

HENRY COUNTY BOARD OF SUPERVISORS MINUTES

April 3, 2018 – 5:00 p.m.

The Henry County Board of Supervisors met on April 3, 2018, at 5:00 p.m. 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 2018-2019 County Budget. The following Board members were present: Chairman Jim Adams; Vice Chairman Debra Buchanan; Tommy Slaughter; Joe Bryant; Ryan Zehr; and David Martin.

Staff members present were Tim Hall, County Administrator; Dale Wagoner, Deputy County Administrator; Darrell Jones, Director of Finance; Richard Stanfield, Assistant Director of Finance; Michelle Via, Human Resource Generalist; Matt Tatum, Public Safety Director; and Jennifer Gregory, Administrative Assistant.

Ben Williams of the Martinsville Bulletin was present. Also present was Sheriff Lane Perry; Francis Zehr, School Board; and Dawn Lawson, Henry County Schools Chief Financial Officer.

Chairman Adams called the meeting to order and welcomed everyone present.

PRESENTATION OF COUNTY ADMINISTRATOR'S PROPOSED 2018-2019 BUDGET

Mr. Hall gave an overview of the Fiscal Year 2018-2019 Proposed Operating Budget for the County of Henry. (Copy of presentation included in Board's file)

Mr. Hall highlighted several accomplishments this year and outlined the proposed budget for the upcoming fiscal year.

FY 2017-18 Highlights

Commonwealth Crossing Business Centre is open and ready for its first tenant. Staff is hopeful that the completion of Lots 1 and 4 will bring us a lot of attention in the next 12 months.

The Centre for Advanced Training (CCAT) was unveiled at Commonwealth Crossing. The CCAT facility is one of a kind – a 26,000-square-foot space that will be used solely for CCBC tenants, at no charge to the tenant. In the past 12 months there were four economic development announcements:

- Virginia Mirror/Virginia Glass – 9 new jobs, \$3.8 million capital investment
- Hopkins Lumber – 25 new jobs, \$2.5 million capital investment
- Applied Felts – 15 new jobs, \$3 million capital investment
- Eastman – 15 new jobs, \$11.7 million capital investment

The reporting date for Enterprise Zone documentation was moved from March 15 to March 1. This decision helped the County get a quicker handle on numbers during this budget season, and it seemed to have no negative impact on our local companies.

The unemployment rate continued to decline, reaching 4.4% for December 2017. The rate for January 2018 rose to 5%, but there were actually more people working in January (21,729) than in December (21,322). While the unemployment rate does not, by itself, measure the vitality of a community, it is useful and positive.

The Board instituted financial policies that codified what the reserve funds should look like and how it should be used. While the unassigned balance appears to be down, it is because of the Board's decision to establish the Revenue Stabilization Fund as part of our pursuit of an updated bond rating.

The County was given a Double-A rating by the three bond agencies. That rating has helped, and will continue to help, with our financing discussions as the County pursues the jail project and any other borrowing plans in the near future.

Tourism continues to be a growth industry for the County. According to information from the Commonwealth of Virginia, tourism spending in Henry County has increased from \$55.4 million in 2009 to \$68.8 million in 2016. Events such as Rooster Walk and Smith River Fest, along with facilities like Martinsville Speedway, the Philpott Marina, the Dick & Willie Trail, and the Bassett Historical Center, are driving this local growth.

Martinsville Speedway celebrated its 70th Anniversary. The County used a special logo to commemorate the Speedway's birthday and it received a lot of attention.

The County decal was eliminated. A 2½-inch orange sticker was implemented to control access to the Convenience Center sites. A

Progress was made on the Smith River Small Towns Collaborative project, with the first contracts being awarded for work in Bassett and Fieldale.

A third PART bus was added to serve part of southern Henry County along the 220 Business corridor.

Meadow View Elementary will be open for students and staff in the fall. This will culminate a long process to construct the first new school facility in the County since the late 1980s.

The Board and County staff worked with the School Board and its staff to craft and execute an agreement on carryover funds. This should eliminate part of the drama of each budget season where each Board stakes a claim to that money.

