VIRGINIA:

At a recessed meeting of the Washington County Board of Supervisors held Thursday, May 7, 2009, at 7:00 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

1. Call to Order

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

2. Invocation and Pledge of Allegiance

Supervisor Jack McCrady gave the Invocation and led the Pledge of Allegiance.

3. Approval of Agenda

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

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. Reynolds Aye
Mr. Taylor Aye

4. Review of Tentative Adjustments to Budgetary Departments within Proposed & Recommended County Operating Budget for FY 2009-2010 from April 30 Recess Meeting

Mr. Seamon provided a review of adjustments to budgetary departments made during the April 30 recessed meeting.

The following budgetary departments within the Proposed & Recommended County Operating Budget for FY 2009-2010 were revisited:

Virginia Highlands Small Business Incubator:

On motion of Mr. McCall, second by Mrs. Mumpower, the Board acted to modify Department 81510, Economic Development Activities by adding \$3,540.00 to Line Item 5638 Regional Incubator and to approve the FY 2009-2010 County Operating Budget for Department 81510, Economic Development Activities in the amount of \$227,853.00.

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. Reynolds	Aye
Mr. Taylor	Aye

William King Regional Art Center:

Discussions ensued among the Board concerning funding for William King Art Center, specifically funding for mowing services.

Mr. McCrady proposed that in lieu of an additional \$5,000.00 contribution to the Art Center that the County picks up the mowing of the Art Center complex.

Mr. Reeter stated that he would ask the County General Services Manager to see about adding the William King Art Center complex to the County's contract for mowing services.

On motion of Mr. Taylor, second by Mr. McCrady, the Board acted to authorize the County Administrator to add the mowing of the William King Art Center complex to the County's contract for mowing services.

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

Mr. McCall	Aye
Mr. McCrady	Aye
Mrs. Mumpower	Aye
Mr. Owens	Aye
Mr. Price	Ave

Mr. Reynolds Aye Mr. Taylor Aye

At this point substantial discussions ensued concerning lowering the real estate tax rate.

Mr. Reeter explained that the Board could take the \$264,830.00 in uncommitted funds and take \$50,000.00 from operational reserves for contingencies to bring the Board close enough to reduce the real estate tax rate by one penny. This would leave the operational reserve for contingencies balance at \$250,000.00, which is the minimum amount recommended.

Further lengthy discussions ensued concerning the loss the County has experienced in machinery and tools tax and sales tax revenue, about \$1,200,000.00, and the increase in the mandated funding for the Southwest Virginia Regional Jail Authority and foster care. These issues have caused a negative financial impact on the County Operating Budget which hinders the Board from lowering the real estate tax rate more than one penny. Board members stated that it would have been their wish to reduce the real estate tax rate further if there were funds available.

Mr. Taylor explained that approximately 80% of the property in the County is appraised at \$100,000.00. Reducing the real estate tax rate by one penny will amount to \$25.00 less in taxes per property owner with an assessed value of \$100,000.00. He further explained that the County should keep the real estate tax rate at \$.57 in order to keep services to the County constituents at the same level or to provide better services. Mr. Taylor stated that he has spoken with some very conservative constituents about the reassessment and the real estate tax rate and they ask that the County hold the real estate tax rate at \$.57.

Further discussions ensued with the following action being taken:

On motion of Mr. Price, second by Mrs. Mumpower, the Board acted to tentatively set the real estate tax rate for FY 2009-2010 at \$.56 per \$100 of assessed value.

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

Mr. McCall Aye
Mr. McCrady Aye
Mrs. Mumpower Aye
Mr. Owens Aye
Mr. Price Aye
Mr. Reynolds Aye
Mr. Taylor Nay

- 5. Final Reconciliations to Preliminary County Operating Budget for FY 2009-2010
- **a.** <u>General Fund-Nondepartmental</u>:
- 1. Dept. 91400 Reserve for Contingencies

On motion of Mr. Owens, second by Mrs. Mumpower, it was resolved to tentatively approve the budget for FY 2009-2010 for Fund 001, Dept. 91400, Reserve for Contingencies, in the amount of \$250,000.

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

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Mr. McCall
Mr. McCrady
Mrs. Mumpower
Mr. Owens
Mr. Price
Mr. Reynolds
Mr. Taylor
Aye
Aye
Aye
Aye
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2. Dept. 91410 – Reserve for Employee Benefits

On motion of Mr. McCrady, second by Mr. Owens, it was resolved to tentatively approve the County Administrator's recommended budget for FY 2009-2010 for Fund 001, Dept. 91410, Reserve for Employee Benefits, in the amount of \$83,825.

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. Reynolds	Aye
Mr. Taylor	Aye

3. Dept. 91420 – Intergovernmental Payments

On motion of Mr. Owens, second by Mr. Price, it was resolved to tentatively approve the budget for FY 2009-2010 for Fund 001, Dept. 91420, Intergovernmental Payments, in the amount of \$222,000.

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. Reynolds	Aye
Mr. Taylor	Aye

6. Authorization to Present FY 2009-2010 Budget Adoption Resolution at May 26 Regular Meeting

On motion of Mr. McCrady, second by Mr. McCall, the Board acted to authorize the preparation of the FY 2009-2010 Budget Adoption Resolution, which would set the real estate tax rate and to present the Resolution at the May 26 regular meeting.

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. Reynolds	Aye
Mr. Taylor	Aye

At this time discussions ensued among the Board and Mr. Reeter concerning the organizations that would be receiving funding from the United Way. Specifically, the Board discussed that County would continue to fund community centers in FY 2011.

The Board continued discussions regarding the transition to biennial collection of real property taxes and issues pertaining to an accelerated budget process for FY 2010-2011 because of the biennial collection.

Mr. Reeter discussed with the Board issues pertaining to the proposed Washington County School's Phase II Construction Project and the addition to the Neff Center, as well as providing the Board with an update on the Phase I Construction Project.

Lengthy discussions ensued among the Board concerning these issues.

7. Adjourn or Recess

On motion of Mr. Owens, second by Mrs. Mumpower, it was resolved to adjourn the meeting.

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. Taylor	Aye
Mr. Reynolds	Aye

Approved	by	the	Washington	County	Board	of
Supervisor	s:					

Kenneth O. Reynolds, Chairman