

Grayson County Board of Supervisors
Quarterly Budget Work Session
October 19, 2020

Members attending in person: Kenneth R. Belton, Brenda R. Sutherland, Michael S. Hash and John S. Fant. Thomas R. Revels attended via teleconference/zoom.

Staff members in attendance were William L. Shepley, Mitchell L. Smith and Leesa A. Gayheart. Carl Caudill II attended via teleconference/zoom.

IN RE: OPENING BUSINESS

Supervisor Fant made the motion to amend the agenda and add CARES Act money and Real Estate Assessment under New Business; duly seconded by Supervisor Sutherland. Motion carried 5-0.

IN RE: EXECUTIVE SESSION

Supervisor Hash made the motion to go into closed for discussions relating to prospective business or industry or the expansion of an existing business or industry pursuant to §2.2-3711(A)(5) of the Code of Virginia **and** for consultation and briefings by legal counsel, consultants, or staff members pertaining to actual or probable litigation or other legal matters pursuant to §2.2 – 3711(A)(7) of the Code of Virginia; duly seconded by Supervisor Fant. Motion carried 5-0.

Supervisor Hash made the motion to come out of closed session; duly seconded by Supervisor Fant. Motion carried 5-0.

Whereas, the Grayson County Board of Supervisors has convened a closed session on the 19th day of October 2020, pursuant to an affirmative recorded vote and in accordance with provision of the Virginia Freedom of Information Act; and

Whereas §2.2-3711 of the Code of Virginia requires a certification by this Board of Supervisors that such closed session was conducted in conformity with Virginia law;

Now, Therefore Be It Resolved that the 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 session to which this certification resolution applies, and (II) only such public business matters as were identified in the motion convening the closed session were heard, discussed or considered by the Board of Supervisors with recorded confirmation from members as follows: Michael S. Hash – I so certify;

Kenneth R. Belton – I so certify; John S. Fant – I so certify; Brenda R. Sutherland – I so certify; Thomas R. Revels – I so certify.

IN RE: NEW BUSINESS

- VATI Agreement - Mr. Shepley explained the VATI Agreement (listed below) which is a grant through DHCD which will help us with our broadband project. Supervisor Fant inquired if Mike Lockaby has reviewed this agreement and Mr. Shepley stated that our County Attorney, Stephen Durbin, has reviewed this agreement. Supervisor Fant asked about the effective date in the agreement of October 15, 2020 but the broadband project won't kickoff until December and once this agreement is signed, we only have one (1) year to complete. Suggested the agreement date be changed to December 1 which would then give us a full year – Mr. Caudill will get with Ms. Breski regarding the date to see if it can be changed. Supervisor Fant also suggested since Mr. Lockaby has been working with all the ins/outs of broadband for the County, that he should be the one to review things regarding broadband. Supervisor Fant also feels the agreement needs to be updated based on the deployment plan. Mr. Caudill will touch base with Mr. Lockaby and also Ms. Breski. Supervisor Fant asked if Mrs. Gayheart is certified in CAMS and she responded that she is certified to upload documents into the DHCD CAMS system. Supervisor Fant made the recommendation to table this agreement; duly seconded by Supervisor Revels. Motion carried 5-0.

CONTRACT#: VATI #2020GC-001

GRANTEE: **Grayson County**

AGREEMENT

This AGREEMENT, entered into on the 15th day of October, 2020, by and between the Virginia Department of Housing and Community Development hereinafter referred to as “DHCD” and Grayson County, hereinafter referred to as “GRANTEE.”

WITNESSETH

WHEREAS, the Commonwealth of Virginia has been authorized to distribute and administer the Virginia Telecommunication Initiative (VATI), and

WHEREAS, DHCD has been authorized to distribute and administer VATI funds according to the program guidelines and criteria, and

WHEREAS, the Project as described in the VATI application submitted by the GRANTEE has achieved a sufficiently high ranking through a competitive application selection system to qualify for VATI funding based on the program guidelines and criteria,

Now THEREFORE, the above-mentioned parties hereto do mutually agree as follows:

1. DHCD agrees to award the GRANTEE a Virginia Telecommunication Initiative grant in the amount of One Million Eight Hundred Thirty Eight Thousand Two Hundred Fifty Five Dollars (\$1,838,255).

