4-29-03 12878

VIRGINIA:

At a recessed meeting of the Washington County Board of Supervisors held Tuesday, April 29, 2003, at 6:00 p.m., at the County Administration Building in Abingdon, Virginia, the following were present:

PRESENT:

Joe W. Derting, Chairman Phillip B. McCall, Vice Chairman Jack H. Barker Bobby D. Ingle Dulcie M. Mumpower Anthony S. Rector John B. Roberts, Sr.

Mark Seamon, Accounting Manager Naoma A. Mullins, Administrative Supervisor

ABSENT:

Mark K. Reeter, County Administrator Lucy E. Phillips, County Attorney

1 Call to Order

The meeting was called to order by Mr. Joe Derting, Chairman of the Board, who welcomed everyone in attendance. It was noted that Mr. Reeter was in Richmond on business pertaining to the Southwest Virginia Regional Jail Authority.

2 <u>Invocation and Pledge of Allegiance – Supervisor Joe W. Derting</u>

Supervisor Joe Derting gave the Invocation and led the Pledge of Allegiance.

3 Approval of Agenda

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

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

Mr. Derting Aye Mr. Barker Aye

Mr. Ingle	Aye
Mr. McCall	Aye
Mrs. Mumpower	Aye
Mr. Rector	Aye
Mr. Roberts	Aye

4 <u>Presentation of County Administrator's Proposed & Recommended FY 2003-2004 County</u> Operating Budget

Accounting Manager Mark Seamon presented the Board with the County Administrator's Proposed and Recommended FY 2003-2004 County Operating Budget.

The proposed and recommended budget for FY 2003-2004 offered challenges and necessitated severe reductions in order to balance expenditures with revenues for the coming fiscal year. In years past revenue growth has generally kept pace with expenditures, allowing the Board to increase spending in most budgetary departments. However, beginning in FY 2000-01, revenue growth began to slow, and has continued to decline while expenditures have increased. The County is now facing significant revenue shortfalls that necessitate reductions in budget outlays for FY 2003-04.

In preparing the budget for FY 2003-04, approximately \$3 million dollars had to be cut out of the budget requests submitted by the various departments, offices and organizations in order to balance expenditures with revenues. This was about \$1 million more than the normal cuts in order to balance the budget. About \$2.5 million in "soft" cuts were made, leaving about \$500,000 remaining to be taken out of the proposed budget requests in order to balance. In order to reduce the budget by the remaining \$500,000, across-the-board reductions of 20% were made to contributions from discretionary funds that are not directly related to County government operations such as fire and rescue, senior citizens, community centers, town recreation programs, cultural enrichment contributions and certain economic development activities. These across-the-board cuts amounted to approximately \$300,000 The proposed budget reductions will be necessary in order to balance the budget with the County's current tax revenue intake.

The recommended budget provides for a 2.25% plus step increase for teachers effective July 1, 2003, which results in a total of \$400,000 in new County funding to the School Board. A 3% increase for Administrative, Library and Social Services employees was also budgeted.

Mr. Seamon briefly summarized some additional areas of significant changes to the proposed and recommended budget. Changes included funding increases for County Reassessment expenses and Outside Legal Counsel expenses. Funding decrease changes included the General Services Department for Courthouse Renovation expenses and Sewer & Water Subsidies due to the completion of a 10 year sewer agreement with the City of Bristol, Virginia.

Mr. Seamon reported that the hearings to receive agency and departmental reports on the FY 2003-03 proposed and recommended budget are scheduled for May 1, 2003 and May 6, 2003 at 7:00 PM.

The Board discussed at length the County Administrator's Proposed & Recommended FY 2003-2004 County Operating Budget. One of the principle concerns discussed was the 20% across-the –board reductions made to Fire & Rescue, Community Centers, Senior Citizens, Recreation Groups and Cultural Enrichment budget categories.

Chairman Joe Derting commented that the County Treasurer, at a later date, would provide the Board with revised revenue projections that may reflect an increase.

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5 <u>Consideration of Location of May 13, 2003 Public Hearing on Proposed and Recommended County</u> <u>Operating Budget for FY 2003-2004</u>

The Board held discussions on the date, time and venue for the public hearing on the proposed and recommended County operating Budget for FY 2003-04.

By consensus the Board set the public hearing for May 12, 2003, at 7:00 PM to be held in the Auditorium of Abingdon High School. Should the Auditorium not be available the public hearing would be held in the Board of Supervisors meeting room.

Recess to 7:00 PM May 1, 2003 for First Workshop Meeting to Receive Departmental and Agency Reports on Proposed & Recommended County Operating Budget for Fiscal Year 2003-2004

On motion of Mr. Rector, second by Mr. McCall, it was resolved to recess the meeting to 7:00 PM, May 1, 2003, for First Workshop Meeting to receive departmental and agency reports on proposed and recommended County operating budget for Fiscal Year 2003-2004.

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

Mr. Derting Aye Mr. Barker Ave Mr. Ingle Ave Mr. McCall Aye Mrs. Mumpower Aye Mr. Rector Aye Mr. Roberts Aye ****** Prepared by: Naoma A. Mullins, Recording Clerk **Approved by the Washington County Board of Supervisors:** Joe W. Derting, Chairman