

VIRGINIA:

At a regular meeting of the Washington County Board of Supervisors held Tuesday, September 11, 2007, at 7:00 p.m., at the County Administration Building in Abingdon, Virginia the following were present:

PRESENT:

Kenneth O. Reynolds, Chairman (arrived at 7:04 PM)
Jack R. McCrady, Jr., Vice Chairman
Phillip B. McCall
Dulcie M. Mumpower
Odell Owens
Paul O. Price
Anthony S. Rector

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. Jack McCrady, Vice Chairman of the Board, who welcomed everyone in attendance.

2. Invocation and Pledge of Allegiance

Supervisor Tony Rector gave the Invocation and led the Pledge of Allegiance.

3. Approval of Agenda

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

New Item 9.a.

Consideration of Resolution Designating September 21 as Emory & Henry College Day in Washington County

New Item 12.b.

Notice of Appalachian Power Company Rate Adjustment Applications to State Corporation Commission

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

<i>Mr. McCall</i>	<i>Aye</i>
<i>Mr. McCrady</i>	<i>Aye</i>
<i>Mrs. Mumpower</i>	<i>Aye</i>
<i>Mr. Owens</i>	<i>Aye</i>
<i>Mr. Price</i>	<i>Aye</i>
<i>Mr. Rector</i>	<i>Aye</i>
<i>Mr. Reynolds</i>	<i>Aye</i>

4. Approval of Minutes

On motion of Mr. Rector, second by Mr. McCall, it was resolved to approve the minutes of the August 30, 2007, recessed meeting as presented.

The vote on this motion was as follows: (6-0-1)

<i>Mr. McCall</i>	<i>Aye</i>
<i>Mr. McCrady</i>	<i>Aye</i>
<i>Mrs. Mumpower</i>	<i>Aye</i>
<i>Mr. Owens</i>	<i>Aye</i>
<i>Mr. Price</i>	<i>Aye</i>
<i>Mr. Rector</i>	<i>Aye</i>
<i>Mr. Reynolds</i>	<i>Abstained</i>

5. Public Hearings

a. Public Hearing and Consideration of Amendment of County Operating Budget for FY 2007-2008

Mr. Seamon addressed the Board explaining that a public hearing is required in order to amend the County Operating Budget because of all the requests for appropriations that the Board will be asked to consider in the next agenda item will exceed 1% of the total County Operating Budget. The requested amendment to the current County Operating Budget is \$7,576,373.00. He explained that Board approval to amend the County Operating budget has no affect on the supplemental appropriation requests the Board will consider in the next agenda item. None of the money can be spent until the Board approves the supplemental appropriations.

Mr. Reynolds opened the public hearing and invited comments at this time.

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

On motion of Mr. Rector, second by Mr. Price, the Board acted to amend the FY 2007-2008 County Budget to \$118,966,524.00.

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

Mr. McCall Aye
Mr. McCrady Aye
Mrs. Mumpower Aye
Mr. Owens Aye
Mr. Price Aye
Mr. Rector Aye
Mr. Reynolds Aye

6. Presentation of General Fund Reconciliation as of June 30, 2007 and Consideration of Appropriation of Excess Revenues:

a. Request of Washington County School Board to Appropriate June 30, 2007 Carryover Projects

Mr. Seamon explained to the Board that this item is a request to appropriate June 30, 2007 carryover funds for the School General Fund in the amount of \$2,186,915 and the School Construction Fund in the amount of 55,442.00. The School Board is requesting that the remaining uncommitted School General Fund monies in the amount of \$1,219,963.00 be placed in the County’s Capital Reserve Account for the School Board’s future use. Mr. Seamon asked that the Board consider this request under item c. He advised the Board that Washington County Schools Finance Director Melissa Caudill was in attendance to answer questions the Board may have concerning the requests of the School Board.

