

**VIRGINIA:**

At a recessed meeting of the Washington County Board of Supervisors held Wednesday, June 4, 2008, at 6:00 p.m., at the County Administration Building in Abingdon, Virginia the following were present:

**PRESENT:**

Kenneth O. Reynolds, Chairman (Arrived at 6:12 PM)  
Jack R. McCrady, Jr., Vice Chairman  
Phillip B. McCall  
Dulcie M. Mumpower  
Odell Owens  
Paul O. Price  
Thomas G. Taylor

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

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**1. Call to Order**

The meeting was called to order by Mr. Jack R. McCrady, Jr., Vice Chairman of the Board, who welcomed everyone in attendance.

**2. Invocation**

Supervisor Odell Owens gave the Invocation.

**3. Approval of Agenda**

*On motion of Mr. Owens, second by Mrs. Mumpower, it was resolved to approve the agenda as presented.*

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

*Mr. McCall                    Aye*  
*Mr. McCrady                Aye*  
*Mrs. Mumpower            Aye*  
*Mr. Owens                   Aye*  
*Mr. Price                    Aye*  
*Mr. Taylor                  Aye*

**4. Closed Meeting(s):**

Request for Closed Meeting pursuant to Virginia Code Section 2.2-3711(A)(7) for consultation with the County Attorney where such consultation and briefing in open meeting would adversely affect the negotiating or litigating posture of the Board of Supervisors and which require the provision of legal advice by legal counsel regarding probable litigation under Virginia Code Section 58.1-3984

*On motion of Mr. McCall, second by Mr. Price, it was resolved to convene in Closed Meeting pursuant to Virginia Code Section 2.2-3711(A)(7) for consultation with the County Attorney where such consultation and briefing in open meeting would adversely affect the negotiating or litigating posture of the Board of Supervisors and which require the provision of legal advice by legal counsel regarding probable litigation under Virginia Code Section 58.1-3984. It was further resolved to include County Treasurer Fred Parker, Commissioner of Revenue David Henry, County Administrator Mark Reeter and County Attorney Lucy Phillips in the Closed Meeting.*

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

<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. Taylor</i>	<i>Aye</i>

*After returning to the meeting, the Chairperson noted that upon motion of Mr. Price, second by Mr. McCall, 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. McCrady, second by Mr. Owens, 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 was 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 was convened was heard, discussed, or considered in the closed 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. Reynolds</i>	<i>Aye</i>
<i>Mr. Taylor</i>	<i>Aye</i>

**5. Discussion of Issues Pertaining to Proposed Transition from The Local Choice Health Insurance Program to Anthem**

Mr. Seamon addressed the Board concerning the proposed transition from The Local Choice Health Insurance Program to a direct self insurance program administered by Anthem. Mr. Seamon explained that the Board of Supervisors should hear the same presentation that was made to the School Board on February 18, 2008. After that presentation, the School Board formally approved entering into a direct self insurance program. He recommended a joint meeting with the School Board so that the issues of concern could be discussed.

Mr. Seamon explained that the School Board had retained a second health insurance consultant, Buck Consultants, to review data to determine if the School Board’s decision to select Anthem Direct was a reasonable decision. He stated that Buck Consultants did a good job explaining in general terms what the School Board had approved. The consultant’s analysis also gave the pros and cons of a self insured program vs. a fully insured program. Mr. Seamon further stated the he and the County Administrator had agreed that a self insurance program may be a good direction for the County to consider as long as it is properly thought out, risks are looked at thoroughly, adequate funding is in place and all options properly weighed before the Board made a decision. He encouraged the Board to review the report from Buck Consultants. Finally, Mr. Seamon stated that he had some concern with the specific data being provided to the consultant.

Substantial discussions ensued among the Board concerning employee health insurance. Discussions included what a self insurance program is as opposed to being in the Local Choice program, the role Anthem plays in each program, what are the costs to employees in each program, and what are the current differences in employer contributions made by the School Board vs. the Board of Supervisors.

After some additional discussion, the Board took the following action:

*On motion of Mrs. Mumpower, second by Mr. McCrady, the Board acted to request a joint meeting with the Washington County School Board to be held at the County Administration Building in Conference Room 1 regarding employee health insurance.*

*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. Reynolds</i>	<i>Aye</i>
<i>Mr. Taylor</i>	<i>Aye</i>

**6. Recess**

A ten minute recess was taken.

**7. Review of Tentative Budget Revenue and Expenditure Adjustments from May 22 Worksession**

Mr. Seamon provided a review of the cumulative budget adjustments made to the County Administrator's Recommended Budget. Several adjustments have been made to the recommended revenue budget and the recommended expenditure budget, and at the present time, the tentatively approved County Budget for FY 2008-2009 still includes a two cent real estate tax increase. Discussions ensued.

