

**HENRY COUNTY BOARD OF SUPERVISORS
MINUTES**

April 6, 2010 – 5:00 pm

The Henry County Board of Supervisors held a meeting on April 6, 2010, at 5:00 pm in the Fourth Floor Conference Room of the County Administration Building, King's Mountain Road, Collinsville, Virginia. The purpose of the meeting was to present the FY '10-'11 County Budget. The following Board members were present: Chairman Debra Buchanan, Vice Chairman H. G. Vaughn; Jim Adams, Milton Kendall, Joe Bryant and Tommy Slaughter.

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

Debbie Hall of the Martinsville Bulletin was present. Also present were Sheriff Lane Perry, Major Steve Eanes and Lieutenant Nelson Thomas.

Chairman Buchanan called the meeting to order and welcomed everyone present. She stated this is a continuation from the Board's March 23, 2010 meeting. The meeting was then turned over to Mr. Summerlin for presentation of the FY '10-'11 Proposed County Budget.

Mr. Summerlin then gave an overview of the Discussion and Analysis for Fiscal Year -2010-2011 Proposed Operating Budget for the County of Henry and Capital Improvements Plan as outlined below:

In budgets past, when circumstances were different and the world seemed a better place, the cover and the narrative of the County Administrator's Budget Discussion and Analysis featured dazzling comments and pretty pictures.

As you saw on the front of this folder, there is no such approach this year. No movie quotes or tidbits of philosophy. No characters or theme-driven snapshots.

This year you will be asked to approve a budget that does nothing to move Henry County forward. It could be argued – convincingly – that this budget puts us in reverse.

Our public school system's funding is cut. Our law enforcement budget is cut. Our economic development budget is cut. Our public safety budget is cut. Our unemployment rate continues its double-digit presence, thanks to an economy that sputters like a car missing a cylinder.

How do we go forward when all it seems we do is go backward? Progress is difficult when we struggle to provide the basics of education, public safety, and economic development. When we can't fully provide for those areas, what chance do we have to prosper?

In FY 2010-11 needs will go unmet and services will be reduced. Outside agencies will suffer. Our employees will be asked, again, to do more with less.

That is the hand which we have been dealt, and we will manage it as best we can. We will hope that next year will be better, but we say that every year, don't we?

FY 2009-2010 Highlights

Even with the problems that FY 2009 brought us, we still accomplished many goals. Some of the highlights:

- Monogram Foods – previously known as Knauss Snack Foods – announced a \$3 million expansion and hired 120 additional workers. Monogram/Knauss has been a community giant since coming to Henry County in 2002, and it continues to quietly sink its roots deeper into Henry County.
- CPFilms brought a new production line onboard and plans to hire more than 20 additional personnel to run it. This is an indication of CPFilms' commitment to Henry County, and we are pleased that this market leader chose to expand here.
- Drake Extrusion announced plans to spend \$1.25 million and hire 25 additional employees for its Henry County site. Drake, under the leadership of John Parkinson, is another "quiet giant" in Henry County and we are thrilled to have the company with us.
- Master Plans were completed on the Bryant property adjacent to the Patriot Centre and on the ROMA property near the North Carolina line. The ROMA property was renamed Commonwealth Crossing Business Centre and is being actively marketed to prospects. The Board of Supervisors and County staff worked to secure \$800,000 in congressional earmarks and \$1.7 million in Tobacco Commission grants toward the extension of public utilities to the site. We are awaiting word from the Economic Development Administration on whether our request for \$1.7 million will be approved. That money is needed to match and secure the Tobacco Commission grant.
- The Board of Supervisors welcomed two new members in Milton Kendall from the Iriswood District and Joe Bryant from the Collinsville District. These two newcomers quickly assimilated themselves into the Board's work and they have been gracious and open to staff. We look forward to working with them and the entire Board over the next year.
- The School Board hired Anthony Jackson to be the new School Superintendent, and County staff has been extremely impressed with Mr. Jackson's management approach and accessibility. The working relationship between the School Board staff and the County staff is as good as it's ever been, and we look forward to working together on many issues this year.
- The Board of Supervisors and the School Board both endorsed a resolution in favor of school merger and/or consolidation talks with the City of Martinsville school division. County staff stands ready to work with both school divisions in any way needed during this process.

