

HENRY COUNTY BOARD OF SUPERVISORS MINUTES

April 19, 2022– 5:00 p.m.

The Henry County Board of Supervisors met on April 19, 2022, at 5:00 p.m. in the Summerlin Meeting Room of the County Administration Building, King's Mountain Road, Collinsville, Virginia. The purpose of the meeting was to present the FY 2022-2023 County Budget. The following Board members were present: Chairman Jim Adams; Vice Chairman Joe Bryant, Debra Buchanan, Garrett Dillard, Tommy Slaughter, and Ryan Zehr.

Staff members present were Tim Hall, County Administrator; Dale Wagoner, Deputy County Administrator; Darrell Jones, Director of Finance; Richard Stanfield, Assistant Director of Finance; George Lyle, County Attorney; Brandon Martin, Public Information Officer, and Michelle Via, Director of Human Resources.

Bill Wyatt of the Martinsville Bulletin and Callie Hietala of the Henry County Enterprise were present. Also present was Major Eric Hairston and Captain Wayne Davis of the Sheriff's Office, and Ben Boone, Henry County Schools Director of Finance.

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

PRESENTATION OF THE PROPOSED 2022-2023 BUDGET

Mr. Hall gave an overview of the Fiscal Year 2022-2023 Proposed Operating Budget for the County of Henry. (Copy of presentation and proposed budget included in Board's file).

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

FY 2020-21 Highlights

- Schock: German company that manufactures upscale sinks and bathroom product chose Henry County for its 1st U.S. operation.
 - \$85 million capital investment and 355 jobs
 - Company purchased the Patriot Centre shell building for \$1 million.
- Crown holdings: Began construction and has gone vertical
 - Expects to be open by the end of 2023
- COVID-19 Challenges
- Unemployment Rate

- Rate has gone down to pre-pandemic levels
- More people working today than at any point since 2003
- Manufacturing wage sits at more than \$20/hr.

Board of Supervisors' GOALS FOR FY' 22-'23

- Additional industrial park space, sites, and buildings
- Broadband expansion
- Pay raises for staff
- Expansion of utilities

PROPOSED FY 2022-23 COUNTY BUDGET

We were \$13 million out of balance when we started the budget work.

- Experienced \$3 million in growth
- Another \$3 million will be coming in additional funds from the Compensation Board for Constitutional Offices
- Recommend cuts and strategic use of our ARPA money to allow us to present a balanced budget, as required.
- Proposed Budget - \$189,921,961
- 13.1% increase over current year
- Increase due to school budget bumping up nearly \$12 million to \$102,422,358
- Additional costs of Sheriff's Office for manpower and operations at Adult Detention Center
- We propose bumping the Meals Tax from 4% to 6%
 - Even with the increase, our meals tax will still be cheaper than surrounding localities
 - The General Assembly may soon take this option away, increasing the need to move forward
- Meals Tax is the only tax increase we are recommending

School System Funding

- A \$947,842 increase in local money
- Total of \$20,321,619 from the County includes full funding of the key requests listed in "Superintendent's Estimate of Needs."
- A 7% pay raise for teachers (including a 3-step adjustment)
- Increasing pay for bus drivers and aides by 10%
- Administrators get 7% pay increase
- Add three coordinator positions and 13 regular education positions
- Add three Special Education and related service positions
- Add five Special Education paraprofessionals
- We are recommending leaving \$535,000 in local money for facilities
 - Funds of \$35,000 to pay for scoreboards at elementary schools
 - Funds of \$500,000 towards other facility costs

- We recommend a local contribution of \$18,712,619, which is less than the local funding of \$19,373,777 in the current fiscal year. Therefore, we are only required to provide \$15,951,224 in local funding. This budget exceeds that requirement.
 - Reminder: These cuts would be in facilities, where the school system has ample “replacement” money of approximately \$5 million from the 1% sales tax revenue for the current fiscal year, and an additional \$4.7 million is anticipated by the end of FY 2022-23 to fill the gap.
 - We recommend full funding of the instructional and compensation items in the Superintendent’s Estimate of Needs.

Other Notes

The County has \$9.8 million in ARPA funds

- The rules allow us to use that money for general salaries and benefits. The funds generally used for those items can be set aside to pay for projects.
- Housekeeping approach that makes reporting to the federal government more streamlined.
- We are proposing a 6% pay raise for employees.
 - Still less than our current 8% inflation
- An additional 12 new officers at the Sheriff’s Office for the Adult Detention Center
- An additional two positions in administration.
 - One shared position between Human Resources and Finance
 - One position for Parks & Recreation
- Costs are up significantly for Social Services and the Children’s Services Act
- No new outside agencies
 - Reinstate Smith River Sports Complex at \$20,000
- Current-year capital items will be brought to the Board when this budget is up for action.
- No new capital, but good use of ARPA money as we work through the process

ON THE HORIZON

- Reversion will lead to the need for significant additional tax revenue
- Fieldale Sanitary District is running out of money

There being no further business to discuss, Mr. Slaughter moved to continue the Meeting at 5:54 p.m. until Thursday, April 21, 2022, at 5:00 p.m. Ms. Buchanan seconded the motion, and it carried by the following vote:

AYES: Adams, Bryant, Buchanan, Garrett, Slaughter, and Zehr.
 NAYS: None.