V I R G I N I A:

At a recessed meeting of the Washington County Board of Supervisors held Thursday, May 17, 2012, at 6:30 p.m., at the County Administration Building in Abingdon, Virginia the following were present:

PRESENT:

Joseph C. Straten, Chairman
Phillip B. McCall, Vice Chairman
William B. Gibson
Dulcie M. Mumpower
Odell Owens
Randy L. Pennington
C. Wayne Stevens, Jr.

Mark K. Reeter, County Administrator
Lucy E. Phillips, County Attorney
Mark W. Seamon, Director of Budget & Finance
Naoma A. Norris, CAP, Executive Assistant/Recording Clerk

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1. Call to Order

The meeting was called to order by Mr. Joe Straten, Chairman of the Board, who welcomed everyone in attendance.

2. Invocation and Pledge of Allegiance

Chairman Joe Straten gave the Invocation and led the Pledge of Allegiance.

3. Approval of Agenda

Mr. Reeter provided a review of the agenda.

On motion of Mr. Owens, second by Mr. McCall, it was resolved to approve the agenda as presented.

The vote on this motion was as follows: (7-0)

Mr. Gibson	***Aye***
Mr. McCall	***Aye***
Ms. Mumpower	***Aye***
Mr. Owens	***Aye***
Mr. Pennington	***Aye***

Mr. Stevens ***Aye***
Mr. Straten ***Aye***

4. Review of Tentative Adjustments to Budgetary Departments within Requested & Recommended County Operating Budget for FY 2012-2013 from April 3 Recessed Meeting

Budget & Finance Director Mark Seamon provided the Board with a review of adjustments to the Requested & Recommended County Operating Budget for FY 2012-2013 made at the April 3, 2012, budget adjustment work session.

5. Consideration of Resolutions Regarding Virginia Retirement System Changes and Funding Options

Mr. Seamon provided a review of two Resolutions presented for Board consideration to enact new State mandates effective July 1, 2012 to the Virginia Retirement System (VRS). The first Resolution specifies the Board's selection of the July 1, 2012 Employer Contribution Rate between 13.80% or 11.09%; staff recommends the Board maintain the established rate the State granted the County of 13.80%. The second Resolution specifies the Board's selection of the July 1, 2012 Employee Contribution Rate between 1% through 5%; it is recommendation of staff that the Board implement the entire 5% effective July 1, 2012.

Discussions ensued among the Board and staff.

On motion of Ms. Mumpower, second by Mr. Pennington, the Board acted to adopt the following Resolutions:

RESOLUTION 2012-17
ESTABLISHING EMPLOYER CONTRIBUTION RATES FOR WASHINGTON COUNTY 55195
IN ACCORDANCE WITH THE 2012 VIRGINIA GENERAL ASSEMBLY APPROPRIATIONS ACT
ITEM 468(H)

BE IT RESOLVED, by the Board of Supervisors of Washington County, Virginia, that the Washington County 55195 does hereby acknowledge that its contribution rates effective July 1, 2012 shall be based on the higher of a) the contribution rate in effect for FY 2012, or b) seventy (70.0%) percent of the results of the June 30, 2011 actuarial valuation of assets and liabilities as approved by the Virginia Retirement System Board of Trustees for the 2012-14 biennium (the "Alternate Rate") provided that, at its option, the contribution rate may be based on the employer contribution rates certified by the Virginia Retirement System Board of Trustees pursuant to Virginia Code § 51.1-145(I) resulting from the June 30, 2011 actuarial value of assets and liabilities (the "Certified Rate"); and

BE IT FURTHER RESOLVED, that Washington County 55195 does hereby certify to the Virginia Retirement System Board of Trustees that it elects to pay the following contribution rate effective July 1, 2012:

X The Certified Rate of 13.80% ***__ The Alternate Rate of 11.09%; and***

BE IT FURTHER RESOLVED, that Washington County 55195 does hereby certify to the Virginia Retirement System Board of Trustees that it has reviewed and understands the information provided by

the Virginia Retirement System outlining the potential future fiscal implications of any election made under the provisions of this Resolution; and

BE IT FURTHER RESOLVED, the officers of Washington County 55195 are hereby authorized and directed in the name of the Washington County Board of Supervisors to carry out the provisions of this Resolution, and said officers of the Washington County Board of Supervisors are authorized and directed to pay over to the Treasurer of Virginia from time to time such sums as are due to be paid by the Washington County Board of Supervisors for this purpose.

