

VIRGINIA: County of Lee, to-wit:

At the Recessed Meeting of the Lee County Board of Supervisors in the General District Courtroom of the Lee County Courthouse on June 23, 2021 at 5:00 p.m. thereof.

MEMBERS PRESENT: D. D. Leonard, Chairman
Sidney Kolb
Larry Mosley
Charles Slemp, Jr.
Robert Smith

MEMBERS ABSENT: None

OTHERS PRESENT: Dane Poe, County Administrator
Jeny Hughes, Administrative Assistant
Stacy Munsey, County Attorney

OTHERS ABSENT: None

MEETING CALLED TO ORDER

The meeting was called to order at 5:09 p.m.

PUBLIC HEARING

PROPOSED AMENDMENT TO VEHICLE LICENSE ORDINANCE

The Lee County Board of Supervisors held a Public Hearing on Wednesday, June 23, 2021 at 5:00 p.m. in the General District Courtroom of the Lee County Courthouse in Jonesville, Virginia. The purpose of the Public Hearing was to receive public comment on a proposed amendment to the Ordinance enacting a vehicle license fee on motor vehicles, trailers, and semitrailers. The proposed amendment would increase the fee on passenger cars from \$35.00 to \$40.75 and would increase the fee on trucks from \$40.00 to \$40.75.

The Chairman opened the floor for public comment.

Edith Bowen, Jonesville, stated that last year the vehicle license fee increased substantially. Now there is proposed \$5.00 on cars, a proposed \$.08 increase on Real

Estate taxes and a reassessment currently being done. This vehicle fee would be a triple tax increase, but at least with the vehicle fee everyone would get an increase, not just the property owners.

There was no further public comment.

The Chairman closed the floor for public comment.

It was moved by Mr. Kolb, seconded by Mr. Mosley, to increase the vehicle license fee for passenger vehicles from \$35.00 to \$40.75. Upon the question being put the vote was as follows.

VOTING AYE: Mr. Kolb, Mr. Mosley

VOTING NO: Mr. Leonard, Mr. Slemp, Mr. Smith

It was moved by Mr. Kolb, seconded by Mr. Mosley, to increase the vehicle license fee for trucks from \$40.00 to \$40.75. Upon the question being put the vote was as follows.

VOTING AYE: Mr. Kolb, Mr. Mosley, Mr. Slemp

VOTING NO: Mr. Leonard, Mr. Smith

**PROPOSED REAL PROPERTY TAX RATE INCREASE FOR FISCAL YEAR
2021-22 FOR THE COUNTY OF LEE, VIRGINIA**

The Lee County Board of Supervisors held a Public Hearing on a proposed tax rate increase for Real Property for the fiscal year beginning July 1, 2021. The Public Hearing was held on Wednesday, June 23, 2021 at 5:00 p.m. in the General District Courtroom of the Lee County Courthouse in Jonesville, Virginia. The purpose of the Public Hearing was to provide citizens an opportunity to state their views on the proposed rate increase. The current rate of tax on real property is \$.6187 per \$100 of assessed value. The proposed rate of tax is \$.70 per \$100 of assessed value.

The Chairman opened the floor for public comment.

Edith Bowen, Jonesville, stated that the Board is requesting a \$.08 increase on the property tax, while that in itself is a big increase, there is currently a reassessment that will also cause an increase in taxes. She added that during the July 1, 2020 meeting, one of the Supervisors stated that he would not put a \$.70 tax on property that is not worth \$0.6187, while another one stated that the property is worth about 15% more than assessed value.

There was no further public comment.

The Chairman closed the floor for public comment.