Discussion ensued among the Board to consider action on the above requests as part of item c.

b. Presentation of General Fund Reconciliation as of June 30, 2007

Mr. Seamon explained that this item was for reconciliation of the General Fund balance as of June 30, 2007. He further explained that the Board was provided in their agenda packets with correspondence outlining the General Fund Reconciliation and stated that the figures are not audited figures. The General Fund reconciliation was outlined by Mr. Seamon as follows:

General Fund Balance at June 30, 2007		\$11,058,446.64
Less:		
Appropriation of Carryover Items – Local Funds:		
Total Supplemental Appropriations-General Fund	\$281,793.95	
Less Grant Reimbursements	<u>\$147,989.00</u>	\$133,804.95
Appropriation of Carryover Items-School Board		\$2,186,915.00
Required Minimum Balance for Cash Flow		\$3,500,000.00
Beginning Fund Balance Budgeted		\$2,046,710.24 <u>\$ 7,867,430.19</u>
Excess June 30, 2007 General Fund Balance Not Obligated		\$ 3,191,016.45

Add:

Beginning Capital Reserve Accounting	<u>\$ 4,821,983.00</u>
New Reserve Balance for Capital Projects – General	<u>\$ 8,012,999.45</u>

Mr. Seamon gave the Board a summary of the proposed Capital Reserve Account as of August 28, 2007, as follows:

Reserve for Capital Projects – General	\$5,585,667.45
Reserve for Capital Projects - School	\$1,437,332.00
Reserve for Capital Projects – Recreation Complex	\$ 490,000.00
Reserve for Capital Projects – County Complex	\$ 250,000.00
Reserve for Capital Projects – William King Regional Art Center	<u>\$ 250,000.00</u>
TOTALS	<u>\$8,012,999.45</u>

Mr. Seamon noted that the July 1, 2007, Reserve for Capital Projects-School was \$217,369.00. It is the Board of Supervisors discretion to allocate the remaining FY 2006-2007 unobligated School Fund balance of \$1,219,963.00 to the Reserve for Capital Projects-Schools.

Mr. Seamon explained that the excess balance is due to several County agencies and departments not spending all of their budgeted monies by June 30th and the property tax revenue and local sales tax revenues exceeding projections.

c. Consideration of Appropriation of Excess Revenues

Mr. Reeter addressed the Board explaining that he recommends the Board appropriate the entire unrestricted balance of \$3,191,016.45 to the County’s Capital Reserve Account within the County’s Capital Improvement Fund. This will bring the County’s Capital Reserve account balance to \$8,012,999.45.

Mr. Reeter explained that the School Board is requesting \$1,219,963.00 of funds they returned to be allocated back to be used for long-term, unspecified capital projects. He further explained that the recommended action is to appropriate \$2,242,357.00 of carryover funds back to the School Board to be used as outlined in their request under item a. Further it is recommended that the Board take action to approve a supplemental appropriation of \$532,631.00 to the Reserve for Capital Projects – Schools, for an amended balance of \$750,000.00. The balance of \$687,332.00 is recommended for appropriation to the County’s reserve for Capital Projects – General.

Discussion ensued among the Board.

Mr. Reeter explained that basically the Board is being asked to take two separate actions. The first recommended action is for the Board to appropriate \$2,242,357.00 of carryover funds to the School Board. This is money obligated for on-going School Board projects that needs to be re-appropriated into the current fiscal year. The second recommended action, which is an interim step, is for the Board to appropriate \$3,191,016.45 of unencumbered carryover funds into the County’s Capital Reserve Account

within the County's Capital Improvement Fund. Then the Board is asked to make a supplemental appropriation to various line items within the County's Capital Reserve Account. He further explained that at this step is where the Board could discuss the School Board's request for the \$1,219,963.00 to be set aside within the County's Capital Reserve account for School Capital Projects.

At this time, Mr. Reeter asked Melissa Caudill to speak to the School Board's request. Ms. Caudill explained that the Board was provided with a list of capital projects that the \$1,219,963.00 would be used to complete. Mr. Reeter explained that it is his recommendation that the Reserve for Capital Projects – Schools, which presently has balance of about \$217,000.00, be brought up to \$750,000.00 by adding \$532,631.00. He further explained that the Board started this account with a balance of \$600,000.00. Requests were received for supplemental appropriations by the School Board to replace boilers within the School system, which reduced the balance of this account. Mr. Reeter then stated that the remaining unencumbered balance of \$687,332.00 is recommended to be retained in the General Capital Reserve fund for the County and not be specifically earmarked for school projects. However, these funds would be available to the School Board should the Board of Supervisors make that decision at a later date.

