

VIRGINIA:

At a regular meeting of the Washington County Board of Supervisors held Tuesday, September 11, 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.

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

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

Prior to the Invocation and Pledge of Allegiance, Mr. Straten asked that a moment of silence be observed to mark the anniversary of the September 11, 2001, terrorist attacks on America.

Supervisor Randy Pennington gave the Invocation and led the Pledge of Allegiance.

3. Public Comment

The following individuals addressed the Board:

- James Alligood
- Jill Jessee
- James Debord
- Larry Hines

4. Approval of Agenda

On motion of Mr. McCall, second by Mr. Owens, the Board acted to approve the agenda as presented.

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

<i>Mr. Gibson</i>	<i>Aye</i>
<i>Mr. McCall</i>	<i>Aye</i>
<i>Ms. Mumpower</i>	<i>Aye</i>
<i>Mr. Owens</i>	<i>Aye</i>
<i>Mr. Pennington</i>	<i>Aye</i>
<i>Mr. Stevens</i>	<i>Aye</i>
<i>Mr. Straten</i>	<i>Aye</i>

5. **Special Recognitions & Presentations:**

a. Presentation by Davenport & Company

Mr. David Rose with Davenport and Company addressed the Board and provided a presentation on the financial condition of the County including a credit overview and impact on future credit ratings. Mr. Rose explained the goals and objectives of the presentation were to present Washington County's rating history and observations from the most recent Credit Rating Reports; provide the County with an executive briefing on its financial status including the County's current key debt and fund balance ratios; provide a comparative of the County's debt and fund balance ratios in relation to its neighboring Southwest Virginia localities and nationally; and calculate the financial impact of repaying the indebtedness related to the County's Administration Building. Mr. Rose's presentation covered the following topics:

- Goals & Objectives
- Background on the County's Credit Ratings
- Credit Ratings Overview
- Ratings Comparison for Washington County versus other Southwest Virginia Localities
- Summary of Existing Indebtedness
- Debt Profile for the County
- Key Debt Ratios – Debt Service vs. Expenditures, Debt vs. Total Taxable Valuation; Debt Per Capita,
- County's Fund Balance Policy
- Comparison of County's Fund Balance with Other Southwest Virginia Localities
- Comparative Income Levels for Washington County and other Southwest Virginia Localities
- Comparative Real Estate Tax Rates for Washington County and other Southwest Virginia Localities
- Review of Options for Repayment of 2010 Bonds: County Government Center portion
- Impact of Using County Funds to Prepay the Bonds

Substantial discussions ensued among the Board and Mr. Rose about the County's borrowing and financing of the debt on the new County Government Center Building, and the options for early payoff of this debt. After the Board's discussion, members of the audience were permitted to ask questions of Mr.

Rose about his presentation. A question and answer period ensued among members of the audience and Mr. Rose.

No actions were taken. Mr. Straten thanked Mr. Rose for the presentation.

6. Consent Agenda:

No Consent Agenda Items were presented to the Board.

7. General Business:

a. Actionable Items:

1. Consideration of Various Matters Pertaining to Washington County Mendota Water System Improvements Community Development Block Grant Project

Mr. Toby Boian with Mount Rogers Planning District Commission addressed the Board and reviewed the following documents pertaining to the Washington County Mendota Water System Improvements Community Development Block Grant (CDBG) Project and asked for Board approval of the documents:

1. Revised Project Budget
2. Proposed Project Management Plan
3. Proposed Residential Anti-Displacement and Relocation Plan
4. Proposed Agreement for Grant Management Services
5. Proposed Agreement between Washington County and Washington County Service Authority
6. Certification of Signatures and Addresses

Ms. Phillips explained that non-substantive changes were made to several of the CDBG documents provided in the agenda packets. The revised documents are provided to the Board at their stations for review.