Mr. Kolb stated that as a fairly significant property owner, it especially hurts to vote to raise taxes. He stated there are two ways to fix the budget problem; cut expenses, raise taxes or do a combination of both. He said the record would reflect it takes three people agreeing to cut something out of the budget and the board could not cut enough out of the budget to make it balance. He added he would not vote to pass an un-balanced budget, that it is irresponsible to spend more than is brought in and it will catch up. He stated he had looked at the adopted budgets from 2012 to 2021 and the deficits ranged from \$116,573.00 to \$2,417,000.00. In years past, there was more revenue coming in from Coal Severance Taxes and Machinery and Tools Taxes. He added that minimum wage has went from \$7.25 to \$9.50 and will increase again in January to \$11.00 with some county employees making less than that and salaries had to be increased. There are a lot of costs that the County cannot control and one of the biggest costs is the local match required by the State for the School Board budget. Since 1981 the Real Estate tax ranged from as high as \$0.75 to as low as \$0.55 and when it is low it will jump back up a couple years after. The revenue from the Real Estate Tax last year was approximately \$5,300,000.00 and the County employee payroll last year was \$3,768,000.00. He challenged anyone to tell the Board where extra expenses could be trimmed out of the budget.

Mr. Mosley stated that the last time there was a reassessment it did not raise taxes. He stated trying to make the decision to raise taxes it is not easy and when he first sat on the Board, the County had to borrow money to pay the bills. Sometimes the only way to

make things balance is to raise taxes and the County cannot keep operating on a deficit budget.

Mr. Leonard stated that he appreciates every Board member, that working on the budget is a hard job and there is no participation from the citizens. He is opposed to tax increases when the County is paying for State responsible inmates that are in the Regional Jail. He thanked the three citizens that did attend the meeting.

It was moved by Mr. Kolb, seconded by Mr. Mosley, to increase the Real Estate tax rate from \$0.6187 per \$100.00 of assessed value to \$0.70 per \$100.00 of assessed value. Upon the question being put the vote was as follows.

VOTING AYE: Mr. Kolb, Mr. Mosley,

VOTING NO: Mr. Leonard, Mr. Slemph, Mr. Smith

REPORTS AND RECOMMENDATIONS OF THE COUNTY ADMINISTRATOR

SALVAGE BUILDING MATERIAL BIDS

Mr. Poe reported that bids for salvage building materials in the former Extension Office and School Board office buildings were due today at 2:00 p.m. Results of the bidding were as follows:

	<u>Extension Building</u>	<u>School Board Building</u>
HK Lee Properties	\$250.00	\$250.00
Matthew Johnson	\$203.01	\$303.01

The bid specifications provide that all materials removed from the Extension Office building must be completed within 30 calendar days of notice to proceed after award of the bid. Similarly, all materials removed from the School Board building must be completed within 60 calendar days of notice to proceed after award of the bid.

Mr. Kolb stated that he is 50% owner of HK Lee Properties and he would not vote on this matter.

It was moved by Mr. Mosley, seconded by Mr. Leonard, to award to the highest bidder on each building as follows: the Extension Office building to HK Lee Properties in the amount of \$250.00 and the School Board office to Matthew Johnson in the amount of \$303.01. Upon the question being put the vote was as follows.

VOTING AYE: Mr. Mosley, Mr. Leonard, Mr. Slemp, Mr. Smith,

ABSTAINING: Mr. Kolb

COMPENSATION TIME

Mr. Poe reported that legislation adopted by the General Assembly earlier this year regarding overtime wages would require employers to pay employees for overtime instead of giving compensation time off. Government entities were expected to be exempt when this was drafted however; the final bill did not include language to that effect. Starting July 1, localities would be required to pay any overtime wages except law enforcement. VACO is currently working with legislators to try to get this matter back before the General Assembly in an August Special Session.