Mr. Reeter asked the Board to look at staff recommendations under items c.2 and c.3. He explained that item c.2 pertains to action taken at the last meeting by the Board to tentatively approve an appropriation to the City of Bristol, Virginia for one-half the cost of a new traffic signal (up to \$80,000.00) along Lee Highway serving the access road into the Wal-Mart and new Sam's Club. It is recommended that the Board approve an appropriation of \$80,000.00 to the Improvement Projects –Other line item within the Road Improvement Fund so that funds could be made available to the City of Bristol when a request is made by them. Item c.3 pertains to a request for an appropriation of \$28,000.000 for the purchase of a used, full size SUV by the County Department of General Services for general staff and Board use. Mr. Reeter explained that the County's current SUV, a 1999 GMC Yukon has a lot of miles and is increasingly becoming undependable. Also, the addition of a new SUV will allow reassignment of the blue 2000 Jeep Cherokee to the Recreation Department. This vehicle would be used by the Department's new Recreation Program Specialist. This person is required to do a lot of traveling throughout the County and it would be beneficial for them to have exclusive use of the Jeep Cherokee. Mr. Reeter further explained that these are both recommendations for new appropriations to the County's Capital Reserve Account.

Should the Board follow the three above recommendations; the unrestricted balance of the County's Capital Reserve Account would be \$6,164,999.00. This figure does not include the projects that are earmarked.

Discussion ensued among the Board. Mr. Price stated there is an obvious need for a new traffic light on Lee Highway at the entrance to Wal-Mart and Sam's Club, but inquired why the County needs to purchase a full size SUV when the gas prices are so high. Mr. Reeter explained that the purchase of another vehicle does not have to be for a full size SUV. Mr. Price asked if the \$28,000.00 was a figure for a vehicle that the County has already looked at. Mr. Reeter replied that it was. Mr. McCrady inquired if the School System was aware of the recent reductions in school funding by Governor Kaine. He stated that the County would be expected to pick up the additional expenses in the current fiscal year and the next fiscal year to cover the reductions in funding. Mr. McCrady asked Ms. Caudill if the School Board had contingency funds built into any of their line items. Ms. Caudill replied that there were no contingency funds in any line items within the School Board's budget. Mr. Reeter explained that at the time the Board agreed to establish a set aside account specifically for school capital projects it was their intent for this account to function like the County's Reserve for Contingencies. For example, if there is specific problems (i.e., boiler repairs/replacements) money would be set aside to cover such expenses. He

further explained that the Board to his recollection never agreed to set aside funds for school capital projects. When setting up the set aside account the Board intended for the School Board to make their requests on a case by case situation for funding of unexpected expenditures. Discussion ensued about renaming the line item of the set aside account for school capital projects to reflect that the account is to operate as a reserve for contingencies to eliminate confusion about the purpose for the set aside funds. Following further discussions, the following actions were taken by the Board:

On motion of Mrs. Mumpower, second by Mr. McCrady, the Board acted to appropriate \$2,242,357.00 to the Washington County School Board as follows:

<i>\$2,186,915.00</i>	<i>Fund #312 – General School Fund</i>
<i>\$ 55,442.00</i>	<i>Fund #316 – School Construction Fund</i>
<i><u>\$2,242,357.00</u></i>	<i>Total</i>

And further to appropriate \$3,191,016.45 to the County’s Capital Reserve Account within the County’s Capital Improvement Fund, and then to supplementally appropriate as follows:

- (1). Supplemental Appropriation of \$532,631.00 to line-item 94900-5895 reserve for Capital Projects – Schools;***
- (2). Appropriation of \$80,000.00 to line-item 94420-5699, Improvement Projects-Other, and***
- (3). Supplemental Appropriation to the Department of General Services in the amount of \$28,000.00***

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

<i>Mr. McCall</i>	<i>Aye</i>
<i>Mr. McCrady</i>	<i>Aye</i>
<i>Mrs. Mumpower</i>	<i>Aye</i>
<i>Mr. Owens</i>	<i>Aye</i>
<i>Mr. Price</i>	<i>Aye</i>
<i>Mr. Rector</i>	<i>Aye</i>
<i>Mr. Reynolds</i>	<i>Aye</i>

