

VIRGINIA:

At a recessed meeting of the Washington County Board of Supervisors held Thursday, September 23, 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
Kenneth O. Reynolds
Joseph C. Straten
Thomas G. Taylor

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

Others Present:

Russell Owens, Chairman, Washington County Industrial Development Authority
Sam Kiser, Thompson & Litton
Bill White, Thompson & Litton
David Blevins, Thompson & Litton
David Rose, Davenport & Company

ABSENT:

Nicole M. Price

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 Odell Owens gave the Invocation and led the Pledge of Allegiance.

3. Approval of Meeting Agenda

Mr. Reeter commented this was an informational worksession for the Board. No actions will be taken. He explained actions would be taken in October during a joint meeting with the Washington County Industrial Development Authority.

On motion of Mr. McCall, second by Mr. Reynolds, the Board acted to adopt the agenda as presented.

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

4. Presentation of Thompson+Litton's (T+L) Recommendations Concerning Washington County Public Safety Building

a. Introductions and Review of Scope of Work

Mr. Reeter explained that representatives from Thompson & Litton (Sam Kiser, Project Manager; Bill White, Project Architect; David Blevins, Mechanical Engineer) would make presentations to the Board. He commented on the work of the County Facilities Committee in regards to the Public Safety Building, and reviewed the scope of work that Thompson & Litton was given for the Public Safety Building.

b. Roofing System Replacement

Mr. Kiser provided introductory remarks.

Mr. White reviewed Thompson & Litton's conclusions, recommendations and costs for the roofing and HVAC at the Public Safety Building.

Mr. White explained the Public Safety Building's roof has reached the end of its useful life and must be replaced. Failure to replace the roof will lead to further deterioration of the underlying structure and insulation. It is recommended that the existing roof be removed, replace the damaged roof deck, add R30 energy efficient insulation and a new single ply membrane roof with a 30 year warranty. The estimated roof replacement project cost would be \$840,000.

Discussions ensued among the board and representatives from Thompson & Litton.

c. HVAC System Replacement

Mr. Blevins provided a review of the HVAC system at the Public Safety Building; and the conclusions, recommendations, and costs for replacement of the system. Most of the HVAC systems in the building need replaced because they are at or near the end of their useful life, are inefficient, and operate on environmentally damaging refrigerants that are being phased out or are no longer manufactured. He explained the estimated project cost to replace the HVAC systems is \$660,000.

The estimated project cost for roof and HVAC replacement is \$1,500,000.

Mr. White and Mr. Blevins provided a review of the existing roof and HVAC system at the Public Safety Building. They further reviewed energy saving methods and “going green” alternatives.

Lengthy discussions ensued among the Board, Mr. Reeter and representatives from Thompson & Litton.

d. County Central Communications Center (PSAP) and General Services Garage Area Renovations

Mr. White explained the approximately 9,200 square feet of high bay garage area in the Public Safety Building is proposed to be renovated for use by the Department of General Services. He reviewed the floor plan and the scope of work for the renovations. Mr. White commented the space would be heated, but not cooled. The estimated construction cost is \$260,000.

Mr. White next reviewed the proposed renovations for the Public Safety Answering Point (PSAP) 911 Call Center at the Public Safety Building. The space to be renovated is approximately 6,500 square feet. The cost to renovate and adopt the existing space for use by PSAP is estimated at \$395,000, and cost for installation of a new emergency generator required for PSAP emergency operations is estimated at \$80,000. The total project cost for the PSAP is \$550,000.

Discussions ensued.

e. Review of Cost Estimates and County Facilities Committee Recommendations

Mr. Straten and Mr. Owens, members of the County Facilities Committee provided remarks.

Mr. Straten explained the Facilities Committee had an in depth review of the proposals with Thompson & Litton, and basically concur with their recommendations for the type of roof and HVAC system to be installed at the Public Safety Building. He commented the Facilities Committee looked at doing both projects incrementally; however, the long range costs were greater plus there is a chance the roof would be disturbed causing damage and additional funds for repair of the damage. After reviewing the issues, the Facilities Committee recommends completing the entire project at one time is the best option.

Mr. Owens commented that the “going green” side of the project was not ignored. The Facilities Committee asked Thompson & Litton to consider that aspect when making the presentation. He stated the Public Safety Building was purchased at a good price and will serve the needs of the County now and in the future. If the proposed and recommended improvements are made to the building, the County should not incur a significant amount of major maintenance expense for 15-20 years.

Discussions ensued among the Board.

Mr. Taylor questioned if the “going green” alternatives mentioned in the presentation will be included in the bids for the roof and HVAC replacement.