HOSPITAL AUTHORITY

Jeff Mitchell, Hospital Authority Attorney, announced that after closing in October 2013 and the Hospital Authority trying several options, the Lee County Hospital will reopen on July 1, 2021. He stated that Ballad Health stepped in and provided funding for the Hospital Authority to buy the building back from Americore and allowed the note owed to the County to revert back to \$1,700,000.00. Americore had outstanding invoices with a vendor for computers, software and licensing fees on equipment that was in inventory at the building. That equipment would not work with Ballad's systems so they attempted to return it, but the company would not accept return and sued the Authority for the outstanding bill, which has now been settled for \$280,000.00. Ballad is now exercising its rights under their agreement with the Hospital Authority to buy the hospital building. The funds from sale of the building will be used to pay the closing costs, legal fees, accounting fees and the legal settlement with the computer vendor. The remaining funds of \$1,300,000.00 to \$1,400,000.00 would be paid to the County to retire the \$1,700,000.00 note. Mr. Mitchell is asking the Board to approve the sale and payment to pay off the Deed of Trust in order for Ballad to obtain ownership of the hospital.

Mr. Kolb asked when this document was drafted.

Mr. Mitchell stated that it was drafted today.

Mr. Kolb asked if there was any urgency in this deed being approved.

Mr. Mitchell stated that Ballad would like to have title to the building when they open for operation which is July 1.

Mr. Kolb asked when the Hospital Authority obtained the building.

Mr. Mitchell stated that in 2013 when the hospital closed, there was no one to buy the building, and the Hospital Authority Code Section only pertained to cities. Delegate Kilgore pushed legislation through that allowed the County's Hospital Authority to be created. In 2015 the Hospital Authority was finally able to purchase the property. The people involved with that transaction are no longer employed with Ballad.

Mr. Poe stated that a benefit of the deed is that it does include a reversion clause.

Mr. Mitchell added that the Hospital Authority thought it was critical that this County never be in the position that it was in when the building closed in 2013, so they included a reversion clause that states if for any reason this is not a hospital for the next 25 years the building will revert back to the Hospital Authority.

Mr. Smith stated that he is glad the hospital will be opening up and asked how many beds will be available.

Mr. Mosley stated that there will be 10 beds in the Emergency Room, 2 observation beds and 10 beds for admitting.

Mr. Kolb stated that he is also an attorney and does not take legal documents lightly; he does not rush anything out of his office without reviewing it first and he cannot vote to approve a document that he has not had time to review yet.

Mr. Mitchell stated that this document is probably as good as it get, all of this was negotiated when Ballad put their money in the first time.

Mr. Leonard stated that Mr. Mitchell has been at every Hospital Authority meeting driving from Blacksburg every time and he appreciates all of the hard work he has put in to get the hospital open again.

It was moved by Mr. Mosley, seconded by Mr. Smith, to adopt the following Resolution. Upon the question being put the vote was as follows.

VOTING AYE: Mr. Mosley, Mr. Leonard, Mr. Slemp, Mr. Smith,

VOTING NO: Mr. Kolb

**RESOLUTION OF
THE BOARD OF SUPERVISORS OF LEE COUNTY, VIRGINIA
(Ballad Health Building Transfer | Burwood Settlement)**

June 23, 2021

Creation of Lee County Hospital Authority

WHEREAS, on October 1, 2013, the former Lee Regional Medical Center closed; and,

WHEREAS, as part of the community response to the closure, Delegate Terry Kilgore introduced emergency legislation in the 2014 session of the Virginia General Assembly to grant to counties the ability to create a Hospital Authority, which was a right previously only granted to cities in Virginia; and,

WHEREAS, on April 15, 2014, the Board of Supervisors chartered the Lee County Hospital Authority (“Hospital Authority”) pursuant to Section 15.2-5300 *et. seq.* of the Code of Virginia to, among other things, work to re-open a hospital in Lee County; and,

WHEREAS, on April 28, 2015 the Board of Supervisors loaned the Hospital Authority One Million Seven Hundred Thousand Dollars (\$1,700,000.00) to purchase the former Lee Regional Medical Center building (the “Hospital Building”) from the previous owner; and,

WHEREAS, the Hospital Authority has diligently worked for the nearly eight years to re-open a hospital; and,

