

**HENRY COUNTY BOARD OF SUPERVISORS
MINUTES**

April 3, 2008 – 5:00 pm

The Henry County Board of Supervisors held a meeting on April 3, 2008, 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 hear the presentation of the FY '08-'09 County Budget. The following Board members were present: Chairman Jim Adams; Vice Chairman H. G. Vaughn; Debra Buchanan, Paula Burnette, Jim McMillian and Tommy Slaughter.

Staff members present were Benny Summerlin, County Administrator; Tim Hall, Deputy County Administrator; George Lyle, County Attorney; Susan Biege, Administrative Assistant; Jimmie Wright, Director of Accounting; Darrell Jones, Assistant Director of Accounting; and Mrs. Susan Reynolds, Human Resources/Public Information Director.

Debbie Hall of the Martinsville Bulletin was present.

Sheriff Lane Perry, Major Steve Eanes and Captain Nelson Thomas were present.

Chairman Adams called the meeting to order and stated the meeting is a continuation of the Board's March 25, 2008 meeting. He then turned the meeting over to Mr. Summerlin for his presentation on the FY '08-'09 Proposed County Budget.

Mr. Summerlin gave an overview of the following narrative of the Discussion and Analysis for Fiscal Year 2009 Proposed Operating Budget for the County of Henry and the Capital Improvements Plan.

In the annals of budget narratives, the text provided to you in the FY 2008 Budget Discussion and Analysis may go down as the most prescient words ever provided by your current administrative staff.

As you may recall, the FY 2008 narrative was based on the theme that “If you build it, they will come,” from the 1989 movie “Field of Dreams.”

And so you built it. And RTI International Metals came.

Any discussion of Henry County’s performance in Fiscal Year 2008 and its anticipation regarding FY 2009 must begin with RTI. This perfect marriage of company and community will help us define who we are and what we want to be for many years to come.

When the RTI announcement was made January 8, our current vice chairman, H.G. Vaughn, said the following:

“RTI is internationally renowned for its vision, its professionalism, and its products. Fortune Magazine recognized it as the seventh-fastest growing company in the United States for 2007. The military and the aerospace industries, among others, rely on RTI products to keep their operations moving smoothly. This is not a company that could grow into something significant – RTI is already significant. RTI International could build its new facility anywhere in the world – yet it has chosen to build it right here in our Patriot Centre. That says a lot about the company, but it also says a lot about the people of Martinsville and Henry County.”

Those words may be even more accurate today than they were January 8. Since the announcement of the RTI project, both County staff and the staff at the Economic Development Corporation have become even more impressed with this company, its ethics, its business model, and its plans for Henry County. The basic facts are the same: RTI will be Henry County’s largest water and sewer customer; largest natural gas customer; and largest electricity customer. The company has employees on the ground in Henry County, and it

anticipates moving dirt on its Patriot Centre site later this month. It has targeted mid-2009 as its full operational opening.

However, while we eagerly anticipate the beginning of the project and its ultimate opening, the “soft” benefits continue to grow – the fact is, we *feel* better about where we are as a community because RTI chose to locate here.

That feeling was captured perfectly in the item on the cover of this presentation. The editorial cartoon previously printed in the *Roanoke Times* shows Henry County in a perfect position – on the top level, the ultimate platform of achievement. That is where we want to stay.

To do so will require the continued hard work of this Board of Supervisors and the County staff. We know that we have partners in this journey – the City of Martinsville, the Martinsville-Henry County Economic Development Corporation, the Commonwealth of Virginia, our current businesses and industries, the Tobacco Commission, the Harvest Foundation, and every citizen in our community. It takes each entity to make this community better.

A great example of this teamwork is found in the RTI story too. Appalachian Power and Southwest Virginia Gas Company were vital players in each meeting with RTI. We used executives from such companies as Stanley Furniture and Virginia Blower Company to meet with RTI’s team during negotiations to give a feel of the private sector’s relationship with Henry County.

In the end, RTI was comfortable with us and we were comfortable with them. It is that level of scrutiny, trust, and commitment that leads to home runs like RTI. We want more home runs in FY 2009, and we are working each day toward that goal.