On motion of Mr. Owens, second by Ms. Mumpower, the Board acted to approve and adopt the following documents pertaining to Washington County Mendota Water System Improvements Community Development Block Grant Project:

- 1. Project Budget***
- 2. Project Management Plan***
- 3. Residential Anti-Displacement and Relocation Plan***
- 4. Agreement for Grant Management Services***
- 5. Agreement between Washington County and Washington County Service Authority***
- 6. Certification of Signatures and Addresses***

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

<i>Mr. Gibson</i>	<i>Aye</i>
<i>Mr. McCall</i>	<i>Aye</i>
<i>Ms. Mumpower</i>	<i>Aye</i>

Mr. Owens *Aye*
Mr. Pennington *Aye*
Mr. Stevens *Aye*
Mr. Straten *Aye*

2. Consideration of Conveyance of Breckenridge Cabin to Town of Abingdon

Washington County Public Library Director Charlotte Parsons addressed the Board to present a request for conveyance of the historic Breckenridge Cabin to the Town of Abingdon. Ms. Parsons began her presentation by thanking the Board for the FY 2012-2013 allocation to the library. She next explained that the historic Breckenridge Cabin is located behind the Main Library in Abingdon. In 1984, the historic cabin was given to the Washington County Preservation Society, and the Board of Supervisors at that time, authorized the Preservation Society to reconstruct the historic cabin on property owned by the County. Ms. Parsons further explained that the Board at that time also acted that if the historic cabin is no longer used it would be returned to the Preservation Society. She explained that County Attorney Lucy Phillips researched and found that according to State Corporation Commission records, the Preservation Society has ceased its corporate existence.

Ms. Parsons continued to explain that the historic cabin is no longer used by schools for educational purposes. Over the last couple of years the historic cabin has encountered rough times due to weather events and, being responsible for the property on which the historic cabin is located, she has concerns; costs to make repairs to the historic cabin would be too expensive. Ms. Parsons explained she has spoken with Abingdon Town officials to determine their interest in having the historic cabin relocated to one of their historic properties. She further explained that following discussions with the Abingdon, the Library Board voted to ask the Board of Supervisors for approval of this conveyance because the Board was the entity that originally authorized placement on the County Library property. The Library Board further asks that no costs be incurred by the library for moving the historic cabin. Ms. Parsons requested the Board to give the County Attorney authorization to prepare the appropriate paperwork for the conveyance.

Discussions ensued among the Board.

On motion of Mr. McCall, second by Mr. Gibson, the Board acted to authorize conveyance of the historic Breckenridge Cabin to the Town of Abingdon and, to direct the County Attorney to prepare the appropriate paperwork for signature by the County Administrator to effect the transfer of ownership and to stipulate the Town of Abingdon bear all financial burden to move the historic cabin.

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. Consideration of Early Pay Off of Debt on New County Government Center Building

Mr. Gibson explained in light of the presentation provided by Davenport & Company, he withdraws his request at this time for consideration of early pay off of the debt on the New County Government Center Building. He requested the County Attorney contact the County's Bond Counsel to determine if the debt on the New County Government Center Building is paid off early, would the stipulation in the bond terms that state the building be used for government purposes only, still apply. He further requested the County Attorney identify other options for early payoff of the debt on the building.

4. Consideration of Proclamation Designating September as "National Preparedness Month" in Washington County

Ms. Pokey Harris, Director of Emergency Management Services, requested the Board proclaim September as "National Preparedness Month." Ms. Harris distributed information about preparedness issues.

On motion of Ms. Mumpower, second by Mr. Owens, the Board acted to adopt the Proclamation as follows:

**RESOLUTION 2012-34
PROCLAMATION DESIGNATING SEPTEMBER AS
"NATIONAL PREPAREDNESS MONTH"
IN WASHINGTON COUNTY, VIRGINIA**

WHEREAS, "National Preparedness Month" creates an important opportunity for every resident of Washington County, Virginia, to prepare their homes, businesses and communities for any type of emergency including natural disasters and potential terrorist attacks; and

WHEREAS, investing in preparing ourselves, our families, businesses and communities can reduce fatalities and economic devastation in our communities and in our nation; and

