluewater Drive [SR 942] and Scruggs Road [SR 616], Gills Creek District
Size:	4.238 +/- acres
Existing Land Use:	Single-family residential, detached; agriculture/farming
Proposed Zoning:	A-1, Agricultural
Proposed Land Use:	No change
Adjacent Zoning:	A-1, B-2
Adjacent Land Uses:	Agriculture/forestal uses; single-family residential uses; commercial uses
Utilities:	This area relies on private well and private septic
Soils	Clifford fine sandy loam, 8 to 15 percent slopes
Geography	Flat to Gently rolling, no mapped wetlands or floodplain



BACKGROUND:

The site that is the subject of this rezoning request is located in the Scruggs area, near the intersection of Scruggs Road and Bluewater Drive, which is designated in Franklin County's Comprehensive Plan as a rural neighborhood center. The area surrounding this rural neighborhood center is designated by the Comprehensive Plan as appropriate for low-density residential uses, with a residential density range of one to two (1-2) dwelling units per acre. The Scruggs rural neighborhood center is currently developed with several commercial uses, including a restaurant and a convenience store. Just outside the rural neighborhood center, the area is characterized by low-density residential uses and

agriculture/forestry uses. The zoning pattern in this area includes a mix of B-2, Business District General and A-1, Agricultural District.

The applicants own a +/- 1.516-acre parcel fronting on Bluewater Drive, containing a single-family detached dwelling and currently zoned B-2; and a +/- 2.722-acre parcel fronting on Scruggs Road, currently used for agricultural/farming purposes and zoned B-2 with proffers.

The 1.516-acre parcel, identified as Franklin County Tax Map/Parcel # 32-21.1, was zoned B-2, Business District General, when Franklin County's zoning ordinance was adopted in 1988. The property features a one-story brick structure which was originally constructed in 1980 as a single-family residence, but which was used for many years as a commercial office.

The 2.722-acre parcel, identified as Tax Map/Parcel # 32-41, has been the subject of several rezoning requests (under the ownership of previous property owners, not the current owners/petitioners). In 2006, the then-owners of the property requested rezoning of 2.722 acres identified as Tax Map/Parcel #32-41 from A-1 to B-2, in order to allow for commercial retail development with a commercial entrance along Scruggs Road. In the course of considering that request, the Board of Supervisors encouraged the owners to consider rezoning to B-1, Business District Limited, instead of B-2, Business District General. The owners agreed, withdrew their petition, and re-submitted a request to rezone the 2.722-acre parcel from A-1 to B-1. That request was approved by the Board of Supervisors, with proffers, in March 2007. The rezoning approval included a proffered concept plan depicting 13,800 square feet of commercial uses with a commercial entrance along Scruggs Road. The approved B-1 zoning ensured that such commercial uses would occur indoors, and prohibited outdoor display or storage.