But if you want to hit home runs, you need a place to play. That’s why staff recommends that Henry County and its economic partners move ahead with the construction of another shell building in the Patriot Centre. The shell building in which RTI will move was the key chip in those negotiations; while everyone liked and trusted each other, the deal still would not have been made if this Board and others had not

shown the foresight to construct that building. Without that building, RTI would not be here. As Mark Heath likes to say, we cannot sell from an empty wagon – we need physical inventory for prospects to see and touch.

Our engineering staff, under the impressive leadership of Tim Pace, has created a suggested rendering of the new facility's footprint, including a building of 100,000 square feet. That rendering is attached at the end of this narrative. Your County Administrator recommends that the shell building process be crafted similarly to the way the RTI building came together, with a price tag of \$3.5 million and fiscal participation from the same partners as with the first one - Henry County, the City of Martinsville, the EDC, and the Harvest Foundation. Discussions with these potential partners need to happen.

While the RTI event topped the accomplishments of FY 2008, it certainly wasn't the only accomplishment. Listed below are some others:

- Construction has begun on the Smith River Sports Complex. What began as a \$4 million soccer complex has grown into an \$8.9 million sports facility with two synthetic fields, four natural grass fields, picnic areas, walking trails, and playgrounds. This generous gift from the Harvest Foundation will be a tremendous attraction for our residents and for our visitors. Henry County provided the 91-acre site and \$140,000 in funding for an access road to the site, to go along with \$425,000 from the Commonwealth. The Henry County Public Service Authority will construct a water line to the facility, which means the complex will not have to rely on well water.
- We completed the purchases of the 1,200-acre Bryant property and the 620-acre ROMA property. Staff has interviewed several companies for the role of doing master plans for each site. Master planning will take approximately 12 months to complete.

- The County's new emergency services radio system, a \$7.2 million project more than 10 years in the planning stage, should be implemented by the end of the calendar year. Installation of the new radios in law enforcement, fire, and rescue vehicles has begun. Staff would like to give a nod to Public Safety Director Dale Wagoner, who managed this project through the maze of logistical, regulatory, and financial requirements.
- The \$1.2 million addition to the Emergency Services Training Center was completed. The new neighbor of our Public Safety department, the Piedmont Regional Criminal Justice Training Academy, is well pleased with its new facility and the cooperation it received from the Board of Supervisors.
- Our motor racing industry is in a growth mode, with the success of HT Motorsports, the addition of BHR-Virginia Group Racing, and the emergence of Darrell Cox Racing. With this Board's partnership with the Patrick Henry Community College motorsports program and with Joey Arrington's research and development facility in the Patriot Centre, Henry County's impact on racing continues to grow.
- The long-awaited designation of the Mayo River as a scenic river was achieved in the 2008 General Assembly. The feasibility study indicated the Mayo River area meets the criteria for establishment of a state park. The Board requested the Commonwealth to add this site for consideration as a future state park to complement the 1,800-acre Mayo River State Park in North Carolina, which is adjacent to the Virginia site.
- We also are nearing completion of the Gravely Nature Preserve, with a groundbreaking set for April 26, and we opened another river access point near the Doe Run Park. We currently have easements for two other access points on the Smith River and plan to identify another access point on the Mayo.

- We completed the Fieldale Demonstration Trail and we have received another grant from Dominion Resources for additional work on the trail.
- We made major changes to our refuse collection system by placing gates and restricting hours at all seven sites, and placing employees at two of those sites as part of a pilot program. These changes have been met with resounding approval from the public and have resulted in monthly savings averaging \$20,000 in tipping fees. Staff is recommending more changes regarding site staffing for FY 2009.
- Our Assign-A-Highway program is getting more participants through the court system, and our coordinator is very diligent in working with his probationers and in checking the Convenience Center sites.
- In January we unveiled a new Henry County website and a new URL address, ***www.henrycountywa.gov***. Consumers seem to like the new site. For the month of January, there were 10,190 visits to the site; in February, there were 16,082 visits. Those February visits included 47,440 pages viewed.
- The New College Institute in uptown Martinsville is proving to be all that we expected and more. NCI doubled its enrollment from year one to year two, and Dr. Barry Dorsey continues to work diligently to make NCI an exciting product.
- Patrick Henry Community College is growing through its athletics program. PHCC is the first community college in the Commonwealth to be a member of the National Junior College Athletic Association, and it is making major strides in bringing in student-athletes from all over the country.
- Through the teamwork of the Board of Supervisors and the School Board, Drewry Mason Elementary School is scheduled to open for the 2008 fall term. In addition, Henry County was one of just 18 school

districts in the Commonwealth to have all of its schools and subgroups make the grade on the Average Yearly Progress (AYP).