WHEREAS, from time to time the Board of Supervisors has granted funds to the Hospital Authority to help in its mission; and

Proposed Transfer of Hospital Building to Ballad Health

WHEREAS, on February 20, 2019, Ballad Health, a Tennessee non-profit public benefit corporation (“Ballad Health”) loaned the Hospital Authority Two Million One Hundred Thousand Dollars and 00/100 (\$2,100,000.00) as evidenced by a Secured Promissory Note (the “Ballad Health Note”) to purchase the Hospital Building; and,

WHEREAS, the Hospital Authority purchased the Hospital Building from its previous owner on February 21, 2019, as part of the purchase the Hospital Authority assumed certain debts of the previous owner including a One Million Five Hundred Thousand Dollars and 00/100 (\$1,500,000.00) debt (which had been reduced pursuant to terms required by the then owner) owed to the Board of Supervisors of Lee County, Virginia (the “County”) as evidenced by a Secured Promissory Note (the “Original County Note”); and,

WHEREAS, the Hospital Authority and Ballad Health entered into that certain Deed of Lease dated October 1, 2019 (the “Deed of Lease”) and that certain Master Agreement dated October 1, 2019 (the “Master Agreement”), which governed the relationship of the Hospital Authority and Ballad Health as each party worked diligently to re-open a hospital in Lee County, Virginia; and,

WHEREAS, pursuant to Section 2.3(b) of the Master Agreement, the County and the Hospital Authority amended the County Note to defer the Hospital Authority’s payment obligations and increase the principal amount of the County Note to One Million Seven Hundred Thousand Dollars and 00/100 (\$1,700,000.00) (the “Amended County Note”) (the Original County Note and the Amended County Note collectively, the “County Note”); and,

WHEREAS, pursuant to Section 1.4(c) of the Deed of Lease, Ballad Health has the exclusive right and option to purchase the Hospital Building (the “Option”); and,

WHEREAS, the Hospital Authority has received notice from Ballad Health of its intent to exercise its option to purchase the Hospital Building; and,

WHEREAS, pursuant to Section 2.6 of the Master Agreement, if Ballad Health exercises its option to purchase the Hospital Building, then the total purchase price shall be equal to the sum of (i) the cancellation and release by Ballad Health of the Ballad Health Note and the Hospital Authority's obligations thereunder; (ii) Ballad Health's payment in full of the County Note; and, (iii) Five Hundred Thousand Dollars (\$500,000) to be paid to the Hospital Authority over five (5) years at a mutually agreeable interest rate per annum and evidenced by a promissory note from Ballad Health to the Hospital Authority (collectively, the "Purchase Price"); and,

WHEREAS, pursuant to Section 1.4(e) of the Deed of Lease, the deed conveying the Hospital Building shall contain a right of reversion providing that if during twenty-five (25) years after such conveyance, Ballad Health does not materially use the conveyed property for either operating and maintaining the Hospital or for administrative and non-clinical offices of the Hospital, Ballad Health, and educational uses related to healthcare in Lee County, Virginia, then the conveyed property shall revert back to the Hospital Authority; and,

WHEREAS, at a June 22, 2021 meeting of the Hospital Authority, the Hospital Authority approved the execution of the documents necessary to the transfer the Hospital Building to Ballad Health; and,

Proposed Settlement of Burwood Group, Inc. Lawsuit

WHEREAS, the Hospital Authority purchased the Hospital Building from its previous owner on February 21, 2019, and as part of the purchase the Hospital Authority assumed certain debts of the previous owner including debt related to the equipment and installations provided by Burwood Group, Inc. ("Burwood") in an amount not to exceed Four Hundred Thousand Dollars (\$400,000.00) (the "Burwood Obligations"); and,

