

# **HENRY COUNTY BOARD OF SUPERVISORS MINUTES**

## **Annual Planning Session January 29, 2009 – 3:00 pm**

The Henry County Board of Supervisors held its annual Planning Session on January 29, 2009, at 3:00 pm at the Public Safety Center on DuPont Road in Martinsville, VA. The following Board members were present: Debra Buchanan, Chairman; H.G. Vaughn, Vice Chairman; Jim Adams, Paula Burnette, Jim McMillian, and Tommy Slaughter.

Staff members present were Benny Summerlin, County Administrator; Tim Hall, Deputy County Administrator; George Lyle, County Attorney; Jimmie Wright, Director of Finance; Darrell Jones, Deputy Director of Finance; and Dale Wagoner, Director of Public Safety.

Sheriff Lane Perry was present from the Sheriff's Office, along with Major Steve Eanes and Lieutenants Nelson Thomas, Rick Walker, and Rick Vaughn.

Mickey Powell of the Martinsville Bulletin and Ron Morris of B-99 was present. Diane Akers of ComBiz Solutions, facilitator for the Planning Session, also was present.

### **CALL TO ORDER**

Chairman Buchanan called the meeting to order as a continuation of the Board's meeting January 27, 2009.

### **CONTINUING DISCUSSION OF TAXATION OF ANTIQUE CARS**

Mrs. Buchanan reminded everyone that this item was originally part of the January 27 agenda at the request of Mr. McMillian, who requested during that meeting that the issue be tabled until today's meeting. After Ms. Buchanan introduced the issue, Mr. McMillian then made a motion to table the issue to a later meeting. Mr. Adams made a substitute motion to not take action any action to tax antique cars, seconded by Mr. Vaughn. Some general discussion ensued from Mr.

Vaughn, Mrs. Burnette, and Mr. Adams. The Board then voted 6-0 to accept Mr. Adams' motion to not tax antique cars. The Board then took a 5-minute break to allow those in attendance for the antique cars' issue to leave if they desired.

## **2009 BOARD PLANNING SESSION**

Mr. Summerlin introduced Diane Akers of ComBiz Solutions, the facilitator for the Planning Session. Ms. Akers began the Session with a PowerPoint presentation (a copy of which is filed with the notes of this meeting) that included an "icebreaker." She then led the Board and staff into a discussion of the Goals, Objectives, and Accomplishments from 2008. The Board and staff discussed the following 2008 short- and long-term goals and the status of each:

### **Short-Term Goals From 2008**

- Develop Master Plan for Roma and Bryant - Status: On-going. Mr. Summerlin presented conceptual layouts for each site and said the master plans for each should be complete within 90 days. At that point a joint meeting between EDC, City of Martinsville, and County officials would be scheduled. Mr. Summerlin indicated that a tentative name of Commonwealth Crossing has been chosen for the ROMA property, and that the Bryant property most likely would be called the Patriot Centre since it is adjacent to the current business park by that name.
- Explore grants to fund 58W water project - Status: On-going. Mr. Summerlin said a planning grant from the Health Department has been received for this project.
- Support accreditation of Sheriff's office - Status: On-going, about 18 months to go
- Continue to explore ways to address public safety response times (improve relationships) - Status: On-going. Mr. Summerlin said Public Safety staff is looking at the backup system with Stone Ambulance, which has seen its number of calls increase substantially over the past 10 years. He said Stone is having trouble meeting the standards set by the County in its agreement with Stone to provide backup service, and the company said it isn't

making money from the 9-1-1 calls that are turned over to it. Mr. Wagoner said the task force established by the Martinsville-Henry County rescue squads has met three times, but only the most recent meeting was really productive because it included a facilitator.

- Initiate Comprehensive Plan - Status: No progress. Mr. Summerlin said the Harvest Foundation had indicated a willingness to consider paying for a City comprehensive plan, a County comprehensive plan, and a community comprehensive plan. However, once some preliminary work on those issues was under way, the Foundation chose not to fund the project. Mr. Summerlin said it would cost about \$175,000 to prepare a comprehensive plan that was adequate, and there was no funding for it at this point.
- Complete access road to soccer complex - Status: On-going, soon to be completed.
- Discuss storm water run-off issues - Status: Initial discussions have taken place.
- Resolve Social Services facility issues - Status: unresolved.
- Investigate new shell building opportunity - Status: Under construction.
- Staff two more convenience centers - Status: Complete.
- Explore ways to increase visibility and availability of services to citizens - Status: On-going.
- Increase fund balance - Status: On-going. Mr. Summerlin said that the undesignated funds as of June 30, 2008 dipped slightly from 2007, but that the County had spent \$1 million on its grading allowance to RTI and the County received an anonymous \$500,000 donation for the RTI project that will be credited to the fund effective June 30, 2009.
- Continue to work on promoting better regional cooperation - Status: On-going. Mr. Summerlin pointed out that the County has

entered joint projects with the City of Martinsville (a public transit system) and Pittsylvania County (a water line) within the past 12 months.

