V I R G I N I A:

At a recessed meeting of the Washington County Board of Supervisors held Thursday, March 21, 2013, at 6:30 p.m., at the County Government Center 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
Mark W. Seamon, Director of Budget & Finance
Naoma A. Norris, CAP, Executive Assistant/Recording Clerk

ABSENT:

Lucy E. Phillips, County Attorney

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1. Call to Order

The meeting was called to order by Ms. Dulcie Mumpower, Chairman of the Board, who welcomed everyone in attendance.

2. Invocation and Pledge of Allegiance

Supervisor Bill Gibson gave the Invocation and led the Pledge of Allegiance.

3. Approval of Agenda

On motion of Mr. McCall, second by Mr. Owens, 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 2013-2014 from March 19 Recessed Meeting

Budget & Finance Director Mark Seamon provided the Board with a review of adjustments to the Requested & Recommended County Operating Budget for FY 2013-2014 made at the March 19, 2013, budget adjustment work sessions.

5. Re-consideration (Re-visitation) of Tentative Adjustments to and Preliminary Approvals of Budgetary Departments within Requested & Recommended County Operating Budget for FY 2013-2014

a. General Fund – General Government Administration:

1. Dept. 12510 Department of Information Systems

Mr. Fred Parker, County Treasurer, addressed the Board speaking in support of the County seeking Request For Proposals for a new Financial Accounting Software System.

The Board, Mr. Parker and staff discussed at length the proposal to change vendors for the County's Financial Accounting Software System. The following action was taken:

On motion of Mr. Straten, second by Mr. Owens, it was resolved to leave in place the $54,800 added to Dept. 12510 Department of Information Systems at the their March 19, 2013 Budget Work Session:

The vote on this motion was as follows: (5-2)

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

A motion was made by Mr. Gibson to remove the salary adjustments from the Information Systems Department budget. No second was offered to the motion.

Mr. Stevens explained the money to fund the raises comes from a vacant position within the Information Systems Department. The employees of this department have picked up the workload.

Mr. Gibson asked if there are plans to fill the vacant position.

Ms. Culberson, County Administrator, explained the vacant position comes from Kevin Hill leaving the Information Systems Department and taking the position of Director of General Services. She further explained there are plans to fill an entry level Information Systems Technician's position.

Mr. Pennington commented that his vote against adding money to the Information Systems Department for purchase of new financial software was because he does not believe the County can afford the purchase at this time. He further commented he cannot take threatening County staff.

Mr. Gibson commented that the software purchase will cost about $100,000 a year for the next five years.

2. Dept. 13200 – General Registrar
Dept. 43290 – General Services – Other

Mr. Gibson commented that he did not agree with or vote for the General Registrar to lease their current facility because the County Government Center has room to house this office.

A motion was made by Mr. Gibson to move the General Registrar Offices to the County Government Center and to use the $24,000 savings in lease payments to fund the library's request for money to fund salary increases. There was no second to this motion.

b. General Fund – Health and Welfare:

1. Dept. 53700 – Community Action Agency

Mr. McCall commented in the recommended budget People Incorporated received a ten percent cut in funding. He stated County funds given to People Incorporated stay in the County and are used on services provided; one benefactor is the dental services provided to those that cannot afford these services. Mr. McCall asked for the Board to consider level funding this agency.

A motion was made by Mr. McCall to level fund Department 53700 – Community Action Agency. There was no second to the motion.

c. General Fund – Recreation and Cultural Enrichment:

1. Dept. 72700 – Cultural Enrichment

Mr. Gibson commented that if the Board is inclined to make cuts to the budget that cultural enrichment is discretionary spending and would be the place for the Board to consider cuts. He stated that eventually discretionary spending will have to be cut due to hard economic times.

A motion was made by Mr. Gibson to decrease each line item within Department 72700 – Cultural Enrichment by 25%. There was no second to this motion.

The following actions were proposed:

Original Motion

A motion was made by Mr. Owens, with a second by Mr. Gibson to fund the Barter Foundation in the amount of $47,250.

Substitute Motion

A motion was made by Mr. Pennington, second by Mr. Stevens to fund the County Administrator's recommended budget for each line item within Department 72700 – Cultural Enrichment.

