

October 29, 2002

**HENRY COUNTY BOARD OF SUPERVISORS
MINUTES**

October 29, 2002 – 7:00 pm

The Henry County Board of Supervisors held its regular night meeting on October 29, 2002, at 7:00 pm in the Board Meeting Room of the County Administration Building, King's Mountain Road, Collinsville, Virginia. The following Board members were present: Mr. Mike Seidle, Chairman; Mrs. Debra Buchanan, Vice Chairman; Mr. David Davis, Mr. Francis Zehr, Mrs. Paula Burnette, and Mr. Jim Adams.

Staff members present were Mr. Benny Summerlin, County Administrator; Mr. Tim Hall, Deputy County Administrator; Mr. Robert W. Haley, County Attorney; Ms. Susan Biege, Administrative Assistant; and Mr. Jimmie Wright, Director of Accounting.

Sergeant Jackie Carter was present from the Sheriff's Department.

Ms. Debbie Hall of the Martinsville Bulletin was present and Mr. Scott Coleman of Cable 6 was present.

Chairman Seidle called the meeting to order and Mr. Haley gave the invocation.

Chairman Seidle welcomed everyone present and advised that anyone who wishes to be on the Agenda for the Board's Regular Day Meeting at 9:00 am must contact the County Administrator's Office seven days prior to a scheduled meeting. Mr. Seidle stated that anyone who wishes to speak at the Board's Tuesday night meetings may do so without contacting the County Administrator's Office.

**PUBLIC HEARING – SIX YEAR SECONDARY ROAD PLAN, OPEN
FORMAT, 7:00 PM – 8:00 PM:**

Mr. Seidle stated that anyone who is attending the meeting and wishes to make comments at VDOT's public hearing on the Six

Year Secondary Road Plan that it would be held from 7:00 pm until 8:00 pm in the right side meeting room. He stated the Board would then take the public's comments on the Six-Year Secondary Road Plan at 8:00 pm.

MATTERS PRESENTED BY THE PUBLIC:

Ms. Kim Adkins – Chamber of Commerce

Ms. Adkins stated she was present on behalf of the Chamber of Commerce to request the Board of Supervisors to consider keeping on their legislative agenda the legislation that went through the General Assembly last session. Ms. Adkins stated the legislation is now being considered by the Senate Finance Committee to give the Board an option to levy a lodging tax up to 2%. Ms. Adkins stated the Chamber realizes that the Board would not levy the tax if passed by the General Assembly until there is a community consensus. Ms. Adkins stated the lodging funds generated from the lodging tax wouldn't necessarily go towards tourism initiatives and marketing, that they would also help to create additional destinations which Henry County desperately needs. Ms. Adkins stated the Chamber is committed to maintaining a Destination Marketing Organization Status with the State, which is commonly referred to as a "DMO Status". Ms. Adkins stated the "DMO Status" is important for the Chamber to maintain, because it allows them flexibility to leverage monies through grant funds from the State. Ms. Adkins stated this year they were successful in generating approximately \$50,000 that they were able to use to lay the groundwork for the last two years to help promote the area.

Mr. Jeff Bailey, General Manager of Best Western, came forward and spoke in support of the lodging tax. He asked the Board to give the Chamber an opportunity to generate a plan and the Board could then decide when they want to levy the tax.

Mr. Dean Johnston, Vice President of the Chamber of Commerce, stated that with the economic distress in the area, it is important to look at the greater good of what potential additional revenues would do to help promote the area. He asked the Board to keep it on their legislative agenda.

Ms. Mary Scott-Martin, General Manager of Super-8 Motel stated on January 2, 2002, the Chamber of Commerce brought the lodging tax issue before the Board for discussion. She stated Mr. Clower, County Administrator, waived the normal seven-day notice for Ms. Kim Adkins of the Chamber to address the Board regarding this issue. She stated the Board did not have time to hear the facts of this issue nor did the hotel/motel businesses receive notification and were not given an opportunity to speak.

