

**HENRY COUNTY BOARD OF SUPERVISORS
MINUTES**

May 25, 2010 – 3:00 pm

The Henry County Board of Supervisors held its regular meeting on April 27, 2010, at 3:00 pm in the Board Meeting Room of the County Administration Building, King's Mountain Road, Collinsville, Virginia. The following Board members were present: Chairman Debra Buchanan; Vice Chairman H. G. Vaughn, Jim Adams, Milton Kendall, and Tommy Slaughter.

Staff members present were Benny Summerlin, County Administrator; Tim Hall, Deputy County Administrator; George Lyle, County Attorney; Michelle Via, Administrative Assistant; Susan Reynolds, Director of Human Resources; Darrell Jones, Director of Finance; and Richard Stanfield, Deputy Director of Finance.

Debbie Hall and Paul Collins of the Martinsville Bulletin, Ron Morris of B-99, and Captain Nelson Thomas and Sgt. Ronnie Minter from the Sheriff's office were present.

INVOCATION AND PLEDGE OF ALLEGIANCE:

Jim Adams gave the invocation and Joe Bryant led in the Pledge of Allegiance.

CALL TO ORDER:

Chairman Buchanan called the meeting to order and welcomed everyone present. She stated that anyone who wishes to be on the Agenda for the Board's regular business meeting held at 3:00 pm must contact the County Administrator's Office seven days prior to a scheduled meeting. Those wishing to speak at the Board's public meeting starting at 6:00 pm may do so under Agenda Item - Matters Presented by the Public without contacting the County Administrator's Office.

ITEMS OF CONSENT:

Confirmation of Minutes of Meetings

(Copy included in Board's File).

- April 27, 2010

Approval of Accounts Payable

(Copy included in Board's File).

Mr. Adams moved that the Items of Consent be adopted as presented, seconded by Mr. Vaughn. The motion carried 6 to 0.

MATTERS PRESENTED BY THE PUBLIC – MIKE SEIDLE

Mike Seidle thanked the Board for the time to speak and commended staff on the budget. Mr. Seidle stated that when you (referring to the Board) were elected, you became employees of the citizens and with that came the responsibility of looking after their interests. Mr. Seidle stated that economic development is not being looked after by you. He said he was concerned that supervisors have limited, if any, oversight over the EDC, and that the EDC staff does not “answer to you people.” Mr. Seidle compared the EDC to the Southern Virginia Partnership that was dissolved because it did not work. Mr. Seidle questioned why companies moved to other areas, for example, Phoenix Packaging went to Pulaski where the unemployment rate is 12.6 percent. “The EDC does not appear to be doing anything,” Seidle said, and asked the board to reconsider its appropriation to the agency.

MATTERS PRESENTED BY THE PUBLIC – TYLER MILLNER

Tyler Millner addressed the Board and stated that he too was concerned about the EDC. Mr. Millner stated that he has been attempting to give some voice to citizens of the community for the past 18 years. Mr. Millner stated the problem is “the powers that be” have little or no interest in the community and not enough respect for the citizens who pay the bills. Mr. Millner stated that he hopes going forward there will always be a place for citizens. Mr. Millner stated that he tried to obtain information on today’s meeting but was told that he must pay an outstanding bill first. Mr. Millner asked why he should have to pay for information when he is a taxpaying citizen. Mr. Millner asked the Board if they paid for information. Mr. Millner again addressed economic development and requested the Board to look at minority businesses as a way to re-energize the economy. Mr. Millner stated that the church is one of the largest economies in the community and that a lot of money is put into the community because of churches. Mr. Millner said that he had requested the EDC to bring in a consultant as to how the churches could partner with the community. Mr. Millner stated that he would like to see a community roundtable to get input on how to create jobs. Lastly, Mr. Millner asked why there were no human services offered when Stanley Furniture announced its closing of manufacturing facilities in Stanleytown.