WHEREAS, the Authority assumed the Burwood Obligations with the understanding that the Hospital Authority's new operator, Ballad Health, would investigate for the Hospital Authority whether such equipment and installations could be utilized for the proposed hospital, and such investigation resulted with the Hospital Authority making the determination that the equipment and installations provided by Burwood would not be sufficient to meet the needs of the new hospital; and,

WHEREAS, Burwood and the Hospital Authority engaged in negotiations regarding the payment of the Burwood Obligations by the Hospital Authority and retrieval of the Burwood equipment by Burwood; and,

WHEREAS, on September 23, 2020, Burwood sued the Hospital Authority seeking payment of the Burwood invoices in the amount of Four Hundred Ten Thousand

Eight Hundred Ninety-Seven Dollars and 82/100 (\$410,897.82) plus interest and attorneys' fees (the "Burwood Lawsuit"); and,

WHEREAS, after extensive settlement negotiations, Burwood has agreed to settle the Burwood Lawsuit for Two Hundred Eighty Thousand Dollars and 00/100 (\$280,000.00) (the "Settlement Payment"); and,

WHEREAS, the Hospital Authority has received confirmation that its insurance provider will pay Twenty Thousand Dollars and 00/100 (\$20,000.00) for the Settlement Payment; and,

WHEREAS, the Hospital Authority will be responsible for paying the remaining Two Hundred Sixty Thousand Dollars and 00/100 (\$260,000.00) of the Settlement Payment (the "Settlement Amount") to Burwood; and,

WHEREAS, the Hospital Authority has recommended that the Board of Supervisors authorize disbursement to the Hospital Authority a portion of the funds received by the County in connection with Ballad Health's payment in full of the County Note in an amount equal to the Settlement Amount plus the Closing Costs incurred by the Hospital Authority in connection with the transfer of the Hospital Building to Ballad Health and the settlement of the Burwood Lawsuit (the "Closing Costs"); and,

WHEREAS, the Board of Supervisors now desires to adopt and approve the following resolutions; and empower and authorize the Chairman to work with legal counsel to amend and finalize such documents as necessary to release the Deed of Trust held by the County on the Hospital Building and authorize disbursement to the Hospital Authority an amount equal to the Settlement Amount plus the Closing Costs (the "Hospital Authority Disbursement");

Approval of Deed of Trust and Certificate of Satisfaction

NOW, THEREFORE, BE IT RESOLVED, that the form, terms, and provisions of that certain Certificate of Satisfaction (the "Certificate of Satisfaction"), in a form acceptable to the Chairman, together with any exhibits or schedules attached thereto, be, and hereby is, adopted and approved; and, be it,

FURTHER RESOLVED, that the Chairman is authorized to execute and record in the Clerk's Office of the Circuit Court of the County of Lee, Virginia, a Certificate of Satisfaction as evidence of payment in full of the County Note and release of the lien created by the Deed of Trust; and, be it,

Approval of Hospital Authority Disbursement

FURTHER RESOLVED, that County hereby authorizes disbursement to the Hospital Authority a portion of the funds received by the County in connection with Ballad's payment in full of the County Note in an amount equal to the Settlement

Amount plus the Closing Costs with the remainder of all funds disbursed to the County; and, be it,

Approval of Closing Costs

FURTHER RESOLVED, that the form, terms, and provisions of those certain Closing Costs related to the transaction and Settlement Payment be, and hereby is, adopted and approved; and, be it,

Enabling Resolutions

FURTHER RESOLVED, that the Chairman and other proper officers of the County are hereby authorized, empowered and directed to execute and deliver for, in the name of and on behalf of the County the above described documents, agreements and instruments, and such other documents, certificates, instruments and agreements, and to take such further action for and on behalf of the County as shall be either necessary or appropriate to further the purposes of the foregoing resolutions, the necessity or propriety of such actions to be conclusively evidenced by the taking of such actions.

REPORTS AND RECOMMENDATIONS OF THE BOARD

SALE OF SURPLUS PROPERTY

Mr. Kolb stated that he thinks the Board needs to go ahead and advertise for the sale of surplus real estate property.