- The School Board declared the former Ridgeway Elementary School to be surplus property and returned it to the Board of Supervisors. The Board took public input on what to do with the facility.
- The School Board and the Board of Supervisors worked together to secure Recovery Zone bonds to pay for \$2 million in repairs and upgrades at Magna Vista High School and Laurel Park Middle School.
- The new Henry County Service Center opened, and it has proven to be a great facility for many County and PSA departments. FY '11 will bring the School Board's maintenance department into the facility as well, allowing us to be even more efficient.
- The long, crazy path to move Henry-Martinsville Social Services into an adequate facility ended successfully with the move to the former Athena building. The employees and clients of the department are thrilled with the new office, and the community has embraced it too. The arduous journey ended successfully, just as we felt it would. In addition, the renovations were done on time and under budget.
- Our next dilemma will be the Henry-Martinsville Health Department facility. Henry County and Martinsville spent \$96,598 to replace the building's roof. The Health Department will repay that money to the localities over FY '10 and FY '11 through an adjustment to its operational agreement with the City and County.
- The Smith River Sports Complex opened with a huge event last August, and since then has hosted several large tournaments. Staff wants to see the Complex used more frequently, but so does the entire community. The Board of Supervisors has some scratch in this game, through its original donation of the land and through its four appointees to the Southern Virginia Recreation Facilities Authority Board of Directors. The Board of Supervisors should expect greater return from its investment.
- The Sports Complex is the site of one of our two newest river access points. Another one at Mitchell Bridge also was opened this year. Creating access to the Smith River, and using the residual revenue that comes from our visitors, is essential to the future of Henry County.
- One such event that staff hopes will grow was the Smith River Fest, hosted by our Parks and Recreation department in conjunction with Franklin County and the Dan River Basin Association. This event was quickly put together last fall, yet drew hundreds of visitors and their kayaks and canoes. Such a response shows the potential of the Smith River and eco-tourism in our community.
- Staff worked diligently on the Dick and Willie Trail through Henry County and the City of Martinsville. Our partners on this project included the City, Congressman Rick Boucher, Congressman Tom Perriello, DRBA, Martinsville-Henry County Rivers and Trails, the Virginia Department of Transportation, Norfolk Southern Railroad, and the Commonwealth Transportation Board. The 4.5-mile trail will be completed by the fall, and we anticipate it will immediately be very popular with locals and tourists alike. More than \$1.3 million in grant money was received for this project, and no local money was used.

- The County worked in partnership with the City of Martinsville to improve access to the City of Martinsville reservoir, which lies in Henry County. Our Parks and Recreation Department has forged a great working relationship with the City of Martinsville's Parks and Recreation Department.
- The Board and the Public Service Authority are working with the Corps of Engineers to implement public sewer service at Philpott Lake. The Corps has promised to facilitate the construction of a marina at Philpott Lake after the sewer service is in place. This project should positively impact another of our recreational areas and bring more tourism dollars our way.
- The Commonwealth of Virginia purchased land adjacent to the Mayo River in Henry County for the future creation of a linear state park. This park would complement a similar venture by the state of North Carolina.
- The Commonwealth Transportation Board listened to the Board of Supervisors and authorized a study to consider shifting the planned route of Interstate 73.
- An Interoperability Project was begun with our neighbors in Patrick and Franklin counties and the City of Martinsville. We received \$1,040,000 in grant funds for this project, which will ensure that our public safety and law enforcement officials in each locality can more easily communicate with each other during emergencies.
- The Piedmont Area Regional Transit, or PART, was allowed time to grow, and it has done just that. Ridership increased from a low of 56 riders in May 2009 to 1,020 riders in March 2010. The Board showed its vision in allowing PART to continue even though the early numbers weren't good. Staff thinks the growth will continue.
- The Board of Supervisors created the "Outstanding Military Veteran" award for 2009, and the list of candidates was so impressive we were forced to give it to two recipients – James Rogers and David Kipfinger.
- The Board continued its record of choosing exceptionally deserving recipients of the "Jack Dalton Community Service" award. This year's winner was Mary Jordan, the driving force behind the creation of the Spencer-Penn Centre. Mary is the type of citizen that makes Henry County great, and the Board could not have chosen a more deserving recipient.
- Our own Tim Pace, Director of Engineering, was the 2009 recipient of the "Ambassador of the Year" award from the EDC. Tim is a terrific employee, and he represents this community and all County employees with dignity and professionalism.
- The County launched a new recycling effort to capture used oil and old batteries at our Jack Dalton, Red Oak, and Axton Road Convenience Center sites. This began as a pilot project at Jack Dalton, but it was so successful that it was expanded. The used oil is used to help heat our County Service Center, which allows us to save money from the recycling and to save on fuel costs on the back end.
- The County participated in an energy audit of our facilities, and we assigned Energy Manager responsibilities to Tim Byrd, who was already on staff as the PSA's Safety Manager. We sought and are receiving grant funds totaling more than \$800,000 for energy education and retrofitting of our buildings with