PRESENTATION BY REPRESENTATIVES OF THE COMMUNITY STOREHOUSE

Travis Adkins, Assistant Director of the Community Storehouse, was present to give the Board an update on the Food for Kids program. Mr. Adkins explained that the program provides backpacks of food to impoverished children to utilize on weekends and holidays when they are not in school. Mr. Adkins stated that the program reached a milestone last month with its 1000th referral. Mr. Adkins also reported that since the program’s inception, the schools have reported increased attendance rates for participants, improved academic performance, decreased behavior problems, better health and self-esteem; and reports from parents and students of decreased stress and worry. Mr. Adkins said they are very proud of the program’s progress and also reported that they had been awarded a \$25,000 grant from the Walmart State Giving Program. Mr. Adkins thanked the Board for their letter of support during the application process. Mr. Adkins said the grant would be earmarked for children next year who were actually on a waiting list this year. (A Copy of Handout in Board’s File)

APPROPRIATION OF THE FY 2010-11 COUNTY BUDGET

Mr. Summerlin stated that the Board of Supervisors, at its April 27, 2010 meeting, adopted the FY 2011 total County Budget, which included setting of tax rates and adoption of the School Budget. Mr. Summerlin said the final step in completing the budget process is appropriating the budget. No County funds can be expended or obligated until an appropriation has been made. Mr. Summerlin stated there is a draft Appropriations Resolution included in the Board's working papers for consideration.

Mr. Vaughn moved that the Board adopt the Appropriations Resolution and attachments as presented, seconded by Mr. Kendall. The motion carried 6 to 0, but Ms. Buchanan said her vote was with reservation based on funding to the Economic Development Corporation, but she would address that at a later date.

CONSIDERATION OF EXTENSION OF TRANSITIONAL DAY PROGRAM CONTRACT AND PROPOSED FY 2011 BUDGET

Mr. Summerlin stated that Henry County, the County's Community Policy and Management Team (CPMT) and Henry County Schools are charged with providing an educational program specifically designed to address the needs of certain special education students. It is recommended that ANCHOR continue to run the program for the 2010-2011 academic year under the name ANCHOR Transitional Day Program. The program is run cooperatively by the school system and CPMT, with the administrative costs being borne by CPMT and the costs of two teachers and two paraprofessionals being borne by the school system. The program would again be on site at ANCHOR. The proposed budget for '11 is \$105,893, which is included in the CPMT budget for next year and is the same amount budgeted for the past two years. Henry County is a party to the annual contract and must approve its extension with ANCHOR. The extension already has been approved by the CPMT and will be addressed by the School Board at its June meeting.

Mr. Adams moved to extend the contract with ANCHOR in the amount of \$105,893 to run the Transitional Day Program for the 2010-11 academic year, contingent on similar approval by the Henry County School Board, seconded by Mr. Bryant and approved 6 to 0.

FINANCIAL MATTERS:

Additional Appropriation re: "Four-For-Life" Funds – Public Safety

Mr. Summerlin stated that Dale Wagoner is requesting that the Board approve the additional appropriation for the annual "Four-For-Life" allocation from the Commonwealth to the local rescue squads. This is a pass-through allocation for the purchase of equipment, supplies, and training. The money is derived from a fee charged on each vehicle registered in Henry County. This year's total is \$50,130.66. Mr. Wagoner is recommending that each of the five County squads receive \$8,206 and that \$5,000 be allocated to initiate the "Central Supply" system to be managed by Public Safety.

Mr. Kendall moved to accept the additional appropriation as requested, seconded by Mr. Slaughter and carried 6 to 0.

Additional Appropriation re: EMS Training Funds – Public Safety

Mr. Summerlin stated that Dale Wagoner is requesting that the Board approve the additional appropriation of \$5,144 from the Virginia Office of Emergency Medical Services for reimbursement of EMS training-related expenses. There is no match required or restrictions placed on the money. Mr. Wagoner indicates the department would use the money to purchase a variety of EMS equipment and to reimburse part-time lab assistants and instructors for teaching EMS courses.

Mr. Kendall moved to accept the additional appropriation as requested, seconded by Mr. Slaughter. The motion carried 6 to 0.

Additional Appropriation re: Fresh Fruit and Vegetable Program – School Board

Mr. Summerlin stated that School Superintendent Anthony Jackson is asking the Board to approve an additional appropriation of \$75,150 for the U.S. Department of Agriculture's Fresh Fruit and Vegetable Program. The school system is participating in this program this year at Campbell Court, Carver and Rich Acres elementary schools, and needs to move funds from several categories into the appropriate category for payment. The School Board has already approved this request.

Mr. Adams asked what the selection criteria was for the program. Ms. Marci Lexa, Director of School Nutrition Programs for Henry County Schools stated that the school must be above 50% free and reduced lunch this past year and must be willing to give nutrition education. Ms. Lexa stated they were applying for five schools this year.