Discussions ensued concerning the School Board's budget. It was proposed that one penny of the remaining two penny increase in real estate taxes be taken from the additional local money that has been approved for the School Board. The Board discussed this proposal and it was mentioned that the School's Director of Finance has stated that school system needed additional local dollars to cover the debt service payments for the recent capital improvements.

Mr. Seamon explained that based upon the original general school fund budget presented to the County, the proposed increase in FY 2008-2009 state funds was reduced by \$134,719. The County Administrator cut \$400,000 from the additional local dollars originally requested by the School Board.

Mr. Reeter discussed the refund from the Virginia Department of Transportation (VDOT) of the State Route 1717 project money, particularly the \$257,500 being held by VDOT until the issues with the Appalachian Regional Commission (ARC) funds are resolved. He explained that he has had conversations with Mr. Todd Christenson of the Virginia Department of Housing and Community Development who verbally told him that the ARC would not seek to cover the \$257,500; however in doing so the County or VDOT in the future could not seek funds from ARC in regards to the State Route 1717 Project.

Substantial discussions ensued among the Board with the following action being taken:

***On motion of Mr. McCrady, second by Mr. Price, the Board acted to reduce local funding to the Washington County School Board in the amount of \$400,000 leaving the additional local funding amount at \$500,000, which will cover the debt service payments. It was further resolved to take \$65,000 from this \$400,000 to restore money to the ambulance rotation fund. The balance of \$335,000 shall be used to reduce one penny in real estate taxes (\$333,335). The Board further acted to take \$333,500 from the SR 1717 refund balance of \$565,448 to cover an additional penny in real estates. The Board acted to maintain the \$.57 real estate tax rate.***

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

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

Discussions ensued at this time about the employee 2.5% salary increase for employees effective January 1, 2009. Primary issues discussed were the amount of money it would take to give employees a 3% salary increase effective July 1, 2008 and whether it is best to give employees percentage increases or a

specific dollar amount. The Board further devoted discussions to the creation of a uniform pay plan for County employees. Mr. Seamon explained it would take \$45,000 to provide administrative division employees as well as the secretary to the Circuit Court Judge and the Assistant Registrar with a 3% salary adjustment effective July 1, 2008. After further discussions, the following action was taken:

*On motion of Mr. McCall, second by Mr. McCrady the Board acted to take \$45,000 from the State Route 1717 reimbursement money to fund a 3% salary adjustment to Administrative Division employees, secretary to the Circuit Court Judge and the Assistant Registrar effective July 1, 2008.*

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

<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. Reynolds</i>	<i>Aye</i>
<i>Mr. Taylor</i>	<i>Nay</i>

At this time the following action was taken to approve all tentative adjustments previously reviewed by Mr. Seamon:

*On motion of Mr. Price, second by Mrs. Mumpower, the Board acted to tentatively approve all budget adjustments summarized on the June 4, 2008 Adjustments Made To Recommended County Budget worksheet.*

*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. Reynolds</i>	<i>Aye</i>
<i>Mr. Taylor</i>	<i>Aye</i>

**8. Reconsideration of Tentative Adjustments Made During Previous Budget Adjustment Worksessions**

No tentative adjustments were given reconsideration except for the

**9. Review Adjustment and Tentative Approval of FY 2008-2009 Operational and Employee Benefit Reserves**

a. General Fund – Nondepartmental:

- (1). Dept. 91400 – Reserve for Contingencies
- (2). Dept. 91410 – Reserve for Employee Benefits

No action.

**10. Scheduling of Additional Budget Adjustment Worksession Meetings**

No additional budget adjustment worksession meetings were scheduled.

**11. Recess to 6:00 PM, June 10, 2008, for a Worksession Concerning the Proposed Virginia Department of Transportation Six-Year Plan for Secondary Highway Improvements and Update on Status of the U. S. Highway 11 Project**

*On motion of Mr. McCall, second by Mr. Owens, it was resolved to recess to 6:00 PM, June 10, 2008, for a Worksession Concerning the Proposed Virginia Department of Transportation Six-Year Plan for Secondary Highway Improvements and Update on Status of the U. S. Highway 11 Project.*

*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. Reynolds</i>	<i>Aye</i>
<i>Mr. Taylor</i>	<i>Aye</i>

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**Prepared by:**

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Naoma A. Norris, Recording Clerk

6-04-08 15450

**Approved by the Washington County Board of Supervisors:**

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Kenneth O. Reynolds, Chairman