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RESOLUTION 2012-18
ESTABLISHING MEMBER CONTRIBUTIONS BY SALARY REDUCTION FOR WASHINGTON COUNTY 55195 EMPLOYEES IN ACCORDANCE WITH CHAPTER 822 OF THE 2012 ACTS OF THE VIRGINIA GENERAL ASSEMBLY (SENATE BILL 497)

WHEREAS, the Washington County 55195 employees who are Virginia Retirement System (VRS) members who commence or recommence employment on or after July 1, 2012 ("FY2013 Employees" for purposes of this Resolution), shall be required to contribute five percent of their creditable compensation by salary reduction pursuant to Internal Revenue Code § 414(h) on a pre-tax basis upon commencing or recommencing employment; and

WHEREAS, the Washington County 55195 employees who are Virginia Retirement System members and in service on June 30, 2012, shall be required to contribute five percent of their creditable compensation by salary reduction pursuant to Internal Revenue Code § 414(h) on a pre-tax basis no later than July 1, 2016; and

WHEREAS, such employees in service on June 30, 2012, shall contribute a minimum of an additional one (1.0%) percent of their creditable compensation beginning on each July 1 of 2012, 2013, 2014, 2015, and 2016, or until the employees' contributions equal five (5.0%) percent of creditable compensation; and

WHEREAS, the Washington County 55195 may elect to require such employees in service on June 30, 2012, to contribute more than an additional one (1.0%) percent each year, in whole percentages, until the employees' contributions equal five (5.0%) percent of creditable compensation; and

WHEREAS, the second enactment clause of Chapter 822 of the 2012 Acts of Assembly (SB497) requires an increase in total creditable compensation, effective July 1, 2012, to each such employee in service on June 30, 2012, to offset the cost of the member contributions, such increase in total creditable compensation to be equal to the difference between five (5.0%) percent of the employee's total creditable compensation and the percentage of the member contribution paid by such employee on January 1, 2012.

NOW, THEREFORE, BE IT RESOLVED, by the Board of Supervisors of Washington County, Virginia that Washington County 55195 does hereby certify to the Virginia Retirement System Board of Trustees that it shall effect the implementation of the member contribution requirements of Chapter

822 of the 2012 Acts of Assembly (SB497) according to the following schedule for the fiscal year beginning July 1, 2012 (i.e., FY2013):

Type of Employee	***Employer Paid Member Contribution***	***Employee Paid Member Contribution***
Plan 1	***0%***	***5.0%***
Plan 2	***0%***	***5.0%***
FY2013 Employees	***0%***	***5.0%***

; and

BE IT FURTHER RESOLVED, that such contributions, although designated as member contributions, are to be made by the Washington County in lieu of member contributions; and

BE IT FURTHER RESOLVED, that pick up member contributions shall be paid from the same source of funds as used in paying the wages to affected employees; and

BE IT FURTHER RESOLVED, that member contributions made by the Washington County under the pick- up arrangement shall be treated for all purposes other than income taxation, including but not limited to VRS benefits, in the same manner and to the same extent as member contributions made prior to the pick-up arrangement; and

BE IT FURTHER RESOLVED, that nothing herein shall be construed so as to permit or extend an option to VRS members to receive the pick-up contributions made by the Washington County directly instead of having them paid to VRS; and

BE IT FURTHER RESOLVED, that notwithstanding any contractual or other provisions, the wages of each member of VRS who is an employee of the Washington County shall be reduced by the amount of member contributions picked-up by the Washington County on behalf of such employee pursuant to the foregoing resolutions.

BE IT FURTHER RESOLVED, the officers of Washington County 55195 are hereby authorized and directed in the name of the Washington County to carry out the provisions of this Resolution, and said officers of the Washington County are authorized and directed to pay over to the Treasurer of Virginia from time to time such sums as are due to be paid by the Washington County for this purpose.

The vote on this motion was as follows: (7-0)

Mr. Gibson Aye
Mr. McCall Aye
Ms. Mumpower Aye
Mr. Owens Aye
Mr. Pennington Aye
Mr. Stevens Aye
Mr. Straten Aye

6. Consideration of Additional Possible Reductions as Requested at April 3, Recessed Meeting

Mr. Seamon explained that based on Board action taken at the April 3 recessed meeting, all departments and agencies (including fire and rescue organizations) were requested to take another look at budgets for up to 5% in additional reductions. Many agencies and departments responded, as outlined in the list provided with agenda materials, resulting in $37,417.00 of possible budget reductions offered to the Board. Mr. Seamon provided a review of the proposed reductions.