Mr. Straten commented that the only line item within Cultural Enrichment that changed was Barter Foundation and the Board previously tentatively approved an increase from $45,000 to $50,000. He stated that at a previous budget work session the board discussed this budget at length. Mr. Straten further commented that it does not make sense to cut funding to an organization that contributes so much to the County and stated that he could not vote in favor of the proposed motion because he believes it is a disservice to the people the Barter serves.

The following actions were taken on the proposed motions:

Substitute Motion

A motion was made by Mr. Pennington, second by Mr. Stevens to fund the County Administrator's recommended budget for each line item within Department 72700 – Cultural Enrichment.

The vote on this motion was as follows: (3-4)

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

The motion failed.

Original Motion

A motion was made by Mr. Owens, with a second by Mr. Gibson to fund the Barter Foundation in the amount of $47,250.

The vote on this motion was as follows: (4-3)

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

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

d. <u>General Fund – Community and Economic Development</u>:

1. Dept. 81510 – Economic Development Activities

Mr. Gibson commented that as he was researching The Crooked Road National Heritage Designation he learned that Friends of Southwest Virginia is receiving about $835,000 this year from the federal and state governments.

A motion was made by Mr. Gibson and a second by Mr. Stevens to reduce Department 81510 – Economic Development Activities – Friends of Southwest Virginia by $9,000.

The vote on this motion was as follows: (3-4)

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

The motion failed.

The Board devoted further discussions to funding for Department 81510 – Economic Development Activities for Friends of Southwest Virginia and the Regional Incubator.

Mr. Gibson inquired if other localities fund the Regional Incubator. Ms. Mumpower explained the Incubator receives funding from the County and Town of Abingdon. Mr. Gibson commented that CGI located in Lebanon, VA was once a company in the Incubator.

Ms. Mumpower commented the Incubator plays an important role in economic development.

The following actions were proposed regarding funding for the Regional Incubator:

<u>Original Motion</u>

A motion was made by Mr. Gibson, second by Mr. Stevens to fund the Regional Incubator at the amount of $104,921 recommended by the County Administrator.

<u>Substitute Motion</u>

A motion was made by Mr. McCall, with a second by Mr. Owens to add $6,658 to the Regional Incubator.

The vote on this motion was as follows: (5-2)

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

The substitute motion carries.

The County Administrator was asked to contact the Incubator with a request they consider requiring companies that leave the incubator to stay in the County for five years.

e **Library Fund**:

1. Dept. 73100 – Library Local Administration

Ms. Charlotte Parson, Executive Director, Washington County Public Library, presented a request to the Board for an additional $38,000 to fund salary increases for library employees. Ms. Parsons stated if the Board sees fit to provide the additional funds that she pledges that she and the Library Board will work with designated County staff on distribution of salary adjustments.

Ms. Parsons next presented a request for a capital expenditure to purchase new software that would help with management of the public access computers. They have a total of 42 public access computers throughout the library system. She explained the request is for $15,000 to assist with the total purchase cost of $30,000.

Discussions ensued among the Board and Ms. Parson concerning her request for money to fund salary increases for library employees.

Mr. Seamon, Director of Budget & Finance, informed the Board adequate funds remain in the current fiscal year's Budget for the Damascus Branch Library Project to cover the initial purchase of needed software for the Library.

Mr. Pennington stated his concerns for providing salary increases and explained he worries about the the County's financial situation in FY 2015. He further stated if the Board funds the salary increases the expense will carry forward.

A motion was made by Mr. McCall, second by Mr. Owens it was resolved to modify Fund 108 - Dept. 73100 – Library Local Administration by adding $38,000 and to tentatively approve the Requested and Recommended Budget for FY 2013-2014 for Fund 108 - Dept. 73100 – Library Local Administration in the amount of $1,142,516..

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

Mr. Gibson	***Aye***
Mr. McCall	***Aye***

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

f. <u>School General Fund</u>:

1. Depts. 61100-69999 – Classroom Instruction

The Board devoted further discussions to funding for Fund 312 – School General Fund.