2. DHCD agrees to provide the GRANTEE with technical assistance in setting up and carrying out the administration this project.
3. The GRANTEE will commence and carry out in partnership with Gigabeam a broadband construction project designed to provide access to broadband services to the Western and Southeast areas of Grayson County
4. The GRANTEE must review all remittances/invoices from Gigabeam and verify that pre-construction, and construction work has been completed, or equipment has been ordered and received prior to distributing VATI funds.
5. DHCD will conduct an Interim and Final Compliance Review. The GRANTEE will make all records available upon request by DHCD.
6. The GRANTEE shall retain financial records, supporting documents, statistical records, and all other records pertinent to the VATI award for a period of no less than **five years** from the date of submission of the final expenditure report. When applicable, all contractors or GRANTEE shall comply with the Virginia Public Procurement Act § 2.2-4300 et seq. of the Code of Virginia, which requires that all original bids together with all documents pertaining to the award of a contract shall be retained in accordance with a retention period of at least five years.
7. The GRANTEE shall complete the Grant Activities as described in the CONTRACT DOCUMENTS on or before **October 15, 2021**. If the ACTIVITIES are not completed by that date all Grant funding and this AGREEMENT may be terminated and the GRANTEE shall return all unexpended funds, unless an amendment to the CONTRACT DOCUMENT provides otherwise.

PROJECT TITLE: Connect Grayson

GRANT ACTIVITIES:

- 1) Fixed Wireless Network utilizing 2 small towers and 22 microsites and Fiber to the Premise network
- 2) Electronics
- 3) Over 1 million feet of fiber

OUTCOMES: 2,927 serviceable units will gain access to broadband service up to 100 Mbps download and 10 Mbps upload for fixed wireless and up to 1Gbps down load and 500 Mbps upload for Fiber to the premise.

REPORTING: Monthly and final progress reports to include:

- 1) Construction Status
- 2) Expenditures to date
- 3) Number of passings
- 4) Number of subscribers (i.e. residential, business, and community anchors)
- 5) Verify that the installed speed is equivalent to the subscriber ordered speed. VATI requires the minimum availability of 25 Mbps download and 3 Mbps upload.

TERMS and CONDITIONS

1. A total of Five Million Six Hundred Ninety Thousand Four Eight Dollars (\$5,690,048) in matching funds is committed to this project by the GRANTEE or Co-Applicant, Gigabeam. To be eligible, matching funds must be used to support eligible expenses as outlined in the approved budget.
2. Gigabeam will provide speed validation data to the GRANTEE and/or a DHCD representative to ensure that the proposed project outcomes have been met and broadband speeds meet VATI criteria.
3. DHCD agrees to make payment to the GRANTEE upon receipt of a remittance with supporting documentation. Submissions of remittance may be made allowing approximately thirty (30) days to receive funds.
4. GRANTEE agrees to provide the following reports to DHCD:
 - a. Monthly progress reports must be submitted to DHCD no later than the 15th of each month. The reports must document VATI and Non-VATI funds obligated and expended to date and the actions taken on key deliverables, including but not limited to construction status, numbers of passings of serviceable units and number of subscribers.
 - b. Final project progress report. This report must document the total VATI and Non-VATI funds expended and the actions taken on key deliverables.
 - c. Post-closeout report on subscribers at six (6) months and one (1) year from project closeout
5. Grantee shall make all project documents available for an interim and final compliance review.
6. The Grantee must use the Centralized Application and Management System (CAMS) to provide all documentation including but not limited to:
 - a. After the AGREEMENT has been executed, the GRANTEE must submit the project budget into CAMS.
 - b. All correspondence, including contract amendment and budget revision request documents, must be uploaded into "Reports and Communication" in CAMS as *correspondence* documents.
 - c. All DOCUMENTS required by this contract must be uploaded into "Reports and Communication" in CAMS as *contract* documents.
 - d. All remittance requests must be submitted through "Remittance" in CAMS. If documents are submitted in "Reports and Communication" at the same time as a remittance request, the explanation text box at the bottom of the Remittances screen must note this fact.
7. To expedite receipt of payment, it is recommended that Grantees contact the Virginia Department of Accounts (DOA) to arrange for electronic transfer of VATI funds. The forms to establish electronic payment with DOA are available at www.doa.virginia.gov. At the home page, click on the Electronic Data

Interchange (EDI) link button on the right. Scroll down to the Trading Partner Agreement and Enrollment form for Localities and Grantees. Print the form, fill it out and submit it. Instructions on completing the form are on the third page of the document.

8. The GRANTEE shall submit one of the following financial documents for the GRANTEE’s fiscal year identified below: Financial Statement**, Reviewed Financial Statement prepared by an Independent Certified Public Accountant (CPA), Audited Financial Statement prepared by an Independent CPA or an audit required by the Code of Federal Regulations (CFR), (2 CFR 200 Subpart F), audited by an Independent CPA. Please see the table below to determine which document your organization is required to submit. The threshold requirements outlined below are the *minimal* standards required by DHCD. We strongly encourage all organizations receiving funds from DHCD to undertake the highest level of financial management review to ensure practices and procedures are fully examined and evaluated.

