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September 17, 2021

**BY EMAIL AND HAND DELIVERY**

J. David Conmy

Local Government Policy Administrator

Virginia Department of Housing and Community Development

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**Re: Notice of the City of Martinsville and Henry County of Their Intention to Petition for the Approval of a Voluntary Settlement of Town Status and Other Issues**

Dear Mr. Conmy:

In regard to the above-referenced matter before the Commission on Local Government (the "Commission"), on behalf of the City of Martinsville I am writing to: (i) submit information and materials in response to the requests made by the Commission during the oral presentations of September 7 and 8; (ii) submit other information and materials for purposes of supplementing and clarifying the record; (iii) document a concern about a third party's false statements purportedly sharing information from the parties' confidential mediation; and (iv) briefly address the issue of the Henry County's newly-proposed effective date for reversion.<sup>1</sup>

Enclosed for filing with the Commission, please also find a brief of legal authorities regarding the City School Division's dissolution upon the City of Martinsville's reversion to a town, consistent with ¶ 5.01 of the Voluntary Settlement Agreement (the "VSA"), which addresses certain issues raised during the public meeting following the oral presentations before the Commission and in the local media regarding the role of City of Martinsville Public Schools in the reversion.

The proposed timeline for reversion will be addressed below in this response, but at the outset the City would like to draw the Commission's attention to ¶ 11.01 of the VSA. In that provision, the City of Martinsville and Henry County agreed, "Martinsville's transition from an

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<sup>1</sup> Pursuant to § 50-20-390(L) of Title 1 of the Virginia Administrative Code, Martinsville certifies that all data, exhibits, documents, and other materials submitted to the Commission herewith, and the identified sources for all such materials, are correct to the best of its knowledge. Pursuant to § 50-20-390(M) of Title 1 of the Virginia Administrative Code, we are providing eight copies of this letter and the enclosed brief to the Commission. Several of the documents referenced below are available through the following Workshare link: <https://troutman.workshare.com/#folders/obOBNOHHY4J9njen>.

independent city to a town located within and constituting part of Henry County shall be effective *as of the date established by the Special Court.*" (Emphasis added.) While the Commission is certainly free to make a recommendation, both the City and Henry County agreed to have this matter decided by the Special Court, and therefore the Commission need not address the issue, but instead may defer on the matter to the Special Court.

**I. RESPONSES TO THE COMMISSION'S REQUESTS AT THE ORAL PRESENTATIONS.**

Martinsville submits the following materials and information in response to the requests made by the Commission, to the best of undersigned counsel's recollection,<sup>2</sup> during the oral presentations of September 7 and 8.

**A. What are the fund balances for the City and County? What are their percentages of general fund expenditures?**

This information is provided through the above-referenced Workshare link in the Excel file named, "Fund Balance Calculations - CLG.xls".<sup>3</sup> This Excel file was prepared by Taylor Stover, CPA, of Robinson, Farmer, Cox Associates, from information provided by the City.

**B. What are the different categories of fund balances? What are the unassigned fund balances for the County and City?**

Martinsville has the following five categories of fund balances:

- Nonspendable Fund Balance – amounts that are not in spendable form (such as inventory, prepaids, and long-term receivables) or that are required to be maintained intact (endowment-type funds);
- Restricted Fund Balance – amounts constrained to specific purposes by their providers (such as grantors, creditors, and higher levels of government), through constitutional provisions, or by enabling legislation;

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<sup>2</sup> If the Commission believes the City has omitted any information requested by the Commission (or if there is any other information that would be helpful to the Commission), please let us know, and we will provide it to the extent that it is reasonably available.