Mr. Adams moved to accept the additional appropriation as outlined, seconded by Mr. Vaughn and carried 6 to 0.

Award of Contract re: Renovations to the DuPont Guardhouse

Mr. Summerlin stated that the County is contracted to provide maintenance operations at the DuPont site and actually makes a profit providing this service. Mr. Summerlin stated that DuPont has entered into an agreement with the Department of Motor Vehicles to provide space for a driver certification program. This new venture requires some renovations to the DuPont guardhouse on DuPont Road. Bids for the project were issued and the low bid came from Daniel & Company, Inc. of Richmond in the amount of \$49,500. This project is paid for solely by DuPont and the County is simply the conduit under the operations of the maintenance contract.

Mr. Kendall moved to approve the award of contract to Daniel & Company in the amount of \$49,500, seconded by Mr. Adams. The motion carried 6 to 0.

Award of Contract re: Painting of Historic Henry County Courthouse

Mr. Summerlin stated that as part of the ongoing renovations to the Historic Henry County Courthouse, painting of the interior is needed. Bids were solicited and two were received. The low bid was from Custer's Custom Painting of Roanoke in the amount of \$15,600. Grant funds from the Harvest Foundation and Save America's Treasures grant are being used to fund this item. No local funds are involved.

Mr. Bryant moved to approve the award of contract to Custer's Custom Painting in the amount of \$15,600 as requested, seconded by Mr. Slaughter and carried 6 to 0.

Acceptance and Additional Appropriation of Energy Efficiency and Conservation Block Grants

Mr. Summerlin stated that as part of the American Recovery and Reinvestment Act (ARRA), funding is available for energy projects at the state and local level. Henry County already has received one such grant in the amount of \$44,000 for an energy education program. The County sought additional grants, and has been awarded \$275,998 for a lighting retrofit program for the Henry County Courthouse, the Administration Building, the Sheriff's Office, and the Henry County Jail. The County also received a grant for \$460,000 for the installation of a solar-thermal hot water heating system for the jail. Each of these grants requires a local match of \$50,000, which has already been appropriated by the Board. The money for these initiatives would come through the Virginia Department of Mines, Minerals, and Energy as grants from the Virginia Energy Efficiency and Conservation Block Grant Program. The Board is asked to adopt the attached resolution indicating its acceptance of the grants.

Mr. Adams moved to adopt the resolution and accept the grants as outlined, seconded by Mr. Kendall. The motion carried 6 to 0.

INFORMATIONAL ITEMS:

Comments from the Board

Mr. Vaughn stated that the request for VDOT to take down the no U-turn signs at the intersection of Industrial Drive and 220 has been done. Mr. Vaughn reported that a ribbon cutting was held Saturday officially opening the Ridgeway Bridge. Mr. Vaughn reminded everyone that the Whelen 200 modified race will be in town June 6 and hopefully 20,000-30,000 visitors will be in town.

Mr. Summerlin stated that staff finally received a response back from the City concerning the disposition of the old social services facility. Working with the City, they put together an RFP to solicit proposals for the disposition of the old facility disposition until August 2. It was advertised in the newspaper and sent to everyone they thought may have an interest. If anyone is interested, they can contact our Purchasing Department to receive a copy of the RFP. Once we receive the proposals, it will be up to Board and City Council on how to proceed. Ms. Buchanan asked if there was any outside marketing done. Mr. Summerlin said it was advertised in the

Martinsville Bulletin and they directly solicited interested groups. Mr. Summerlin said if we do not receive a response that the Board feels is adequate, we can re-solicit.

Mr. Summerlin stated that staff and Mr. Jackson were recently made aware of a Qualified School Construction Bond Program in which you can actually get bond money at less than 0% interest because you hold the payment and generate interest. In looking at the schools' long term needs, County and School staff will be meeting to see if it is an appropriate funding option for consideration. The schools have a lot of capital projects and maintenance needs and this looks like a good opportunity to address some of those needs.

Mr. Summerlin stated that the Southern Virginia Recreation Authority is making good strides and recently hired a new maintenance person. The Authority however does not have a truck for maintenance needs. The County has loaned them an old dog warden truck and we would like to request permission to donate the truck to the Authority and it would go on their insurance. Mr. Adams asked what the typical bid would bring at the surplus auction and Mr. Summerlin said probably around \$2,000. Mr. Adams moved to donate the vehicle to the Recreation Authority, seconded by Mr. Kendall and carried 6 to 0.