- Complete an assessment of the services in Henry County with marketing strategies - Status: No progress.

### **Long-Term Goals From 2008**

- Continue to work on Comprehensive Plan (include industrial site in plan) - Status: No progress.
- Continue to develop ways for County/City to work together to create efficiencies - Status: On-going.
- Explore ways to advertise “reasons to live in Henry County” - Status: No progress.
- Explore ways to increase tourism to the area - Status: On-going.
- Explore ways to preserve the environment - Status: On-going.
- Identify and develop strategies to address post-employment/retirement benefits (OPEB) - Status: On-going, to be discussed in depth later today.
- Continue to promote community pride - Status: On-going.
- Work toward decreasing unemployment and increasing job opportunities - Status: On-going.
- Initiate a specific plan to ensure that we have good development where I-73 comes through the County - Status: No progress.
- Expand the water infrastructure for the Route 58 East corridor - Status: On-going. Mr. Summerlin said the connection on this project should be made by late February.
- Continue to pursue delinquent taxes - Status: On-going.

- Continue to vigorously support, create, and supplement cleaner community efforts - Status: On-going.
- Push for completion of Route 58 improvements (i.e. lobby with the General Assembly, VDOT, etc.) - Status: On-going.
- Continue to support and fully fund the EDC - Status: On-going.
- Continue to work with existing industry to assist with expansions - Status: On-going.
- Continue to support and promote the Airport - Status: On-going.
- Continue to push for I-73 - Status: On-going.
- Continue to work for the improvement of our educational system and facilities - Status: On-going.
- Continue to support NCI and Patrick Henry Community College - Status: On-going.

### **PROPOSED REDUCTIONS IN FY 2009 BUDGET**

Mr. Summerlin briefed the Board on issues with the current fiscal year budget. He said revenue from the first six months was about where he expected it to be, but that final six months probably would not be as productive. He said he anticipated a current year shortfall of \$912,000. That amount was comprised of:

- \$400,000 less interest revenue
- \$200,000 less sales tax revenue
- \$160,000 less utility tax revenue
- \$152,500 less miscellaneous revenue

Mr. Summerlin said he has instructed department managers to turn into him by February 3 budget cuts of 2% in their individual areas. He added that the school system's share of the \$912,000 deficit would be \$428,000, based on the 47% ratio used with the school system in the past. He added that he would suggest that amount be deducted from the school system's requested budget carryover of approximately \$800,000.

## **FY 2009-2010 BUDGET**

Mr. Summerlin said that at this point he anticipates a budget shortfall for FY 2010 to reach \$1,102,323. Of that amount, the school system's share would be \$374,063; the County's share would be \$381,063; and the Constitutional offices' share through the Commonwealth of Virginia budget cuts would be \$346,507. He also made the following budget remarks:

- Budget to reflect no revenue increase from reassessments
- Reduce expenditures to match revenues
- County cannot make up state cuts to Constitutional offices
- Departments to submit needs and a 5% total reduction
- Budget will reflect smaller workforce and service reductions
- School Division will share in revenue reductions
- Position ourselves for FY 2010 and FY 2011
- No one **REALLY** knows where the bottom is in state and local revenues
- Do what it takes to balance the budget

Mr. Summerlin added that the County workforce would most likely be smaller in FY 2010 than it is now, and that as a result citizens would see reduced services. Mr. McMillian said he would prefer to see salary cuts for all employees instead of layoffs. Mrs. Burnette asked if a reduction in hours would be considered, and Mr. Summerlin said that everything would be considered. He added that three long-term budget issues must be considered. They are future jail needs; future school projects; and the development of the two new industrial park properties.