<sup>3</sup> Because Henry County's bond issuance and associated construction costs were not handled in a capital projects fund, this distorts the true position of the County's general fund as shown in its fiscal year 2020 financial report. Adjusting the general fund balance by removing the issuance of debt revenue (\$25.3M) and adding back the construction costs (\$21.1M), then adjusting the general fund expenditures by removing the construction costs (\$21.1M), shows that the County's unassigned fund balance at the end of fiscal year was approximately 62% of its general fund expenditures, rather than 44.75% as shown in its financial report. *Compare* Fund Balance Calculations - CLG.xls, with Creedle, Jones, & Assocs., HENRY COUNTY COMPREHENSIVE ANNUAL FINANCIAL REPORT YEAR ENDED JUNE 30, 2020, at 1 (2020), available at [https://www.henrycountyva.gov/content/uploads/PDF/2020\\_county\\_of\\_henry\\_fs\\_final.pdf](https://www.henrycountyva.gov/content/uploads/PDF/2020_county_of_henry_fs_final.pdf).

- Committed Fund Balance – amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority, to be reported as committed; such amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint;
- Assigned Fund Balance – amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority; residual amounts in governmental funds other than the general fund; appropriation of existing fund balance;
- Unassigned Fund Balance – amounts that are available for any purpose; positive amounts are only reported in the general fund.

City of Martinsville, FUND BALANCE POLICY 1;<sup>4</sup> e.g., Martinsville Fin. Dep't, MARTINSVILLE COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED JUNE 30, 2020, at 175 (2020).<sup>5</sup>

Based on publicly available information, as of the County's fiscal year 2020 financial report, the County had the following five categories of fund balances:

Nonspendable – amounts that cannot be spent either because they are in non-spendable form or because they are legally or contractually required to be maintained intact.

Restricted – amounts that can be spent only for specific purposes because of constitutional provisions, charter requirements or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Committed – amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level of action to remove or change the constraint.

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<sup>4</sup> This document is provided through the above-referenced Workshare link in the .pdf file named, "Fund Balance Policy.pdf".

<sup>5</sup> Available at [https://www.martinsville-va.gov/content/martinsville-va/uploads/PDF/departments/a-g/finance/annual\\_year\\_audits/final\\_fy20\\_audit\\_cafr\\_.pdf](https://www.martinsville-va.gov/content/martinsville-va/uploads/PDF/departments/a-g/finance/annual_year_audits/final_fy20_audit_cafr_.pdf).

Assigned – amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes.

Unassigned – all amounts not classified as nonspendable, restricted, committed, or assigned.

Creedle, Jones, & Assocs., HENRY COUNTY COMPREHENSIVE ANNUAL FINANCIAL REPORT YEAR ENDED JUNE 30, 2020, *supra*, at 30-31.

At the end of fiscal year 2020, Martinsville’s general fund had an unassigned fund balance of \$4,938,739. Martinsville Fin. Dep’t, MARTINSVILLE COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED JUNE 30, 2020, *supra*, at 15, 21, 35, 175.

At the end of fiscal year 2020, the County’s general fund had an unassigned fund balance of \$33,326,867. Creedle, Jones, & Assocs., HENRY COUNTY COMPREHENSIVE ANNUAL FINANCIAL REPORT YEAR ENDED JUNE 30, 2020, *supra*, at 1, 5, 12, 95.

**C. Please provide a revision of Robinson, Farmer, Cox Associates’ supplemental report for general governmental services (i.e., without enterprise funds).**

The revised report is provided through the above-referenced Workshare link in the .pdf file named, “FY21 Budget – No Enterprise Funds.pdf”.

**D. Please provide copies of the City’s and the County’s financial policies.**

Martinsville’s financial policies are provided through the above-referenced Workshare link in the .pdf file named, “Fund Balance Policy.pdf”, and the Word files named, “Investment Policy.doc” and “Capitalization Policy.doc”.

**E. What is the average tax bill in the City?**

Based on 2020-2021 Land Book records of residential real estate assessments, the total assessed values for 7,271 properties in the City is \$370,512,500. If this total value is multiplied by the revised real estate rate adopted during the budget process and calculated by the Commissioner of Revenue at \$1.050152, the revenue would be \$3,890,944.43. If this figure is divided by the number of residential bills, the real estate tax for the average City resident would be \$535.14 for the average residential bill. Of course, this presumes that tax rates remain unchanged by the future Town Council following reversion, which City witnesses, including Mr. Stover, testified would be unlikely.