upgraded light fixtures, water efficiency upgrades, and solar hot water heaters.

- We received a \$19,775 grant from the Department of Homeland Security to purchase an emergency pet sheltering trailer and equipment for regional responses.
- The County worked extensively on the ongoing 5B's issues. We were able to pay off the Tax Revenue Anticipation Note (TRAN) of \$4 million in December, and we gained a deed of trust on the company's facility in Zanesville, Ohio. In 2009 the company repaid Henry County \$266,816 in principal (\$180,000) and interest (\$86,816).
- Our Department of Planning, Zoning and Inspections secured a rehabilitation grant for the South Street area of Bassett, which includes street improvements, storm drainage work, and water and sewer line construction. Funding came from a federal Community Development Block Grant (CDBG) administered by Department of Housing and Community Development in the amount of \$1,400,000; Rural Development funds of \$324,664; County Rural Addition funds of \$103,107; and various other donated easements, donations & in-kind contributions of \$28,450. The total project cost is \$2,169,843. We are pursuing federal funds through the Virginia Department of Emergency Management of \$313,632.
- The County received a second grant award of \$179,000 from the Virginia Department of Transportation (VDOT) Enhancement funding for the Virginia Avenue Transportation Enhancement project. A total of \$371,000 in grant funds have been received with another application pending. If approved for additional funding, Phase I could begin in FY '11.
- We are working with the Martinsville-Henry County Historical Society to transition ownership of the old Henry County Courthouse in uptown Martinsville. Upgrades to the facility are ongoing, paid for by grant funds, and ownership will be transferred to the Historical Society by June 30.
- Through the 9-1-1 Communications office, the County implemented the Citizens Alert system. It allows the Communications Center to make outbound calls to citizens to warn them of dangerous conditions or emergencies. Shortly after the implementation of this system in February, the County was hit with severe storms that led to flooding and a need to evacuate some areas of the County. This system worked extremely well during that period.
- The February rain, along with an extraordinary winter that brought us more snow than we'd seen in decades, strained our County staff and resources. But our employees responded incredibly well, as we knew they would.
- Henry County teamed once again with the City of Martinsville to implement a "Complete Count Committee" to bring attention to the 2010 Census. The more people counted in our locality, the more federal money we could receive. It's in everyone's best interest to encourage participation in this process.
- Henry County received support from the American Recovery and Reinvestment Act, otherwise known as stimulus funds. According to Congressman Tom Perriello's office, entities within Henry County received the following stimulus funding:

- **School Funding**
 - \$10,306,411 for saving teacher jobs at K-12 schools, educational technology, school construction, and special education
 - \$16,000,000 (shared among multiple localities) for connecting K-12 schools to high-speed internet service
- **Energy Efficiency**
 - \$1,194,637 (shared among multiple localities) for home weatherization upgrades to help residents save on energy costs and train workers in clean energy
- **Law enforcement**
 - \$126,329 for supporting crime prevention
- **Water Resources**
 - \$705,000 for upgrading Henry County Public Service Authority sewer pump station generators
 - \$3,750,000 for Philpott Reservoir to restore shorelines, rehabilitate recreation and campground facilities, and hire additional staff to provide visitor assistance during the peak season
- **Youth Employment**
 - \$1,374,000 (shared among multiple localities) to employ 450 youth for summer
- **Emergency Programs**
 - \$24,233 for emergency food and shelter programs
- Our constitutional offices dealt with significant mid-year budget cuts that totaled \$450,000. These departments laid off a combined eight employees and severely cut their operations. At the time we hoped that this would be the end of it. As we know now, things only got worse.
- According to our FY 2009 audit, our Fund Balance increased \$359,000 during the year. That is a reflection of our conservative budgeting approach. We have included separate pages showing our reserve accounts later in this document.