Ms. Martin stated on January 8, 2002, a special meeting was called on behalf of the Board of Supervisors on behalf of the group that is not in support of the lodging tax. She stated at that point it was decided to leave it on the legislative agenda and the Board agreed at that time that if it passed they would not act on it unless the Board had 100% support from the hotels in Henry County. Ms. Martin referred back to Board Minutes in which Mr. Seidle stated that the Chamber and the Hotel owners/operators should get together and try to work through the issue. Ms. Martin stated to date that has not happened. She stated on February 6, 2002, she attended the General Assembly Session in Richmond on behalf of the six County hotels that were opposed to the tax increase. Ms. Martin stated she and Ms. Adkins spoke to the Finance Committee and the vote was split. She stated they were told to return to Richmond on February 13 to appear before the full committee. She distributed a copy of the package that their group presented in Richmond. (Copy in Board's File). She stated the Committee in Richmond asked that they come back and answer two questions. One being, what does the majority of the motels in Henry County want. She stated there are 10 motels and six are opposed to the proposed lodging tax. She stated the second question they wanted answered was the City going to impose an equal amount of lodging tax on the City motels. She stated she presented a letter in Richmond from Mr. Earl Reynolds, City Manager, stating that would not happen. Ms. Martin stated they returned to Richmond on February 13 and the Committee voted unanimously to carry the matter over for another year. The Committee Chairperson suggested to Ms. Adkins that she meet with the hotel owners/operators and come to some consensus on the issue. She

stated that has not happened. Ms. Martin stated there needs to be a budget and a plan in place before they start looking at ways to spend the funds. She stated they need to review the plan to see if it's going to be feasible to the area and how it's going to effect their businesses. Ms. Martin noted that the other motel owners opposing the lodging tax were present.

Ms. Martin discussed a Chamber survey conducted by Managers of Eastern Hospitality Management, Inc. after receiving cards from the Chamber stating that they had referred business to their hotels and records were being kept of all the people they referred. Ms. Martin stated she called the Chamber to inquire what referrals were made to her business and to thank the Chamber if they actually received the business. Ms. Martin stated she was told there were no records and they did not have the system in place; however her business was referred to people looking for rooms during the NASCAR race. She stated they did not need referrals for NASCAR weekend and they actually could use 20 more hotels during that time. She stated if that is the only time the Chamber could refer their business to someone, then that's not doing their business any favors. Ms. Martin stated that local people would also be paying the tax and 40% of Super 8's business the first six weeks of 2002, was local business. Ms. Martin asked the Board to represent the people of the County and the businesses and remove Senate Bill 453 from their Legislative Agenda for 2003.

Mr. Clay Campbell, President of the Martinsville Speedway, addressed the Board on his concerns regarding the proposed lodging tax and offer alternatives to the 2% tax increase. Mr. Campbell stated he was confused as to why the County needs the tax for tourism efforts and especially taxing the local businesses to achieve it. He stated he was supportive of the Chamber of Commerce and its efforts to promote Martinsville-Henry County. Mr. Campbell stated he was disappointed, surprised and shocked in the local Chamber proposing a tax increase of any sort especially one for its own membership. Mr. Campbell stated he felt the two major Winston Cup Race Weekends are the driving force behind the tax and the target is directly aimed at the race fans. He stated the target is for the two race weekends per year; however, who is going to suffer for the other 50 weeks? Mr.