With respect to personal property taxes, the total “vehicles in fleet” are not delineated by vehicle type, so an average tax rate is difficult to ascertain. And, again, as Mr. Stover testified, the tax rate is likely to change upon reversion.<sup>6</sup>

**F. Please provide spending plans for CARES Act and ARP Act funds if these have been adopted.**

Martinsville has not finalized or adopted spending plans for CARES Act or ARP Act funds.

**G. Concerning reserve policies, what percentage goes back into the fund balances?**

Regarding reserves, Martinsville has a minimum unassigned fund balance policy that it “will attempt to maintain an unassigned General fund balance in the general fund equal to or greater than 10% of operating expenditures.” City of Martinsville, FUND BALANCE POLICY, *supra*, at 2.

**H. How many employees are under each of the City’s constitutional officers?**

Employees of Martinsville’s constitutional officers number as follows:

TABLE OF CITY CONSTITUTIONAL OFFICERS’ EMPLOYEES		
Constitutional Office	Number of Employees	Number of Employees likely Needed by Town or County after Reversion for Similar Functions
Treasurer	5	4 Town
Commissioner of Revenue	5	3 Town
Commonwealth’s Attorney	9	10 likely authorized for County
Circuit Court Clerk	7	6 available to County
Sheriff	51	110 likely needed by County (including for jail staffing)

<sup>6</sup> Mr. Stover’s 2019 report included a breakdown of a typical homeowner’s real and personal property taxes in Martinsville and Henry County; however, it was based on data from fiscal year 2019 and was generated before the City’s reduction to its real property tax rate. See Robinson, Farmer, Cox Assocs., EVALUATION: PROSPECTIVE FINANCIAL IMPACT CITY OF MARTINSVILLE’S TRANSITION TO TOWN STATUS tbl. 7 (2019), available at [https://www.martinsville-va.gov/content/martinsville-va/uploads/PDF/government/robinsonfarmercox\\_eval\\_prospfinimpactmartinsvilletransition.pdf](https://www.martinsville-va.gov/content/martinsville-va/uploads/PDF/government/robinsonfarmercox_eval_prospfinimpactmartinsvilletransition.pdf).

**I. What is the number and breakdown of City school employees?**

The City's data reflects 323 full-time and 126 part-time employees of the City School Division, while the School Division's figures reflect 274 full-time and 163 part-time employees.

**J. What proportion of the jails' populations are state-responsible inmates?**

Currently, 39% of Martinsville's jail population is state-responsible.

**K. How often is real estate reassessed?**

Martinsville reassesses real estate every two years.

**L. In the City budget, how much are local supplements and fully funded positions in constitutional offices?**

For City constitutional officers excluding the treasurer, Martinsville provided local funding in the amount of \$3,583,593 in fiscal year 2020 and in the amount of \$3,063,522 for fiscal year 2021.<sup>7</sup> Please note that some expenses in fiscal year 2021 were covered by CARES Act funding.

**II. FURTHER SUPPLEMENTAL AND CLARIFYING INFORMATION.**

In addition to addressing the questions asked by the Commission, we are providing further supplemental and clarifying information regarding matters of: (A) timing and school funding, referenced in Henry County's closing arguments during the oral presentations of September 8; (B) compatibility of the City Commissioner of Revenue's electronic files with the County's files, referenced by the City Commissioner of Revenue during the public hearing of September 8; and (C) the involvement of City School Division representatives, also referenced during the public hearing of September 8; (D) the potential for Martinsville Circuit Court cases to be scheduled for trial in the Henry County Circuit Court building in advance of reversion's effective date; and (E) false statements of a third party made during the public hearing and more recently regarding the supposed contents of confidential negotiations between the City and County.

**A. Henry County's closing argument.**

In the course of the County's closing argument, County Attorney George Lyle raised several matters as to the timing of reversion and the availability of school facilities, which we do not believe were fully developed or drawn from the evidence presented during the course of the

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<sup>7</sup> For context, fiscal year 2020 expenditures for these constitutional offices were \$7,024,861 and revenues were \$3,441,268. Fiscal year 2021 expenditures for these constitutional offices were \$6,361,816 and revenues were \$3,298,294.

earlier oral presentations. We are providing supplemental and clarifying information, should it be of assistance to the Commission.