Which leads us to ...

Proposed FY 2010-11 County Budget

In crafting this budget proposal, staff initially worked on the premise that a deficit of more than \$2 million had to be absorbed for FY 2011. While that number improved during the budget process, we still used it as a benchmark so we could provide some cushion should the downturn worsen. That approach served us well in FY 2010, when mid-year cuts had to be made. Staff would not be surprised to see another round of mid-year budget cuts in FY '2011.

Staff is presenting a budget for FY '11 that totals \$109,444,497. When compared to the FY 2010 Proposed Budget of \$117,516,572, this year's budget represents a reduction of \$8,072,075 or 6.9% from the FY 2010 budget. Staff recommends no tax increase for FY '11; staff doesn't sense that the Board or the public has any interest in going down that path this year.

Once again we have not included pay raises for employees. Staff recommends that the County continue to cover the single-subscriber health insurance costs, which will rise 6.1% in FY '11. As with last year, management again recommends that County employees be given a one-time gift of an additional vacation day, to be taken with the approval of their supervisor, to thank them for their hard work in such trying times.

Staff recommends a local contribution to the school system of \$17,077,895 for FY '11, which is level with FY '10 local funding and the amount requested by the School Board. Management is impressed with Superintendent Jackson and feels he is doing all he can to manage his budget and his funding expectations. With the Commonwealth's steep funding cuts for FY '11, staff felt the County should do all it could not to add to that burden this year.

Unfortunately, this budget is not big enough to cover the number of employees in the current County workforce. Staff tried extremely hard to avoid cutting positions, yet some reduction is necessary to provide the balanced budget that by law we are required to present.

The proposed reductions are:

- The Firefighter and Emergency Medical Technician teaching positions in the school system. The school system discontinued funding for these programs due to low enrollment, and the County is not in the position to pick up those costs.
- One School Resource Officer position in the school system, which lost grant funding for the position. Again, the County is not in the position to absorb this cost. This reduction will leave two School Resource Officer positions in the budget, and the lost position will be covered by eliminating a vacancy elsewhere in the Sheriff's budget.
- One refuse collection position was eliminated. It currently is vacant. Additional money for overtime was added to the refuse collection budget to assist with the additional work.
- The part-time Assign-A-Highway position was eliminated and the program was terminated. Staff was influenced by the low number of probationers being assigned to the program by the court system. Staff has included funding in the refuse collection cost center for part-time staff to supervise inmate work crews to pick up litter and clean the County Service Center.

This budget reflects 12 fewer employees than the FY 2010 County Budget. These 12 are the eight positions lost last September from the Constitutional Offices; the EMT and Firefighter instructors; the School Resource Officer; and the Assign-A-Highway director.

This is not a new problem; from 2002 to 2010, the County has lost 28 positions.

However, the biggest change for FY 2011 is our proposed supplemental professional staffing for our volunteer-based emergency medical services system.

In January the Board directed the Department of Public Safety to develop a comprehensive EMS plan to include, but not limited to, the following:

- Preserves volunteer rescue squads as an essential part of the EMS system
- Utilizes paid personnel or contracted services to cover service gaps
- Operates in a way that does not spend or expect new revenue, but redirects current revenue and utilizes revenue recovery options

Since then, Public Safety staff has worked collaboratively with the five volunteer rescue squads to develop essential elements of a new approach. This proposed plan includes:

- A county-wide standard of equipment, procedures, policies, and response
- A fleet standardization and reduction plan to reduce overall costs
- The establishment of consistency in billing/revenue recovery practices to ensure that every citizen is treated equally
- The establishment of an EMS Advisory Committee to make recommendations and review future actions for effectiveness
- Strengthening mutual aid and advanced life support sharing between agencies
- Collaboration on purchases to enhance cost-saving measures
- Adding career staff or expand contracted private services to cover service gaps

Additionally, Public Safety staff interacted with volunteers concerning questions, suggestions, and concerns. An open forum was scheduled in March to gain additional input from the volunteers.