Threshold Requirement	Document
Total annual expenditures \leq \$100,000 (Regardless of source)	Financial Statement prepared by organizations**
Total annual expenditure between \$100,001 and \$300,000 (Regardless of source)	Reviewed Financial Statement prepared by an Independent Certified Public Accountant (CPA)
Total annual expenditures $>$ \$300,000 (Regardless of source)	Audited Financial Statement prepared by an Independent CPA
Federal expenditures \geq \$750,000	2 CFR 200 Subpart F--Audited by an Independent CPA

**Does not require preparation by a CPA

Entities shall file the required financial document in the Centralized Application and Management System (CAMS) within nine (9) months after the end of their fiscal year or 30 (thirty) days after it has been accepted (Reviewed Financial Statement, Audited Financial Statement, and Single Audit Act only) -whichever comes first.

The full DHCD Audit Policy, including an explanation of the specific document requirements, can be found online at:

http://www.dhcd.virginia.gov/images/DHCD/DHCD_Audit_Policy.pdf

9. GRANTEE agrees to recognize DHCD’s support for Grayson County and Grayson County’s efforts to expand broadband in all project related communication with the media and its marketing publications. The following statement is suggested:

“This program/project was funded/supported in collaboration with the Commonwealth of Virginia’s Telecommunication Initiative.”

In witness whereof, the parties hereto have executed or caused to be executed by their duly authorized official this AGREEMENT in duplicate, each copy of which will be deemed an original.

COMMONWEALTH OF VIRGINIA,
DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT

BY: _____ DATE: _____
Tamarah Holmes, Ph.D, Director, Office of Broadband

City of Richmond,
Commonwealth of Virginia

I do certify that Tamarah Holmes, personally appeared before me and made oath that she is the Director, Office of Broadband at the Department of Housing and Community Development and that she is duly authorized to execute the foregoing document.

My commission expires: _____.

Given under my hand this _____ day of October, 2020.

Notary Public

Registration Number

Grayson County

BY: _____ DATE: _____
William L. Shepley, County Administrator

Grayson County
Commonwealth of Virginia

I do certify that William L. Shepley, personally appeared before me and made oath that she is the County Administrator of Grayson County, Virginia and that he is duly authorized to execute the foregoing document.

My commission expires: _____.

Given under my hand this _____ day of October, 2020.

Notary Public

Registration Number

- CARES Act – Mr. Shepley explained that Mr. Kelly Wilmore, Grayson County School Superintendent, sent an email requesting the Board consider hazard pay for the teachers and other money he is asking for. Mrs. Gayheart noted that bonuses are not allowed – hazard pay is allowed for certain positions within the County as defined by the guidelines

we've received from the US Treasury and the State Treasury Department. Mrs. Gayheart also stated that the application notice for non-profit organizations went out today (food banks, fire, rescue, etc) and we have earmarked approximately \$300,000 for this. Mr. Shepley noted this is the second "phase" (non-profits) with the third phase reimbursing departments reporting losses. Mrs. Gayheart stated the average request per fire department is \$20,000 with the CARES Act application being for \$10,000 or \$5,000 depending on whether the agency is serving Grayson County or not. Supervisor Revels commented this is a very low amount and Supervisor Fant suggested the Board should figure \$50,000 per agency and it should be separated from non-profits – Mrs. Gayheart noted the dollar amount will have to be justified and Supervisor Fant noted that is understood but for planning purposes figure on \$50,000 and then it can be adjusted if needed. After discussion by the Board, they feel there will probably not be any money to support the school's request.

- Real Estate Assessment – Supervisor Fant brought up how the real estate area is really booming and wondered if it's time to go ahead and do an assessment now. Mr. Smith will check with the Commissioner of Revenue regarding when this will happen and the company that will be doing it.
- Supervisor Revels touched back on the Fire/Rescue and stated they need to turn in all their loss of revenue.
- Budget Work Session: Mr. Shepley opened with the need to have a quarterly budget report. Mr. Shepley informed the Board on the CSA expenditures being over and Mrs. Gayheart explained in more detail that the invoices coming in for FY20 will show up in FY21. After discussion on the budget, overall thought we are on track at this point in the FY. Mrs. Gayheart then alerted the Board that the Sheriff's office will be losing seven (7) employees and the effect that payout will have on his budget. Mrs. Gayheart also informed the Board that personal property collections are about the same: last year at this time 74.53% had been collected and this year 74.76% has been collected.
- Organizational meeting will be held Tuesday, January 5th, 2021 with a location to be determined. The next quarterly budget work session will be held Monday, January 25, 2021.

ADJOURN

Supervisor Fant made the motion to adjourn; duly seconded by Supervisor Hash. Motion carried 5-0.