

VIRGINIA:

At a regular meeting of the Washington County Board of Supervisors held Tuesday, August 23, 2005, at 7:00 p.m., at the County Administration Building in Abingdon, Virginia the following were present:

PRESENT:

John B. Roberts, Sr. Chairman
Phillip B. McCall, Vice Chairman
Bobby D. Ingle
Dulcie M. Mumpower
Odell Owens
Anthony S. Rector
Kenneth O. Reynolds

Mark K. Reeter, County Administrator
Lucy E. Phillips, County Attorney
Mark W. Seamon, Accounting Manager
Naoma A. Mullins, Recording Clerk

1. Call to Order

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

2. Invocation and Pledge of Allegiance

Chairman gave the Invocation and led the Pledge of Allegiance.

3. Approval of Agenda

On motion of Mr. Reynolds, second by Mr. Owens, it was resolved to approve the agenda with the following amendments:

Addition of New Item 15.b. Consideration of Appointments/Reappointments to Virginia Highlands Small Business Incubator, Inc.

Addition of New Item 17.b. County Administrator Reports:

b. Postponement of County-initiated Rezoning of Airport Area Property

Addition of New Item 22.a.

Closed Meeting:

a. Request for Closed Meeting pursuant to Virginia Code Section 2.2-3711(A)(5) for discussion concerning prospective business or industry or the expansion of an existing business or industry where no previous announcement has been made of the business' or industry's interest in locating or expanding its facilities in the community; specifically prospective businesses proposed for location in The Highlands commercial development at Exit 7.

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

<i>Mr. Ingle</i>	<i>Aye</i>
<i>Mr. McCall</i>	<i>Aye</i>
<i>Mrs. Mumpower</i>	<i>Aye</i>
<i>Mr. Owens</i>	<i>Aye</i>
<i>Mr. Rector</i>	<i>Aye</i>
<i>Mr. Reynolds</i>	<i>Aye</i>
<i>Mr. Roberts</i>	<i>Aye</i>

4. Approval of Minutes

On motion of Mr. Ingle, second by Mr. Reynolds, it was resolved to approve the minutes of the August 9, 2005 regular meeting with the following corrections:

Page 13940, Item 16 Correct Last Paragraph to Read: Chairman John Roberts reported that the Damascus Little League Softball team won the State Championship. Mr. Roberts requested that plaques be made to honor this team.

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

<i>Mr. Ingle</i>	<i>Aye</i>
<i>Mr. McCall</i>	<i>Aye</i>
<i>Mrs. Mumpower</i>	<i>Aye</i>
<i>Mr. Owens</i>	<i>Aye</i>
<i>Mr. Rector</i>	<i>Aye</i>
<i>Mr. Reynolds</i>	<i>Aye</i>
<i>Mr. Roberts</i>	<i>Aye</i>

5. Public Hearings:

a. Request for Rezoning:

(1). Washington County Board of Supervisors, Property Tax Map #141-7-1 thru 45: Request to rezone approximately 24.73 acres of property located on the west side of State Route 659 in the Walton Ridge Subdivision from A-2 (Agricultural, General) to R-2 (Residential, General), Wilson Magisterial District (continued from August 9 meeting).

Chairman John Roberts addressed the Board explaining that a public hearing was conducted at the August 9, 2005, regular meeting of the Board of Supervisors concerning this request to rezone property in the Walton Ridge Subdivision. Mr. Roberts further explained that the Board delayed taking action on the rezoning request to allow staff time to gather information concerning the five-year rollback tax penalty that would be assessed on the property should it be rezoned from A-2 (Agricultural, General) to R-2 (Residential, General) and taken out of land use. The County has received correspondence from the Commissioner of Revenue stating that all rollback taxes on the property in question have been paid. Subsequently the following action was taken:

On motion of Mrs. Mumpower, second by Mr. Ingle, it was resolved to follow the recommendation of the Washington County Planning Commission and approve the request of the Washington County Board of Supervisors to rezone approximately 24.73 acres of property located on the west side of State Route 659 in the Walton Ridge Subdivision from A-2 (Agricultural, General) to R-2 (Residential, General), Wilson Magisterial District (continued from August 9 meeting).

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

<i>Mr. Ingle</i>	<i>Aye</i>
<i>Mr. McCall</i>	<i>Aye</i>
<i>Mrs. Mumpower</i>	<i>Aye</i>
<i>Mr. Owens</i>	<i>Aye</i>
<i>Mr. Rector</i>	<i>Aye</i>
<i>Mr. Reynolds</i>	<i>Aye</i>
<i>Mr. Roberts</i>	<i>Aye</i>

b. Public Hearing on the Proposed Revision of the Secondary Roads Six-Year Improvement Plan for Washington County

Abingdon Area Resident Administrator for the Virginia Department of Transportation (VDOT) Steve Buston addressed the Board explaining that each year the Six-Year improvement Plan for Secondary Roads is revised to remove road projects that have been built and to add new projects when money is available. Mr. Buston explained that \$300,000 of new funds is available for new road and paving projects. The first step of the Six-Year Plan revision process is for the Board of Supervisors to conduct a public hearing. Mr. Buston stated that following the public hearing VDOT staff would be setup in Conference Room #1 of the County Administration Building to meet with citizens concerning road issues. There is a comment sheet to be completed for each request. The comment sheets will be given to the County Transportation Board. They will then prioritize the list for the revised Six-Year Plan.

Chairman Roberts opened the public hearing to receive comments about the six-year plan.

