

**VIRGINIA:**

At a recessed meeting of the Washington County Board of Supervisors held Thursday, February 25, 2010, at 6:30 p.m., at the County Administration Building in Abingdon, Virginia the following were present:

**PRESENT:**

Dulcie M. Mumpower, Chair  
Odell Owens, Vice Chair  
Phillip B. McCall  
Nicole M. Price  
Kenneth O. Reynolds (arrived at 7:05 p.m.)  
Joseph C. Straten  
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 Ms. Dulcie M. Mumpower, Chair of the Board, who welcomed everyone in attendance.

**2. Invocation and Pledge of Allegiance**

Supervisor Nicole Price gave the Invocation and led the Pledge of Allegiance.

**3. Approval of Agenda**

Mr. Reeter explained the following items need to be added to the Agenda:

Item 5.a.1

Consideration of Appointments to Washington County Industrial Development Authority

Item 5.a.2

Consideration of Approval for County Participation in National Association of Counties' Prescription Discount Card Program

Item 5.b.1

Distribution of Draft Agendas for Upcoming Board Budget Adjustment Worksession Meetings and Other Budget-related Information

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

**Item 5.a.1**

*Consideration of Appointments to Washington County Industrial Development Authority*

**Item 5.a.2**

*Consideration of Approval for County Participation in National Association of Counties' Prescription Discount Card Program*

**Item 5.b.1**

*Distribution of Draft Agendas for Upcoming Board Budget Adjustment Worksession Meetings and Other Budget-related Information*

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

<i>Mr. McCall</i>	<i>Aye</i>
<i>Ms. Mumpower</i>	<i>Aye</i>
<i>Mr. Owens</i>	<i>Aye</i>
<i>Ms. Price</i>	<i>Aye</i>
<i>Mr. Straten</i>	<i>Aye</i>
<i>Mr. Taylor</i>	<i>Aye</i>

**4. Special Recognitions & Presentations:**

**a. Presentation of County Financial Statements for Fiscal Year Ending June 30, 2009**

Ms. Deanna Cox, of Robinson, Farmer, Cox Associates, presented a report of the Washington County's Financial Statements for fiscal year ended June 30, 2009. Ms. Cox stated that all state and federal filings have been made in regards to the audit of the county's financial statements and with this presentation the audit for year ending June 30, 2009 will be finalized.

Ms. Cox reported the overall financial position of the county is good. The county's fund balance is at the preferred minimum level of ten percent of undesignated funds which is a fair place to be entering into the current budget conditions. Over the last five years the county has done a good job at keeping the fund balance at preferred levels. She noted that a good financial indicator is the county has one of the lowest debts per capita of most localities in the state. This will most likely change because of projects the County will undertake. Another good indicator is the delinquent real property rate is less than five percent. Ms. Cox said the county is doing things right and it is hoped the county can maintain throughout the next couple of tough years.

Ms. Cox explained in respect to the audit there were no significant changes with the exception of implementation of GASB 45 that accounts for other post employment benefits which is the county's offering to retirees to continue participation in the county's insurance plan. The county hired an actuary to do estimates for this program. This financial information is included in this audit and adds a new liability of \$500,000 for the school board and \$193,000 to the county. This liability will grow over the years unless the county decides to fund the program. The county is not required to fund the program, but needs to be aware the liability will continue to grow.

In conclusion, Ms. Cox provided a review of the management letter explaining there were very few management comments and both related to the school board. One comment is in regards to a school board member that filed their required statement of economic interest after the statutory deadline. The second comment related procurement issues on construction contracts in excess of \$100,000.

The following action was proposed by the Board:

***On motion of Mr. Taylor, second by Mr. Owens, the Board acted to accept the Washington County Financial Statements for Fiscal Year ended June 30, 2009.***

Mr. Taylor inquired if the issues concerning the County’s contributions to Washington County School’s Early Retirement Fund have been resolved.

Ms. Cox explained there are still a few unresolved issues with the school’s early retirement plan audit. She stated that a request for an IRS private ruling letter has been made to confirm that the early retirement program is actually a retirement plan and not a compensation plan. Also, she stated there is no clear cut answer for determining if the plan is over funded or under funded. Finally, Ms. Cox commented that these issues will be resolved in the near future and the audit report will be released.

