

**JOINT  
HENRY COUNTY BOARD OF SUPERVISORS  
AND INDUSTRIAL DEVELOPMENT AUTHORITY  
MINUTES**

**January 8, 2008 – 9:00 am**

The Henry County Board of Supervisors and the Henry County Industrial Development Authority held a joint meeting on January 8, 2008, at 9:00 am in the Fourth Floor Conference Room of the County Administration Building, King's Mountain Road, Collinsville, Virginia. The following Board members were present: Chairman Jim Adams, Vice Chairman H. G. Vaughn, Debra Buchanan, Paula Burnette, Jim McMillian and Tommy Slaughter.

The following Industrial Development Authority members were present: Chairman Larry McDorman, Vice Chairman Len Dillon, Barry Helmstutler, Wade Nelson, Rodney Thacker, Wesley Caviness, and Steve Isley.

Staff members present were Benny Summerlin, County Administrator; Tim Hall, Deputy County Administrator; George Lyle, County Attorney; Susan Biege, Administrative Assistant; and Jimmie Wright, Director of Accounting.

Mark Heath, President and CEO of the Martinsville-Henry County Economic Development Corporation was present and Debbie Hall of the Martinsville Bulletin.

**CALL TO ORDER**

**Board of Supervisors**

Chairman Jim Adams called the Board of Supervisors meeting to order at 9:00 am, a continuation from the Board's meeting of January 2, 2008.

**Industrial Development Authority**

Vice Chairman Len Dillon called the IDA meeting to order at 9:00 am.

**APPROVAL OF IDA MINUTES OF OCTOBER 4, 2007:**

On a motion by Barry Helmstutler and a second by Wade Nelson, the IDA Minutes of October 4, 2007 were unanimously approved.

**FINANCE REPORT:**

Jimmie Wright was present to answer questions regarding the Finance Report. (Copy Included in Meeting File).

**CONSIDERATION OF MATTERS RELATED TO FINANCING OF EMERGENCY COMMUNICATIONS SYSTEM:**

Mr. Summerlin stated there are four documents the IDA needs to consider regarding the financing of the Emergency Communications System

- 1) Lease from County to IDA
- 2) Lease from IDA to County
- 3) Collateral Assignment and Security Agreement
- 4) Support Agreement

Mr. Summerlin stated the IDA was given updated documents and there are no changes of substance from the documents received in the Board package earlier; however, with the new package of information is a Resolution of the IDA which references all four documents. He stated the Resolution is what the IDA will need to consider for approval. (Copy of Resolution included in the IDA Meeting File). He stated in addition to the package of documents is a copy of the bond proposal. He stated the project is for a new communication system for law enforcement, fire and rescue services. The total project cost is approximately \$7.2 million and involves construction of a number of new towers throughout the County, replacement of all the handheld and mobile radios in the law enforcement vehicles, replacement of all the mobiles in every fire truck and ambulance in Henry County and replacement of some portables among the fire and rescue volunteers. Mr. Summerlin stated in addition, the new system will have the capability for the Sheriff's Office to have mobile computer communication.

Mr. Summerlin stated the Board of Supervisors reserved funds over the past few budget cycles to help pay for a portion of this system, again with the total project cost of \$7.2 million. He stated the financing of the project is the part that the IDA needs to issue a bond for in the amount of \$4.4 million. Bids were sent out for financing and Sun Trust Bank was the low bidder in the amount of 3.39% over seven years. The County has funds budgeted to pay the debt service. Mr. Summerlin explained that the County is purchasing the system and is leasing it to the Industrial Development Authority and the Industrial Development Authority is leasing it back to Henry County. The reason for this process is that the Constitution of Virginia prohibits counties from incurring long-term debt without a voter referendum. He stated the Industrial Development Act which creates the IDA, allows public improvement bonds exactly for this type of purpose. He stated to meet all the constitutional requirements and satisfy the financial institution, this is the reason the transaction is structured the way it is.

Mr. Summerlin stated the Board of Supervisors has already taken action for a Resolution which commits the Board to the project. He stated the Support Agreement basically says that the Board of Supervisors is going to give the IDA each year as part of the budget process sufficient payments to pay the lease payment on the radio system and the IDA will do everything necessary to make the payments to the bank. Mr. Summerlin stated the IDA needs to consider the Resolution, which references the four documents and requires a roll call vote.