- We made progress toward our new mapping project. Aerial photos of the County were taken earlier this year, and we hope to have the new images available soon. This \$245,000 project is shared by Henry County, the Sheriff's Office, the EDC, the Public Service Authority, and the 9-1-1 Communications Center.
- Two major public water projects began this year. The Chestnut Knob Water Project will eventually provide public water to Magna Vista High School, and the line also will be first leg of getting public water to the ROMA site. The Pittsylvania County/58 East water will eventually bring Henry County water to the Brosville Industrial Park in Pittsylvania County, and en route will provide water service to the Bryant property. A study of utilities demand along the Route 58 West corridor also was completed. A grant application has been submitted to the Virginia Department of Health for Phase I of desired improvements.
- Through our Department of Public Safety, Henry County adopted and enacted a new Emergency Operations Plan. Some of our department heads, in conjunction with state and federal agencies, have gone through a series of tabletop exercises dealing with a mock terrorism event at Martinsville Speedway.
- The Board of Supervisors provided funding for renovations to the evidence room at the Sheriff's Office, which now is much more spacious and functional than before.
- The Board of Supervisors authorized our participation in the Southern Virginia Regional Jail Authority, with Patrick County and the City of Martinsville. This action will allow Patrick County to move forward on its dire inmate housing issues, and

it allows Henry County the possibility in the future of using some beds in a new facility.

- Our Enterprise Zones were redesigned to take in some burgeoning industrial areas, including the ROMA site in Ridgeway and the Bryant property, and to encourage redevelopment of the Collinsville commercial corridor along Virginia Avenue.
- We received an \$80,000 grant for the Collinsville Enhancement Project. Our Planning Department is working on how to best implement the project along the Virginia Avenue corridor.
- The Board authorized a pilot project with the City of Martinsville in which a public transportation system would be placed in the community. Staff is very excited about this pilot project and believes that it could have a significant impact on the quality of life for our citizens.
- The Board, particularly Iriswood District Supervisor Paula Burnette, played a key role in the designation of the Dr. Martin Luther King Bridge on Route 58.
- The Board and staff continue to closely monitor the repayment of the 5B's debt. The company provided a payment of \$245,568.78 to Henry County in FY '08. As a result of a pending lawsuit filed by the County, negotiations are under way with 5B's to accelerate its payments to Henry County.
- As reflected in the attachments in this document, and per our audits, our General Fund Balance increased from \$19,507,862 on June 30, 2006 to \$20,570,700 on June 30, 2007. Our undesignated amount in the General Fund increased from \$9,171,440 on 6/30/06 to \$10,406,486 on 6/30/07. These increases were realized even after we spent \$1.65 million on the Athena building and \$1.2 million on the police academy addition at our Public Safety Training Center.
- Work continues on the 4.5 mile rail-to-trail project. Staff is currently awaiting authorization from VDOT to acquire right of way. The City of Martinsville has

requested transfer of \$300,000 unexpended from its grant to this project to assist with it.

- Our relationship with our representatives in the United States Congress proved fruitful. Henry County received Congressional earmarks for the old Henry County Courthouse, the Pittsylvania County water line, the Bassett Historical Society, and the Corps of Engineers' 216 Study at Philpott Lake.
- Planning began for the housing rehab project in Bassett. We are seeking project funding through a Community Development Block Grant.
- Elections in 2007 gave us a new Sheriff in Lane Perry and a new Commissioner of the Revenue in Linda Love. Staff has been impressed with their work so far and finds them extremely easy to work with, as we do with Amy Tuttle, the new director of Social Services.

We had a significant number of challenges in FY 2008 too. Our community endured downsizings at Hooker, Bassett, and Stanley furniture companies, as well as the closures of Dotalier, Ridgeway Furniture, and American Standard Homes.