Mr. Summerlin said staff is aware of a federal program that can assist with the purchase of police cars. Mr. Summerlin stated that we usually purchase 16 annually, but due to budget constraints, we have had to cut back over the past couple of years. Mr. Summerlin said we applied using the funds that we already have in the budget for eight cars because it is a match requirement. It is currently on the West Piedmont Planning District Commission for an A95 review. If approved and we receive the full grant, we can buy 14 instead of eight.

Mr. Summerlin reported that we have a monthly conference call with VDOT concerning I-73 on the status of the environmental document studying the County's request for an alternative route. Mr. Summerlin said those folks are coming to Henry County on June 8 and will be bringing a consultant for a kick-off meeting. Mr. Summerlin said we are pleased to see the process is moving along.

Mr. Summerlin reported on the changes to the Assign-a-Highway program that was dissolved in April. He said we now have a joint program between the County and the City that is working out extremely well. Mr. Summerlin requested Mike Amos to come and speak to the Board about the new program. Mr. Amos stated that they kicked off on May 4. At the time, the City had not hired anyone to oversee the trustees, so Roy Prillaman with the City Sheriff's office took them out the first week. Mr. Amos said he did an outstanding job supervising the crew and they worked at the motor pool on Tuesday and Thursday. Mr. Tom Hayzlett was hired the following week to oversee the program. As of today, Mr. Amos reported the trustees had worked 59.5 hours on road pick-up and collected 221 bags of trash; and 18 hours at the Service Center. Mr. Amos stated that he will put calls on a list and rotate to the different areas. Mr. Vaughn requested Mr. Amos to concentrate on Route 220 on race weekends. Mr. Bryant said citizens need to know that it's their responsibility also. Mr. Summerlin said this is not the solution, just part of the solution. Ms. Buchanan said the court needs to get on board with the enforcement of litter violations. Mr. Kendall stated that much of the

trash blows from the back of trucks. Mr. Amos stated that there is an ordinance that trucks must be covered and trash is also supposed to be secured in bags. Mr. Amos said litter is a big problem everywhere. Mr. Adams commended Mr. Amos and his staff for cleaning up a tire dump site on a dead end street in a residential area. The Board thanked Mr. Amos for his report.

Mr. Vaughn apologized to the Board for not putting this on the agenda, but it took a while to get all of the information together. He said that several years ago, there was a surplus in the contingency fund, so they allocated \$30,000 to be used for dilapidated and unsafe dwellings. The money was divided equally among the six districts. Mr. Vaughn said he had a house in his district that had burned and was located on Route 220 at the intersection of the bypass. Due to issues of bankruptcy, we could not force the owner to do anything. The County spent \$8,000 to have the house torn down, but they were able to recoup the money because the property was auctioned. Mr. Vaughn was under the impression that the money would go back into the same fund, not the general fund. Ms. Buchanan asked if there was any new money included in the budget. Mr. Summerlin stated there were no new funds included, but \$16,000 was carried over. Mr. Slaughter said he had asked about this before and it did not make sense to him why the money would not go back into the same fund. Mr. Summerlin stated the problem is that the money usually takes a long period of time to recover. Mr. Vaughn said he would like to see the money re-appropriated to that fund. Mr. Adams asked if it could be taken from the contingency. Mr. Summerlin discussed funds that would be coming from properties sold in the amount of \$30,000. Mr. Lyle stated that he was not sure if the money had been received yet, but it would be like found money. Mr. Lyle also stated that it would be very unusual for the property to sell for enough to recoup the cost of demolition and disposal. Mr. Vaughn stated that burn structures are unsafe and if a person is paying their property taxes, there is no potential to sell and not a lot you can do. Mr. Summerlin recommended taking \$30,000 from the fund balance and replacing it when we receive the money from the sale of the properties. Mr. Adams moved to transfer the \$30,000 and replace it when we receive the money from the sale of the properties, seconded by Mr. Vaughn. The motion carried 6 to 0.

CLOSED MEETING:

Jim Adams moved that the Board go into a closed meeting at 3:55 pm, seconded by Tommy Slaughter and unanimously carried to discuss the following.

