

# **HENRY COUNTY BOARD OF SUPERVISORS MINUTES**

## **Annual Planning Session February 22, 2021 – 4:00 p.m.**

The Henry County Board of Supervisors held its annual planning session on February 22, 2020, at 4:00 p.m. at the Henry County Public Safety Complex.

The following Board members were present: Jim Adams, Chairman; Debra Buchanan, Vice Chairman; Tommy Slaughter, Joe Bryant, and David Martin. Ryan Zehr was absent.

Staff members present were Tim Hall, County Administrator; Dale Wagoner, Deputy County Administrator; George Lyle, County Attorney; Darrell Jones, Director of Finance; Michelle Via, Human Resources Director; Matt Tatum, Public Safety Director; Jennifer Gregory, Administrative Assistant; Sheriff Lane Perry, Lt. Colonel Steve Eanes, Captain Eric Hairston, Deputy Brian Lawson, and Deputy John Robinson.

Also present was resident Charles Williams, Kim Meeks of the Martinsville Bulletin, and Brandon Martin of the Henry County Enterprise.

### **CALL TO ORDER**

Chairman Jim Adams called the meeting to order at 4:00 p.m.

### **Economic Development Announcements**

Mr. Hall updated the Board on Economic Development activities over the past year. The County had the following announcements since the last planning session:

- Applied Felts (FerraTex Solutions) – \$1.95 million, 11 jobs (June 2020)
- Drake Extrusion – \$6.9 million, 30 jobs (June 2020)
- Advance Energy - \$1.5 million, 15 jobs (January 2021)
- Laminate Technologies - \$4 million, 42 jobs (January 2021)
- Crown Holdings - \$145 million investment, 126 jobs (January 2021)

### **COVID and Cares Act**

Mr. Hall updated the Board on the County's response to the Corona Virus pandemic and discussed how the County utilized C.A.R.E.S. Act funding. Mr. Hall noted the following items:

#### **Operation of Government**

- Increased training/expectation of or first responders
- Implemented safe workplace practices
- No interruption of services to our citizens
- Expanded online services
- No loss of payroll for employees

- Generous leave policies & rapid testing procedures
- Commitment and hard work by our employees

### **\$8.8 Million in CARES Act Funding**

- Small Business Grants
- Stipends for Front-line Personnel
- Payroll – Public Safety/Sheriff's Office
- Assistance with Utility Bills
- Assistance with Child Care
- Improved Teleworking Capabilities
- Assisted with Distance Learning
- Supported Food Programs
- Personal Protective Equipment (P.P.E.)
- Building Modifications

### **Update – Adult Detention Center**

Mr. Wagoner updated the Board on the construction of the new adult detention center:

- Construction is on schedule
- Costs are within budget
- Approximately 50% complete
- Anticipated Completion – February 2022
- Some minor issues because of COVID

### **Interesting Notes:**

- The vacuum plumbing system will reduce water consumption by 66% over traditional systems
- All energy-efficient lighting and controls

### **Update - Reversion**

Mr. Lyle updated the Board on reversion:

### **Legal Analysis**

- Reversion is a General Assembly created financial "safety valve" that allows certain incorporated cities to become towns within the counties that surround the City
  - It is a significant adverse financial event for the County and its residents
  - All three previously filed reversion petitions resulted in cities becoming towns
- The decision to revert rests solely with Martinsville City Council
  - Henry County has requested legislation from the General Assembly to require public referendums, but efforts were unsuccessful

- Henry County is pursuing a strategy to minimize the negative financial impacts of Martinsville becoming a town

### **Timeline**

- September 18, 2020: Martinsville file notice with the Commission on Local Government (C.L.G.) with supporting documents
- October 14, 2020: C.L.G. says it will issue a report May 13, 2021
- November 30, 2020: County files its response with C.L.G.
- February 17, 2021: Martinsville & Henry County agree to extend the deadline for C.L.G. to issue a report regarding Martinsville's petition to revert from May 13 to August 5, 2021
- March 22, 2021: C.L.G. scheduled to meet and consider setting dates for public hearing and presentation by County and City
- Following the C.L.G. report, a three-judge panel of jurists from outside the community will be appointed to consider entering an order
- The judicial Panel will consider the report, evidence, argument, etc.
- The Panel will set a schedule to consider the matter and issue an order

### **When will the City services stop?**

- No implementation date has been recommended or ordered by C.L.G. or any court
- The judicial Panel that approves the final order will include details of the implementation of the reversion and dates
- Given logistics, planning, and budgetary concerns, the County is opposed to any implementation before July 1, 2023, or later depending upon the length of court proceedings and appeals
- The County doesn't think the City's proposed implementation date of 7/1/2022 is reasonable or achievable

### **\$5 Million in new annual expenses**

- By reverting, Martinsville ceases to provide many essential services to its residents, and Henry County will be obligated to provide those services, including:
  - Public schools
    - Martinsville will cease to provide education services, and Henry County Public Schools will have to educate about 1,500 more students
    - Regional activities such as the governor's school and the regional alternative school would not only lose funding from Martinsville but would lose additional state funds
  - Housing inmates
    - The Henry County Sheriff's Office will be responsible for housing all inmates held daily in the city jail
  - Social Services

- Martinsville will cease paying approximately 1/3 costs of operations

### **\$5 Million annual expenses**

- Health Department funding ceases
- Circuit Court Clerk's Office
- Prosecuting crimes
  - All criminal prosecution of felonies and state misdemeanors will be done by the Henry County Commonwealth Attorney with no funding from the Town
- Tax assessment
  - Henry County Commissioner of Revenue handles all cases
- Voter registration and elections
  - Henry County will conduct all elections in Martinsville after reversion