7. Presentation Concerning Fire Truck Rotation Funding

Mr. Mike Schaffer, Chief of the Green Springs Fire Department and President of the Washington County Fireman’s Association, presented a request to the Board for increased funding for the fire truck rotation. Mr. Schaffer distributed materials to the Board. He thanked the Board for their past financial assistance, but explained that the cost to purchase a fire truck increases every year primarily because of the new emissions control laws. Therefore, the Board is being asked to consider increasing the fire truck rotation funding by \$50,000.00. Discussion ensued among the Board. Mr. Price asked which fire departments were in the current fire truck rotation. Mr. Schaffer said they were Green Springs, Clinch Mountain and Brumley Gap. Mr. Price inquired about the cost of the new fire truck recently purchased by Green Springs. Mr. Schaffer replied the cost was \$306,000.00 unequipped. Mr. Price asked if the amount of the fire rotation funding was increased and better trucks were purchased could the life of the fire trucks be

extended. Mr. Schaffer explained that each fire department gets a new truck every nine years and in his opinion it would be hard to extend the life of a fire truck past nine years. Mr. McCrady asked if the fire truck rotation funding was increased during the last fiscal year. Mr. Seamon replied that it was increased to \$250,000.00. Mr. Rector stated that since the new emission laws have went into effect the price of the fire trucks have increased and will continue to increase, therefore he feels the request to add an additional \$50,000.00 to the fire truck rotation funding is justifiable. Mr. Owens inquired if the appropriate time to consider this request would be during the budget process. Mr. Rector replied that he brought this request to the Board during the budget process for this fiscal year and it was not approved by the Board. Mr. Seamon questioned if the Board approved the request, when the increased funding would take effect. Mr. Rector replied that because the fire departments are in the middle of a rotation cycle, the increase would be for the next fire truck rotation. Mr. Seamon asked to clarify that the request was for the fire truck rotation funding to be increased from \$250,000.00 to \$300,000.00 for each department beginning July 1, 2009. Mr. Schaffer replied that was correct. Further discussions ensued among the Board concerning how much funding was approved last fiscal year for the fire truck rotation. Mr. McCall asked Mr. Schaffer how much the cost for a fire truck increases each year. Mr. Schaffer replied that the price increases by 6% a year. Mr. McCall stated that the Board needs to take a look at the fire truck costs and make sure that enough money is being appropriated to the fire departments. After further discussions among the Board concerning this request, it was consensus of the Board to direct the County Administrator to include in the recommended budget for FY 2009-2010 the request of the Washington County Fireman's Association to increase the fire truck rotation funding to \$300,000.00 (an increase of \$50,000.00) beginning July 1, 2009. Mr. Shaffer thanked the Board on behalf of the Washington County Fireman's Association.

8. Consideration of Request for Appropriation, Miss Mountain Empire Scholarship Organization

Ms. Amy French representing the Miss Mountain Empire Scholarship Organization presented the Board with a request for financial support for the 2008 Scholarship Program. Ms. French explained that the Miss Mountain Empire Scholarship Organization was established in 2007 and is a preliminary to the Miss Virginia – Miss America Programs. It provides an opportunity for young women to earn scholarship money for their education. In the scholarship program's first year (held February 2007), pageant winner Hanna Kiefer went on to become Miss Virginia 2007 winning approximately \$20,000.00 in scholarships at that level. Hannah will now be competing for the title of Miss America in January. Ms. French reviewed the budget expenditures for the Scholarship Program. She explained that their funding comes from donations received from individuals, businesses and local governments. Ms. French stated she would be happy to answer any questions the Board may have. Mr. Price inquired if other counties were contributing to the Scholarship Program. Ms. French replied that the Town of Marion, Smyth and Wythe Counties contributed \$1,000. She commented that the contestants do not pay an entry fee and the organization is non-profit. Mr. McCall asked what was considered to be the mountain empire region. Ms. French explained that the program targets young women in Washington, Smyth, Grayson, Carroll, Bland and Wythe Counties and the Cities of Bristol and Galax. She further explained that the scholarship program allows young ladies to showcase their talents and gives them the opportunity to give back to their communities. Mr. Reynolds inquired if the Miss Lonesome Pine Pageant was still ongoing. Ms. French replied that it is her understanding that this pageant is still ongoing. Mr. Owens asked about the issue mentioned in correspondence provided to the Board that Southwest Virginia was underrepresented in the Miss Virginia Pageant. Ms. French explained that in the past there has not been a pageant to target young women in this area. It is not always possible for girls from this area to travel to other areas of the state to compete in a Miss Virginia Preliminary Pageant. Mrs. Mumpower inquired how the \$1,000.00

request would be used. Ms. French explained that the Board could designate how their contribution is to be used. She further explained that Smyth County designated their contribution be used for a scholarship award to a finalist in the pageant. Discussion ensued among the Board concerning the request and if approved how the contribution should be used by the Miss Mountain Empire Organization.