Mr. Randy Hill addressed the Board explaining that he along with other residents of Whitaker Hollow Road where in attendance to voice their complaints about this Road.

Chairman Roberts explained to Mr. Hill that he along with the other residents of Whitaker Hollow Road should meeting with the VDOT staff.

There being no further comments, Mr. Roberts declared the public hearing closed.

6. Consideration of Dog Damage Claims

a. Wesley Nunley

On motion of Mr. Owens, second by Mr. Reynolds, it was resolved to authorize compensation to Wesley Nunley in the amount of \$78.00 (\$6.00 each for five chickens and \$48.00 for one goat) for a dog damage claim.

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

<i>Mr. Ingle</i>	<i>Aye</i>
<i>Mr. McCall</i>	<i>Aye</i>
<i>Mrs. Mumpower</i>	<i>Aye</i>
<i>Mr. Owens</i>	<i>Aye</i>
<i>Mr. Rector</i>	<i>Aye</i>
<i>Mr. Reynolds</i>	<i>Aye</i>
<i>Mr. Roberts</i>	<i>Aye</i>

b. Weaver Widener

On motion of Mr. Reynolds, second by Mr. Ingle, it was resolved to authorize compensation to Weaver Widener in the amount of \$110.00 for a dog damage claim.

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

<i>Mr. Ingle</i>	<i>Aye</i>
<i>Mr. McCall</i>	<i>Aye</i>
<i>Mrs. Mumpower</i>	<i>Aye</i>
<i>Mr. Owens</i>	<i>Aye</i>
<i>Mr. Rector</i>	<i>Aye</i>
<i>Mr. Reynolds</i>	<i>Aye</i>
<i>Mr. Roberts</i>	<i>Aye</i>

7. Presentation by Southwest Virginia Legal Aid Society, Inc.

Southwest Virginia Legal Aid Society, Inc., Executive Director Larry Harley made a presentation to the Board concerning their services. Mr. Harley explained that the Southwest Virginia Legal Aid Society has been providing civil legal services to the residents of this region for over thirty years and is the oldest society in Virginia. They operate from three offices in the Southwest Virginia region (Christiansburg,

Marion and Castlewood). The legal staff and volunteers of the Legal Aid Society work hard to ensure that the people of Washington County and Southwest Virginia have fair access to the court system even if they cannot afford a private attorney.

Mr. Harley explained that their legal services help protect people’s basic necessities of life and helps improve the living standard of the communities of Southwest Virginia. The following are specific services offered:

- Provides protection for victims of domestic violence by obtaining protective orders and by helping victims overcome other legal issues on their way to independence;
- Saves families’ homes, cars and incomes through consolidating personal debts;
- Advocates for Medicaid and Food Stamp benefits for families truly in need and eligible;
- Prevents homelessness by helping families solve landlord/tenant problems.

Discussion ensued among the Board.

8. Consideration of Approval of Performance Agreement with K-VA-T Food Stores, Inc.

Assistant County Administrator Christy Parker presented and reviewed with the Board the Performance Agreement with K-VA-T Food Stores, Inc. Ms. Parker explained that the Performance Agreement incorporates incentives by the Governor’s Opportunity Fund, Tobacco Commission, Washington County Board of Supervisors, Industrial Development Authority as well as the responsibilities for job creation and private investment on the part of K-VA-T Food Stores, Inc. She stated that this project was announced by Governor Mark Warner on July 13, 2005, and represents 110 new full time jobs and \$19,350,000 in private investment in a new freezer warehouse project. The Virginia Economic Development Partnership is committing \$250,000 along with the Virginia Tobacco Commission \$250,000 toward the construction of a second bridge. The Washington County Board of Supervisors and the Washington County Industrial Development Authority (IDA) are contributing 20 acres of land valued at \$500,000 and \$250,000 in site preparation grant funds to the project. Ms. Parker stated that legal counsel for the Virginia Economic Development Partnership, The Tobacco Commission, the Attorney General’s Office, the Washington County IDA, Washington County, and K-VA-T have all reviewed and approved the form of this agreement.

On motion of Mr. McCall, second by Mr. Ingle, it was resolved to approve the Performance Agreement for incentives for K-VA-T Food Stores, Inc.

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

<i>Mr. Ingle</i>	<i>Aye</i>
<i>Mr. McCall</i>	<i>Aye</i>
<i>Mrs. Mumpower</i>	<i>Aye</i>
<i>Mr. Owens</i>	<i>Aye</i>
<i>Mr. Rector</i>	<i>Aye</i>
<i>Mr. Reynolds</i>	<i>Aye</i>
<i>Mr. Roberts</i>	<i>Aye</i>

Scrivener's Note: The Performance Agreement referenced above may be found in Minutes Exhibit 2005-8-23-A.

9. Presentation of General Fund Reconciliation as of June 30, 2005 and Consideration of Appropriation of Excess Revenues

a. Presentation of General Fund Reconciliation as of June 30, 2005

Accounting Manager Mark Seamon addressed the Board explaining that the June 30, 2005, uncommitted General Fund Balance generated during FY 2004-2005, not restricted or reappropriated, was \$1,188,274.39. This excess balance is the result of several County Agencies and Departments not spending all their budgeted monies by June 30th, and the result of Property Tax revenue and Local Sales Tax revenue exceeding projections.

b. Consideration of Appropriation of Excess Revenues

Mr. Seamon explained to the Board that the County Administrator is recommending that \$875,000.00 of the \$1,188,274.39 of uncommitted General Fund Balance be appropriated to the Economic Development Fund. He stated that \$375,000.00 has been committed for the K-VA-T Expansion Project and will be transferred to the Washington County Industrial Development Authority before the end of the year. It is also proposed that the remaining \$500,000.00 be allocated to a new Washington County Opportunity Fund account within the Economic Development Fund to be made available to provide incentives for economic development subject to Board approval. The remaining \$313,274.39 is recommended to be appropriated to the County's Capital Reserve Account.