Our employment numbers continue to fluctuate. In January 2007, Henry County had 24,150 people employed out of a workforce of 25,417, for a 5% unemployment rate. In January 2008, our number of residents in the workforce was up to 26,523, with the number employed up to 24,528, but our unemployment rate had risen to 7.5%.

All of the above brings us to this point – what does FY 2009 look like? It isn't as pretty as we hoped, but better than it could have been.

Proposed FY 2009 County Budget

Even with these successes outlined above, staff was faced with a very difficult budget process for FY '09. Trickle-down economics is in play; when the federal government suffers, it

shares its pain with the states; they, in turn, share theirs with localities.

Given the economic situation we find ourselves in, coupled with fuel prices that are rising so fast that stores should post their gas prices in pencil, and this budget preparation was one of the most difficult years ever encountered by your current administration. For instance, we project that in FY '09, fuel costs for County vehicles will increase \$119,938 over FY '08, a 28.6% increase! Most of the fuel increase is in the Sheriff's Office budget (\$87,100) and the Refuse Department budget (\$16,000).

Staff is presenting a budget for FY '09 that totals \$127,756,265. This is an increase of \$5,436,972, or 4.4%, over FY '08; however, the vast majority of that increase is from the Commonwealth of Virginia directly to the school system, in the amount of nearly \$3.4 million. The balance is primarily due to the CDBG grant and the shell building projects. **Staff recommends no tax increase for FY '09**, for the same reason as expressed in years past – our residents simply cannot afford it.

We have included a pay raise for employees, including those in constitutional offices, of 2%, effective July 1; they deserve much more, but there is no revenue to provide it. The Commonwealth is budgeting a 2% raise for constitutional offices effective December 1, but staff felt it was more equitable to include them in the July 1 raise. Staff recommends that the County continue to cover the single-subscriber health insurance costs, which will rise 4.1% in FY '09.

Staff recommends a local contribution to the school system of \$17,451,958 for FY '09. That is an increase of \$59,117 over last year's local contribution of \$17,392,841. The school system requested an increase of \$500,000, but the stagnant revenue growth prevents County staff from recommending the bigger amount. And, as indicated above, the school system is getting a significant bump from the Commonwealth.

The additional revenue to the school includes approximately \$1.3 million from the change in our composite index, which means Henry County's ability to pay has

decreased. As indicated above, the school system is recommended to receive a proportionate share of the County's new discretionary revenue; the remainder of the budget is balanced primarily by a reallocation of existing reserves.

Staff is recommending the staffing of three additional Convenience Center sites – Red Oak, Axton, and Jack Dalton. While new part-time personnel will be hired for these positions, we also will be able to reduce our staffing on the refuse cleanup crew.

Staff also recommends that Henry County participate in the creation of a service center with the PSA. The Public Service Authority Board of Directors recently approved the purchase of the former motor pool at Bassett Furniture Industries for use as the PSA's maintenance shop. The facility is big enough to also meet the County's needs for vehicle and equipment storage for our refuse trucks, Parks and Recreation vehicles and machines, and similar items.

This proposed budget eliminates three positions in the Sheriff's Office. The Sheriff currently has six vacancies and has averaged three vacancies throughout FY '08. The recommended budget gives the Sheriff flexibility to determine the specific cost centers to absorb the reductions and minimize their impact on services.

Details about our revenue and expenditure projections are outlined below.

Projected Revenues

- The General Assembly reduced its aid to localities by \$50 million for the FY '09 budget year, with a similar amount for the FY '10 budget year. This reflects about a 5% reduction in state aid to localities, excluding schools. Henry County's share of that state aid reduction is \$400,000 per year. Most state aid is for constitutional office expenses, but the localities can choose to absorb those cuts in any area. Combined with the loss of ABC and wine tax profits, Henry County is receiving \$468,477 less in state revenue this year over last year. The Commonwealth is still

tweaking its final numbers, so additional action on our budget may be required after those final numbers are disseminated.