On a motion by Barry Helmstutler to accept the Resolution as written and a second by Steve Isley, the motion carried unanimously with the following roll call vote:

Barry Helmstutler	Aye
Larry McDorman	Aye
Len Dillon	Aye
Wade Nelson	Aye
Rodney Thacker	Aye
Wesley Caviness	Aye
Steve Isley	Aye

**CLOSED SESSION TO DISCUSS AS-YET UNANNOUNCED INDUSTRIES RE: §2.2-3711(A)5:**

### **Industrial Development Authority**

Larry McDorman moved that the IDA enter into a closed meeting at 9:10 am to discuss As-Yet Unannounced Industries re: §2.2-3711(A)5, second by Wesley Caviness and unanimously carried.

### **Board of Supervisors**

Paula Burnette moved that the Board of Supervisors enter into a closed meeting at 9:10 am to discuss As-Yet Unannounced Industries re: §2.2-3711(A)5, second by Debra Buchanan and unanimously carried.

### **OPEN MEETING:**

### **Industrial Development Authority**

On a motion by Wade Nelson and a second by Barry Helmstutler, the IDA voted unanimously to return to open session at 10:05 am.

### **Board of Supervisors**

On a motion by Jim McMillian and a second by Tommy Slaughter, the Board voted unanimously to return to open session at 10:05 am.

### **CERTIFICATION OF CLOSED SESSION:**

### **Industrial Development Authority**

Mr. Hall read the Certification for the IDA and took a roll call vote affirming that the Board only discussed public business matters lawfully exempted and identified in the motion to enter closed session. Those voting in the affirmative were Barry Helmstutler, Larry McDorman, Len Dillon, Wade Nelson, Rodney Thacker, Wesley Caviness, and Steve Isley.

### **Board of Supervisors**

Mr. Hall read the Certification for the Board of Supervisors and took a roll call vote affirming that the Board only discussed public business matters lawfully exempted and identified in the motion to enter closed session.

Those voting in the affirmative were Jim Adams, H. G. Vaughn, Paula Burnette, Tommy Slaughter, Debra Buchanan, and Jim McMillian.

### **PERFORMANCE AGREEMENTS:**

Mr. Summerlin stated both the IDA and the Board of Supervisors will need to consider two Performance Agreements. The first agreement is between Henry County, Henry County Industrial Development Authority, and RTI International Metals, Inc. The second agreement is between the Virginia Tobacco Indemnification and Community Revitalization Commission, Henry County, and RTI International Metals, Inc. (Copy of Performance Agreements Included in Meeting Files).

#### **Board of Supervisors**

Paula Burnette moved that the Board enter into the two Performance Agreements as presented, second by Jim McMillian and unanimously carried.

#### **Industrial Development Authority**

Barry Helmstutler moved that the IDA enter into the two Performance Agreements as presented, second by Wes Caviness and unanimously carried.

### **AMENDING OF PROTECTIVE COVENANTS OF PATRIOT CENTRE:**

Mr. Summerlin reviewed an amendment to the Protective Covenants of the Patriot Centre. He stated currently the Protective Covenants prohibit the forging of materials and after visiting forging operations, that use would be compatible with other uses in the Patriot Centre. According to the process for amending the covenants there are currently 37 votes for covenant amendments. He stated the IDA holds 30 of the votes and the other seven tenants in the park hold the other seven. He stated a ballot was prepared by the County Attorney to consider removing forging prohibition from the park. He stated the ballot was hand delivered to the seven occupants of the park and three were returned and all voted in favor of amending the covenants. He stated the County received ballots back from Bassett Industries, J. G. Edelen, and Compton Wood Products. The other 30 votes are controlled by the IDA. Mr. Summerlin stated the IDA would need to consider casting its

30 votes in favor of amending the covenants and direct the County Attorney to file the necessary paperwork.

Wes Caviness moved that the IDA cast its 30 votes to amend the protective covenants to remove the forging prohibition from Patriot Centre, second by Steve Isley and unanimously carried.

**ADJOURNMENT:**

**Board of Supervisors**

Debra Buchanan moved that the Board of Supervisors adjourn its meeting at 10:10 am, second by Jim McMillian and unanimously carried.

**Industrial Development Authority**

Larry McDorman moved that the IDA adjourn its meeting at 10:10 am, second by Wes Caviness and unanimously carried.