County Administrator Mark Reeter addressed the Board concerning the proposed Washington County Opportunity Fund. Mr. Reeter explained that the County has never budgeted a specific annual amount for economic development incentives. The Board has taken funds for such incentives from the County's Capital Reserve Account. Mr. Reeter explained that he proposes for the first time the County recognize that economic development incentives are likely to be a recurring expense. The County's track record has proven that at least once a year the County has fairly significant economic development project of which it provides incentives. It is proposed that each year the Board look toward the carryover and fund a specific amount of money that the Board is prepared to offer as incentives for economic development for that particular year. Should the money in this fund not spent by the end of the fiscal year it could be carried over and recapitalized with carryover funds.

Discussion ensued among the Board. The Board generally supported the proposal to budget a specific amount each year to fund economic development incentives. However, they felt that \$500,000 was too much to put into the new fund and suggested \$250,000.

Supervisor Dulcie Mumpower inquired about the excess uncommitted General Fund Balance and stated that in the reassessment years there should be more accurate revenue projections provided to the Board before the Board finalizes the County Operating Budget. In response to Mrs. Mumpower's inquiry, Mr. Seamon explained that the Local Sales Tax revenue and Property Tax revenue came in higher than the revenue projections. Mr. Reeter stated the during the budget preparation he and Mark Seamon depend upon the Treasurer and Commissioner of Revenue for revenue projects. They are normally conservative with their projections and because of their conservatism the County counts on some carryover funds.

Further discussions ensued among the Board.

On motion of Mr. Rector, second by Mr. Owens, it was resolved to authorize supplemental appropriations totaling \$1,188,274.39 as follows:

Fund 005 Capital Improvement Fund:

<i>Reserve for Capital Projects</i>	<i>Acct. #94900-5890</i>	<i>\$563,274.39</i>
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Fund 006 Economic Development Fund:

<i>K-VA-T Performance Agreement</i>	<i>Acct #94515-8453</i>	<i>\$375,000.00</i>
<i>Wash. Co. Opportunity Fund Account</i>	<i>Acct #94590-8499</i>	<i>\$250,000.00</i>

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

<i>Mr. Ingle</i>	<i>Aye</i>
<i>Mr. McCall</i>	<i>Aye</i>
<i>Mrs. Mumpower</i>	<i>Aye</i>
<i>Mr. Owens</i>	<i>Aye</i>
<i>Mr. Rector</i>	<i>Aye</i>
<i>Mr. Reynolds</i>	<i>Aye</i>
<i>Mr. Roberts</i>	<i>Aye</i>

c. Consideration of Approval of Amendment to County General Policies Article 6. Budget Policy – Capital Reserve Account

Mr. Reeter explained that at the August 9 meeting, the Board agreed to set-aside \$371,603.00 of School Board carryover funds within the County’s Capital Reserve Account for future school-related use subject to appropriation by the Board. In order to avoid possible misunderstanding between the County and School Board relative to this set-aside, it is recommended the Board consider amending Article 6. Budget Policy within the Board’s Calendar Year 2005 General Policies to establish general rules for the County’s Capital Reserve Account. The operative part of Article 6.6 states that during a fiscal year, the Board may designate or set-aside a portion of the Capital Reserve Account for a particular agency or project (in this case, the School Board). Such designation does not obligate the Board to disburse those funds for those purposes; and that all such designations or set-aside of funds made during the fiscal year shall lapse as of the end of the fiscal year and roll back into the general Capital Reserve Account balance unless the Board directs otherwise. Adoption of this general policy would be conveyed to the School Board and to any other entity for which the Board may set-aside reserve funds in the future.

Discussion ensued among the Board. Board members asked they be notified during the budget process about status of any set aside money.

On motion of Mrs. Mumpower, second by Mr. Owens, it was resolved to adopt the following Article 6.6. Capital Reserve Account in amendment to the Board’s calendar year 2005 General Policies:

BOARD OF SUPERVISORS GENERAL POLICIES FOR CALENDAR YEAR 2005

ARTICLE 6. BUDGET POLICY

6.6. Capital Reserve Account

6.6.1. Effective July 1, 2004 and for each successive fiscal year thereafter, the Board establishes a Capital Reserve Account within the Capital Improvement Fund. The balance in this account represents the County’s available unobligated funds for anticipated or unanticipated capital projects and needs. This Reserve shall be separate from funds that may be budgeted annually as reserves for operational contingencies (a.k.a. “Reserves for Contingencies”).

6.6.2. The Board plans that the Capital Reserve Account balance will grow when the surplus unexpended and un-obligated revenues from the most recent fiscal year are annually appropriated (in whole or in part) to the Account. All funds within this Account are under the control of the Board for purposes they deem appropriate.

6.6.3. During a fiscal year, the Board may designate or set-aside a portion of the Capital Reserve Account for a particular agency or project. Such designation does not obligate the Board to disburse those funds for those purposes; further, all such designations or set-aside of funds made during the fiscal year shall lapse as of the end of the fiscal year unless otherwise expressly directed by the Board.