Campbell stated what about contractors working in the area needing 30 rooms per week, or local industries needing to lodge visiting executives for a few days, local churches, civic groups, organizations on tight budgets, or relatives visiting from out-of-town. He stated these increases in lodging expenses would be noticed. He asked if all these people should pay for the areas tourism efforts. He stated the definition for "Tourist" in the dictionary is "One who travels for pleasure." Mr. Campbell stated there are many things in the area to be proud of such as Piedmont Arts, the Museum, Speedway, etc.; however, he did not think the area would ever be considered a tourist destination. Mr. Campbell stated he had lived in Henry County all his life and he had been to a lot of places in the country and never found a place that he would rather be than in Henry County. He stated he was all for promoting the area and he felt it could be done effectively with focus on certain areas without a tax increase in these tough economic times. He stated he hoped all parties would be open-minded and work towards a solution that can be a win-win for everyone. He stated one of several alternatives he would like to offer is a link to the Speedway Website, which receives approximately 50,000 hits a month. He stated he offered to the Chamber free of charge a display area for each of their race weekends to promote the area. He stated there is also an opportunity to network with major companies in town to promote their website. He stated he would encourage the Chamber to continue their efforts in promoting the racing region along with the Chambers of Danville, Pittsylvania, Patrick, and Halifax. He stated he would gladly offer a member of his staff to assist in promoting the region. He stated he hoped the Chamber would reconsider its position on taxing its membership and he would close with a quote from the Chamber's Website. "Our programs are designed to encourage a strong local economy by creating an environment where businesses thrive, community and commerce work together for the future of Martinsville-Henry County."

Ms. Adkins stated she would like to make a comment that there has been some dialogue between the Chamber and the hotel owners.

There being no one else who wished to speak regarding the proposed lodging tax, Mr. Summerlin stated that this bill is pending

in the General Assembly, therefore the Board should probably take some action and direct the staff as to how they would like to proceed with this matter.

Following some general comments from the Board, Mr. Zehr moved that the Board request Senator Reynolds to remove HB 453 from the Legislative Package for 2003, second by Mrs. Buchanan. The motion carried 5 to 1. Mrs. Burnette voted against the motion.

GENERAL HIGHWAY MATTERS:

Resolution in Support of Proposed Road Improvements on U.S. Route 220 and N.C. Route 68

Mr. Summerlin introduced Mr. Tom Robertson, County Manager of Rockingham County, and Mr. Don Moss, Director of Rockingham County's Economic Development Agency. Mr. Summerlin stated that County and City staff met with representatives of Rockingham County concerning some road improvements in North Carolina. He stated the proposal for the road improvement to U.S. Route 220 and N.C. Route 68 will help Henry County and provide better access to Interstates in North Carolina and better access to the Piedmont Triad International Airport.

Mr. Tom Robertson came forward and discussed the improvements to U.S. Route 220 and N.C. Route 68 and its benefits to both jurisdictions. He asked the Board for support of a Resolution to submit to the North Carolina Transportation Department that this is an important regional project. (Copy of Rockingham County's Transportation Improvement Projects/Top Priorities included in Board's File).

Mr. Zehr moved that the proposed Resolution be adopted by the Board of Supervisors, second by Mr. Davis and unanimously carried. (Copy of Resolution in Board's File).

The Board thanked Rockingham County's willingness to include Henry County in working together on this project.

Mrs. Burnette noted to Mr. Robertson there is no indication that identifies Virginia as a Route north coming out of the airport. She stated when you approach Route 68 there is a sign that says Route 220, but nothing along the way that says to the Virginia State Line or its miles. She asked Mr. Robertson if there was something that he could do to help pursue signs indicating the location of Virginia State Line coming out of the airport.

MATTERS PRESENTED BY THE PUBLIC CONTINUED:

Ms. Cheryl Keiser Davis, a member of the Henry County Alliance for Honest Government, came forward and addressed the Board regarding concerns and questions of the accounting principals and practices of the PSA. Ms. Davis distributed copies of her comments to the Board. (Copy in Board's File).

Mr. Bobby Fisher a resident in the Reed Creek District, came forward and discussed concerns and questions regarding Mr. Wayne Sterling, Chief Executive Officer of the Office of Commerce, and his investigation in South Carolina. Mr. Fisher distributed copies of an article to the Board from the Martinsville Bulletin entitled "S.C. clears Sterling in ethics case." Mr. Fisher also discussed the issue of an article, which appeared in the Roanoke Times entitled "Cerxon Chief Convicted of Fraud in '99." (Copies of each article included in Board's File). Mr. Fisher also questioned the Board regarding issues pertaining to Cerxon's Performance Agreement and the number of employees they have hired to date. Mr. Fisher inquired if there were clear guidelines for Mr. Sterling, Mr. Summerlin, and the Board of Supervisors. Mr. Fisher stated in closing that the Henry County Alliance for Honest Government is all for economic development when quality companies are involved and Henry County needs jobs. He stated he challenged the Board to do what they were elected and paid to do because Henry County needs leadership and a County Fraud Audit would be a good place to start.