- 1) §2.2-3711(A)1 for Discussion of Appointees to the Parks and Recreation Board, Henry-Martinsville Social Services Board, Patrick Henry Community College Board, and Piedmont Regional Community Services Board.
- 2) §2.2-3711(A)7 for Consultation with the County Attorney re: Pending Legal Matters.
- 3) §2.2-3711(A)3 for Consultation with the County Attorney re: Acquisition/Disposal of Real Estate.
- 4) §2.2-3711(A)5 for Consultation with the County Attorney re: Discussion of As-Yet Unannounced Industries.

OPEN MEETING:

The Board returned to an open meeting at 5:02 pm on a motion by Joe Bryant, second by Milton Kendall and unanimously carried.

CERTIFICATION OF CLOSED MEETING:

Mr. Hall read the Certification of the Closed Meeting and took a roll call vote. Those voting in the affirmative were Mr. Slaughter, Mr. Bryant, Mr. Kendall, Mr. Adams, Mr. Vaughn and Ms. Buchanan.

APPOINTMENTS:

Parks and Recreation Board – Mr. Slaughter moved to reappoint Scott Gaudin representing the Horsepasture District and DeWitt House, At-large, to four-year terms beginning July 1, 2010, seconded by Mr. Adams and carried 6 to 0.

Patrick Henry Community College Board – Mr. Kendall moved to reappoint Ben Gravely and Lillian Holland; appoint Willie Martin and Elaine Ryder to four-year terms beginning July 1, 2010; and appoint Marco Manriquez to fill an unexpired term ending June 30, 2012, seconded by Mr. Slaughter. The motion carried 6 to 0.

Piedmont Regional Community Services Board – Mr. Bryant moved to reappoint Fred Spencer and appoint Dr. Paulette Simington to three-year terms beginning July 1, 2010, seconded by Mr. Slaughter and carried 6 to 0.

Mr. Vaughn moved that the Board authorize the County Attorney to take the necessary action to transfer the old Henry County Courthouse to the Martinsville-Henry County Historical Society, seconded by Mr. Slaughter. The motion carried 6 to 0.

Mr. Bryant moved that the Board accept the CP Films easement for canoe access, seconded by Mr. Slaughter and carried 6 to 0.

DISCUSSION OF ECONOMIC DEVELOPMENT ISSUES

Ms. Buchanan stated that in speaking with a number of the supervisors, they determined it would be a good idea to have a meeting to discuss the Economic Development Corporation. Ms. Buchanan said they understand that the economic downturn is a big concern to everyone. Ms. Buchanan turned it over to Mark Heath for a PowerPoint presentation and question and answer session. (A Copy of Presentation in Board's File)

Mr. Heath thanked the Board for the opportunity to come and speak publicly about the types of things they discuss monthly in closed session and what is discussed monthly with the EDC Board of Directors in open session. Mr. Heath said he thinks the presentation will address several questions about our program and what we do. Afterwards, we will try to answer any questions you may still have.

Mr. Heath said we have been in a downward slide since 1990 with 17,867 total jobs lost, 74% of those in manufacturing. These job losses are due to many things-- offshoring, automation, and globalization of the economy. Mr. Heath stated that while these statistics pre-date the EDC, it is important for everyone to understand what we are dealing with when trying to recruit. Interesting though, the population of Martinsville and Henry County has only decreased 4.9% during this same period which tells us what kind of employment center this area was in the past. The area has transitioned from a net importer of labor to a net exporter. Consequently, one reason the unemployment rate is so high is not really an indication of the health of our economy. If someone loses their job in Danville or Rockingham County but lives in Martinsville and Henry County, our unemployment rate goes up. Employment is figured based on where the jobs are; unemployment is figured based on where you live.