6.6.4. Availability of funds from the Capital Reserve Account is contingent upon the formal approval of the Board. At the time of formal approval, available funds will be transferred from the Account to the recipient agency or project budget.

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

<i>Mr. Ingle</i>	<i>Aye</i>
<i>Mr. McCall</i>	<i>Aye</i>
<i>Mrs. Mumpower</i>	<i>Aye</i>
<i>Mr. Owens</i>	<i>Aye</i>
<i>Mr. Rector</i>	<i>Aye</i>
<i>Mr. Reynolds</i>	<i>Aye</i>
<i>Mr. Roberts</i>	<i>Aye</i>

10. Consideration of Resolution to Approve Washington County School Board Literary Loan Application and Resolution to Declare Intention to Reimburse Expenditures related to School System Capital Improvements

Washington County Schools Division Superintendent Dr. Alan Lee addressed the Board introducing the new Director of Facilities Operations Dr. Tom Graves who will make the presentation on the Washington County School Board Literary Loan Applications. Prior to Dr. Graves’ presentation, Dr. Lee advised the Board that the supplemental appropriation in the amount of \$250,000 that the Board approved at their August 9 meeting for potential emergency classrooms at Watauga Elementary School is not needed. He stated that at this time the School Board is not officially asking the Board of Supervisors to accept this money back and would possibly ask that the \$250,000 be added to the capital contingency fund for future use. Dr. Lee explained that the proposal for the literary loan funds would add \$72,000 to the County’s debt service. However, if you look at the money that has been set aside to this point plus the \$250,000 it would fund the increase for approximately seven to eight years. Dr. Lee expressed appreciation to the Board for their support to Washington County Schools.

At this time, Dr. Tom Graves presented the Washington County School Board’s proposal to apply for Literary Loan Funds through the State Board of Education of Virginia. Mr. Graves reviewed the projects in which the loan proceeds would be used to fund. They are as follows:

- Addition of Library, seven classrooms and computer lab at Abingdon Elementary
- Addition of Library, four classrooms and computer lab at High Point Elementary
- Addition of Library, two classroom and computer labs at Valley Institute Elementary
- Addition of five classrooms, vocal music and exploratory at E. B. Stanley Middle School

Discussion ensued among the Board.

On motion of Mr. Rector, second by Mr. Reynolds, it was resolved to adopt the following resolutions:

**RESOLUTION 2005-26
TO APPROVE LITERARY FUND LOAN APPLICATIONS
ON BEHALF OF SCHOOL BOARD FOR WASHINGTON COUNTY**

WHEREAS, the School Board for the County of Washington, Virginia (School Board), on the 23rd day of August, 2005, presented to the Board of Supervisors of the County of Washington, Virginia (Board of Supervisors), an application addressed to the State Board of Education of Virginia for the purpose of borrowing from the Literary Fund of the Commonwealth of Virginia the following amounts for the purposes indicated below to be paid in twelve annual installments over a period of twenty years, with interest thereon at a rate not less than two percent per annum and not more than six percent per annum to be set by the Board of Education:

<i>Amount of Loan</i>	<i>Name of Facility Benefited</i>	<i>Purpose of Loan</i>
<i>\$1,211,924.00</i>	<i>Abingdon Elementary School</i>	<i>Addition: Library, 7 classrooms, computer lab</i>
<i>\$ 986,356.00</i>	<i>High Point Elementary School</i>	<i>Addition: Library, 4 classrooms, computer lab</i>
<i>\$ 735,613.00</i>	<i>Valley Institute Elementary School</i>	<i>Addition: Library, 2 classrooms, computer labs</i>
<i>\$ 931,273.00</i>	<i>E.B. Stanley Middle School</i>	<i>Addition: 5 classrooms, vocal music, exploratory</i>

; and

WHEREAS the Board of Supervisors reviewed the applications for loans that are summarized above and considered the purposes for making loan applications;

NOW, THEREFORE, BE IT RESOLVED, that the Board of Supervisors of Washington County, Virginia finds the applications to be in the best interest of the public health, safety and welfare and hereby approves the applications of the School Board to the State Board of Education of Virginia for loans in the amounts listed above from the Literary Fund; and

BE IT FURTHER RESOLVED, that the Board of Supervisors grants authority to the School Board to borrow the said amounts for the purposes set out in the applications; and

BE IT FURTHER RESOLVED, that the Board of Supervisors will each year during the life of these loans, at the time it establishes the regular levies, fix a rate of levy for schools or make a cash appropriation sufficient for operation expenses and to pay this loan in annual installments and the interest thereon, as required by law regulating loans from the Literary Fund.

**RESOLUTION 2005-27
OF THE WASHINGTON COUNTY, VIRGINIA BOARD OF SUPERVISORS DECLARING ITS INTENTION TO REIMBURSE ITSELF FROM THE PROCEEDS OF ONE OR MORE TAX-EXEMPT FINANCINGS FOR CERTAIN EXPENDITURES MADE AND/OR TO BE MADE IN CONNECTION WITH THE ACQUISITION, CONSTRUCTION AND EQUIPPING OF CERTAIN CAPTIAL IMPROVEMENTS**

WHEREAS, the County of Washington, Virginia (the "Issuer") is a political subdivision organized and existing under the laws of the Commonwealth of Virginia; and

WHEREAS, the Issuer will pay, on and after the date hereof, certain expenditures (the "Expenditures") in connection with the capital projects (the "Projects"), as more fully described in Appendix A attached hereto; and

WHEREAS, the Board of Supervisors of the Issuer (the "Board") has determined that the money to be advanced on and after the date hereof to pay the Expenditures are available only for a temporary period and it is necessary to reimburse the Issuer for the Expenditures from the proceeds of one or more issues of tax-exempt bonds (the "Bonds");

NOW THEREFORE, BE IT RESOLVED BY THE BOARD AS FOLLOWS:

Section 1. The Board hereby declares the Issuer's intent to reimburse the Issuer with the proceeds of the Bonds for the Expenditures with respect to the Projects made on and after the date hereof. The Issuer reasonably expects on the date hereof that it will reimburse the Expenditures with the proceeds of the Bonds.