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

<b><i>Mr. McCall</i></b>	<b><i>Aye</i></b>
<b><i>Ms. Mumpower</i></b>	<b><i>Aye</i></b>
<b><i>Mr. Owens</i></b>	<b><i>Aye</i></b>
<b><i>Ms. Price</i></b>	<b><i>Aye</i></b>
<b><i>Mr. Straten</i></b>	<b><i>Aye</i></b>
<b><i>Mr. Taylor</i></b>	<b><i>Aye</i></b>

Ms. Mumpower on behalf of the Board of Supervisors thanked the auditors for a good job on the audit.

Ms. Cox thanked the county, school board and social services staff for facilitating the audit process.

***Scrivener’s Note: The Consolidated Annual Financial Report and correspondence referenced above is included as Minutes Exhibits Item 2010-02-25-A.***

**b. Presentation by Agencies and Organizations Concerning Requested & Recommended County Operating Budget for Fiscal Year 2010-2011**

Ms. Mumpower provided a statement regarding the purpose of the meeting.

The following individuals representing agencies and organizations seeking funding from the County for FY 2010-11 made presentations before the board:

- Elizabeth Lowe, Washington County School Board Chair/Dr. Alan Lee, Washington County School Superintendent

Lengthy discussions ensued among the board and Dr. Lee concerning Washington County School’s FY 2010-2011 budget request and the proposed cuts in state funding.

- Diana Blackburn, Executive Director, Round the Mountain – Southwest Virginia’s Artisan Network

Mr. Reeter made a disclaimer noting he is Washington County’s representative on the Southwest Virginia Cultural Heritage Commission. He explained his reasoning for not recommending funding for Round the Mountain does not have anything to do with the validity of the program. It is his policy not to recommend funding for new agencies and leave that decision to the board.

- Todd Christenson, Executive Director, Southwest Virginia Cultural Heritage Commission

Mr. Christenson addressed the board regarding Heartwood: Southwest Virginia’s Artisans Gateway, Round the Mountain-Southwest Virginia’s Artisan Network and The Crooked Road: Virginia’s Heritage Music Trail.

- Fred Newman/Nadine Culberson, Washington County Sheriff’s Office
- Courtney Berry, William King Museum
- Jason Berry, Virginia Highlands Small Business Incubator
- Jayne Duehring, Barter Theatre

At this time, the Board took a ten-minute recess.

**Comment Period (continued):**

- Bobby Ingle, Whites Mill Foundation
- Travis Staton/Wayne Austin, United Way of Washington County
- Dexter Peltzer, Abingdon Senior Center
- Tricia Moore, Washington County Clerk of Circuit Court
- Pokey Harris, Washington County Department of Emergency Management

**5. General Business:**

**a. Actionable Items:**

**1. Consideration of Appointments to Washington County Industrial Development Authority**

*On motion of Mr. Owens, second by Mr. McCall, the Board acted to make the following appointments to the Washington County Industrial Development Authority:*

- 1. Appoint Chad E. Gardner to represent the Tyler Election District on the Industrial Development Authority of Washington County to fill the unexpired term of Eugene Baker. The term shall be effective immediately and expire on November 13, 2010.*
- 2. Appoint Patrick D. “Pat” Callebs to represent the Wilson Election District on the Industrial Development Authority of Washington County to fill the unexpired term of Jack Hagy. The term shall be effective immediately and expire on November 13, 2012.*

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

<i>Mr. McCall</i>	<i>Aye</i>
<i>Ms. Mumpower</i>	<i>Aye</i>
<i>Mr. Owens</i>	<i>Aye</i>
<i>Ms. Price</i>	<i>Aye</i>
<i>Mr. Reynolds</i>	<i>Aye</i>
<i>Mr. Straten</i>	<i>Aye</i>
<i>Mr. Taylor</i>	<i>Aye</i>

**2. Consideration of Approval for County Participation in National Association of Counties’ Prescription Discount Card Program**

The following action was proposed:

***On motion of Ms. Price, second by Mr. Owens, the Board acted to approve the CaremarkPCS Health L.P. National Association of Counties Managed Pharmacy Benefit Services Agreement.***

Ms. Price explained that she reviewed with Ms. Phillips the terms and conditions the county would be agreeing to by joining approving the CaremarkPCS Health, L.P. National Association of Counties (NACo) Managed Pharmacy Benefit Services Agreement and submits to the Board there is no drawback to joining the program. The program would be a benefit to the citizens of the county.