The key component of any EMS improvement plan is covering service gaps to ensure that service is available 24/7/365. Service gaps are not limited to any particular time of the day, or to any section of the County. The Director of Public Safety is recommending supplemental staffing of two advanced life support providers 24/7/365 to cover service gaps. These recommendations are consistent with the suggestions from the representatives of three counties – Pulaski County, Franklin County and Amherst County – who met with the Board of Supervisors on this issue.

Two options are available: add career staff consisting of a mix of part- and full-time employees, or contract with a third party for services. Both options have advantages and disadvantages. If this budget is approved, a Request for Proposals (RFP) will be issued to receive proposals for a detailed cost-benefit analysis.

Both supplemental staffing options assume that soft billing for services will be part of the equation. It would take approximately five months to establish this procedure for either supplemental option, so it would be September before this part of the equation could be enacted.

The volunteer agencies currently billing for services desire to retain all their billing revenue, so the only option to fund supplemental staffing is to redirect the annual contributions to the rescue squads from the Board of Supervisors and include soft billing from the supplemental staff-answered calls. This is the only way enough revenue can be generated to pay for the supplemental staffing. Staff feels that the squads should be able to fill in that gap through their own soft-billing revenue.

If the Board of Supervisors does not seek to improve the current EMS system, then that system will continue to deteriorate. Last year rescue squads missed a cumulative 18% of calls, and the backup service currently under contract answered 997 calls.

An essential part of any new EMS plan is improving the backup services through career staffing or contracting for services. However, even with these significant changes, staff believes that the community still will face some challenges as we move forward because of our limited fiscal resources.

Projected Revenues

Line-by-line details of revenues are included later in this budget book, but staff wanted to call your attention to several items that may need additional explanation. Those items are:

- General Fund revenue is down .9% or \$402,974. However, when compared on an apples-to-apples basis, the General Fund actually is down \$1,360,503. New revenue from the proposed EMS soft-billing process (\$215,000), the change in placement of the Communications Tax completely to the General Fund (\$692,398) and the Four-For-Life budget pass-through (\$50,131) skew the bottom line compared to current year.
- A collection rate on property taxes of 94.5% was used for budgeting purposes. This is consistent with actual rates in recent years.
- Property tax collections are down 0.9%, or \$195,089
- Transient occupancy tax, or the lodging tax, is down 17.3%, or \$19,000
- Interest on deposits are up 46%, or \$92,000, due to the increased fund balance and the shifting of funds to garner higher returns
- Jail reimbursement is down 32.5% or \$163,397, due to the Commonwealth's cutting of the jail reimbursements in half
- School reimbursement for the positions eliminated (Resource Officer, EMT and Firefighter instructors) is down 52.7% or \$121,178
- EMS soft billing fee is \$215,000 annually
- Communications Tax is up 41.1% or \$692,398 since it now is all budgeted in the General Fund and not split between the General Fund and the 9-1-1 Fund. Overall the amount is actually down from current year. Procedurally, we now will transfer the operational funding for 9-1-1 out of the General Fund.
- Commonwealth's Attorney's office is down 13.3% or \$76,176, from FY '10 base funding
- Sheriff's Office is down 11.4% or \$481,403, from FY '10 base funding
- Commissioner of the Revenue's office is down 21.8%, or \$42,505, from FY '10 base funding
- Treasurer's Office is down 25.8%, or \$50,755, from FY '10 base funding
- The Clerk of Circuit Court is down 18.7%, or \$88,784, from FY '10 base funding

Projected Expenditures

As with the revenues, all line-by-line expenditures are included later in this budget book. But staff wanted to draw your attention to several specific items. Those items are:

- As indicated above, this budget includes 12 fewer positions than the FY 2010 Budget.
- The EMS supplemental services outlined above are budgeted at \$329,200. This is based on redirecting \$110,220 in General Fund support; \$215,000 budgeted revenue from the County's portion of soft billing; and \$3,980 in Four-For-Life funds to support the supplemental EMS.
- The removal of the Assign-A-Highway program eliminates \$45,055 in that cost center and re-establishes the inmate workforce program in the Refuse Collection cost center. The inmate workforce would be used to pick up litter throughout the County and provide custodial services at the County Service Center
- \$104,950 in electrical increases for all County buildings. Other major increases for FY '11 are in the Virginia Retirement System rate, health insurance rate, and the carrying costs for the shell building
- Maintenance and insurance for the new shell building for 11 months, as required in the agreement with the City of Martinsville and the EDC. The EDC will cover \$11,630 of the overall cost of \$129,500, and the City will reimburse the County one-third of the remainder
- A 6.1% increase in health insurance
- No funding for maintenance of the Historic Henry County Courthouse based on building ownership being transferred to the Historical Society by June 30, 2010
- Funding of Other Post-Employment Benefits (OPEB) of \$35,000, as required by GASB 45
- No issuance or interest costs associated with the Tax Revenue Anticipation Note (TRAN), since it was paid off in December 2009
- Continued work on the Broadband plan with the City of Martinsville and the EDC
- Continued pursuit of delinquent taxes utilizing an outside law firm
- Moody's reaffirmed the County's bond rating of A2 during its review of County operations as required by the Recovery Zone bond process
- More than \$1.5 million was cut from adopted budgets (mid-year adjustments) the past two years
 - FY '09 - \$986,767
 - FY '10 - \$450,000
- When considering the County's General Fund, it should be noted that 61.7% of it comes from property tax, sales tax, and utility taxes, and 77% of that amount is derived solely from property tax

Capital Improvement Projects

A very meager capital improvements plan is recommended for FY 2011. As you know, continually deferring capital expenditures has negative long-term consequences.

The following Capital Improvement Projects are recommended for funding:

- \$18,000 for computer infrastructure upgrades
- \$243,200 for replacement of eight patrol cars for Sheriff's Office
- \$17,000 for replacement of one vehicle for Social Services
- \$175,000 contribution toward purchase of a fire truck as requested by the Firefighters Association
- \$95,000 contribution toward purchase of an ambulance as requested by the Rescue Squad Association
- \$26,000 for replacement of one vehicle in the Parks and Recreation Department

Because of the shortage of economic development projects this year, the Industrial Development Authority budget has some unspent money. Staff is proposing to use some of that money to purchase some capital items from the current year's budget. Those amounts and items are:

- \$12,000 for a replacement mower for Parks and Recreation
- \$14,500 for an additional gas blower for the former landfill
- \$30,000 to replace the hot water heater in the jail
- \$100,000 to match the energy efficiency grant
- \$1,500 to purchase a laptop computer for Animal Control
- \$50,000 to purchase a grinder for the jail's sewer line
- \$10,000 contribution toward a skateboard park at Frank Wilson Park in Martinsville, contingent upon a match by the City
- \$25,000 to complete the purchase of the former Martinsville-Henry County Rescue Squad facility

Outside Agencies

Funding to outside agencies generally was reduced by 5%. Funding for the Department of Social Services was not cut from FY '10; the number of clients continues to climb, and the department can lose \$3 to \$4 in state funding for every \$1 the locality cuts.

Funding for the EDC was cut \$60,000, to \$415,000. Management understands that this amount is significant, but we think it is manageable in light of the various other funding sources available for the EDC. There are no good answers during a budget crisis of this magnitude. Staff knows that these cuts will deeply impact each outside agency and will lessen the services they provide to our citizens.

In addition, several community agencies asked to be added to the County budget for funding in FY 2011. Staff has no doubt as to their good work, but budget constraints do not provide opportunity for new partners. The agencies not proposed for funding include:

- STEP
- Virginia Legal Aid Society
- Roanoke River Basin Association
- Smith Mountain Lake 4-H Center
- Western Virginia Land Trust

With the recent retirement of Gateway Streetscape's executive director, the Gateway Board of Directors voted to ask the County to become the agency's fiscal agent. This would allow the new executive director to concentrate more on field work and less on office work. Gateway is jointly funded by Henry County and the City of Martinsville, and receives grant funds as well.

Staff sees no issues with this request and is happy to assist Gateway with these duties. Gateway's budget is included in this document.