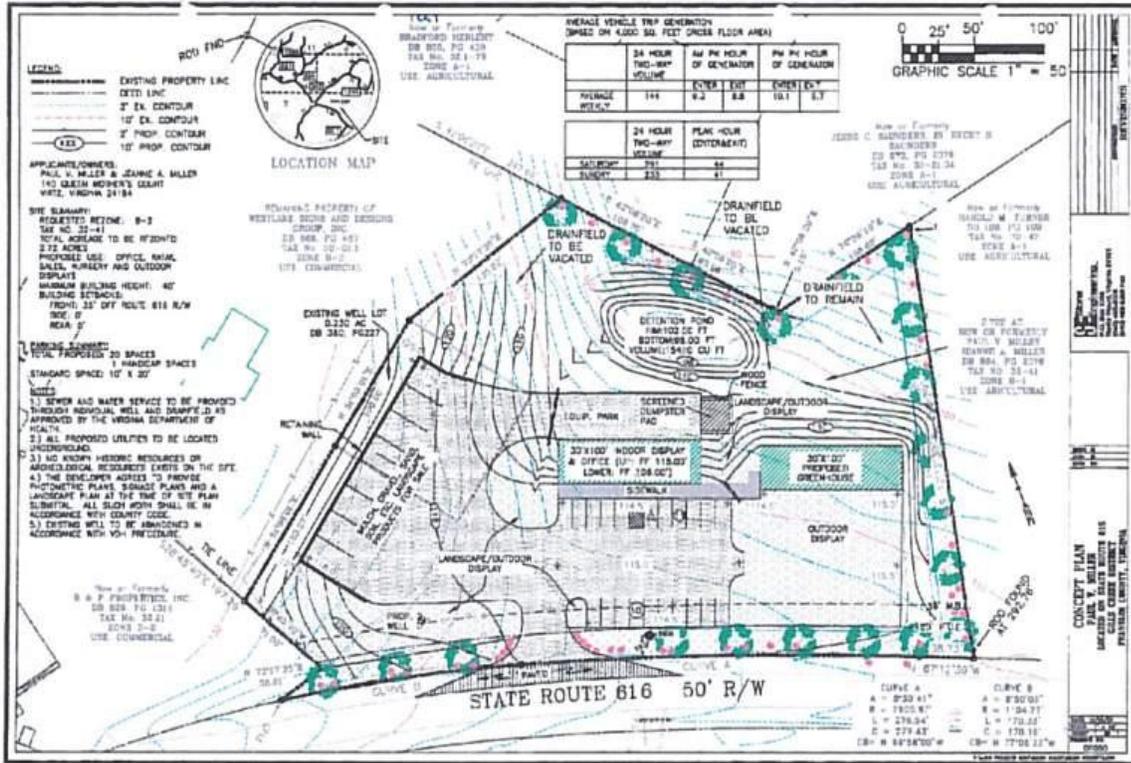
In 2008, the then-owners came forward with another rezoning request to change the zoning from B-1 to B-2, accompanied by a Special Use Permit request for outdoor display. The owners proposed to develop the property for a greenhouse, nursery, and landscape materials business, including outdoor display of landscape products and outdoor storage of landscape materials. The request to rezone from B-1 with proffers to B-2 with proffers was approved by the Board of Supervisors in December 2008. The approved zoning included a proffered concept plan depicting a 3,000-square-foot indoor sales and office building, a 3,000-square-foot greenhouse, an outdoor plant display area, an outdoor mulch/stone/soil storage area, and a commercial entrance along Scruggs Road.

The Special Use Permit for outdoor display has since expired, since the owners at the time did not come forward with a Site Plan or otherwise commence the use of "outdoor display." The B-2 zoning, along with the approved proffers and proffered concept plan, remains in effect. The current proffers for this property include the following:

Statement of proffers approved by the Board of Supervisors, December 2008, in support of B-2 rezoning:

1. Development of the property shall be in substantial conformance with the Concept Plan made by Stone Engineering dated October 6, 2008, filed with the Planning Department in regard to this rezoning request.
2. Access for the proposed development shall be restricted to a single access entrance located, generally, as shown on the concept plan.
3. All proposed utilities shall be located underground.
4. Materials for the retail/office building exterior walls may include, but not be limited to brick and wood clapboards, and walls will be articulated through the use of window and door openings, belt courses, pilasters and other similar architectural treatments.
5. Roofing materials for pitched roofs shall be metal or composite shingle. Flat roofs shall have a parapet wall tall enough in height to screen any roof mounted mechanical equipment. Buildings with flat roofs shall have a decorative cornice at the top of all walls.
6. Building elevations shall be included with any site plan submission.
7. Developer shall limit free standing signage to one monument style sign, not to exceed eight (8') feet in height and a total of thirty-two (32) square feet in total sign area. Sign to be located at the main entrance.
8. Prior to the issuance of any development permits, the applicant shall utilize a County Water main, should one be accessible, instead of the individual well to serve the site. If so, applicant reserves the right to use the well for irrigation purposes only.
9. At a minimum, there shall be a landscape screen buffer planted along the eastern property line with the Turner property as shown on the Concept Plan. The buffer shall be planted so it does not interfere with VDOT sight distance requirements. The buffer shall consist of two (2) rows of Leland Cypress planted ten (10) foot on center with staggered rows planted five (5) feet apart. Minimum height shall be six (6) feet at time of planting. Unless it should be determined that twelve (12) foot center with staggered rows planted on six (6) foot center is determined by professional advise to the Planning Department to provide a better screen for the Turner property.
10. Retail sales shall be limited to sales for lawn/garden, landscape/hardscape, irrigation services, plants, shrubs, trees, materials, supplies and services related to the same. Outdoor display of large equipment shall be prohibited.
11. No pole mounted lighting shall be allowed for outdoor displays.
12. On-site manufacturing is prohibited.
13. The septic field identified on the Concept Plan "Drainfield to Remain" shall be relocated to be 25' west of the common boundary/division line with the Turner property (Tax Map/Parcel # 32.-42). Provided however if the soils will allow the field to be relocated fifty (50') west of the Turner property; relocation from Turner property will be to fifty (50') but if not to such additional distance as allowable for the use of gravity flow.
14. If use other than that provided for by this application is proposed, such use will be subject to a separate application in order to provide for such use.
15. Hours of operation shall be limited to 7:00 A.M. to 9:00 P.M.