Section 2. Each Expenditure will be (a) of a type properly chargeable to capital account under general federal income tax principles (determined in each case as of the date of the Expenditure) and (b) compliant with all applicable Literary Fund regulations.

Section 3. The maximum cost of the Projects are expected to be as follows:

<i>Estimated Maximum Cost</i>	<i>Name of Facility Benefited</i>	<i>Purpose of Loan</i>
<i>\$1,211,924.00</i>	<i>Abingdon Elementary School</i>	<i>Addition: Library, 7 classrooms, computer lab</i>
<i>\$ 986,356.00</i>	<i>High Point Elementary School</i>	<i>Addition: Library, 4 classrooms, computer lab</i>
<i>\$ 735,613.00</i>	<i>Valley Institute Elementary School</i>	<i>Addition: Library, 2 classrooms, computer labs</i>
<i>\$ 931,273.00</i>	<i>E.B. Stanley Middle School</i>	<i>Addition: 5 classrooms, vocal music, exploratory</i>

Section 4. The Issuer will make a reimbursement allocation, which is a written allocation by the Issuer that evidences the Issuer’s use of proceeds of the Bonds to reimburse an Expenditure, no later than 18 months after the later of the date on which the Expenditure is paid or the Project is placed in service or abandoned, but in no event more than three years after the date on which the Expenditure is paid. The Division recognizes that exceptions are available for certain de minimis amounts, expenditures by “small issuers” (based on the year of issuance and not the year of expenditure) and expenditures for construction projects of at least 5 years.

Section 5. This resolution shall take effect immediately upon its passage.

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

<i>Mr. Ingle</i>	<i>Aye</i>
<i>Mr. McCall</i>	<i>Aye</i>
<i>Mrs. Mumpower</i>	<i>Aye</i>
<i>Mr. Owens</i>	<i>Aye</i>
<i>Mr. Rector</i>	<i>Aye</i>
<i>Mr. Reynolds</i>	<i>Aye</i>
<i>Mr. Roberts</i>	<i>Aye</i>

11. Consideration of Resolution Proclaiming September as National Literacy Month

On motion of Mr. Ingle, second by Mr. Rector, it was resolved to adopt the following resolution:

RESOLUTION 2005-28

WHEREAS, 27 million adults in the United States cannot read and write; and

WHEREAS, 14,197 adults in Washington County who are 25 years and older with less than a high school education; and

WHEREAS, illiteracy can be reduced if families are given the encouragement, support and education that they need; and

WHEREAS, nationwide, September has been proclaimed “National Literacy Month”; and

WHEREAS, in Washington County, the Highlands Educational Literacy Program, (H.E.L.P.) provides one-on-one tutoring to any adult 18 years and older whose reading level is below 4th grade; and

WHEREAS, it is vital that the entire community join forces to reach out to inform individuals of the importance of reading and its effect on their life; and

NOW, THEREFORE, BE IT RESOLVED, that the Washington County Board of Supervisors does hereby proclaim the month of September, 2005 as National Literacy Month in Washington County, and call upon our citizens to observe the month by encouraging literacy activities to promote reading; and

BE IT FURTHER RESOLVED, that the Board of Supervisors commends all Educational Departments for caring, developing and staffing programs that strengthen families and educate our citizens.

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

<i>Mr. Ingle</i>	<i>Aye</i>
<i>Mr. McCall</i>	<i>Aye</i>
<i>Mrs. Mumpower</i>	<i>Aye</i>
<i>Mr. Owens</i>	<i>Aye</i>
<i>Mr. Rector</i>	<i>Aye</i>
<i>Mr. Reynolds</i>	<i>Aye</i>
<i>Mr. Roberts</i>	<i>Aye</i>

12. Consideration of Publication of Delinquent Tax List for Fiscal Year ending June 30, 2005

On motion of Mr. Ingle, second by Mr. Rector, the Board acted to authorize the publication of the Delinquent Tax List for Fiscal Year ending June 30, 2005 and to publish a notice in a local newspaper that the list is posted on Washington County’s website.

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

<i>Mr. Ingle</i>	<i>Aye</i>
<i>Mr. McCall</i>	<i>Aye</i>
<i>Mrs. Mumpower</i>	<i>Aye</i>
<i>Mr. Owens</i>	<i>Aye</i>
<i>Mr. Rector</i>	<i>Aye</i>
<i>Mr. Reynolds</i>	<i>Aye</i>
<i>Mr. Roberts</i>	<i>Aye</i>

13. Consideration of Approval of Mutual Aid Agreement with Chilhowie Police Department

County Administrator Mark Reeter addressed the Board explaining that the Sheriff is requesting approval of a Mutual Aid Agreement with the Chilhowie Police Department. Mr. Reeter recommended the Board direct the Sheriff to enter into all future Mutual Aid Agreements at his discretion without review by the Board of Supervisors pursuant to Virginia Code Sec. 15.2-1736.