Discussions ensued among the Board and Mr. Seamon. Department and agencies were thanked for their efforts to look through budgets for additional reductions.

On motion of Mr. Gibson, second by Mr. Stevens, the Board acted to approve the additional reductions totaling $37,417.00 from the FY 2012-2013 tentatively approved budget.

The vote on this motion was as follows: (7-0)

Mr. Gibson	***Aye***
Mr. McCall	***Aye***
Ms. Mumpower	***Aye***
Mr. Owens	***Aye***
Mr. Pennington	***Aye***
Mr. Stevens	***Aye***
Mr. Straten	***Aye***

Mr. Seamon stated with this action the total uncommitted reserves is at $190,043.00.

7. Consideration of Tentative Adjustments to and Preliminary Approvals of Budgetary Departments within Requested & Recommended County Operating Budget for FY 2012-2013

a. School General Fund:

1. Depts. 61100-69999 – Classroom Instruction

Review of Final State Revenue Figures for Public Education

Mr. Reeter and Mr. Seamon provided a review of final state revenue figures for public education.

On motion of Mr. Owens, second by Mr. McCall, the Board tentatively approved the School General Fund budget at $74,504,469.

The vote on this motion was as follows: (7-0)

Mr. Gibson	***Aye***
Mr. McCall	***Aye***
Ms. Mumpower	***Aye***
Mr. Owens	***Aye***
Mr. Pennington	***Aye***

Mr. Stevens ***Aye***
Mr. Straten ***Aye***

8. Consideration of FY 2012-2013 Budget Requests Not Previously Identified in Prior Budget Adjustment Work Sessions

a. Dept. 94166 – White's Mill Restoration Project

Mr. Bobby Ingle representing the Whites Mill Foundation addressed the Board and requested funding in the amount of $21,800.00, which is half of the $43,000.00 in matching funds required for a grant from the Virginia Department of Transportation for White's Mill Restoration Project. Mr. Ingle explained he intends to ask the Town of Abingdon for the other $21,800.00. Mr. Ingle further explained the grant funds will be used to clean out the mill house, restoration of the mill, and getting the water wheel turning once again.

Discussions ensued among the Board and Mr. Ingle.

On motion of Ms. Mumpower, second by Mr. McCall, the Board acted to tentatively budget $21,800.00 from uncommitted reserves to the Whites Mill Foundation to be used for the Whites Mill Restoration Project. The payment, if appropriated, is contingent upon the Town of Abingdon's approval of an equal match.

The vote on this motion was as follows: (7-0)

Mr. Gibson ***Aye***
Mr. McCall ***Aye***
Ms. Mumpower ***Aye***
Mr. Owens ***Aye***
Mr. Pennington ***Aye***
Mr. Stevens ***Aye***
Mr. Straten ***Aye***

b. Dept. 81510 – ADam (Damascus Internet)

Mr. Reeter presented a request from the Town of Damascus for funding for Damascus ADam (Access Damascus) Project in the amount of $2,500.00. The organization maintains the town's website and provides public access to the internet. According to correspondence received by the County, the funds will primarily be used for maintenance of the town's website, as well as domain and hosting costs.

Discussions ensued among the Board and staff. No action was taken.

c. Final Re-considerations Not Previously Identified in Prior Budget Adjustment Work Sessions (Open Discussion)

Ms. Mumpower presented a request to the Board for consideration of granting a 3% salary adjustment for employees making under $40,000.00, and 2% for employees over $40,000.00. This proposal would require an additional $67,000.00 from uncommitted reserves.

The Board devoted substantial discussions to issues pertaining to salary adjustments for County employees. The following action was taken:

On motion of Ms. Mumpower, second by Mr. Owens, the Board acted to approve the following salary adjustments for County employees effective July 1, 2012, and to take the funds from uncommitted reserve for contingencies:

- ***3% salary adjustment for employees earning less than $40,000.00***
- ***2% salary adjustment for employees earning $40,000.00 and above***

The vote on this motion was as follows: (7-0)

Mr. Gibson	***Aye***
Mr. McCall	***Aye***
Ms. Mumpower	***Aye***
Mr. Owens	***Aye***
Mr. Pennington	***Aye***
Mr. Stevens	***Aye***
Mr. Straten	***Aye***

Mr. Gibson presented a proposal to provide $40,000 in additional funding to each Damascus and Green Springs Fire Departments. He explained these agencies have indicated they would have to shut down operations if they do not receive additional funding. Also, without additional funding, Green Springs Fire Department will be forced to discontinue first responder calls beginning July 1.