Bill Gibson filed a statement disclosing he has a personal interest in certain aspects of the County's Operating Budget for FY 2013-14 related to appropriations to the Washington County School Board; that his spouse is an employee of the Washington County School Board; and that he can participate in this transaction fairly, objectively and in the public interest.

Randy Pennington filed a statement disclosing he has a personal interest in certain aspects of the County's Operating Budget for FY 2013-14 related to appropriations to the Washington County School Board; that his spouse is an employee of the Washington County School Board; and that he can participate in this transaction fairly, objectively and in the public interest.

Ms. Melissa Caudill, Director of Finance & Human Resources for Washington County Schools stated the School Board could still provide the 2% raise with an additional $535,000 in local funds. She further stated the actual required local match for the State funds is $134,502.

Further discussion ensued. No action was taken.

g. Economic Development Fund:

1. Dept. 96710 – Airport Development – Virginia Highlands Airport Authority

Mr. Stephen Lowe, Chairman of the Virginia Highlands Airport Authority and Mr. Mickey Hines, General Manager of Virginia Highlands Airport presented revisions to their budget request for FY 2013-2014.

Mr. Hines explained the revisions to their capital improvements budget is necessitated by recent actions from the Federal Aviation Administration (FAA) and the Virginia Department of Aviation (VDOA) and successful negotiations with landowners regarding the purchase of easements for obstruction removal. Mr. Hines reviewed the revised line items as follows:

Line Item # 2 – Perimeter Fence, Remove $7,240.00 (VDOA is funding this project)
Line Item # 3 – Easement Acquisition for Obstruction Removal – Decrease from $40,000.00 to 14,000.00
Line Item #11 – Airport Capital Improvement Program – Remove Request for $75,000.00
Line Item #12 – Land Acquisition, Runway 6 Extension - Add $52,720.00

Mr. Hines explained the total capital improvement request increases from $177,927.00 to $211,102.00. He commented it is important to look at in the supporting materials provided to the Board is the amount

of funding being provided by the state and federal governments. Mr. Hines further commented the County's contribution will leverage almost $5,000,000.00. He stated that if the Board cannot provide the additional funds to the Airport that the Airport Authority will most likely go forward with funding the project as they have funds in the bank now to pay for increases but at a later time using these funds would take away from operations. Mr. Hines noted that the Airport Authority does not request operational funds from the County.

Substantial discussions ensued among the Board, Mr. Lowe and Mr. Hines concerning the Airport Authority's request and projects at the airport. Board members expressed support for the Airport and commented about the important role it plays in economic development. After lengthy discussions, the following actions were proposed:

Original Motion

A motion was made by Mr. Staten, second by Mr. Owens, to add $108,302 to the Virginia Highlands Airport Authority to fund capital improvements as requested.

Substitute Motion

A motion was made by Mr. Gibson, second by Mr. Stevens to deduct $38,750 from the revised request of Virginia Highlands Airport Authority by deducting storm water drainage, replacement of the tri-deck mower and replacement of two heat pumps and to add a total of $69,551 to the Virginia Highlands Airport Authority for capital improvements.

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***

The substitute motion carries.

The Board took a five minute recess at this time.

6. Financial Reconciliations to Preliminary County Operating Budget for FY 2013-2014

a. General Fund – Nondepartmental:

1. Dept. 91400 – Reserve for Contingencies

Mr. Seamon stated the balance of Reserve for Contingencies after making approved adjustments is $161,209.

7. Discussion of March 28 Preliminary Approval of FY2013-2014 County Operating Budget and Resolution Establishing County Real Property Tax Rate for Tax Year 2013

-OR-

Scheduling of Fifth Budget Adjustment Work Session Meeting (Tentative: March 27, 6:30 PM)

There were lengthy discussions between the Board and staff concerning the real property tax rate for Tax Year 2013 and using money from the county's reserves to balance the budget.

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

On motion of Mr. Gibson, second by Mr. Stevens, it was resolved to recess the meeting until March 28, 2012 beginning at 6:30 p.m. in the Board Auditorium, County Government Center.

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:

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Naoma A. Norris, Recording Clerk

Approved by the Washington County Board of Supervisors:

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Dulcie M. Mumpower, Chairman