WHEREAS, the Federal Emergency Management Agency's Ready Campaign, the Ready Virginia outreach program sponsored by the Virginia Department of Emergency Management, and other federal, state, local, tribal, territorial, private and volunteer agencies are working to increase public activities in preparing for emergencies and to educate individuals on how to take action; and

WHEREAS, emergency preparedness is the responsibility of every citizen of Washington County, Virginia, and all citizens are urged to make preparedness a priority and work together as a team to ensure that individuals, families, and communities are prepared for disasters and emergencies of any type; and

WHEREAS, all citizens of Washington County, Virginia, are encouraged to participate in citizen preparedness activities and asked to review the Ready campaign's websites at Ready.gov or Listo.gov (in Spanish) and ReadyVirginia.gov and ListoVirginia.gov and become more prepared,

THEREFORE, BE IT RESOLVED by the Board of Supervisors of Washington County, Virginia that the Board hereby proclaims September 2012 as National Preparedness Month and

encourages all citizens and businesses to develop their own emergency preparedness plan and work together toward creating a more prepared society.

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

<i>Mr. Gibson</i>	<i>Aye</i>
<i>Mr. McCall</i>	<i>Aye</i>
<i>Ms. Mumpower</i>	<i>Aye</i>
<i>Mr. Owens</i>	<i>Aye</i>
<i>Mr. Pennington</i>	<i>Aye</i>
<i>Mr. Stevens</i>	<i>Aye</i>
<i>Mr. Straten</i>	<i>Aye</i>

5. Consideration of Disbursement of County Opportunity Fund Balance to the Washington County Industrial Development Authority

Ms. Christy Parker, Director of Economic Development and Community Relations, addressed the Board and explained her purpose before the Board is to facilitate discussion about the Board's wish to disburse a portion of the County Operating Budget set aside in the County Opportunity Fund to the Washington County Industrial Development Authority (IDA). Ms. Parker explained this discussion initially began during the budget preparation process. She further explained that disbursing these funds to the IDA would allow the IDA to manage the approval and disbursement of said funds for economic development incentive packages, on behalf of the Board of Supervisors. It was envisioned that the fund would be recapitalized each year to maintain a balance of \$250,000.00. The IDA would be required to provide an annual update to the Board of Supervisors that would summarize how the funds were used in the previous fiscal year, as part of their budget request for annual recapitalization of the fund. Ms. Parker explained if incentives are recommended above the \$250,000.00, the IDA would come back to the Board with a detailed request.

Discussions ensued among the Board and Ms. Parker.

Ms. Mumpower questioned if the Board were to disburse the County Opportunity Fund balance to the IDA, would the IDA continue to come before the Board requesting incentive matches.

Ms. Parker explained the IDA would not come before the Board with such requests unless it was an incentive offer that exceeded the \$250,000.00.

Ms. Mumpower next asked if this proposal would remove the Board from involvement in industry recruitment.

Ms. Parker explained that it would, and the IDA under this proposal would perform the due diligence.

Ms. Mumpower questioned the benefits of this proposal.

Ms. Parker explained allowing the IDA to manage the economic development incentive packages would expedite the process and prevent the Board from conducting closed meetings to discuss these type issues. Mr. Owens explained he wishes for the Board to continue their involvement in negotiating incentive packages because the Board benefits from the process.

Ms. Mumpower expressed concerns if the Board does not participate in the process they will not be aware of what is going on with regards to economic development.

Mr. Pennington also agreed that the Board should be involved in the economic development process.

Mr. McCall commented that the proposal would alleviate concerns about conducting closed meetings. With economic development issues closed meetings must be held in order to withhold the names of industry that require their names not be mentioned.

Mr. Stevens explained if the proposal is approved, he believes the IDA should make a report to the Board on a quarterly basis. He too believes the Board should be involved in the economic development process.

No action was taken on the proposal.