Concept Plan approved by the Board of Supervisors, December 2008, in support of B-2 rezoning:



REQUEST:

At this time, the petitioners/owners are requesting that the subject property, consisting of approximately 4.238 acres, be rezoned from B-2 and B-2 with proffers, to A-1, Agricultural District. In support of their petition, the owners state the following rationale for rezoning:

1. The previous zoning of parcel #0320004100 was A-1.
2. Prior to the adoption of the zoning ordinance of Franklin County parcel #0320002101 was used as part of an agricultural site.
3. This zoning change would not affect surrounding property adversely, as much of the area is already zoned A-1.
4. Business use of the parcels is neither cost effective nor profitable.

The petition for rezone does not specify how the property will be used or developed if rezoned to A-1, nor is the petition limited or qualified by a voluntary statement of proffers. If the rezoning request is approved as submitted, the property may be developed with any of the permitted uses allowed in the A-1 zoning category.

ZONING ORDINANCE:

Sec. 25-177 of the Zoning Ordinance sets forth the following intent for the A-1 district:

- (a) This district includes unincorporated portions of the county that are occupied by various open uses such as farms, forests, lakes, reservoirs, streams and park lands. This district is established for the purpose of facilitating existing and future farming operations, preserving farm and forest lands, conserving water and other natural resources, reducing soil erosion, preventing water pollution, and protecting watersheds and reducing hazards from flood and fire.
- (b) It is expected that certain desirable rural areas of this rural district may logically develop residentially at low density. It is the intent, however, to discourage the random scattering of residential, commercial, or industrial uses in this district. It should also be presumed that the agricultural and forestry activities may produce some noise, odors and other effects and a certain level of tolerance for these effects must be expected to those who would dwell in this district. Special use permits will be employed to seek improved level of compatibility between uses.

COMPREHENSIVE PLAN:

The subject property is located in or near an area identified by Franklin County's Comprehensive Plan as a Rural Neighborhood Center, which is immediately surrounded by a larger area identified by the Comprehensive Plan as appropriate for Low Density Residential uses, with a residential density range of one to two dwelling units per acre. Staff believes that the subject property lies in an area of transition between Rural Neighborhood Center and Low Density Residential uses. As such, staff believes that the Comprehensive Plan would support either: a) low-density single-family residential use; or b) limited commercial uses intended to serve the needs of the Scruggs community. The Comprehensive Plan offers the following guidance:

Rural Neighborhood Center

Rural Neighborhood Centers have its own unique service area and character as the focal point for rural commerce and social interchange. These community centers create an identity for each County area, and in the future this identity should be strengthened and the quality of life in these center areas should be improved through wise and thoughtful private and public sector development decisions.

Rural Neighborhood Centers: The Rural Neighborhood Centers identified in the Franklin County Comprehensive Plan include, but are not limited to: Crossroads, Fork Mountain, Hardy, Henry, Henry Fork, Red Valley, Scruggs, Sontag, Sydnorsville, Truman Hill

Policies for Rural Neighborhood Centers

1. Community Design: The County will undertake rural neighborhood plans that identify local resources and opportunities and suggest ways to improve the quality of life in the rural neighborhood.
2. Community Facilities: Make future decisions about the location of rural services that will strengthen and improve the quality of life for the residences close to the rural neighborhood centers.
3. Any new development in the rural neighborhood center should preserve the rural character of the area and create a sense of community for residents of the area.
4. Agriculture and Forestry: To manage growth; establish guidelines and ordinances to preserve the agriculture and forest in these areas.
5. Residential Development: Encourage the use of clustering techniques, implement access management techniques and discourage linear development of single family residences along roadway corridors.
6. Work to establish, identify, and plan the enhancement of key gateways and entry points to the rural neighborhood centers and to establish guidelines for landscaping, setback, and coordination of access so as to enhance the quality of these points.