- General Property Taxes increased only .2%, or \$42,990 - this reflects almost no growth in the tax base. This projection was based on a 95% collection rate.
- Utility taxes are down 34.4%, or \$1,520,000. However, most of this revenue is now reflected in the Communications Tax allocation from the Commonwealth.
- The local sales tax revenue is up 3.3%, or \$130,000.
- Revenue from the use of property is down 5.1%, or \$44,830, primarily because of lower interest rates on County deposits.
- Sale of recyclables is up 557.1% or \$19,500, to a total of \$23,000. This is due to the increased emphasis at our manned Convenience Centers.
- The General Assembly repealed the sharing of ABC profits and wine tax revenue with localities, decreasing our revenue by \$68,477.
- The mobile home titling tax increased 140% or \$70,000.
- Car Tax relief continues to be frozen by the Commonwealth at \$1,771,828.
- Last year the Commonwealth repealed various communications taxes and enacted a statewide tax with a percentage returned to localities. We project to receive \$1,685,200 from the Commonwealth, which is less than we received under the old system.
- Bank stock taxes are down 38.1% or \$81,571 due to lower deposits.
- Our food and beverage tax is up 2.2% or \$39,000, based on what we project to receive by the end of FY '08.
- The courthouse security fee is down 31.1%, or \$23,050 based on actual collections. As you may recall, we doubled the fee in FY '08 but the result was a decrease in collections.

Projected Expenditures

- The Board of Supervisors cost center includes \$18,585 for “professional other” services for the second installment on the regional water supply plan due for submission to the Department of Environmental Quality in 2011.
- The Virginia Retirement System rate went from 11.64% to 12.64%
- We are scheduled for our four-year reassessments effective January 1, 2009, which requires additional expenses in the FY '09 budget for public notices and work by the Board of Equalization. The assessor’s budget is up 10.2% or \$16,310.
- The first year payment of \$711,518 is included on a seven-year commitment toward debt service on the new radio system.
- As outlined above, staff is recommending that we staff three additional Convenience Center sites. This drives the cost center expenses up 189.4% or \$97,039. This is offset by our refuse tipping expenses declining \$100,000 due to the additional monitoring at the gated and manned sites. This comes in spite of an increase in the tipping fee per ton and a surcharge by North Carolina on all trash received. Staff recommends that the operational hours remain at 7 a.m. to 7 p.m. Monday through Saturday. As you recall, the Board discussed leaving some sites opened but unmanned on Sundays; however, staff believes this would be ill-advised. Staff believes that most of the trash would wind up on the ground and blowing around the County because we could not collect and dispose of that trash at the transfer station. Opening the transfer station on Sunday is cost prohibitive.
- Capital expenditures to prepare the three additional manned sites will be funded from the current refuse department budget.

- Most outside agencies are recommended to receive level funding. A list of those agencies and their funding levels is included later in this presentation. Unfortunately, level funding in many cases will not allow agencies to continue to deliver services at their current levels. New agencies requesting funding, but which are not recommended for funding, include We Care; the Patrick Henry Community College Foundation; the Martinsville-Henry County Historical Society; the Roanoke River Basin Association; the West Piedmont Better Housing Coalition; the Smith Mountain Lake 4-H Center; the Mill Mountain Theatre; the Virginia Legal Aid Society; and the Southeast Rural Community Assistance Project.
- The EDC is recommended for level funding of \$500,000. The budget also reflects a payment by the EDC, on behalf of Henry County and the City of Martinsville, of \$200,000 toward the debt payment on the Bryant and ROMA purchases.
- The contingency fund is budgeted at \$117,010.

Capital Improvement Projects

The following Capital Improvement Projects are recommended for funding:

- \$101,004 for Clerk of Circuit Court technology projects, which will be reimbursed by the Commonwealth.
- \$23,000 to replace a vehicle for Building Inspection.
- \$30,000 to replace an Emergency Medical Services vehicle in Public Safety.
- \$42,000 for computer replacements and technological upgrades through our Information Systems department.
- \$16,000 for Parks and Recreation ballfield equipment.
- \$12,000 for software upgrades in Parks and Recreation.

- \$25,000 for the final installment toward the Bassett Historical Center's capital campaign. This is part of the local match for the CDBG grant.
- \$685,000 for the County's share of the Pittsylvania County/58 East water line and the service center project with the PSA at the former Bassett motor pool facility. This money would come from the County's uncommitted balance.
- Replacement of 14 vehicles in the Sheriff's Office budget, at an overall cost of \$440,200.
- \$95,000 for a new ambulance for the Fieldale-Collinsville Rescue Squad, as recommended by the Rescue Squad Association.
- \$175,000 for a new fire truck for the Fieldale Fire Department, as recommended by the Firefighter's Association.