**1. Reversion matters between the City’s resolution and the filing of its notice with the Commission.**

Asserting that the effective date of Martinsville’s reversion should be delayed, Mr. Lyle made reference to a nine-month period between the City Council’s resolution supporting reversion and the filing of Martinsville’s Notice initiating reversion proceedings before the Commission. To the extent that the County referenced this period to suggest that the City delayed the process during this period – thereby indicating that an earlier reversion date was not truly important to the City – or that the County remained unaware during this period whether Martinsville actually would pursue reversion, any such suggestion is not well-founded.

In fact, the reason for the supposed delay in filing a Notice with the Commission on September 18, 2020, is that the parties agreed to use that period to seek to negotiate regarding reversion-related issues. This is reflected in the table provided below<sup>8</sup>:

<b>TABLE OF REVERSION CORRESPONDENCE BETWEEN MARTINSVILLE AND HENRY COUNTY</b>			
<b>Date</b>	<b>From:</b>	<b>To:</b>	<b>Cc:</b>
Nov. 5, 2019	Mayor Lawson on behalf of City Council	Henry Cnty. Bd. of Supervisors	Tim Hall, Cnty. Adm’r; George Lyle, Cnty. Att’y
Dec. 3, 2019*	Jim Adams, Chmn. of Henry Cnty. Bd. of Supervisors, on behalf of Henry Cnty. Bd. of Supervisors	Mayor Lawson	Leon Towarnicki, City Mgr.; Eric Monday, City Att’y; Hall, Cnty. Adm’r; George Lyle, Cnty. Att’y
Feb. 3, 2020	Mayor Lawson	Henry Cnty. Bd. of Supervisors	Tim Hall, Cnty. Adm’r; George Lyle, Cnty. Att’y
Mar. 3, 2020*	Jim Adams, Chmn. of Henry Cnty. Bd. of Supervisors	Mayor Lawson	Henry Cnty. Bd. of Supervisors; Tim Hall, Cnty. Adm’r, George Lyle, Cnty. Att’y; Leon Towarnicki, City Mgr.; Eric Monday, City Att’y; Jeremy Carroll, Guynn, Waddell, Carroll & Lockaby, P.C.
Apr. 3, 2020	Mayor Lawson	Jim Adams, Chmn. of Henry Cnty. Bd. of Supervisors	Vice Mayor Chad Martin; Leon Towarnicki, City Mgr.; Eric H. Monday, City Att’y;

<sup>8</sup> Because much of the correspondence involved confidential matters in negotiation, the City is not disclosing the contents of these communications, but is providing only such information as would be contained in a privilege log or *Vaughn* index, in the event such correspondence was sought through discovery or pursuant to a Freedom of Information Act request. Correspondence marked with an asterisk (\*) is available on the County website at <https://www.henrycountyva.gov/reversion-docs>.

