

VIRGINIA:

At a recessed meeting of the Washington County Board of Supervisors held Tuesday, March 10, 2009, at 6:00 p.m., at the County Administration Building in Abingdon, Virginia the following were present:

PRESENT:

Kenneth O. Reynolds, Chairman
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

Fred Parker, Treasurer
David Henry, Commissioner of Revenue

1. Call to Order

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

2. Presentation of Revenue Projections for Fiscal Year 2009-2010

The Board received the revenue projections for Fiscal Year 2009-2010 from County Treasurer Fred Parker, Commissioner of Revenue David Henry and County Accounting Manager Mark Seamon.

Mr. Seamon addressed the beginning general fund balance for FY 2009-10. He explained that current projections indicate that there will be a significant decrease in revenues for the current fiscal revenue and it is anticipated that the beginning general fund balance for FY 2009-10 will be much lower than prior fiscal years. The proposed beginning general fund balance of \$1,250,000 is a realistic number at this time.

Mr. Parker reviewed the current revenue projected by line item for FY 2008-2009, and the projected figures for FY 2009-2010. He explained that the history of real property taxes reflect a declining growth rate over the past 3 years, resulting in only a 1% growth for the FY 2009-2010 projection. He further explained that the reassessment figures are not included in the revenue projections. Mr. Parker stated that the County is seeing a dramatic reduction in the number of building permits issued and in new

construction. He reported that the delinquent tax collections have been stable; however, this figure may go down if the economy continues to worsen.

Mr. Parker explained that personal property tax revenue projection reflects a good increase for the current fiscal year. The Commissioner of Revenue office picked up about \$300,000.00 in new assessments for 2008. The increase in personal property tax revenue for FY 2009-2010 is projected to be only \$150,000.00 due to new vehicle purchases slowing. Also, the valuation of trucks and sport utility vehicles has dropped anywhere from 20% to 45% the first year after purchase.

Mr. Parker reported that Washington County is holding its own with local sales and use tax. However, the new school census shows more school aged children in the Towns of Abingdon and Glade Spring. The increase happened in an abnormal fashion signaling that an error may have been made. A request has been made for the figures to be rechecked for accuracy. If the data stands as reported in the initial report, Washington County could lose an additional \$200,000.00 in sales tax revenue. This amount has been deducted from the local sales and use tax projection.

Other projected decreases in local revenues included Taxes on Recordation and Wills, Building Permit Fees and Court Services Fees.

Discussion ensued among the Board at this time concerning a business, professional and occupational license for the County.

Mr. Seamon explained that there is a projected net decrease from the amended budget to the end of year local revenue projections of approximately \$470,000.00. This projected decrease will have a major affect on the end of year general fund carryover balance. The proposed budget for FY 2009-10 reflects a net decrease of local revenues of \$1,328,171.00 from the current FY 2008-2009 amended budget.

Mr. Parker and Mr. Henry provided an analysis of the real estate reassessment. The estimated total real estate valuation for 2009 is projected to increase by 11.9%. Normal growth accounts for 1%, and the County's reassessment accounts for the remaining 10.9% increase. This will generate about \$1,600,000.00 in new revenue should the Board of Supervisors leave the tax rate at the current \$.57 cents rate. Mr. Parker noted that the reassessment growth four years ago was 17-18%.

The Board was provided with a handout containing the 2009 Real Estate Reassessment Analysis. Mr. Henry explained that these values are through the first set of appeals; however, there could be further adjustments.

Mr. Henry explained that taxable land valuation reflected the largest increase in the reassessment analysis. He further explained that much of this increase valuation will not result in new tax revenue since a large portion of farm and forest land is taxed under the Land Use program. Mr. Henry stated that his office is doing more to advertise the Land Use program.

Mr. Seamon reviewed the calculations to arrive at the Real Estate Tax revenue collected per penny of tax rate. The net revenue projected per penny for 2008 is \$313,194, with the amount projected for 2009 at \$344,902. In order to generate the same amount real estate tax revenue in 2009, the tax rate would have to be reduced from \$.57 to \$.52.

Discussions ensued among the Board and Mr. Henry concerning forest land.

Mr. Reynolds on behalf of the Board expressed appreciation for the presentation.

4. Adjourn to 7:00 PM Regular Meeting

On motion of Mr. Owens, 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. Reynolds</i>	<i>Aye</i>
<i>Mr. Taylor</i>	<i>Aye</i>

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

Prepared by:

Naoma A. Norris, Recording Clerk

Approved by the Washington County Board of Supervisors:

Kenneth O. Reynolds, Chairman