Thanks to our staff's dedication to spending no more money than it has to, we will be able to make several purchases in the current fiscal year instead of forcing them into next year's budget. These items include:

- \$30,000 for ball field improvements to the former Bassett Middle School athletic field adjacent to the Bassett Library. This will allow us to leverage a request for CDBG funds on the Riverside Housing Project.
- \$18,575 for the required match of \$80,000 for the Collinsville Enhancement Project.
- \$100,000 from the Sheriff's Office's unexpended salary/fringe benefits line item for the following projects:
 - \$6,000 for polygraph school
 - \$5,000 for K-9 school
 - \$6,000 for tactical team equipment
 - \$4,000 for silent alarms
 - \$6,500 to purchase a K-9 and associated supplies
 - \$4,000 for police equipment
 - \$35,000 to replace security cameras in the jail
 - \$33,500 to replace computer equipment

- \$20,000 for improvements to the Beaver Creek Reservoir, contingent on the City of Martinsville's equal participation. Staff has discussed this project with the City Manager. This project was included as one of the Board's goals during a prior Planning Session.
- \$18,000 to replace the Board of Supervisors' meeting room audio system and to add a ceiling-mounted video projector.
- \$30,000 for a replacement vehicle in the Fire Marshal's budget.
- \$20,000 for three additional river access points on the Smith River and one on the Mayo River.

Goals and Objectives

Listed below are the Goals and Objectives the Board created at its 2008 Planning Session. It should be noted that this proposed FY '09 Budget does little to implement many of these items, compensate employees fairly, or deliver services desired by the public.

Short-Term (One Year)

- Develop Master Plan for Roma and Bryant
- Explore grants to fund 58W water project
- Support accreditation of Sheriff's Office
- Complete access road to soccer complex
- Initiate Comprehensive Plan
- Continue to explore ways to address public safety response times issue (improve relationships)
- Discuss storm water run-off issues
- Investigate new shell building opportunity
- Resolve Social Services facility issues
- Staff two more Convenience Centers
- Increase fund balance
- Explore ways to increase visibility and availability of services to citizens

- Continue to work on promoting better regional cooperation
- Complete an assessment of the services in Henry County with marketing strategies

Long-term and Continuous Goals

- Continue to work on Comprehensive Plan (include industrial site in plan)
- Continue to develop ways for County/City to work together to create efficiencies
- Explore ways to advertise “reasons to live in Henry County”
- Explore ways to increase tourism to the area
- Explore ways to preserve the environment
- Identify and develop strategies to address post-employment/retirement benefits
- Continue to promote community pride
- Work toward decreasing unemployment and increasing job opportunities
- Initiate a specific plan (perhaps within the Comprehensive Plan) to ensure that we have good development where I73 comes through the County
- Expand the water infrastructure for the Route 58 East corridor
- Continue to pursue delinquent taxes
- Continue to vigorously support, create, and supplement cleaner community efforts
- Push for completion of Route 58 improvements (i.e. lobby with the General Assembly, VDOT, etc.)
- Continue to support and fully fund the EDC
- Continue to work with existing industry to assist with expansions
- Continue to support and promote the Airport
- Continue to push for I-73
- Continue to work for the improvement of our educational system and facilities

- Continue to support NCI and Patrick Henry Community College

Looking to the Future

- Staff recommends revisiting the idea of merging our Parks and Recreation Department with the City's Leisure Services department. There is ample opportunity to provide more programming for the same amount of money, if the departments could be merged, and the real winner would be the community. This is a venture that staff feels strongly about pursuing.
- We need to continue discussions with the Southern Virginia Regional Jail Authority concerning our future jail needs. As of April 1 the Henry County Jail contained 167 inmates and has 103 beds.
- Changes to generally accepted accounting standards could have a significant impact on the County's balance sheet in the near future. The Government Accounting Standards Board (GASB) has ruled that governments must show future liabilities for health insurance and other post-retirement benefits as liabilities on their balance sheets or must fund the liabilities through an Other Post-Employment Benefits trust fund. The County should soon receive the actuarial study commissioned in FY '08, which will identify the associated costs of this edict. The County will not have the information in time to consider it in the FY '09 Budget, but it is imperative that it be done as soon as possible. The school system's liability will be significantly greater than the County's.
- A resolution to the facilities needs of Social Services and the Health Department is essential. Both agencies are currently housed in woefully inadequate buildings. As you know, Henry County purchased the Athena building and offered it as the cheapest solution for housing both agencies in a new facility. Even though this is a shared expense with the Commonwealth, there should be no realistic expectation of additional

funding from the Commonwealth for the foreseeable future. The Health Department's lease at its current facility expires June 30, 2008.