TABLE OF REVERSION CORRESPONDENCE BETWEEN MARTINSVILLE AND HENRY COUNTY			
Date	From:	To:	Cc:
			Stephen Piepgrass, Troutman Sanders LLP
May 8, 2020*	Jim Adams, Chmn. of Henry Cnty. Bd. of Supervisors	Mayor Lawson	Henry Cnty. Bd. of Supervisors; Tim Hall, Cnty. Adm'r, George Lyle, Cnty. Att'y; Leon Towarnicki, City Mgr.; Eric Monday, City Att'y; Jeremy Carroll, Guynn, Waddell, Carroll & Lockaby, P.C.
June 1, 2020	Mayor Lawson	Jim Adams, Chmn. of Henry Cnty. Bd. of Supervisors	Vice Mayor Chad Martin; Leon Towarnicki, City Mgr.; Eric H. Monday, City Att'y; Stephen Piepgrass, Troutman Sanders LLP; Tim Hall, Cnty. Adm'r, George Lyle, Cnty. Att'y; Jeremy Carroll, Guynn, Waddell, Carroll & Lockaby, P.C.
July 22, 2020*	Jim Adams, Chmn. of Henry Cnty. Bd. of Supervisors	Mayor Lawson	Henry Cnty. Bd. of Supervisors; Tim Hall, Cnty. Adm'r, George Lyle, Cnty. Att'y; Leon Towarnicki, City Mgr.; Eric Monday, City Att'y; Jeremy Carroll, Guynn, Waddell, Carroll & Lockaby, P.C.
July 31, 2020	Jim Adams, Chmn. of Henry Cnty. Bd. of Supervisors	Mayor Lawson	Henry Cnty. Bd. of Supervisors; Tim Hall, Cnty. Adm'r, George Lyle, Cnty. Att'y; Leon Towarnicki, City Mgr.; Eric Monday, City Att'y; Jeremy Carroll, Guynn, Waddell, Carroll & Lockaby, P.C.

When it became apparent that progress could not be made in the negotiations with Henry County unless the City proceeded with reversion, the City filed its Notice with the Commission.

This period also encompassed the 2020 regular session of the General Assembly. During that session, several bills desired by Henry County were submitted to alter the reversion process – specifically for Martinsville and Henry County – but were left in committee and died.<sup>9</sup>

<sup>9</sup> See generally, HB 492, VA.'S LEGIS. INFO. SYS. (2020 sess.), available at <https://lis.virginia.gov/cgi-bin/legp604.exe?201+sum+HB492>; HB 493, VA.'S LEGIS. INFO. SYS. (2020 sess.), available at



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## 2. The County's proposed timelines.

During closing argument, Mr. Lyle presented two documents showing potential timelines for the County's constitutional officers' and school division's assumption of services in Martinsville with the effective date of reversion set at July 1, 2024 (the "County Timelines"). These County Timelines should not be given significant consideration by the Commission.

First, as previously discussed, the City and County have agreed to allow the Special Court, rather than the Commission, to decide the effective date of reversion. VSA § 11.01. Accordingly, it would be proper for the Commission to make its recommendation as to the adoption of the VSA, while deferring on the date of the reversion to the Special Court.

Second, in the event the Commission decides to offer an advisory opinion on the effective date of reversion, a July 1, 2022 reversion date is feasible and *is already built into the structure of the VSA agreed to by the parties*, as the City explained during the oral presentations. Specifically, the VSA requires key participations to begin cooperation upon the execution and/or affirmation of the VSA §§ 3.02, 5.02, 5.06, with a benchmark for City constitutional officers and schools to make their files available to their County counterparts six months before the effective date, *id.* §§ 3.07.01, 5.05.01. The VSA also requires immediate transfers of certain real properties to the County School Board, *id.* § 5.04, and provides a five-year lease-back period of certain facilities for purposes of providing judicial, court, clerk, prosecutorial, jail, and related services, *id.* §§ 3.03, 3.04, 4.01. To obtain any benefit from those leases, the County will have to use the leased facilities for the designated judicial, court, clerk, prosecutorial, jail, and related services, or else the leases will immediately terminate. *Id.* §§ 3.03, 3.04, 4.01. After reversion and during the five-year lease-back period, the County may undertake studies and make decisions about which offices should be moved, whether and how certain buildings may be retrofitted, whether additional staffing is needed in various areas, etc.

Third, the City's proposed effective date should be adopted for practical reasons. Unfortunately, as shown by the evidence provided during the oral proceedings and at the public hearing, it is clear that until reversion actually takes place, a number of stakeholders (including City School administrators, and certain constitutional officers) simply will not cooperate in the reversion process. This lack of cooperation makes it unlikely that the actual work of reversion can be accomplished during a lengthy pre-reversion transition period, as proposed by the County.