Mr. Leonard stated the sooner the County sells it, the better.

It was moved by Mr. Kolb, seconded by Mr. Smith, to advertise for a public hearing at July's regular meeting, to sell the surplus real estate. Upon the question being put the vote was as follows.

VOTING AYE: Mr. Kolb, Mr. Mosley, Mr. Leonard, Mr. Slemph, Mr. Smith,

CONVENIENCE CENTER OPERATORS

Mr. Kolb stated that the biggest waste of money he feels the County has are the Convenience Centers and how they are operated. There are complaints of people going through the dumpsters and he was sent a video that showed one of the workers having a

conversation with someone while they were digging in the trash can. Mr. Kolb stated he questioned why this was happening and was told they report this activity to Gary Collingsworth and it is up to him to do something. He stated that he does not see anyone being prosecuted for it in court. In 2020, he said he suspected that no convenience center worker wrote a citation or swore out warrants at the Magistrates office, a survey was done and nobody had made a report that was taken to Court. In 2019, people were paid to keep people from doing this, but no one did anything other than report it to someone that did not witness it and could not swear out a warrant. There has to be a better way to do this and he suggested sending out an invitation to all convenience center workers, Gary Collingsworth and Brooke Fee to come to a meeting to discuss the issue.

Mr. Mosley stated that the only thing to do is put someone at the centers full time and that will cost more money. These workers would have to take their own time to come to Jonesville to take out a warrant, go to court then deal with the same people they have taken warrants for.

Mr. Kolb stated that if they are working 26 hours per week and not prosecuting anyone, why would the County work them 40 hours per week.

Mr. Mosley stated that they are only there 2 hours in the morning and 2 hours in the evenings, so people have all day to go in and do whatever they want before the worker comes back in the evening.

Mr. Kolb stated that his problem is when the worker is at the center and standing there chatting with someone digging in the dumpsters.

Ms. Munsey asked what would be a solution.

Mr. Kolb stated he would prefer to have the employees come in for a meeting to discuss a solution. If those employees are watching someone do something, they can't tell someone else to go to the Magistrate and swear out a warrant. They need to be instructed what code section this is under and for them to come to the Magistrates office and swear out a warrant. There needs to be a policy change.

Mr. Smith stated that he knows of one case in his district where someone was in the dumpster, the worker told him to get out and they would not so they called the Sheriff's Office but by the time the deputy arrived the person was gone.

Mr. Kolb stated the employee should have gotten the tag number, reported it to Brooke Fee and have her run the tag number to see who the vehicle is registered to, she could then go talk to the owner, pull mug shots if there are any, and take that to the employee to verify the identity.

Mr. Smith stated the older employees are not going to do anything to people that can man handle them.

Mr. Kolb stated that the employees should just be paid to open and close the gates and pick the trash up and cut their hours to 13 hours a week.

Mr. Smith stated that there is more to that job than just opening and closing the gate.

Mr. Kolb stated that this Board overall is good at identifying problems and not having a solution. He does not know how many times persons on the Board have said something needs to be done about the people digging in the dumpsters, but never have an idea to fix the problem.

Mr. Mosley stated that there is nothing that can be done if the employee is not there, and you cannot make law enforcement officers out of the convenience center workers.

Mr. Kolb stated that there is something that can be done, other than stand there and chit chat when someone is going through the dumpster.

Mr. Leonard stated that instructions can be sent out to the employees, but there is no need to call all of the employees in for a meeting.

It was moved by Mr. Mosley, seconded by Mr. Smith, to recess to June 28, 2021 at 5:00 p.m. Upon the question being put the vote was as follows.

VOTING AYE: Mr. Kolb, Mr. Mosley, Mr. Leonard, Mr. Slemph, Mr. Smith,

CHAIRMAN OF THE BOARD

CLERK OF THE BOARD