Mr. Heath stated that product development is an essential part of our program and commended the County, the City and all funding partners for understanding this and buying into that fact. We need quality manufacturing buildings and quality sites. RTI did not happen overnight. The RTI building was our first shell building and it brought us \$100M in tax base and when completed, RTI will be the largest taxpayer Henry County has ever had, and the largest gas and electric user. Mr. Heath stated that the second shell building, Lot 10, in the Patriot Centre, has generated 15 projects to date that we have worked on and have come to Martinsville and Henry County because of that building. Mr. Heath noted the number of jobs for the projects. These numbers are representative of the types of projects we see today. You do not see 1,000 job employers anymore. The potential with this shell building is already 2,000 jobs and \$572M in investments. Mr. Heath said Commonwealth Crossing may be even more important. We feel it will be the lifeblood of this community and a centerpiece of our marketing strategy going forward and we must find a way to bring this site online. The County has already done a great job. There has been about \$7M in investment and a lot of resources put into this site and we need \$20M to grade it. Listed are eight projects that would have never considered us without this site. You can see why we have stressed the need for a large pad, rail-served industrial park. Again, Mr. Heath noted the number of jobs. Today you see a higher capital investment and lower job numbers because of automation. Mr. Heath said he could not guarantee any of these projects would have materialized, but they would not have considered us without these sites. Mainstream was an automotive manufacturing project from Austria. We worked on that project for over a year. They were going to manufacture a product for Ford and when the economy bottomed out, Ford pulled the plug.

Mr. Heath highlighted on the marketing program over the last year. The EDC worked 56 projects and generated 24 site visits to Martinsville and Henry County. We conducted 86 existing industry visits over the past year resulting in 421 new jobs created and \$7.65M in capital investments thru expansions at Drake Extrusion, Monogram Meat Snacks, Faneuil, and other small business. We had three consulting firms come in to analyze our marketing material, electronic media, newsletter, existing industries, etc. to better position ourselves. In March, one of the foremost food consultants in the world came in to evaluate the area. Leigh Cockram and Spencer Johnson have been working extensively to certify Lot 4 in the Patriot Centre as a Food Certified Site which will help tremendously in our marketing efforts. The EDC continues to market via the new website, quarterly newsletters, quarterly direct mailings and working with State and Federal representatives. A new initiative to boost marketing will include a \$600,000 partnership with the VEDP to help market southern Virginia. Mr. Heath explained on a different note that we have no control as to how funds are allocated from the Tobacco Commission. Martinsville does not receive any funding and Henry County only

receives \$113,00 compared to areas like Danville and Pittsylvania County who receive in excess of \$3.8M that can go directly into their site development.

Mr. Heath addressed some deals that were lost and why. Phoenix Packaging was a project uncovered by Leigh Cockram last year on a marketing trip to Chicago. Phoenix was not interested in looking at Virginia at all. They were interested in Tennessee. Once we got them here, they liked our shell building and we put together a \$4.3M deal together, but we came up about \$2.5M short. When Phoenix went to Pulaski, they received 15 years free taxes, a manufacturing facility for \$2.00/sq. ft., and the Governor's Opportunity Fund. We discussed this project in depth and looked at what we had on the table, the return on investment and the jobs, and it did not make sense to offer more on this project. Sometimes there are things you cannot overcome. Going forward, the question is do we want to get into the business of buying jobs; if so, there is a price to pay. Yahoo did not work out for several reasons, one obstacle being climate and the biggest issue was the \$100M in power concessions they received in New York. We lost Project Hose to Stoneville due to a \$150,000 difference in power costs between Duke and Appalachian. Project Anvil is a metal manufacturer out of New York that is on hold due to concerns regarding Cap and Trade legislation. Project Clean is a current project, but in order to make the deal work, we must come up with \$3M to buy down a lease for three years in a privately-owned building. This project is not one that the EDC, the County, City or other partners feel is justified.

Mr. Heath stated that since 2004, the EDC has assisted with a total capital investment in our community of \$206.1M and created 2,682 jobs. The EDC receives its funding from Henry County, the City of Martinsville, Harvest Foundation, and C-PEG with total funding for FY 2010 at \$1,830,000. Without this type of funding, we would not be able to do the things we do. If you look at marketing/recruiting, product development, and tourism, you will notice those line items have increased since 2007. These are the areas where we feel the emphasis needs to be. Our personnel costs run about 40-42% compared to 65% for similar organizations. To understand how these funds work for Martinsville and Henry County, within product development, we fund architectural design work and interest on the shell buildings, pay the real estate fees when buildings sale, supported the master planning for the Bryant Properties and Commonwealth Crossing and have been contributing \$200,000 per year to the debt service for Commonwealth Crossing. When you look at the net cost to Henry County after what the EDC pays out for product development, you are only looking at about \$800,000 for FY 2007-'10. We believe that is one of the best investments we have made. Mr. Heath also noted that if you look at the cost of the shell building in 2008, it was only \$113,011. The EDC brought an additional \$633,000 thru two private anonymous donations to the County to buy down the cost of the shell building to help bring RTI here. If you accrue that money, the bottom line for the County is really only \$160,000. These are the kinds of things the EDC has been doing to try to build a platform we can be successful off of. We are not happy where we are and we have conversations daily about what we need to be doing better, what projects we can undertake, etc. We feel we are producing results. Mr. Heath stated that concludes his presentation.