The Board thanked Mr. Fisher for his comments.

Mr. Delano Thomasson

Mr. Thomasson distributed a copy of an article entitled “Test SOL 101 for our Leaders” consisting of questions relating to the Cerxon Company, 5B’s, and the Sid Clower embezzlement, etc. Mr. Thomasson also discussed issues regarding Mr. Sterling’s contract with Henry County and the salaries of personnel in the Office of Commerce.

The Board thanked Mr. Thomasson for his comments.

PUBLIC HEARING – PROPOSED ORDINANCE AMENDMENT TO PROHIBIT OUT-OF-COUNTY WASTE:

The Board at its meeting in September was requested by Mr. Zehr to consider an amended ordinance that would ban out-of-county waste from being left at Henry County’s convenience centers and green box sites. A final version of the amended ordinance was prepared, which the Board must hold a public hearing before adopting. (Copy in Board’s File).

Mr. Haley gave a brief summary regarding the ordinance amendments regarding the fees for violations.

The public hearing was open at 8:15 pm.

There being no one present who wished to speak the public hearing was closed at 8:16 pm.

Mr. Zehr moved that the proposed ordinance be adopted by the Board of Supervisors, second by Mrs. Buchanan and unanimously carried.

PUBLIC HEARING – SIX-YEAR SECONDARY ROAD PLAN:

Ms. Lisa Price-Hughes, VDOT Resident Engineer, briefed the Board regarding the public hearing that was held on the Six-Year Secondary Road at 7:00 pm in the Board’s Right Side Meeting Room. Ms. Hughes stated she would make copies available of the comments received at their next meeting. Ms. Hughes stated she had no further highway matters to discuss.

Children at Play Signs

Mr. Davis moved that the Board request VDOT install Children at Play Signs on Taylor Road in the Collinsville District second by Mr. Zehr and unanimously carried.

Drainage Problem on Erwin Street

Mr. Davis asked Ms. Hughes what was the status of the drainage problem on Erwin Street.

Ms. Hughes stated VDOT representatives met with Mr. Brown last week regarding the entrance pipe and a decision would be made after hearing back from the Brown's.

Drainage Problem on Belmont Street

Mr. Davis asked Ms. Hughes regarding the status of the drainage problem on Belmont Street.

Ms. Hughes stated VDOT plans to start work on correcting that problem in several weeks.

Rolling Hills Yield Sign

Mrs. Burnette asked Ms. Hughes if the Yield Sign had been installed on Rolling Hills at the Shopping Center.

Ms. Hughes stated she was not aware of it, however, she would have someone to check it.

Mrs. Burnette suggested that another traffic count be conducted to determine if the Yield Sign needs to be a Stop Sign or if the Stop Sign needs to be on Lovell, which comes off of Rolling Hills.

Ms. Hughes stated a traffic study is time consuming; however, she has received the petition and she should be hearing something back on the traffic study soon.

Mrs. Burnette also requested Ms. Hughes to check Route 57 and Ward Road to make sure that the gravel is put down before Election Day.

APPOINTMENT:

Patrick Henry Community College Board

Mr. Davis moved that the Board appoint Ms. Sandra Shell to the Patrick Henry Community College Board, second by Mrs. Buchanan and unanimously carried.

Mr. Summerlin asked if anyone was present that wished to discuss their concerns on the Six-Year Plan in addition to their comments given at the public hearing held by VDOT.

There was no one present who had any comments.

There being no further business to discuss Mr. Adams moved to adjourn at 8:25 pm, second by Mr. Davis and unanimously carried.

R. E. "Mike" Seidle, Chairman