Ms. Phillips explained she has reviewed the Benefit Services Agreement in more detail and provided the board with the following review:

- Reviewed ways in which the Prescription Discount Card Program makes money
- Reviewed fees and payments
- Described the process involved with the Prescription Discount Card Program
- Most pharmacies participate in the Prescription Discount Card Program
- Caremark reserves the right to contact members/citizens that hold cards to make recommendations regarding purchase of drugs from their preferred drug list
- Request use of county seal on prescription cards
- Contract has an initial term of three years
- Prescription Discount Card Program requires a county individual to do promotional work to get program materials distributed. Caremark provides the promotional materials and information recommended for the county’s website.
- List of counties that participate in the Prescription Discount Card Program.

Ms. Phillips explained that she conducted further review of the agreement to assure the county does not incur costs by participating in the Prescription Discount Card Program. She noted the agreement contains statements about fees that are difficult to interpret as to whether or not the county will be responsible for paying fees to Caremark.

Ms. Price explained she understands there will not be costs to the county, and she would not recommend the county’s participation in the program if it were going to add costs to the county.

Mr. Straten commented that in order to make the contract a legal document there has to be money involved. He questioned how the county could be held to a three year contract if there was no money.

Ms. Phillips proposed if the Board is receptive to participation in the program and vote in favor to do so, if after further investigation of the agreement it was determined there would be fees charged to the county this issue could be brought back to the board before the county actually enters into an agreement with Caremark. She further recommended the county negotiate a one year term instead of a three year term to allow the County time to see how the program works. As the agreement is written there is no way for the county to get out of the contract.

Ms. Phillips explained that a decision is needed by the county to authorize Caremark to use the county seal on the prescription drug cards.

Ms. Price stated it is her understanding from speaking with NACo representatives that the use of the county seal is elective.

Ms. Price explained she has spoken with Information Systems Manager Nadine Culberson about placing program information on the county's website. Ms. Culberson indicated she has no problem with this. Ms. Price further explained she would assume the role as the county's contact person and would get the information distributed out to the public.

Ms. Mumpower proposed the county contact some participating localities to see how the program is working in their communities.

Mr. Seamon stated that the accounting department would contact some of the participating localities.

Mr. Owens inquired about the savings for participates in the program.

Ms. Price explained the average savings is 22%.

Mr. Taylor questioned the amount of pharmacy participation in the program.

Ms. Phillips explained about 66,000 retail pharmacies honor the Caremark discount card. Most all large chains participate, as well as many independent pharmacies.

Mr. Straten stated that he has unanswered questions about the program.

Further discussions ensued among the Board.

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

<b>Mr. McCall</b>	<b>Aye</b>
<b>Ms. Mumpower</b>	<b>Aye</b>
<b>Mr. Owens</b>	<b>Aye</b>
<b>Ms. Price</b>	<b>Aye</b>
<b>Mr. Reynolds</b>	<b>Aye</b>
<b>Mr. Straten</b>	<b>Abstained</b>
<b>Mr. Taylor</b>	<b>Aye</b>

Ms. Phillips commented that she believes the program is solid. However, if she identifies something that concerns her she will bring it to the boards' attention.

**b. Information Items:**

**1. Distribution of Draft Agendas for Upcoming Board Budget Adjustment Workession Meetings and Other Budget-related Information**

Mr. Reeter provided the board with a review of draft agendas for the March 2, 4 and 11 Budget Adjustment Worksessions and the budget policy.

**6. Adjourn or Recess**

*On motion of Mr. Owens, second by Mr. Straten, it was resolved to recess the meeting until 6:30 p.m. on Tuesday, March 2, 2010, to hold the first Budget Adjustment Worksession on the FY 2010-2011 County Operating Budget.*

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

<i>Mr. McCall</i>	<i>Aye</i>
<i>Ms. Mumpower</i>	<i>Aye</i>
<i>Mr. Owens</i>	<i>Aye</i>
<i>Ms. Price</i>	<i>Aye</i>
<i>Mr. Reynolds</i>	<i>Aye</i>
<i>Mr. Straten</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

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

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Dulcie M. Mumpower, Chairman