Ms. Buchanan thanked Mr. Heath for his presentation. She told Mr. Heath that residents have concerns about job growth and also the amount of funding provided to the EDC. She said she would like to see the information provided today made available on a monthly basis. The public needs to know about potential prospects and jobs without divulging any names. Ms. Buchanan said the EDC "works under a cloud of secrecy." Mr. Heath said

that he would like to say publicly that we discuss this information monthly in closed session with the Board and also in open session with the EDC Board, which meets the third Thursday of every month at 8:00 a.m. and the public is welcome to attend. Ms. Buchanan asked about the retail segment here in this area. Mr. Heath said we have had several initiatives in that area, but with a combined population in the city and county of only around 70,000, we do not have the demographics to support retail businesses. Mr. Heath said most retailers require a population of at least 100,000. Ms. Buchanan asked if bonuses and salary increases were included in the EDC's proposed budget for 2011. Mr. Heath said it is included in the budget every year and the EDC Board agreed we were going to hold the line on salaries. Mr. Heath said it included three things, a cost of living increase because we did not receive one last year, performance bonuses and one salary adjustment, not for everyone, but for staff we feel went above and beyond the call of duty. Mr. Heath said even in difficult times, he feels it is more important that we maintain the quality staff we have. Ms. Buchanan said there are a lot of people in this area who feel they are going above and beyond too and you must also understand that you are making a fair wage. These are the kinds of questions we are asked by the public. Ms. Buchanan asked about the increase in the lease costs. Mr. Heath said the first three years were rent-free because the agreement was that the EDC would pay for the renovation of the space in lieu of rent and the three years have expired. Ms. Buchanan asked about the increase in the line item for external travel. Mr. Heath said that is correct, but we really do not know where our budget will end up. He said where we are cutting next year to make ends meet is internal; we are not cutting external, that's where we generate the most leads.

Mr. Bryant said Ms. Buchanan had hit on most of the highlights. He echoed Ms. Buchanan's thoughts that the EDC acts like a "secret organization." Mr. Bryant also commented about the salaries and stated that people want to see results for what you are paid. He compared it to a business man whose business is not doing well; he would have to make cuts. Mr. Bryant said the silence of the EDC leads to speculation. He said the EDC needs to come out and present itself to the public, not so much information that would jeopardize prospects, but enough to let people know what you are doing. Mr. Bryant too inquired about the bonuses and if Mr. Heath received one. Mr. Heath said that he did receive a bonus the current year at the direction of the Board of Directors. Mr. Bryant said there were a few things that he had discussed with Jennifer Doss about doing some research but he would address that at a later date.

Mr. Kendall said he has some deep concerns about County, City and Harvest money and people have a lot of questions. He said he realizes it is a difficult time but encouraged the EDC to do all they can. Mr. Heath said they are not satisfied with their results; it will never be enough and we are open to suggestions. Mr. Kendall said the Board must be very mindful of the money we spend to attract business because we do not want to put the community in worse shape than it already is.

Mr. Slaughter said most of his questions had already been addressed. He said one of the big questions and hardest to explain to people is the retail sector and why Danville is able to attract and obtain more economic opportunities. Mr. Heath said Danville has a larger population, a gas and electric enterprise fund that generates about \$10M per year for infrastructure development, and higher Tobacco funding as mentioned before. Mr. Heath said Mr. Summerlin is doing an excellent job soliciting the EDA for money and working on Tobacco funds as well. Mr. Slaughter said one of our problems is the drug situation. Mr.

Heath said he thinks that Danville's situation is just as bad if not worse than ours. Mr. Heath said drugs, background checks and education are some of the things we are up against.