On motion of Mr. Price, second by Mrs. Mumpower, it was resolved to appropriate \$1,000.00 in the form of a scholarship to the Miss Mountain Empire Scholarship Organization from Reserve for Contingencies and further to let the Miss Mountain Empire Scholarship Organization decide how this scholarship is to be divided.

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

<i>Mr. McCall</i>	<i>Nay</i>
<i>Mr. McCrady</i>	<i>Aye</i>
<i>Mrs. Mumpower</i>	<i>Aye</i>
<i>Mr. Owens</i>	<i>Aye</i>
<i>Mr. Price</i>	<i>Aye</i>
<i>Mr. Rector</i>	<i>Aye</i>
<i>Mr. Reynolds</i>	<i>Aye</i>

9. Consideration of Resolution Requesting Incorporation of Pat’s lane into State System of Secondary Highways, Gobble Meadows Subdivision

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

**RESOLUTION 2007-25
ADDITION OF 1,109 LINEAR FEET OF PAT’S LANE
TO SECONDARY SYSTEM OF STATE HIGHWAYS
GOBBLE MEADOWS SUBDIVISION**

WHEREAS, the street(s) described on the attached Additions Form SR-5A, fully incorporated herein by reference, are shown on the plats recorded in the Clerk’s Office of the Circuit Court of Washington County, and

WHEREAS, the Resident Engineer for the Virginia Department of Transportation has advised this Board the street(s) meet the requirements established by the Subdivision Street Requirements of the Virginia Department of Transportation;

NOW, THEREFORE, BE IT RESOLVED this Board requests the Virginia Department of Transportation to add the street(s) described on the attached Additions Form SR-5A to the secondary system of state highways, pursuant to Section 33.1-229, Code of Virginia, and the Department’s Subdivision Street Requirements, and

BE IT FURTHER RESOLVED this Board guarantees a clear and unrestricted right-of-way, as described, and any necessary easement for cuts, fills and drainage, and

BE IT FURTHER RESOLVED that a certified copy of this Resolution be forwarded to the Resident Engineer for the Virginia Department of Transportation.

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

<i>Mr. McCall</i>	<i>Aye</i>
<i>Mr. McCrady</i>	<i>Aye</i>
<i>Mrs. Mumpower</i>	<i>Aye</i>
<i>Mr. Owens</i>	<i>Aye</i>
<i>Mr. Price</i>	<i>Aye</i>
<i>Mr. Rector</i>	<i>Aye</i>
<i>Mr. Reynolds</i>	<i>Aye</i>

9.a. Consideration of Resolution Designating September 21 as Emory & Henry College Day in Washington County

On motion of Mr. Rector second by Mrs. Mumpower, it was resolved to adopt the following Resolution:

**RESOLUTION 2007-24
DESIGNATION OF SEPTEMBER 21, 2007 AS EMORY & HENRY COLLEGE DAY**

WHEREAS Emory & Henry College is a national liberal arts college that has served students from Southwest Virginia and East Tennessee since 1836, and

WHEREAS Emory & Henry College has dedicated itself to increasing the excellence of students from all walks of life and sending them on toward lives of success and service, and

WHEREAS Emory & Henry College, which is named for renowned Methodist Bishop John Emory and the early American patriot Patrick Henry, has dedicated itself to the values of faith and leadership in promoting a better world, and

WHEREAS Emory & Henry College, a college that changes lives, challenges all persons to confront historical and contemporary ideas and issues and to develop the ability to think critically about all areas of human experience, and

WHEREAS Emory & Henry College will inaugurate Dr. Rosalind Reichard as its 20th president on Friday, September 21, 2007, and

WHEREAS President Reichard has quickly begun to map out of future for the College that both advances its mission and provides greater service to the region, and

WHEREAS Emory & Henry College and Washington County are partners in the growth and future of the county,

NOW, THEREFORE, BE IT RESOLVED by the Board of Supervisors of Washington County, Virginia that the Board hereby proclaims Friday, September 21, 2007, as “Emory & Henry Day” in Washington County, Virginia.