## **DISCUSSION OF GASB 45 ISSUES**

Mr. Summerlin briefed the Board on new accounting standards regarding post-employment benefits. The issue is commonly referred to as "GASB 45." Darrell Jones, Deputy Director of Finance for Henry County, walked the Board through the issues regarding GASB 45. He told the Board that the County essentially subsidizes the health care costs of retirees because all current employees and all retirees pay the same monthly amount for health care, even though the retirees consume more health care than current employees. By providing that subsidy, the County has an implied liability for it. In the past Henry County has been a "pay as you go" on this issue, but new accounting

standards will no longer allow that. The County must determine what the liability is now, what it will be when current employees retire, and fund that over a 30-year period. Mr. Jones said to maintain the coverage as it is now, including maintaining it for retirees 65 and older who are eligible to get Medicare and a private policy, would be \$484,000 a year for 30 years. This would fund the obligation for the County, the Public Service Authority, the Henry-Martinsville Social Services Department, and the Henry County School System, with each entity responsible for its employee-based share of that total. If the post-65 retirees are no longer allowed to be part of the County's health care plan because of those options, the annual payment for all the above entities would be reduced to \$141,000 a year. Any employees currently in this bracket who are taking the County insurance would still have that option; however, any subsequent employees who enter that age bracket would not have the option. Mr. Jones pointed out that the County could choose not to fund the GASB 45 expense at all, but the total cost would be on the County's balance sheet and would represent a significant negative impact to the County's balance sheet and its future efforts to borrow money. Some general discussion of this issue ensued.

Mr. Jones informed the Board that the County could fund this annual expense through contributions to a VACo/VML trust recently established and being used by many localities in the Commonwealth. Joining that trust would save the County the time and expense of setting up its own trust. Mr. Summerlin told the Board that staff recommends that the Board grandfather in all retirees currently participating in the County health care plan and continue to carry them at their option; eliminate the post-65 coverage for all employees from this point forward; and to join the VACo/VML trust. He said the Henry County School Board had already voted to do the same thing that's being recommended to the Board of Supervisors.

On a motion by Mr. Adams and a second by Mrs. Burnette, the Board voted 6-0 to implement the policy as recommended by staff; to join the VACo/VML trust as recommended; to fund the School Board's share of the initial costs out of its requested carryover; to pay the County's share out of the fund balance; and to divide the \$5,000 fee to join the VACo/VML trust fund among the four entities.

On a motion by Mr. Adams and a second by Mrs. Burnette, the Board voted 6-0 to approve the additional appropriation for the County's share of the above costs.

On a motion by Mr. Vaughn and a second by Mr. Adams, the Board voted 6-0 to approve agreements outlining the path forward with the PSA, Social Services, and the School System.

The Board took a break for dinner at 5:15 p.m. and reconvened at 6 p.m. Mr. McMillian left the meeting at this point.

## **GOALS AND OBJECTIVES FOR 2009**

Ms. Akers divided the Board members and some staff members into two groups and asked each to come up with a list of goals for the County. After each group developed its own list, the two lists were combined into one and Board/staff were asked to determine if a goal was a short-term goal or a long-term/continuing goal. The final lists were as follows:

### **Short-Term Goals**

- Strategy for development for ROMA and Bryant properties
- Develop strategy for broadband implementation and funding options
- Position the County to deal with the FY 2011 Budget
- Preserve the County's fund balance
- Secure a new facility for the Social Services department
- Decrease unemployment and increase the number of available jobs
- Continue to pursue the 58 West water project
- Continue to pursue accreditation for the Sheriff's Office
- Continue to address response issues for rescue squads
- Work on stormwater issues and other issues with the South Street Community Development project

### **Long-Term/Continuing Goals**

- Emphasize energy efficiency/green initiatives
- Promote community health care resources
- Address jail needs
- Seek federal money for the completion of Route 58 to Interstate 77
- Work with the Corps of Engineers to improve the flow of water through the Smith River
- Initiate a Comprehensive Plan update
- Work to improve “County pride”
- Work to improve our educational facilities
- Support the Martinsville-Henry County EDC and continue to fund its efforts, and support its tourism initiatives
- Push for Interstate 73 corridor as outlined by the Board in 2008
- Continue to pursue delinquent taxes
- Endorse and participate in regional cooperation
- Endorse and participate in cooperative efforts with City of Martinsville
- Continue to support the New College Institute and Patrick Henry Community College
- Continue to support Blue Ridge Airport

### **CONSIDERATION OF COMMUNITY TOUR**

Mr. Summerlin asked the Board if it would be interested in taking a community tour in May 2009, after staff and Board have finished budget work for FY 2010. The Board was receptive to the idea. Mr. Summerlin suggested stops should include the new shell building; an

agricultural operation; the new County/PSA service center/motor pool in Bassett; sites for the new radio system; the Riverside Drive housing rehabilitation project; and an industry visit.

Mrs. Burnette asked Mr. Wagoner to have the rescue squad task force attend a Board of Supervisors meeting in the near future to update the Board on its work. Mr. Wagoner said he would contact the task force with that request.

There being no further business, on a motion by Mrs. Burnette and a second by Mr. Slaughter, the Board voted 5-0 (Mr. McMillian absent) to adjourn the meeting at 7:23 p.m.