

MINUTES

**KING WILLIAM COUNTY
BOARD OF SUPERVISORS
BUDGET WORK SESSION
RECONVENED MEETING OF FEBRUARY 13, 2012**

At a scheduled Budget Work Session meeting of the Board of Supervisors of King William County, Virginia, held on the 13th day of February, 2012, beginning at 6:30 p.m. in the Board Room of the County Administration Building, order was called with the following present:

C. T. Redd III, Chairman (Absent)
T. J. Moskalski, Vice-Chairman
S. K. Greenwood
T. S. Stone
O. O. Williams (Arrived at 6:45 p.m.)

T. L. Funkhouser, County Administrator

RE: CALL TO ORDER

Vice-Chairman, T. J. Moskalski, called the meeting to order at 6:30 p.m.

RE: APPROVAL OF MEETING AGENDA

On motion by T. S. Stone, seconded by S. K. Greenwood with the following roll call vote, the Board adopted the agenda for this meeting as presented by the County Administrator.

Those members voting:

T. J. Moskalski	Aye
S. K. Greenwood	Aye
T. S. Stone	Aye
O. O. Williams	Aye
C. T. Redd III	Absent

RE: OLD BUSINESS

a. Comprehensive Economic Development Strategy (CEDS) Appointments -

On motion by T. S. Stone, seconded by S. K. Greenwood, with the following roll call vote the Board appointed David A. Meseth to serve the Comprehensive Economic Development Strategy (CEDS) committee; said term to last one year.

Those members voting:

T. S. Stone	Aye
O. O. Williams	Nay
T. J. Moskalski	Aye
S. K. Greenwood	Aye
C. T. Redd III	Absent

RE: PRESENTATIONS TO THE BOARD

a. PBGH – The County Administrator announced that Mike Garber, Betsy Hedrick and Phil Patterson representing PBGH audit firm are present tonight to briefly review the CAFR, prepared by PBGH.

Mike Garber addressed the Board and stated this is the first year PBGH has performed an audit for King William County. A copy of the CAFR prepared by PBGH was distributed to the Board. Mr. Garber gave a summary and briefly explained the sections of the CAFR.

Ms. Stone noted it appears based upon the readings and the findings of PBGH to be very informative, comprehensive and what she expected. She feels PBGH has done a good job and also noted that the County has a lot of work to do. Ms. Stone said she feels the County has a quality audit firm and what that means is the first year an audit is performed you get a tough report. She said she doesn't think the CAFR report is meant to be punitive; it lays out areas needing attention.

Mr. Garber confirmed the comments of Ms. Stone and said PBGH will be working with the County Administrator to try and come up with resolutions of items pointed out.

Continuing Mr. Garber reviewed the management letter distributed to the Board members, explaining this letter gives further recommendations PBGH feels the County should look at implementing. He noted as auditing standards have gotten tougher on audit firms it has made it tougher on County staff as well. Mr. Garber stated that the County Administrator has already submitted some of the items listed in the management letter for review.

Finally Mr. Garber reviewed the Board of Supervisors report explaining this is required by auditing standards, the communications in this report are required to be submitted to the Board of Supervisors. He said a meeting has been set with the School Board to review specific items with them. The report covers the financial statements, journal entries, copy of arrangement letter, and representation letter.

In closing Mr. Garber offered to answer any questions of the Board members.

Mr. Williams said he is not in agreement with rounding figures; saying this can be misleading.

Mr. Garber said for reporting purposes the numbers were rounded but the actual entries were to the actual dollar; he offered to prepare and provide a report showing actual dollars versus rounding.

Ms. Stone explained these entries are not at a transaction level, some are combination transactions and as Mr. Garber stated the actual entry made to the financial statement would be to the dollar. This is a general high level of reporting; explaining that accountants often use estimates and rounding as opposed to engineers who build structures that require precise measurements; this is not unusual for accounts. Further she stated this report is not a part of the financial statement it is a supplemental report for explanation and the benefit of the Board for understanding.

Mr. Garber again offered to prepare a report with the actual dollar figures; Mr. Williams stated he would address his concerns with the audit committee.

b. Davenport, LLC – The County Administrator introduced James Sanderson, representing Davenport, LLC; explaining he is here to give a brief history of the debt portfolio of the County. Further he added the County recently utilized Davenport for a refinancing.

James Sanderson addressed the Board and reviewed a presentation prepared by Davenport. The presentation covered historical data, peer comparisons, historical operating trends, undesignated fund balance, debt affordability and debt capacity.

Ms. Stone asked for clarification, in terms of expenditures, if this report reflects the original budget and does not include any changes or appropriations; Mr. Sanderson said that is correct.

Mr. Greenwood asked for clarification if information in the report is based on the current assessment; the County Administrator answered in the affirmative.

Mr. Sanderson also reviewed the details of the refunding of the 2002 Courthouse Bond that was done in 2011.

RE: NEW BUSINESS

No new business was brought before the Board

**RE: ADMINISTRATIVE MATTERS – TRENTON L. FUNKHOUSER,
COUNTY ADMINISTRATOR**

a. Budget Outlook FY12-13 – The County Administrator gave an overview of the budget outlook for King William County. He briefly discussed schools, County employee VRS, Revenue Anticipation Notes (RANs), regional jail, trash and recycling, radio system, Central Garage transfer site generator, town tax rate, constitutional officers pay increases, and personal property tax growth being flat. Board members had general questions and discussions on some of the topics.

There was general discussion between the Board members and County Administrator on when the draft budget documents will be delivered. There was also discussion of the current tax rate in King William County.

RE: RECESS OF MEETING

There being no further business to come before this Board, the meeting was recessed until Thursday, February 23, 2012, at 6:30 p.m.

Those members voting:

T. J. Moskalski	Aye
S. K. Greenwood	Aye
T. S. Stone	Aye
O. O. Williams	Aye
C. T. Redd III	Absent

COPY TESTE:

T. J. Moskalski, Vice-Chairman
Board of Supervisors

T. L. Funkhouser,
County Administrator
Clerk to the Board