On motion of Mr. Ingle, second by Mr. Owens, it was resolved to approve the Mutual Aid Agreement and to authorize County Administrator Mark Reeter to sign it on behalf of the Board. It was further resolved to recommend to the Sheriff that he enter into future Mutual Aid Agreements at his discretion, without review by the Board of Supervisors, pursuant to Virginia Code Sec. 15.2-1736.

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

<i>Mr. Ingle</i>	<i>Aye</i>
<i>Mr. McCall</i>	<i>Aye</i>
<i>Mrs. Mumpower</i>	<i>Aye</i>
<i>Mr. Owens</i>	<i>Aye</i>

Mr. Rector Aye
Mr. Reynolds Aye
Mr. Roberts Aye

Scrivener’s Note: The Mutual Aid Agreement referenced above may be found in Minutes Exhibit 2005-8-23-B.

14. Consideration of Resolution Authorizing Application for Industrial Access Road Funds for Highlands Park Access Road Phase II

Assistant County Administrator Christy Parker addressed the Board on behalf of the Smyth-Washington County Regional Industrial Facilities Authority (SWIFA) to request adoption of a resolution authorizing an application be submitted to the Virginia Department of Transportation (VDOT) for Industrial Access Road Funds to complete Phase II of the Highlands Park Access Road. This piece of road is approximately 1,800 feet and runs from the Shell Building back to the rear of the park. Ms. Parker explained that VDOT Industrial Access Road funding was obtained to complete Phase I of the access road which SWIFA has completed design and bidding of the project. The contract for Phase I has been awarded to W&L Construction and work is underway and scheduled to be completed by late summer 2005. She stated that SWIFA recently sold the first lot in the park to Appalachian Power for their new regional service center. Appalachian Power will be consolidating the Abingdon and Marion facilities and has requested that SWIFA do all that is in its power to have the second phase of the Park’s access road paved before winter. SWIFA has approved the resolution that is being presented to the Board.

Discussion ensued among the Board.

On motion of Mr. Ingle, second by Mr. Rector, the Board acted to adopt the following resolution:

**RESOLUTION 2005-29
VDOT INDUSTRIAL ACCESS ROAD GRANT PROGRAM**

WHEREAS, the Board of Supervisors of Washington County, Virginia desires to facilitate the industrial development of property located near the Town of Glade Spring in Washington County, Virginia known as the Highlands Business Park; and

WHEREAS, this Park is expected to be the site of new private capital investment in land, building, and manufacturing equipment which will provide substantial employment; and

WHEREAS, the Park has no access to a public street or roadway from the Shell Building to the rear most tract in the park, site 13; and

WHEREAS, the Board of Supervisors of Washington County Virginia hereby guarantees that the necessary environmental analysis, mitigation and right of way for this new roadway and utility relocation or adjustments, if necessary, will be provided at no cost to the Virginia Department of Transportation; and

WHEREAS, the Board of Supervisors of Washington County, Virginia acknowledges that the State Environmental Review Process (SERP) must be completed prior to any construction activity on this project as a condition of the use of the Industrial, Airport and Rail Access Fund; and

WHEREAS, the Board of Supervisors of Washington County, Virginia hereby guarantees that all ineligible project costs and any other costs not justified by eligible capital outlay will be provided from sources other than those administered by the Department of Transportation; and

WHEREAS, the Board of Supervisors of Washington County, Virginia guarantees that all ineligible project costs and any other costs not justified by eligible capital outlay will be provided from sources other than the Industrial, Airport and Rail Access Fund.

NOW, THEREFORE, BE IT RESOLVED by the Board of Supervisors of Washington County Virginia that it hereby requests that the Commonwealth Transportation Board provide financing from the Industrial, Airport and Rail Access Fund to provide an adequate road to this property.

BE IT FURTHER RESOLVED that the Board hereby agrees to provide a surety or bond, acceptable to and payable to the Virginia Department of Transportation, in the full amount of the cost of the road; this surety shall be exercised by the Department of Transportation in the event that sufficient qualifying capital investment does not occur within 5 years of the Commonwealth Transportation Board's allocation of funds pursuant to this request.

BE IT FURTHER RESOLVED that the Board hereby agrees that the new roadway so constructed will be added to and become a part of the road system of the VDOT Secondary System of Highways.

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

<i>Mr. Ingle</i>	<i>Aye</i>
<i>Mr. McCall</i>	<i>Aye</i>
<i>Mrs. Mumpower</i>	<i>Aye</i>
<i>Mr. Owens</i>	<i>Aye</i>
<i>Mr. Rector</i>	<i>Aye</i>
<i>Mr. Reynolds</i>	<i>Aye</i>
<i>Mr. Roberts</i>	<i>Aye</i>

15. Consideration of Appointment to the Washington County Industrial Development Authority

On motion of Mrs. Mumpower, second by Mr. Rector, it was resolved to appoint Jack Hagy to represent the G-01 "Wilson" Election District on the Washington County Industrial Development Authority for a four-year term beginning July 1, 2005 and expiring June 30, 2009.

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

<i>Mr. Ingle</i>	<i>Aye</i>
<i>Mr. McCall</i>	<i>Aye</i>
<i>Mrs. Mumpower</i>	<i>Aye</i>
<i>Mr. Owens</i>	<i>Aye</i>
<i>Mr. Rector</i>	<i>Aye</i>
<i>Mr. Reynolds</i>	<i>Aye</i>
<i>Mr. Roberts</i>	<i>Aye</i>

15.b. Consideration of Appointments/Reappointments to Virginia Highlands Small Business Incubator, Inc.