A motion was made by Mr. Gibson, second by Mr. Stevens to appropriate an additional $40,000.00 each to Damascus Fire and Green Springs Fire Departments.

Discussions ensued among the Board with the following substitute motion being offered:

On motion of Ms. Mumpower, second by Mr. Owens, the Board acted to request the Emergency Services Committee make a recommendation to the Board concerning additional funding for Damascus and Green Springs Fire Departments effective July 1, 2012.

The vote on this motion was as follows: (7-0)

Mr. Gibson	***Aye***
Mr. McCall	***Aye***
Ms. Mumpower	***Aye***
Mr. Owens	***Aye***
Mr. Pennington	***Aye***
Mr. Stevens	***Aye***
Mr. Straten	***Aye***

9. Final Reconciliations to Preliminary County Operating Budget for FY 2012-2013

a. General Fund – Nondepartmental:

1. Dept. 91410 – Reserve for Employee Benefits

Mr. Seamon explained at the June 12, 2012 regular meeting, the Board will be asked to opt out of the Virginia Line-of-Duty Act (LODA), and to enter into the Virginia Association of Counties (VACo) insurance program. This move is anticipated to reduce costs and place the county in the VACo pool with several other localities across the state. Due to current outstanding claims, an additional $37,500 needs to be added to the FY 2012-2013 budget for the LODA line item.

On motion of Ms. Mumpower, second by Mr. Stevens, it was resolved to add $37,500 to Line of Duty Act Reserve Account line-item, and to tentatively approve Fund 001-General fund Dept. 91410 Reserve for Employee Benefits for FY 2012-2013 in the amount of $158,825.

The vote on this motion was as follows: (7-0)

Mr. Gibson	***Aye***
Mr. McCall	***Aye***
Ms. Mumpower	***Aye***
Mr. Owens	***Aye***
Mr. Pennington	***Aye***
Mr. Stevens	***Aye***
Mr. Straten	***Aye***

2. Dept. 91420 – Intergovernmental Payments

On motion of Mr. Owens, second by Ms. Mumpower, it was resolved to tentatively approve Fund 001-General Fund Dept. 91420 Intergovernmental Payments for FY 2012-2013 in the amount of $292.200.

The vote on this motion was as follows: (7-0)

Mr. Gibson	***Aye***
Mr. McCall	***Aye***
Ms. Mumpower	***Aye***
Mr. Owens	***Aye***
Mr. Pennington	***Aye***
Mr. Stevens	***Aye***
Mr. Straten	***Aye***

3. Dept. 92100 – Revenue Refunds

On motion of Ms. Mumpower, second by Mr. McCall, it was resolved to tentatively approve Fund 001-General Fund Dept. 92100 Revenue Refunds for FY 2012-2013 in the amount of $325,000.

The vote on this motion was as follows: (7-0)

Mr. Gibson	***Aye***

Mr. McCall	***Aye***
Ms. Mumpower	***Aye***
Mr. Owens	***Aye***
Mr. Pennington	***Aye***
Mr. Stevens	***Aye***
Mr. Straten	***Aye***

4. Dept. 91400 – Reserve for Contingencies

On motion of Mr. Owens, second by Ms. Mumpower, it was resolved to tentatively approve (pending recommendation from Emergency Services Committee on additional funding for Damascus and Glade Spring Fire Departments) Fund 001-General Fund Dept. 91400 Reserve for Contingencies for FY 2012-2013 in the amount of $351,243.

The vote on this motion was as follows: (7-0)

Mr. Gibson	***Aye***
Mr. McCall	***Aye***
Ms. Mumpower	***Aye***
Mr. Owens	***Aye***
Mr. Pennington	***Aye***
Mr. Stevens	***Aye***
Mr. Straten	***Aye***

10. <u>Adjourn or Recess</u>

On motion of Mr. Pennington, second by Mr. Owens, it was resolved to adjourn the meeting.

The vote on this motion was as follows: (7-0)

Mr. Gibson	***Aye***
Mr. McCall	***Aye***
Ms. Mumpower	***Aye***
Mr. Owens	***Aye***
Mr. Pennington	***Aye***
Mr. Stevens	***Aye***
Mr. Straten	***Aye***

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Prepared by:

_____

Naoma A. Norris, Recording Clerk

5-17-12 18123

Approved by the Washington County Board of Supervisors:

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Joseph C. Straten, Chairman