6. Review of Fiscal Year 2011-2012 General Fund Reconciliation as of June 30, 2012 and Approval of Transfer Balance of Disaster Recovery Fund to General Fund

Mr. Seamon addressed the Board and provided a review of the General Fund Reconciliation as of June 30, 2012 for the close-out of the County's Fiscal Year. Mr. Seamon explained the County ended the fiscal year on a positive note. Based on unaudited figures, the County finished the fiscal year ending June 30, 2012, with \$1,440,350.06 net unanticipated excess General Fund balance. He further explained that the majority of unanticipated funds came from the four sources listed on page two of the General Fund Reconciliation Memo.

Mr. Seamon next explained the Disaster Recovery Fund balance at June 30, 2012 was \$440,167.00. The County Administrative staff recommends these funds be returned back to the General Fund Reserves since all disaster related expenses have been processed and properly reimbursed.

Discussions ensued among the Board.

On motion of Ms. Mumpower, second by Mr. Pennington, the Board acted to transfer the \$440,167.00 balance in the Disaster Recovery Fund back to the County General Fund for the purpose of including these funds in the General Fund Reserves-Undesignated.

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

<i>Mr. Gibson</i>	<i>Aye</i>
<i>Mr. McCall</i>	<i>Aye</i>
<i>Ms. Mumpower</i>	<i>Aye</i>
<i>Mr. Owens</i>	<i>Aye</i>
<i>Mr. Pennington</i>	<i>Aye</i>
<i>Mr. Stevens</i>	<i>Aye</i>
<i>Mr. Straten</i>	<i>Aye</i>

Mr. Stevens stated that 17 months have passed since the tornado and there are still a few families needing assistance and that remain displaced. He further stated that some anticipated grant funds were not received.

Mr. Gibson thanked County agencies for saving taxpayer dollars and returning monies back to the County.

Mr. Seamon added that in addition to the four agencies listed in his correspondence, several other agencies and administrative departments also returned funds, which are included in the unanticipated excess in the General Fund Balance.

Mr. Gibson requested a full list of agencies and departments that returned money to the County.

7. Consideration of Request for Closure of County Administration Building on September 28, 2012 and Treasurer's Building on October 5, 2012

Ms. Culberson addressed the Board and explained in preparation for move to the new County Government Center Building, she requests that the County Administration Building be closed on Friday, September 28 in order that telephones and computers could be relocated to the new building. County Administrative offices that are relocating to the new County Government Center Building will be ready for business on Monday morning, October 1. Ms. Culberson next explained the Board is asked to close the Treasurer's Building on Friday, October 5 for the same reasons. The Treasurer and Commissioner of Revenue offices will move on October 5 and 6. She further explained that the closings will be advertised in the newspaper and a notice of closure posted in the buildings.

On motion of Mr. Owens, second by Mr. McCall, the Board acted to authorize closing of the County Administration Building on September 28, 2012, and Treasurer's Building on October 5, 2012.

The vote on this motion was as follows: (6-1)

<i>Mr. Gibson</i>	<i>Nay</i>
<i>Mr. McCall</i>	<i>Aye</i>
<i>Ms. Mumpower</i>	<i>Aye</i>
<i>Mr. Owens</i>	<i>Aye</i>
<i>Mr. Pennington</i>	<i>Aye</i>
<i>Mr. Stevens</i>	<i>Aye</i>
<i>Mr. Straten</i>	<i>Aye</i>

8. Consideration of Joint Meeting with Virginia Highlands Airport Authority

Ms. Culberson addressed the Board and explained that Virginia Highlands Airport Authority is requesting a joint meeting for purpose of discussing the financing arrangements for purchase of property related to the Airport Runway expansion. Davenport & Company will be involved in the joint meeting. The proposed dates for the joint meeting are Tuesday, September 18, Wednesday, September 19 or Thursday, September 27.

The following action was taken in regards to scheduling of a joint meeting with the Virginia Highlands Airport Authority:

On motion of Mr. McCall, second by Ms. Mumpower, the Board acted to schedule a joint meeting with the Virginia Highlands Airport Authority on September 19, 2012, beginning at 6:30 p.m. at the Virginia Highlands Airport.