It was consensus of the Board to defer the appointments to the September 27, 2005, regular meeting.

16. Recess

It was consensus of the Board not to take a recess at this time.

17. County Administrator Reports:

a. Consideration of Worksession to Review New County Subdivision Ordinance

County Administrator Mark Reeter proposed the Board conduct a worksession to review the new County Subdivision Ordinance. Mr. Reeter proposed the following dates for the worksession and stated that John Bolling with the Virginia Department of Transportation would be available to attend:

Tuesday, August 30th
Thursday, September 1st
Tuesday, September 6th
Wednesday, September 7th

Discussion ensued among the Board. It was consensus of the Board to schedule the worksession for Wednesday, September 7th.

b. Postponement of County-initiated Rezoning of Airport Area Properties

Mr. Reeter addressed the Board explaining that the Washington County Planning Commission was scheduled to hear the first of two public hearings on the matter of the proposed rezoning of 14 privately owned properties in the vicinity of Virginia Highlands Airport and Westinghouse Road (State Route 1718) at its August 29 meeting. The Board of Supervisors would have then conducted the second public hearing on this matter at its September 13 meeting. Over the past two weeks affected property owners have raised a number of questions concerning the proposed rezonings, in particular those property owners whose holdings have been identified by the Virginia Highlands Airport Commission (VHAC) for acquisition as part of the anticipated Virginia Highlands Airport Expansion Project. The nature of the questions raised by these property owners seems to indicate that more detailed information needs to be disseminated by VHAC as to the exact scope and timetable for the expansion project before the County-initiated rezoning of these properties should proceed. Mr. Reeter further explained that he subsequently directed that the public hearings be postponed and that the County Department of Zoning Administration notify all 14 property owners that the August 29 and September 13 public hearings would not take place.

Mr. Reeter stated that a number of Board members have received calls concerning this matter over the past several weeks and the Board may wish to discuss how it would like to see VHAC proceed in addressing the concerns expressed by the affected property owners.

Supervisor Dulcie Mumpower addressed the Board explaining that she has received calls from affected property owners. They were upset that the VHAC had not formally notified them about the Airport Expansion project and how their property would be affected. Mrs. Mumpower stated that the property owners she spoke with indicated that they understood the situation with the Airport Expansion Project, but they were upset about not being formally notified. The property owners also told her that they feel the VHAC should purchase their property prior to requesting it be rezoned. Mrs. Mumpower stated that she agrees. She further stated that this matter should be sent back to the VHAC and direct them to conduct informational meetings with the affected property owners.

Discussion ensued among the Board.

On motion of Mrs. Mumpower, second by Mr. McCall, the Board acted to direct the Virginia Highlands Airport Commission to take steps to formally communicate with those property owners whose holdings have been identified for possible acquisition so they may be more fully informed of the need, scope and timetable for the Airport Expansion Project.

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

<i>Mr. Ingle</i>	<i>Aye</i>
<i>Mr. McCall</i>	<i>Aye</i>
<i>Mrs. Mumpower</i>	<i>Aye</i>
<i>Mr. Owens</i>	<i>Aye</i>
<i>Mr. Rector</i>	<i>Aye</i>
<i>Mr. Reynolds</i>	<i>Aye</i>
<i>Mr. Roberts</i>	<i>Aye</i>

18. County Attorney Reports

No report.

19. Board Information

Mr. Reeter drew attention to photographs of the improvements to the drainage system at Eggers Place.

20. Consent Agenda

On motion of Mr. Rector, second by Mr. Owens, it was resolved to approve the following Consent Agenda Items:

- a. Supplemental Appropriations of additional carry over items from FY 2004-2005 in the amount of \$62,933.46.*
- b. Supplement Appropriations to the following Sheriff's Department Line-items:*
 - \$ 750.00 – To Fund 001, account #31200-5890 Investigative Activities*
 - \$7,200.00 – To Fund 001, account #312-8205 Motor Vehicles*

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

<i>Mr. Ingle</i>	<i>Aye</i>
<i>Mr. McCall</i>	<i>Aye</i>
<i>Mrs. Mumpower</i>	<i>Aye</i>
<i>Mr. Owens</i>	<i>Aye</i>
<i>Mr. Rector</i>	<i>Aye</i>
<i>Mr. Reynolds</i>	<i>Aye</i>
<i>Mr. Roberts</i>	<i>Aye</i>

21. Board Member Reports

Supervisor Tony Rector addressed the Board explaining that the Meadowview First Organization has received a letter of intent from the Virginia Department of Housing and Community Development concerning their application for Community Development Block Grant money for the Meadowview Health Clinic Project. The Meadowview First Organization has also applied for a grant from the Virginia Tobacco Commission to complete their funding package. Mr. Rector explained if Meadowview First is not awarded a grant from the Virginia Tobacco Commission, they would be eligible for a low-interest loan from the United States Department of Agricultural. He stated that Meadowview First would like the Board to disburse the \$25,000 they appropriated for the Meadowview Health Clinic Project in the FY 2005-06 County Operating Budget so they can pay for engineering/architectural work that has been completed on the project. Further by releasing the money to the Meadowview First Organization it will show the funding agencies that Washington County supports the project.

On motion of Mr. Rector, second by Mrs. Mumpower, it was resolved to disburse \$25,000 to the Meadowview First Organization for architectural and engineering services for the Meadowview Health Clinic Project.