- Henry County and the City of Martinsville need to continue to monitor the saga of the Virginia Employment Commission's local office. While Governor Tim Kaine recently said the facility isn't targeted for closure, everyone realizes how fluid these issues can be. We should not lose our local VEC office, and we must do all we can to ensure it remains open.
- Little progress has been made in improving our emergency medical services system. One of our volunteer rescue squads collapsed in FY '08, and the system will continue to deteriorate if significant measures are not taken to improve services. Any resolution to this problem will be expensive and will require hiring personnel or contracting for services. The longer the County waits the more expensive and expansive these improvements will be.
- The County Administrator recommends that the job title of our Director of Accounting be changed to Director of Finance to properly reflect the responsibilities of the position. He also recommends changing the department name from the Department of Central Accounting to the Department of Finance. An amendment to the Henry County Code is required to implement these changes.

Given all this evidence, both good and bad, staff believes that ultimately FY '09 will be a difficult one. Staff also believes that the FY '10 budget may not be much better than the FY '09 budget. It is imperative that we position ourselves now to deal with continued reduction in state funding in the FY '10 Budget. That budget will include a new property reassessment, which should provide a modest increase in local revenue.

However, staff is convinced that the RTI project, and the peripheral growth that will follow RTI, is an indication of better times for this community. We are blessed to be in a

community that has proven its resiliency time and time again, but we want to move away from proving how tough we are and instead start proving how fast we can grow.

We succeeded in making our FY '08 budget narrative come true. There is no reason why we can do the same thing in FY '09.

After presentation of the FY '09 County Budget, Mr. Summerlin distributed copies to the Board, staff and news media. (A Copy is on File in the County Administrator's Office). He suggested that the Board review the documents and be prepared to discuss it at the Budget Work Session scheduled for Thursday, April 10, 2008 at 5:00 pm. He stated the Public Hearing on the School and County Budgets is scheduled for April 14, 2008 at 7:00 pm. The adoption of the School Budget and Total County Budget is scheduled on April 29, 2008. He stated the Budget is available for review at all of the branches of the Blue Ridge Regional Library and is also on the County's website.

The Board thanked Mr. Summerlin and staff regarding the preparation of the FY '09 County Budget.

Mrs. Burnette moved that the Board advertise the public hearing on the Proposed FY '09 County Budget and the Proposed FY '09 School Budget on April 14, 2008, in the amount of \$127,756,265.00 second by Mr. McMillian and unanimously carried.

INFORMATIONAL ITEMS:

Mr. Adams noted that the groundbreaking ceremony scheduled on Saturday, April 5, 2008, for the Sports Authority Soccer Complex facility has been postponed and rescheduled on Saturday, April 12, 2008 at 3:00 pm.

Mrs. Burnette reminded the Board that Axton Life Saving Crew will be hosting a Child Safety Seat Program on April 5, 2008, from 10:00 am until 3:00 pm.

Mrs. Buchanan reminded the Board that Horsepasture Volunteer Rescue Squad has scheduled a BBQ Dinner scheduled on Saturday, April 5, 2008, from 4:00 pm to 7:00 pm.

Mrs. Burnette thanked the Board for voting to change the household income limit for tax relief at its March 25th Board Meeting.

Mrs. Burnette stated she would like to commend emergency personnel on its immediate response to an emergency call at the Roses parking lot recently.

Mr. McMillian stated he would like to request an item be placed on the April Agenda concerning rescue squads and anticipated improvements.

There being no further business to discuss Mrs. Buchanan moved at 5:50 pm that the Board continue its meeting to April 10, 2008, at 5:00 pm, second by Mr. McMillian and unanimously carried.