Goals and Objectives

Listed below are the Goals and Objectives the Board created at its 2010 Planning Session. It should be noted that this proposed FY '11 Budget does little to implement many of these items, compensate employees fairly, or deliver the level of services desired by the public.

Short-Term Goals

- Get through FY '11 budget cycle
- Provide essential services with reduced resources
- Maintain fund balance
- Develop and implement plan for EMS and Rescue under Public Safety
- Develop economic development infrastructure
 - Water and sewer for Commonwealth Crossing Business Centre
 - Dick and Willie Trail
 - Broadband implementation
- Develop and implement energy efficiency process
- Job Creation
- Sheriff's Office Accreditation
- 58 West water project

Long-Term/Continuing Goals

- Push for NCI to become a 4-year university
- Continue to support infrastructure needs for school system
- Emphasize energy efficiency/green initiatives
- Promote community health care resources
- Address jail needs
- 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
- 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

Looking to the Future

When staff began work on the FY 2011 Budget in January, we anticipated it being so catastrophic that we would need 10 years to recover. The final proposed budget that you hold is not quite that bad, thanks in part to better numbers from the General Assembly and outstanding work by our employees to contain their costs. However, it is sad that we find ourselves giddy over a budget that merely cuts off a hand instead an arm.

But make no mistake – the outlook for FY 2011 is bad, and we don't think FY 2012 looks much better from this angle. That's the same song we've been singing for years, and the verses just keep piling up. The County Administrator will keep the hiring freeze in place for FY '11, allowing only essential positions to be filled, with a plan to further reduce the size of the County workforce through attrition before the FY '12 budget.

When will this storm pass so we can crawl out of the basement? We don't know, and we don't think anyone else does either. When this recession took hold, most economists thought we'd begin our recovery in late 2009. We have not done so.

While the stock market shows some signs of resurgence, and national economists are cautiously optimistic that a recovery is on its way, we won't buy into it until we see a positive impact on Henry County.

When that happens, there are some long-range issues that we need to address. First on the list should be our jail needs. We continue to put more inmates in the same jail space, which is a recipe for disaster. It's probably nothing short of miraculous that we haven't had greater issues with our inmates. The Commonwealth's changing of the definition of a state-responsible inmate will significantly increase the local inmate population.

We need more economic development activity, which we hope will come as the economy rebounds. We still eagerly anticipate the opening of the RTI facility, but we know that will be tied to market conditions. The company is still coming, and it is still working to get its facility finished. This is a matter of **when** RTI arrives, not **if** RTI arrives.

We have seen an upswing in activity from local companies such as Drake, CPFilms, and Monogram. Staff believes that any real chance for growth over the next 12 months will come from companies we already have, not the ones we are chasing. This has always been the case – it's just that chases often get more attention.

Henry County has been bludgeoned by the recession that won't end, and our citizens are tired of being told to "just hold on." They continue to "just hold on," but it's getting more and more difficult. There are things that this community can do that would help, even while we wait for these new job opportunities.

It is the belief of the County Administrator that this community cannot continue to support at least two of everything. This applies to programs between divisions of the County, the school systems, the Public Service Authority, etc., as well as the City of Martinsville and various non-profits. There needs to be a concentrated effort to reduce redundancy and increase efficiency.

The County Administrator also understands that this is easier said than done.

Let's hope that Fiscal Year 2011 provides all that this community wants and deserves. If any community deserves a break, it's this one.

Advertise FY '10-'11 Budget

Following the presentation Mr. Adams moved that the Board advertise the FY '10-'11 Budget on Sunday, April 11, 2010, for a scheduled public hearing on April 19, 2010, second by Mr. Bryant and unanimously carried.

Mr. Summerlin stated that if the Board has any changes to the budget the Board can discuss them following the public hearing on April 19, 2010. Mr. Summerlin also reminded the Board of its upcoming work session on the School Budget and Total County Budget on April 8, 2010, at 5:00 pm in the Fourth Floor Conference Room.

There being no further business to discuss Mr. Adams moved at 5:40 pm that the Board continue the meeting to April 8, 2010 at 5:00 pm, second by Mr. Slaughter and unanimously carried.