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

<i>Mr. Ingle</i>	<i>Aye</i>
<i>Mr. McCall</i>	<i>Aye</i>
<i>Mrs. Mumpower</i>	<i>Aye</i>
<i>Mr. Owens</i>	<i>Aye</i>
<i>Mr. Rector</i>	<i>Aye</i>
<i>Mr. Reynolds</i>	<i>Aye</i>
<i>Mr. Roberts</i>	<i>Aye</i>

In another matter, Mr. Rector reported that he has received calls from constituents owning motor homes who are complaining about the tax rate that is being assessed on motor homes.

Supervisor Bobby Ingle addressed the Board explaining that some years back a Committee was formed to study the tax rate assessed on motor homes. Mr. Ingle explained that at the time the Commissioner of Revenue and Treasurer advised against making any changes to the tax rate. He stated that many motor home owners are finding ways to tag their recreational vehicles in other states. Supervisor Kenneth Reynolds stated that he is receiving similar calls from constituents concerning the same issue. Many

people are telling him they are tagging their recreational vehicles in other states. In these cases the County is losing all the tax revenue. Mr. Rector asked if staff could review this issue.

At this time discussion ensued among the Board concerning the composition of the Committee that will study the amendments to the County Zoning Ordinance.

Supervisor Kenneth Reynolds reported that the Washington County Fair would begin on September 12. Mr. Reynolds stated that a kickoff breakfast was held and that a lot of enthusiasm has been generated. The Board complimented the Washington County Fair Committee on the good work they do with the County Fair and all the improvements to the Fairgrounds.

Supervisor Phillip McCall provided a status report of the various ongoing water projects and the water projects recently completed by the Washington County Service Authority. Mr. McCall stated that four new water projects had recently received approval. One water project mentioned in particular was the Whites Mill Road project.

Chairman Roberts reported that he received a letter from a representative of the Crooked Road project requesting that each locality that provides funding to the project appoint one person to attend the project planning meetings. The Board requested that County staff check with Suzanne Lay to see if she would be willing to represent Washington County.

22. Closed Meetings

- a. Request for Closed Meeting pursuant to Virginia Code Section 2.2-3711(A)(5) for discussion concerning prospective business or industry or the expansion of an existing business or industry where no previous announcement has been made of the business' or industry's interest in locating or expanding its facilities in the community; specifically prospective businesses proposed for location in The Highlands commercial development at Exit 7.**

On motion of Mr. Reynolds, second by Mr. Owens, the Board acted to convene in Closed Meeting pursuant to Virginia Code Section 2.2-3711(A)(5) for discussion concerning prospective business or industry or the expansion of an existing business or industry where no previous announcement has been made of the business' or industry's interest in locating or expanding its facilities in the community; specifically prospective businesses proposed for location in The Highlands commercial development at Exit 7. It was further resolved to include County Administrator Mark Reeter, County Attorney Lucy Phillips and Assistant County Administrator Christy Parker in the closed meeting, and Michael McGuffin from Newton Oldacre MacDonald.

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

<i>Mr. Ingle</i>	<i>Aye</i>
<i>Mr. McCall</i>	<i>Aye</i>
<i>Mrs. Mumpower</i>	<i>Aye</i>
<i>Mr. Owens</i>	<i>Aye</i>
<i>Mr. Rector</i>	<i>Aye</i>
<i>Mr. Reynolds</i>	<i>Aye</i>
<i>Mr. Roberts</i>	<i>Aye</i>

The Board took a five-minute recess prior to beginning the closed meeting.

After returning to the meeting, the Chairperson noted that upon motion of Mr Rector, second by Mr. Reynolds, and favorable vote, the Board of Supervisors reconvened in open meeting. The Chairperson called for any participant in the closed meeting(s) who believed that there was a departure from the requirements of the Virginia Freedom of Information Act during the closed meeting(s), to state the substance of the departure that they believed took place. No members of the Board responded to the Chairperson’s call for statements.

On motion of Mr. McCall, second by Mr. Rector, the members of the Board certified the closed meeting(s) in accordance with the requirements of the Virginia Freedom of Information Act. By vote in favor of this motion, each member certified that the closed meeting were conducted in conformity with Virginia law, and that only public business matters lawfully exempted from open meeting requirements and identified in the motion by which the closed meeting were convened were heard, discussed, or considered in the closed meeting.

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

<i>Mr. Ingle</i>	<i>Aye</i>
<i>Mr. McCall</i>	<i>Aye</i>
<i>Mrs. Mumpower</i>	<i>Aye</i>
<i>Mr. Owens</i>	<i>Aye</i>
<i>Mr. Rector</i>	<i>Aye</i>
<i>Mr. Reynolds</i>	<i>Aye</i>
<i>Mr. Roberts</i>	<i>Aye</i>

23. Recess to September 7, 2005, at 7:00 PM for Worksession to Review New County Subdivision Ordinance

On motion of Mr. Rector, second by Mr. Reynolds, it was resolved to recess to September 7, 2005, at 7:00 PM for a Worksession to review the New County Subdivision Ordinance.

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

<i>Mr. Ingle</i>	<i>Aye</i>
<i>Mr. McCall</i>	<i>Aye</i>
<i>Mrs. Mumpower</i>	<i>Aye</i>
<i>Mr. Owens</i>	<i>Aye</i>
<i>Mr. Rector</i>	<i>Aye</i>
<i>Mr. Reynolds</i>	<i>Aye</i>
<i>Mr. Roberts</i>	<i>Aye</i>

8-23-05 13959

Prepared by:

Naoma A. Mullins, Recording Clerk

Approved by the Washington County Board of Supervisors:

John B. Roberts, Sr., Chairman