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

<i>Mr. McCall</i>	<i>Aye</i>
<i>Mr. McCrady</i>	<i>Aye</i>
<i>Mrs. Mumpower</i>	<i>Aye</i>
<i>Mr. Owens</i>	<i>Aye</i>
<i>Mr. Price</i>	<i>Aye</i>
<i>Mr. Rector</i>	<i>Aye</i>
<i>Mr. Reynolds</i>	<i>Aye</i>

10. Recess

No recess was taken:

11. County Administrator Reports:

a. Proposal for new County Operating Budget Presentation Process beginning FY 2008-2009

Mr. Reeter presented the Board with the first of two proposals concerning a major revamping of the County operating methodologies that has been practiced by the County for a number of years. He explained that the first proposal that he would like the Board to review is a new County Operating budget process. Mr. Reeter stated that he will review this proposal with the Board tonight and asked the Board to spend the next couple of weeks considering the proposal. At the September 25 Board meeting, this proposal will be brought back to the Board for consideration along with a proposal to restructure the Board's current committees.

Mr. Reeter explained that Board members have indicated that the County Operating Budget process is broken and needs to be fixed. He further explained that actions now required by the Board are a product of the budget process created in the 1980's by the Board in power at that time, and the process has not been fundamentally rethought since that time. The current County Operating Budget process needs to be reviewed especially since the budget is now over \$100,000,000.00. In addition, the Board may wish to consider moving to semi-annual collection of taxes within the next few years, which is a trend many Virginia localities are following. Moving to a semi-annual tax collection will require that the Board establish the tax rates for the year much earlier in the year than at present (by late March instead of June). Should the Board choose to move toward semi-annual tax collections, the timetable for the preparation of the County Operating Budget must be advanced by several months so that the budget and tax rates for the year may be established in late March.

The following is a review of the proposal for the new County Operating Budget preparation process:

- Proposed implementation for Fiscal year 2008-2009 budget
- Goals: To adopt a budget and establish County tax rates by March 25 of each year and to create an improved budget decision-making process
- Current budget preparation process begins in early February and ends with adoption of the budget in late June (5 months)

- Proposed new process begins in early November and effectively ends in late March (also 5 months)
- Advancing the budget preparation timetable will be required should the Board decide to move to semi-annual (twice-yearly) tax collections (tax rates must be established by March 25 each year)
- Current budget preparation process requires Board actions at 11-12 different meetings between late March and late June; usually over three regular meetings and eight-nine recessed meetings.
- Proposed new budget preparation process would require Board actions at nine different meetings between early February and late March and again in June – four regular meetings and five recessed meetings.

Expected Benefits of Proposed New Budget Preparation Process:

- Proposed new process reduces the number of Board meetings at which the budget is worked on by three (from 12 Board meetings to nine Board meetings)
- Combines required Public Hearing on the budget with Agency/Departmental Comments (one meeting)
- Revenue estimates by Treasurer and Commissioner of Revenue to be presented to new Board of Supervisors' Budget and Finance Committee rather than to the full Board – more in-depth review.
- New Board Budget and Finance Committee (three Supervisors) will review draft of County Administrator's Recommended Budget prior to presentation to full Board and provide direction to County Administrator concerning Board budget worksessions – more direct Board input on recommended budget
- The success of this proposed new budget preparation process will be predicated on the following:
 - Strict adherence to a December 14 deadline for receipt of all non-school budget requests
 - Delivery of School Board's budget request by January 31
 - Completion of budget review by Board of Supervisors in three worksession meetings
 - Significant input into budget by new Board of Supervisors' Committees (especially new Budget & Finance Committee)

Mr. Reeter asked the Board to consider testing and debugging this new process in FY 2008-2009 in a "dry run" (prior to considering moving to a semi-annual tax collection format). He explained Dr. Alan Lee and Melissa Caudill have assured the County that the School Boards' budget could be submitted to the County by January 31. The Board would continue to have a joint workshop meeting with the School Board.

At this time discussion ensued among the Board. Mrs. Mumpower stated that she feels strongly that no Board member should be excluded when the detailed revenue projections are presented. Mr. Price inquired as to when the first budget worksession would begin if the new proposal were implemented next fiscal year. Mr. Reeter replied on March 4, 2008. He explained that some portions of the new proposal would have to be implemented should the Board decide to implement semi-annual tax payments. Discussions ensued concerning semi-annual tax collections. Mr. Reynolds asked how the proposal would affect state appropriations. Mr. Reeter explained that under the new proposal the preliminary budget would be predicated on estimates as is now done under the current budget process. In June of each year technical adjustments will be made by the Board to adjust the state appropriations to various agencies. Mr. Reeter stated that he does not believe the figures will be far off from the estimates. Mr. Reynolds stated that if the new proposal is implemented that it would be more important to build a larger contingency fund. Mr. Price stated that he likes the new proposed schedule for budget worksession