### **Unknown Capital expenses**

- Expanding the service the County provides will require an unknown amount of one-time capital expenses
  - School renovations
  - Expansion of all Constitutional officer facilities
  - Courthouse renovations
  - These new one-time expenses would be in addition to a new stream in ongoing expenditures the County would absorb

### **Annexation**

- After 24 months, the Town of Martinsville can file to annex neighborhoods and businesses into the Town
- Annexation Negatives
  - Double real estate taxes of business and residents
  - Hinders economic development
  - Erodes the County tax base
  - Meals, lodging, utility, sales taxes
  - Reduces County's ability to fund services it provides throughout the Town and all of Henry County

### **Annexation is unnecessary**

- Urban services already provided to areas adjoining Martinsville
- Annual budget savings to Martinsville would allow for lower Town real estate taxes but still generate enough revenue to support Town services, enhancements, and regular investment in infrastructure

### **Path forward**

- Continue to negotiate with Martinsville to minimize negative impacts in County
- Continue to lobby General Assembly for legislation to reduce impacts of reversion

- Continue to advocate before the C.L.G. and the three-judge Panel for outcomes that reduce the financial hardships on the County
- Prepare to defend the County from future annexation attempts from Martinsville vigorously

### **F.Y. 2021-2022 Budget Considerations**

Mr. Hall updated the Board on upcoming budget considerations, including the following:

- Salaries
- Operations of the new Adult Detention Center
- Succession planning in certain departments
  - Mike Amos is retiring
  - Cecil Stone is retiring
  - Many other eligible to retire within 12-18 months
  - Elizabeth Stone's passing and the appointment of Dawn Stultz-Vaughn
- Continuing Impacts of COVID-19
- 1% Sales Tax approved
  - It can be used to pay off school debt
- Additional revenue streams
  - Cigarette tax available
  - Legislative changes regarding solar projects
  - Reassessments
- Census and Redistricting
- Drug Court and Pretrial Services

### **Review of Goals from 2020-2021**

Mr. Hall reviewed the goals from 2020-2021, including the following:

- New Clients at C.C.B.C.
  - Press Glass – in full operation
  - Crown Holdings – Construction underway
- Client for the shell building
  - Significant interest in the past 12 months
- Start construction on the new jail
  - Approximately 50% complete, Open in early 2022
- A.E.P. Electrical Substation for C.C.B.C. – Done
- Keep fiscal policies strong
  - Growth in fund balance in spite of challenges this year
- Treat employees well
  - Provided a stipend, but still needs more work
- New P.S.A. water connections – Work in progress
- Expand Marina and other amenities – Done
- Address escalating fire & E.M.S. call volumes – Work in progress
- Plan for a County Fair – Done
  - Scheduled for September 22-25, 2021

### **Other Accomplishments**

Mr. Hall updated the Board on other accomplishments from the past year, including the following:

- Expansion of the Dick & Willie Passage Trail
- The rebound of the local economy – unemployment rates lower.
- Significant increase in sales tax revenue
- John Redd Smith Apartments
  - Developer interested in two other properties

### **Setting Goals for 2021-2022**

Mr. Hall asked the Board, "What aren't we doing that we should be doing?"

- Dr. Martin stated we needed to have internet service available to everyone in the County.
- Dr. Martin asked about the possibility of doing a compensation study jointly with the School Board to align pay between Henry County and School Board more closely.
- Mr. Adams asked how the County helps local companies train, hire, and navigate through local services available.
- Mr. Bryant and Ms. Buchanan felt we needed to let the citizens know more about the activities, programs, and opportunities the County has available and what the County is doing to bring business to the County.

### **State of Emergency**

Mr. Hall said because of some radio system issues, the County Administrator declared a State of Emergency in Henry County on Friday, February 12, 2021, as allowed under Sec. 44-146.21 of the Code of Virginia. As part of that process, the locality's governing body must take official action to authorize that declaration. These actions must occur at the governing body's next regularly scheduled meeting or at a special called meeting within 14 days of the declaration. (Copy included in Board's file)

On a motion by Dr. Martin and seconded by Mr. Slaughter, the Board unanimously affirmed the declaration of the emergency by the following vote:

AYES: Adams, Buchanan, Slaughter, Bryant, and Martin.

NAYS: None.

### **Consideration of a proclamation ending the local declaration of emergency related to radio system ON February 12, 2021**

Mr. Hall said on February 12, 2021, our office declared a local state of emergency in response to radio system issues. The Board of Supervisors affirmed the declaration at its meeting on February 22, 2021. The emergency resulting from the radio system issues is now over, and the Board must officially rescind the emergency declaration. (Copy included in Board's file)

On a motion by Mr. Bryant and seconded by Mr. Slaughter, the Board unanimously approved a proclamation rescinding the declaration of emergency by the following vote:

AYES: Adams, Buchanan, Slaughter, Bryant, and Martin.  
NAYS: None.

**Adjournment of Meeting**

There being no further business to discuss, Dr. Martin moved to adjourn at 6:59 p.m. Mr. Bryant seconded the motion, and it carried by the following vote:

AYES: Adams, Buchanan, Slaughter, Bryant, and Martin.  
NAYS: None.

The next regular meeting will be February 23, 2020, at 3:00 p.m. There will also be a joint budget meeting with the School Board at 5:00 p.m.