Fourth, the timeline and proposed July 1, 2024 reversion date desired by the County should be disregarded not only because it ignores the transition periods already negotiated by the parties and built into the VSA, but also because, had the County wanted to engage on this

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<https://lis.virginia.gov/cgi-bin/legp604.exe?201+sum+HB493>; HB 494, VA.'S LEGIS. INFO. SYS. (2020 sess.), available at <https://lis.virginia.gov/cgi-bin/legp604.exe?201+sum+HB494>.

issue, it could have provided these timelines well in advance of the oral presentations, so that the City could at least consider and discuss them. In contrast to the City's position on a July 1, 2022 reversion date, which the City presented transparently throughout the Commission process, the County *did not even reveal* that it was seeking a July 1, 2024 effective date until closing argument. Martinsville therefore was not afforded an opportunity to cross-examine any of the County's witnesses on the circumstances of the County Timelines' preparation, including: how they were developed; whose input was and was not obtained; what that input was; how specific dates or events were determined; whether more abbreviated alternatives (including an earlier effective date) were considered; and, shorter alternatives were not considered, why that decision was made. These matters are not evident from the face of the County Timelines, and manner in which they were presented made it impossible to test the assumptions on which they were based or engage meaningfully with them.

In sum, the Commission need not address the effective date for reversion, but if it chooses to do so, the Commission should disregard the Timelines proposed by the County and instead adopt a July 1, 2022 effective date, which fits with the time periods already provided in the VSA.<sup>10</sup>

### **3. School facilities.**

In his closing argument, Mr. Lyle also for the first time complained that the VSA does not provide the County School Board all of the City School Division's facilities.

Without revealing the content of those negotiations, the VSA reflects the fully-negotiated positions of both Henry County and Martinsville as to the disposition of the City School Division's facilities. VSA §§ 5.03, 5.04; *see also id.* § 11.08. The governing bodies of Henry County and Martinsville have approved the VSA, Henry Cnty. Res. ¶ 1 (Aug. 24, 2021); Martinsville Res. ¶ 1 (Aug. 24, 2021); their counsel have jointly asked the Commission to find that the VSA is in the best interests of the Commonwealth and recommend that the special three-judge court affirm and give full force and effect to the VSA, Notice of Martinsville & Henry Cnty. at 4 (Aug. 25, 2021); and the governing bodies have expressed their intention to adopt the VSA following this Commission's review and thereafter petition an appropriate circuit court to affirm, validate, and give full force and effect to the VSA, Henry Cnty. Res., *supra*, ¶ 5; Martinsville Res., *supra*, ¶ 5.

Now apparently, based on the County's statements in its closing argument, it has had a change of heart and may seek to operate schools in additional City school buildings. The City welcomes this development. As Mayor Lawson indicated during oral presentations, Martinsville is more than willing to work with the County in transferring additional school buildings to be used for educational purposes, if the County now has decided that it wishes to continue educating students in City school buildings.

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<sup>10</sup> To the extent the Commission considers the proposed Timelines and explanations thereof in the County's final letter of September 16, a review of the details provided in that letter reveals that most of the items the County claims need to be conducted sequentially can be conducted concurrently – and all can be done in a much more efficient manner than suggested by the County.

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**B. The City Commissioner of Revenue's electronic files.**

During the public hearing on the evening of September 8, the City's Commissioner of Revenue Ruth Easley asserted that her office's use of data fields in electronic files differed from the County Commissioner of Revenue's and that time and funds would be required to ensure compatibility.

On February 12, 2019, the City Council authorized Ms. Easley to execute a contract to upgrade her office's software with the very issue of city-to-town reversion in mind. MARTINSVILLE CITY COUNCIL MINUTES 6-7 (Feb. 12, 2019);<sup>11</sup> MARTINSVILLE CITY COUNCIL MEETING 11:45-15:13 (Feb. 12, 2019) [hereafter MARTINSVILLE FEB. 12, 2019 COUNCIL MEETING VIDEO].<sup>12</sup> In making her request to the City Council, Ms. Easley said,

I have been assured by the company that, should the City pursue reversion, you will indeed need to be upgraded to this version 8 in order to transfer your data to Henry County and you will pay a higher cost for it at that time. By paying for it now, you get a reduced cost and we get the benefit of using a more stable software....

