V I R G I N I A:

At a recessed meeting of the Washington County Board of Supervisors held Thursday, March 27, 1997, at 7:00 p.m., at the County Administration Building in Abingdon, Virginia, the following were present:

PRESENT:

Bobby D. Ingle, Vice Chairman
Kenneth G. Mathews
Joe W. Derting
Maurice H. Parris
Jackson Barker
Dulcie M. Mumpower

Mark K. Reeter, County Administrator
Joseph B. Lyle, County Attorney
Mark W. Seamon, Accounting/Purchasing Manager

ABSENT:
James T. Osborne, Chairman
Sandra M. Hatfield, CPS, Administrative Assistant

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1 **Call Recessed Meeting to Order**

The recessed meeting was called to order by Mr. Bobby D. Ingle, Vice Chairman in the absence of Mr. Osborne. Mr. Ingle welcomed everyone in attendance.

2 **Invocation and Pledge of Allegiance - Kenneth G. Mathews**

Mr. Mathews gave the Invocation and led in the Pledge of Allegiance.

Approval of Agenda

Mr. Barker requested by motion the Agenda be amended to add Item No. 6, Discussion of Status of County Attorney Applications.

Discussion ensued with Mr. Barker suggesting that because only a few applications were received as of this date, that the deadline of March 31, 1997 be extended to allow for the possibility of receiving more applications. Mr. Mathews questioned whether additional applications would be received by extending the deadline, and expressed his view that those applicants who filed their application by the deadline date should have their applications reviewed. The motion was withdrawn by Mr. Barker

On motion of Mrs. Mumpower, second by Mr. Derting, it was resolved to approve the Agenda as presented.

The vote on this motion was as follows: (6-0)

Mr. Ingle Aye Mr. Mathews Aye Mr. Derting Aye Mrs Mumpower Aye Mr. Parris Aye Mr. Barker Aye

3 **FY 1995-96 Report on Audit (Jim Fern, Hicok & Fern)**

Mr. Jim Fern, Hicok & Fern, appeared before the Supervisors to present the Comprehensive Annual Financial Report for Washington County for FY 1995-99 which included the Independent Auditor=s Report, the Auditor=s Report on Internal Controls, the Auditor=s Report on Compliance, and a Summary of Compliance Matters. Mr. Fern reviewed various components of the audit report, and pointed out Schedule A contains a historical report of revenue trends covering a period of ten years.

Mr. Derting raised a question concerning the auditor=s management recommendation relative to the Sheriff=s Department Drug Enforcement Account, pointing out that the Drug Enforcement Funds are not monitored by the Board of Supervisors. Mr. Fern commented on the internal controls that are in place to manage the expenditure of funds, and stated he is awaiting the supporting documentation requested for three checks issued totaling $1,000.00.

Mr. Seamon pointed out the auditor=s recommendation to the Washington County School System relative to following a procurement procedure policy for multiple purchases made from a single vendor.

On motion of Mr. Derting, second by Mr. Mathews, it was resolved to accept the Comprehensive Annual Financial Report for Washington County for FY 1995-96.

The vote on this motion was as follows: (6-0)

Mr. Ingle Aye Mr. Mathews Aye Mr. Derting Aye Mrs Mumpower Aye Mr. Parris Aye Mr. Barker Aye

4 **Budget Work Session - FY 1997-1998 County Revenue Budget (Fred W. Parker, Treasurer; Melvin Ritchie, Commissioner of Revenue; Mark W. Seamon, Director of Accounting)**

Fred Parker, Treasurer, and Melvin Ritchie, Commissioner of Revenue, and Mark Seamon, Accounting/Purchasing Manager, appeared before the Board of Supervisors to present the anticipated revenue projections for Washington County for FY 1997-98.

Mr. Ritchie commented on recent property reassessments stating Blue Ridge Appraisal has finished the appraisals, and is now hearing to appeals. Mr.Ritchie explained the final step in the appeal process is for citizens to meet with the Board of Equalization.

Mr. Parker presented a Sales Tax Comparison for Washington County for the years 1992-94 to 1996-97 stating Washington County has realized a significant sales tax growth attributing it to the development of the Exit 7 area. He commented on anticipated growth in the collection of motor vehicle taxes due to increased vehicle sales, stepped-up enforcement of the County Decal ordinance, and the combined efforts of the Treasurer=s Office and the Department of Motor Vehicles to update and correct records of vehicles in the system. Mr. Parker commented his office has mailed out 51,000 Decal applications this year.

There being no further discussion or questions on anticipated revenues at this point, Mr. Ingle commended Messrs. Parker, Ritchie and Seamon for the work in preparing their report on projected revenues for FY 1997-98.

Mrs. Mumpower raised a concern over the real estate tax exemption for the elderly and the handicap, recommending that the Board review the ordinance and consider amending it to reflect a dollar amount that reflects the current rate of inflation. Mr. Parker stated he would gather the data and present it to

the Board of Supervisors. There was consensus agreement of the Board to discuss the matter when the data is presented.

Mr. Parker recommended when the Board of Supervisors sets the tax rate for FY 1997-98 that they include a requirement for volunteer rescue workers to pay their real estate taxes by the established due date or lose their free County Decal. Mr. Parker pointed out there is a high administrative cost for processing collections of this reduced tax for volunteers.

Submitted for informational purposes was Machinery & Tools Tax Rate Comparison for the Ninth Congressional District and the region of Northeast Tennessee which was prepared by Assistant County Administrator, Christianne E. Parker.

5 **Trigon Stock Offering (Fred W. Parker, Treasurer)**

Mr. Parker presented several documents for the Board of Supervisors information related to Trigon Blue Cross Blue Shield conversion from an equity company to a public stock corporation.

Mr. Parker distributed an informal Attorney General-s Opinion containing questions asked by Mr. Parker and the AG response; provided an explanation of House Bills 1998 and 2640; Initial Transaction Statement from Trigon confirming a total of 92,006 shares will come to Washington County; Robinson, Farmer, Cox Associates Bulletin on Trigon Demutualization Stock Handling Requirements;

Mr. Parker stated one-third of the 92,006 shares must be sold by August 5, 1998. He cautioned that using the proceeds to balance the budget this year will compound or delay problems for future budgets. He stated he will be securing a broker and negotiating fees for the stock sale. Once a broker is selected, he stated he will convert the stock shares to a street name ready for trading.

Mr. Reeter stated he has not included the Trigon stock shares in the revenue projects and they will not appear in the expenditures. He stated he is considering it as unanticipatable revenue.

6 **Recess to Wednesday, April 2, 1997, 7:00 p.m. to Discuss Employee Pay Plan Options for Administrative Division Personnel**

On motion of Mrs. Mumpower, second by Mr. Parris, it was resolved to recess to Wednesday, April 2, 1997, 7:00 p.m. to discuss employee pay plan options for Administrative Division Personnel.

The vote on this motion was as follows: (6-0)

Mr. Ingle Aye Mr. Mathews Aye Mr. Derting Aye Mrs Mumpower Aye Mr. Parris Aye Mr. Barker Aye

Bobby D. Ingle, Vice Chairman