Low Density Residential

Low Density Residential Areas are intended to allow gross densities of one to two dwellings units per acre and minimum lot sizes of 20,000 - 30,000 square feet in general proximity to residential support services such as schools, playgrounds, and churches. These areas should either be located in or near existing Towns, Villages, or Rural Neighborhood Centers. It is envisioned that public water and/or sewer will someday serve these areas, meeting all local and state standards and requirements. They should be served by new public roads built by the developer to State standards and dedicated to the State. Recreational facilities and other amenities should be provided.

While low density residential areas are typically comprised of traditional neighborhood developments they may also include manufactured housing, free standing townhomes, patio homes and other similar building types.

Policies for Low Density Residential

1. All roads should be built to state standards and offered by the developer for inclusion in the state system for maintenance.
2. Lots in new subdivisions abutting County arterial or major collector roads should be provided access onto service or interior roads so as to prevent the stacking of driveways.
3. On site centralized treatment plants to provide public sewer for each subdivision should be encouraged.
4. The density of all new subdivisions to be served by wells and/or septic systems should be determined by the long term carrying capacity of the land. All new lots should have adequate reserve areas in the event of septic system failures.
5. Centralized water systems should be required to provide water to all new subdivisions.
6. All new subdivisions located in prime farmland areas should include adequate buffers to separate residential uses from agricultural operations.
7. Encourage interconnection of residential and commercial developments in order to lessen the traffic loads on arterial roads and provide pedestrian and bicycle linkages.
8. Streets within subdivisions shall be designed to provide interconnections to adjacent vacant land for future subdivision access and circulation.

ANALYSIS:

Staff believes that the subject property lies in an area of transition between areas identified by the Comprehensive Plan as appropriate for Rural Neighborhood Center and Low Density Residential uses. As such, staff believes that the Comprehensive Plan would support either:

- a) low-density single-family residential use; or
- b) limited commercial uses intended to serve the needs of the Scruggs community.

The Planning Commission believes that the subject property should develop with low density residential uses, and recommends that A-1, Agricultural, is an appropriate zoning category for low-density residential areas, if limited through the rezoning process to ensure compatibility with surrounding low-density residential uses. The minimum lot size in the A-1 zoning category is 35,000 square feet (regardless of the availability of public water or sewer), yielding a potential residential density of 1.25 dwelling units per acre. A-1 also allows for residential clustering in exchange for the preservation of open space. A-1 clustering yields a potential residential density of 1.5 dwelling units per acre, still within the Comprehensive Plan's recommended density range of one to two dwelling units per acre.

Public Hearing was opened.

Jesse Saunders requested the Board to support his rezone request.

Public Hearing was closed.

(RESOLUTION #09-02-2015)

BE IT THEREFORE ORDAINED, by the Board of Supervisors to approve the aforementioned rezoning with proffers, whereby the proposed rezoning will not be of substantial detriment to adjacent property, that the character of the projected future land use of the community will not be adversely impacted, that such use will be in harmony with the purpose and intent of the zoning ordinance and with the public health, safety and general welfare, will promote good zoning practice and is in accord with Section 25-730 of the Franklin County Code and Section 15.2-2283, Purpose of zoning ordinances of the Code of Virginia of 1950, as amended with the following proffers and deviations:

1. **Limitation of use.** Use of the property shall be limited to single-family residential use, excluding manufactured homes; and/or agriculture/farming uses, excluding commercial feedlots.
2. **Uses requiring rezoning.** Any future request for commercial use of the property shall require rezoning to an appropriate commercial zoning category, consistent

with the Comprehensive Plan's designation of this area as a rural neighborhood center.

MOTION BY: Bob Camicia

SECONDED BY: Ronnie Thompson

VOTING ON THE MOTION WAS AS FOLLOWS:

AYES: Mitchell, Thompson, Wagner, Reynolds, Camicia, Thompson & Brubaker

Chairman Brubaker adjourned the meeting.

CLINE BRUBAKER
CHAIRMAN

SHARON K. TUDOR, MMC
COUNTY CLERK