Proposed FY 2018-19 County Budget

The proposed Henry County Budget for FY '18-'19 is \$143,588,566. This is a 1.6% increase over the FY '17-'18 proposed budget of \$141,290,609, or \$2.3 million.

Three cost centers are responsible for that increase, and more. The School Board budget is jumping \$1,944,948. The schools' cafeteria budget, which is a separate category from the overall budget, is up \$719,925. Additionally, an increase of \$797,007 is projected in the Sheriff's Department's Correction and Detention cost center. This is where the ever-increasing costs associated with outsourcing inmates are located.

As you can see, outside of these three items, the rest of the proposed budget is actually less than the FY '17-'18 budget.

No tax or fee increases are proposed. As you may recall from last year's presentation, it was mentioned moving the Motor Vehicle License Fee from \$20.75 to \$25 in the second year of implementation. However, that increase is not part of this proposed budget.

Staff proposes fully funding the School Board's request for \$18,525,432 in local money, an increase of \$500,000, or 2.77%, over the current year. The School Board's total budget for FY '18-'19 is projected at \$81,909,825, an increase of about \$1.95 million over current year. Much of this increase comes from the Commonwealth of Virginia, and even though the special budget session is coming April 11, staff does not expect a reduction in Henry County's school funding.

The proposed budget includes a 2% raise for County employees effective July 1. As indicated in the Board's Goals and Objectives, adequate compensation for employees is a high priority.

Another goal was the creation of a compensation study to encompass County and School Board employees. Staff plans to issue a Request for Proposals (RFP) later this month for this study. Once the proposals are received and evaluated, staff will bring it to the Board for a decision on whether to move ahead. Such a decision must be made with the understanding that the cost of implementing the study could be pricey and couldn't be met with our current revenue stream.

Staff projects no increase in health care costs. This would be the third time with no increase in the four years since we became self-insured. The County will continue to cover 100% of an employee's health insurance.

Clearly the biggest focus for staff in the next 12 months will be the jail project. Staff anticipates that the demolition of the existing structures on the jail site will begin in July and should be completed by the end of 2018. Architectural design and the bidding of construction should be completed in the same time frame. Staff anticipates actual construction to begin in the spring of 2019 and completed in approximately 18-24 months. Over the next several months, staff will be working with our financial advisors to secure financing for the project. However, as mentioned earlier, the uncertainty over the state budget could play a huge role in our jail plans.

Advertise FY '18-'19 Budget

Following the presentation, Mr. Zehr moved that the Board advertise the FY 2018-'19 Budget on Sunday, April 8, 2018, for a scheduled public hearing on April 16, 2018, seconded by Mr. Slaughter, and unanimously carried.

Mr. Hall said the budget will be available on the County website and also at all four branches of the Blue Ridge Regional Library. Mr. Hall reminded the Board of the budget work session scheduled on April 5, 2018 at 5:00 p.m. in the Fourth Floor Conference Room. Mr. Hall requested that the Board review the budget and on Thursday, staff will go through each category and answer any questions.

CLOSED MEETING

Mr. Zehr moved that the Board go into a closed meeting at 5:43 p.m., seconded by Dr. Martin, and unanimously carried to discuss the Acquisition/Disposal of Real Estate (§2.2-3711(A)3).

OPEN MEETING

The Board returned to an open meeting at 5:53 p.m. on a motion by Mr. Slaughter, seconded by Mr. Zehr, and unanimously carried.

CERTIFICATION OF CLOSED MEETING

Mr. Wagoner read the Certification of the Closed Meeting and took a roll call vote.

Board members voting in the affirmative were Mr. Zehr, Mr. Bryant, Dr. Martin, Mr. Adams, Ms. Buchanan, and Mr. Slaughter.

No action was taken out of closed session; there being no further business to discuss, Mr. Bryant moved at 5:55 p.m. that the Board continue the meeting to April 5, 2018 at 5 p.m., second by Mr. Zehr, and unanimously carried.