Mr. White explained the Public Safety Building is located on a developed piece of land. It is consistent with sustainable design principles; the land is not in a flood plain, near a river or stream, located on prime farm land, public park land or wetland. It has not been identified as habitat for threatened or endangered species. Also, the County is reusing the entire building, increasing energy efficiency by increasing the insulation in the roof. Proposed implementation measures include a five-year stormwater management plan, water efficiency measures, energy & atmosphere measures, materials & resources and implement indoor environmental quality.

5. Presentation Concerning Washington County Treasurer’s Building

- a. Review Scope of Work
- b. County Facilities Committee Recommendations

Mr. Reeter reviewed the scope of work given to Thompson & Litton with respect to the Treasurer’s Building.

Mr. White provided a review of the layout and interior/exterior pictures of the Treasurer’s Building. The existing layout of the building that includes steep stairways, vault construction, and ADA compliance represents challenges to adapting the building. The building also has limited off street parking that may impact its use. Other factors include: the Treasurer’s Building is located in the Abingdon Historic District. Any exterior renovations or additions must be approved by the Historic District Board. This might complicate or limit what can be done or increase the cost. Mr. White explained the search for an appropriate tenant and/or use is on going.

Discussions ensued among the Board and Mr. White about possible uses for the Treasurer’s Building and measures taken by the Facilities Committee to identify government agencies that may have interest in the building.

Mr. Reeter stated that further evaluation of the Treasurer’s Building will be completed.

At this time, Ms. Mumpower commended the work of the County Facilities Committee. She thanked Thompson & Litton for their excellent presentation.

6. Ten-Minute Recess

A ten-minute recess was taken by the Board.

7. Presentation by Davenport & Company Concerning Fall, 2010 Bond Financings

Mr. David Rose with Davenport & Company made a presentation concerning the Fall 2010 Bond financings.

Mr. Rose provided a preliminary recommendation with respect to the use of the County's approximate \$9,000,000 to \$10,000,000 of transitional revenue as a result of conversion to biannual tax collections and explained key considerations are: the County's current fund balance levels in relation to overall budget and preserving and enhancing of the county's strong "Aa3" (moody's)/ "A+" (Standard & Poor's) ratings.

Mr. Rose next provided an overview of the bond financings involving permanent financing of the county's acquisition of the Alpha Natural Resources Office Building; permanent financing of the acquisition of the Hawkins-Payne properties by the Washington County Industrial Development Authority; funding needed for proposed improvements to the Public Safety Building (replacement of roof, HVAC, PSAP and General Services work areas); construction of a new access road through the Hawkins Payne properties for Oak Park: Center for business & Industry; and other proposed capital projects. The total borrowing could be \$16,573,359 setoff by grant funding to offset the Hawkins Payne of \$1,800,000 for a net total potential fall project borrowing of \$14,773,359.

Mr. Reeter provided an explanation of the sources for the \$1,800,000 grant to be used toward the construction of the industrial access road into Oak Park.

Mr. Rose reviewed key assumptions including the current market as of September 10, 2010 and interest rates based on the County's bond rating range from 0.80% to 4.47%. He concluded his presentation by reviewing the preliminary refinancing results, the preliminary equivalent tax impact to the County and the proposed timeline for the fall borrowings.

Substantial discussions ensued among the Board and Mr. Rose concerning the Alpha Natural Resources Building acquisition financing, the revenue from lease payments Alpha Natural Resources is paying to the County and the tax impact of the borrowings. Discussions also ensued concerning the scheduling of dates for critical joint meetings with the Washington County Industrial Development Authority (IDA). It was consensus of the Board to schedule a joint meeting with the IDA on October 25, and tentatively schedule a second joint meeting with the IDA on November 10; at which time all final bank related resolutions must be adopted.

Ms. Mumpower thanked Mr. Rose for his presentation.

8. Presentation of Recommendations Concerning New County General Fund Reserves and Amendments to FY 2010-11 County Operating Budget

Mr. Seamon provided a review of the County General Fund Reconciliation as of June 30, 2010. He explained the County ended the fiscal year with \$704,697.05. Mr. Seamon noted the School Board returned approximately \$800,000.

Mr. Reeter reviewed a recommendation to integrate the balance of the County's transitional revenues resulting from this year's conversion from annual to semi-annual collection of real property taxes into the

County Operating Budget document through the establishment of a new “County General Fund reserves” component within the budget. Mr. Reeter advised it would take Board action to appropriate money from this new account.

Mr. Reeter explained a public hearing to amend the FY2011 County Operating Budget is proposed to be scheduled for the October 12 regular meeting of the Board to formally amend the budget.

Discussions ensued among the Board, Mr. Reeter and Mr. Seamon concerning the proposal to establish a new County General Fund Reserves component within the budget.

9. Adjourn or Recess

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

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

Prepared by:

Naoma A. Norris, Recording Clerk

Approved by the Washington County Board of Supervisors:

Dulcie M. Mumpower, Chair