meetings being held during the winter months. Mr. McCrady talked about problems the state incurred several years ago when the General Assembly did not adopt a budget and the problems that followed. He stated that he supports a new budget process and semi-annual tax collections, but that the County should proceed with caution. Mr. Owens stated that under the new process the budget would not be finalized until June. He stated that he would like the County to send a letter to all agencies currently receiving funding outlining the major expenses that the County will be facing in the future and making them aware that funding may not be plentiful. Mr. Price stated that he would like to see agencies receiving more than \$50,000.00 in funding from the County be required to submit a full audit.

- b. Reminder: Sam’s CLUB Pre-opening and Ribboncutting Events, September 12 & 13, 8 AM – 10 AM

Mr. Reeter reminded the Board of the Sam’s club pre-opening and ribbon cutting events. On Wednesday, September 12 between 7:00 AM and 12:00 PM there will be a business briefing breakfast for small businesses to be oriented as to how to use Sam’s club to support their business.

The ribbon cutting ceremonies will be held on Thursday, September 13 at 9:45 AM. Sam’s has asked that County officials arrive between 8:00 and 8:30 AM. Doors will open to the public at 10:00 AM.

- c. Reminder: County Employee Picnic, Sunday, September 16, 4:6 PM, Washington County Park

Mr. Reeter reminded the Board of the County employee picnic to be held Sunday, September 16 from 4:00-6:00 PM at the Washington County Park.

12. County Attorney Reports:

- a. Easement for Washington County Service Authority relocation of waterline along border of Meadowview Square

Ms. Phillips explained that she would like the Board’s approval to schedule a public hearing on a proposed conveyance of an easement to the Washington County Service Authority for installation of a waterline along the boundary of Meadowview Square. She further explained that State law requires a public hearing before County owned land can be transferred.

On motion of Mr. Rector, second by Mr. Price, the Board acted to authorize the County Attorney to proceed to schedule a public hearing regarding the request of the Washington County Service Authority for a proposed conveyance of an easement for installation of a waterline along the boundary of Meadowview Square.

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

*Mr. McCall Aye
Mr. McCrady Aye
Mrs. Mumpower Aye
Mr. Owens Aye
Mr. Price Aye
Mr. Rector Aye
Mr. Reynolds Aye*

- b. Notice of Appalachian Power Company rate adjustment applications to State Corporation Commission

Ms. Phillips explained that Appalachian Power Company has provided notice in accordance with Orders issued by the State Corporation Commission of three pending applications for rate adjustments and opportunity to comment on the applications. She further explained that the materials provided to the Board outlines the three proposals. Ms. Phillips stated that the VML/VACo Steering Committee will review the applications and provide comments. She asked the Board to let her know if they would like additional attention paid to these matters.

Ms. Phillips distributed to the Board the final signed order regarding the annexation case.

13. Board Information

No Board information was reviewed.

14. Board Member Reports

Mrs. Mumpower reported that she met with officials from Tanaska Power (formerly Wolf Hills Energy). She explained that it was a very informative meeting. Tanaska has added three new employees and expressed that they have no desire to relocate from this area. They indicate that business is very good.

Mr. Rector discussed issues with the Virginia Department of Transportation delaying the Glade Spring Pharmacy project.

Mr. Reynolds asked the Board members to visit the Washington County Fair.

Mr. McCrady discussed the resolution contained in the Board Information section of the Agenda regarding illegal immigrants and how they are affecting counties across the state.

15. Adjourn

On motion of Mr. Rector, second by Mr. Price, it was resolved to adjourn the meeting.

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

<i>Mr. McCall</i>	<i>Aye</i>
<i>Mr. McCrady</i>	<i>Aye</i>
<i>Mrs. Mumpower</i>	<i>Aye</i>
<i>Mr. Owens</i>	<i>Aye</i>
<i>Mr. Price</i>	<i>Aye</i>
<i>Mr. Rector</i>	<i>Aye</i>
<i>Mr. Reynolds</i>	<i>Aye</i>

Prepared by:

Naoma A. Mullins, Recording Clerk

Approved by the Washington County Board of Supervisors:

Kenneth O. Reynolds, Chairman