MARTINSVILLE FEB. 12, 2019 COUNCIL MEETING VIDEO, *supra*, at 13:10-:30.

The City authorized Ms. Easley to proceed with purchasing the software in question based in large part on her representation and assurance that it would be compatible with the County's system and allow for the prompt and efficient transfer of files upon reversion. Ms. Easley's change of tune at the public meeting to the contrary now that reversion is a reality (as is the loss of her position as a constitutional officer) should not be considered as evidence to support delaying reversion's effective date.

**C. Involvement of City school representatives.**

In reference to comments made during the public hearing of September 8, suggesting that representatives of the City School Division were not involved in the process culminating in the VSA, we note (as reflected in testimony during the oral presentation) that representatives of the City School Division *were included and did attend* a mediation session in September 2020. The representatives of the City School Division present were the City School Board Chairwoman Donna Dillard, City School Superintendent Dr. Zebedee Talley, Jr., and the City School Division's Executive Director of Administrative Services Travis Clemons. The parties fully expected that the

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<sup>11</sup> Available at [https://www.martinsville-va.gov/content/martinsville-va/uploads/PDF/government/meeting\\_documentation/2019/021219minutes.pdf](https://www.martinsville-va.gov/content/martinsville-va/uploads/PDF/government/meeting_documentation/2019/021219minutes.pdf).

<sup>12</sup> Available at <https://www.martinsville-va.gov/media/2019/city-council-meeting-2-12-19>.

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City School Division would continue to cooperate in the process following that meeting, but unfortunately City Schools chose not to do so.

**D. Potential scheduling of Martinsville cases in Henry County for trial.**

During the oral presentations of September 8, City Attorney Eric Monday and County Commonwealth's Attorney Andrew Nester each offered their understanding as to whether the Chief of the Circuit intends to transfer cases from the Martinsville Circuit Court to the Henry County Circuit Court docket as soon as February 2021. Mr. Monday had spoken with Chief Judge Greer some time before regarding the Circuit Courts' reversion plans. Mr. Nester had not previously spoken with the Chief Judge regarding the Circuit Courts' plans for reversion, but called him during the lunch break on September 8.

Recognizing that neither party wishes to speak for Chief Judge Greer (which is the primary reason for hearsay rules that apply in typical court proceedings), Martinsville understands that cases docketed in the Martinsville Circuit Court may be set for trial in the Henry County Circuit Court, even if those cases are not transferred entirely to the County Circuit Court docket. Martinsville also understands that Chief Judge Greer will meet with stakeholders from the City and County to discuss the effects of reversion on court operations. The City welcomes this opportunity to work together to ensure a smooth transition of cases in advance of reversion.

**E. FALSE STATEMENTS CONCERNING CONFIDENTIAL NEGOTIATIONS.**

Finally, the City wishes to address certain false statements made by a local media personality, Charles Roark, at the public hearing and on-air yesterday, September 16, 2021, relating to information purportedly discussed in confidential mediation sessions between the City and the County. In his statements, Mr. Roark made various claims about "horse-trading" that allegedly took place during negotiations between the City and County, based on a supposed anonymous source or sources. The information Mr. Roark provided is false. Mr. Roark also is well aware that the parties may not disclose the matters discussed in mediation. It is unfortunate that a member of the media on whom citizens rely for information about an issue of such importance to the community would use the parties' confidentiality obligations against them to spread misinformation, knowing that the parties cannot address the issue in a fulsome way due to the confidential nature of mediation.

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Thank you for your attention to these matters, and please do not hesitate to contact me should you have any questions or concerns.

Sincerely,



Stephen C. Piepgrass  
*Counsel for the City of Martinsville*

Enclosure

cc: Members of the Commission on Local Government (*by mail*)  
Cody Anderson (*by email*)  
LeGrand Northcutt, Esq. (*by email*)  
Grace Wheaton (*by email*)  
Counsel for Henry County (*by mail and by email*)  
Counsel for the City of Martinsville (*by email*)