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

<i>Mr. Gibson</i>	<i>Aye</i>
<i>Mr. McCall</i>	<i>Aye</i>
<i>Ms. Mumpower</i>	<i>Aye</i>
<i>Mr. Owens</i>	<i>Aye</i>
<i>Mr. Pennington</i>	<i>Aye</i>
<i>Mr. Stevens</i>	<i>Aye</i>
<i>Mr. Straten</i>	<i>Aye</i>

8. Board Member Reports

Mr. Stevens reported on his participation in the Virginia Association of Counties Certified Supervisors Program and has attended his first course. He explained supervisors from across the state are confronted with some of the same issues as Washington County and it was interesting to talk with them about how they deal with the issues.

Mr. Gibson asked for remembrance of all the victims of the September 11, 2001, tragedy and all those touched by it. He extended a special thanks to all Veterans.

Mr. Owens asked that an appointment to fill the unexpired term of Mark Reeter on the Southwest Virginia Regional Jail Authority be placed on the September 25, 2012, Board meeting agenda.

Mr. Owens reported on progress he made in identifying speakers to present additional information to the Board at a future meeting about natural gas extraction. He explained that field workers have been identified and he anticipates a letter soon from those individuals willing to make a presentation. Once all the additional information is obtained, he will ask the Board to consider scheduling a date for the presentation. Mr. Owens next explained he will be sharing with Board members a documentary on DVD about natural gas drilling. He talked briefly about the documentary.

Ms. Mumpower reported that a news reporter from WCYB Television Station contacted her about an e-mail they received, which stated the medical school project has fallen by the wayside and the Board of Supervisors has withdrawn their financial support for the project. She explained the call and alleged e-mail is distressing to her as no such action has been taken by this Board. Ms. Mumpower explained that she advised the reporter that there was no truth to the alleged e-mail. She further explained that the new King School of Medicine Board of Trustees and the Executive Director are putting forth their best effort to make progress with the project.

Mr. Straten reported on the opening ceremonies held last week for the new Damascus Branch Library. It was a great ceremony. Mr. Straten commented on the outstanding leadership exhibited from all involved (Library Board, Library staff, Board of Supervisors, County staff and Friends of the Library). A special gratitude goes to Washington County Public Library Director Charlotte Parsons and her staff, the Friends of the Library, and Supervisors Phillip McCall and Odell Owens for their work in making the project happen.

Mr. Straten next reported that due to heavy rainfall, a good portion of Chestnut Mountain Road has washed away. He explained the Virginia Department of Transportation (VDOT) met with residents of Green Cove and explained that the road would be restored to its previous condition; at this time VDOT

does not have funds to make improvements to the road just repair to its previous condition. It will take about four to six months to complete the work.

Mr. Straten read a letter from Mr. Steve Smith, President and CEO of Food City regarding the tragic helicopter accident and recovery.

Mr. Stevens explained he received a request from a constituent, Mr. Larry Bays, about addressing the Board to discuss issues concerning the Washington County Service Authority. Mr. Stevens asked that Mr. Bays' presentation be placed on the September 25, 2012, Board meeting agenda.

9. Board Information and Reminders (County Administrator and County Attorney)

Ms. Culberson reviewed Board Information and Reminders.

10. Adjourn or Recess

On motion of Mr. Owens, second by Mr. Stevens, the Board acted to recess to September 19, 2012, at 6:30 p.m. at the Virginia Highlands Airport for a joint meeting with Virginia Highlands Airport Authority.

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

<i>Mr. Gibson</i>	<i>Aye</i>
<i>Mr. McCall</i>	<i>Aye</i>
<i>Ms. Mumpower</i>	<i>Aye</i>
<i>Mr. Owens</i>	<i>Aye</i>
<i>Mr. Pennington</i>	<i>Aye</i>
<i>Mr. Stevens</i>	<i>Aye</i>
<i>Mr. Straten</i>	<i>Aye</i>

Prepared by:

Naoma A. Norris, Recording Clerk

9-11-12

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**Approved by the Washington County Board
of Supervisors:**

Joseph C. Straten, Chairman