Mr. Adams said that improving the skill set in the area of education was on his list as well. Mr. Adams said he participated in a couple of initiatives in which the EDC was involved in the past year, the expansion of Monogram Foods and a federal procurement workshop. He asked how much general participation there is in the small and minority business workshops. Mr. Heath said that Lisa Wilson runs this division and last year she did 15 educational workshops with 461 people attending. Mr. Adams said he fully supports the tourism effort and inquired about how many areas outside of our region are being reached thru publications. Mr. Heath noted the amount of money that is being contributed to tourism and said all of the information is placed at the visitor centers and they thought it was being distributed to the rest stops along the interstates also; however it was not and that has been corrected. Mr. Heath said they advertise thru the Virginia Tourism Corporation and one of the things that Jennifer Doss is doing an excellent job in is working with partner agencies like DRBA, Parks and Recreation, the Trails Group, etc. to promote what our area has to offer. Mr. Heath said Jennifer works closely with local hotel and restaurant groups and actually takes employees out to tour the area so they know what we have to offer when visitors ask. Mr. Heath said they are amazed at how many attractions residents are not aware of in our area. Mr. Adams said he had been asked if we would entertain the idea of a correctional facility on a larger scale. Mr. Heath said that is a decision that the Board would have to make, stating that correctional facilities are a real economic generator and although they have never had the opportunity to work a project of that nature, they would work it like any other project, but would defer that decision to the County and City elected officials.

Mr. Vaughn again addressed retail business. He said the EDC is going to have to work more with private developers. Years ago, we grew because we had a lot of local developers who invested in the community. He said we are going to have to revert back to this practice because we do not have the money that many larger cities have to offer. Mr. Vaughn said he had already discussed the salary increases with one member of the Board of Directors and he appreciates Mr. Heath standing up for his staff; however, he stated there are good people who work for the Sheriff's office, school system, and county government who will not receive raises this year and he asks the EDC Board of Directors to look at the results and circumstances and determine if raises are justified in the coming year. Mr. Heath stated that the Board has already made the decision not to give raises next year. Mr. Vaughn said he will always look at our return on investment and will always expect results regardless.

Ms. Buchanan requested that Mr. Heath provide the following information monthly, whether personally at the 3:00 meeting or to be included in the Board's working papers: monthly report presented to the EDC Board; information about the number of contacts without any identifying information; contacts with existing industry in regards to expansion; and contacts, either direct or indirect; salary information, including any bonuses given last year, the number of employees, and job descriptions and if anything has changed since the last report; and upcoming budget. Mr. Heath said he would forward the request for salary and budget information to the EDC Board.

MATTERS PRESENTED BY THE PUBLIC:

Ms. Mary Martin, Ridgeway District, commended the Board for asking questions of the EDC that citizens have wanted to know for some time. Ms. Martin also commented on several other issues, including the amount of money spent on rent, salaries, bonuses, trips and entertaining prospective businesses. Ms. Martin stated that she has always felt tourism should fall under the Chamber of Commerce and that bonuses should be based on performance. Ms. Martin thanked the Board and said she looks forward to the next report.

GENERAL HIGHWAY MATTERS:

Ms. Lisa Hughes, Residency Administrator for the Virginia Department of Transportation, was present to discuss General Highway Matters with the Board.

- Ms. Hughes reported that the no U-turn signs on Route 220 business have been removed.
- Carver Road Intersection – meeting scheduled June 7 to finalize application for safety funds
- VDOT has started its summer mowing to reduced standards. Mr. Bryant asked about volunteers and Ms. Hughes said individuals could obtain a permit to assist with mowing.
- Route 655 – will be replacing a sunken pipe at the request of Mr. Slaughter
- Mr. Kendall requested a speed study on Route 620 in the Carlisle School area to possibly lower the speed limit. Ms. Hughes said she would look into the matter and get back to the Board.
- Ms. Hughes said the Route 682 sign should have been taken care of at the request of Mr. Slaughter.
- Mr. Vaughn asked about the delay in paving on Route 220S. Ms. Hughes said the delay is due to so many driveways, turn lanes and crossovers.
- Ms. Buchanan requested that overgrown trees at the corner of Horsepasture Price Road and JS Holland be addressed.

Request for “Watch for Children” Sign on Patrick Henry Avenue in the Iriswood District

Supervisor Kendall moved to place a “Watch for Children” sign on Patrick Henry Avenue in the Iriswood District, seconded by Mr. Adams and carried 6 to 0.

Ms. Buchanan recognized Ms. Joyce Staples who teaches at The New College and her group of students who are future teachers. Ms. Staples said she has the students attend a city and county meeting to help them better understand local government.

There being no further business to discuss Jim Adams moved to adjourn at 6:24 pm, second by Joe Bryant and unanimously carried.