

October 12, 2010

The regular meeting of the Council of the City of Martinsville, Virginia, was held on October 12, 2010, in Council Chambers, Municipal Building, at 7:30 PM, with Mayor Kim Adkins presiding. Council Members present included: Mayor Kim Adkins, Vice Mayor Kimble Reynolds, Jr., Gene Teague, Mark Stroud, Sr., and Danny Turner. Staff present included: Clarence Monday, City Manager, Brenda Prillaman, Eric Monday, Leon Towarnicki, Wayne Knox, Ruth Easley and Mike Rogers.

Following the invocation by Vice Mayor Kimble Reynolds and Pledge to the American Flag, the Mayor welcomed everyone to the meeting.

On a motion by Gene Teague, seconded by Kimble Reynolds, with a 5-0 vote, Council approved the minutes of the September 14, 2010 meeting.

Mayor Adkins read a proclamation recognizing GED and Career Pathways Awareness Week.

Mark Heath of the M-HC Economic Development Corporation gave a monthly update to Council on activities of the EDC with lengthy discussion regarding Commonwealth Crossing development costs and possible regional development efforts with North Carolina. Council urged the EDC to work closely with local schools to insure adequate vocational training opportunities are in place for the future workforce. Council asked for a future update from the EDC regarding resources available for small business including incentives and where there may be gaps.

Clarence Monday and Leon Towarnicki briefed Council on Phase I and II of the landfill methane project, the sewer equipment to be purchased, and discussed resolution and actions related to potential issuance of bonds. If adopted, this resolution does not commit the City to the issuance of bonds, but rather allows advertising for the RFP, sets the date for the actual Public Hearing, and sets the process in motion for issuance of bonds if Council opts to pursue the project, once the RFPs are returned, reviewed, and the project is authorized by the Council. The process timeline is as follows:

- Oct. 12 - council adopts Resolution authorizing issuance of RFP to banks, setting public hearing for Nov. 23, authorizing publication and broadcast of notice of public hearing
- Oct. 15 - RFP distributed to banks
- Oct. 26 - first reading of Preliminary Ordinance making initial findings
- Nov. 1 - bank proposals due
- Oct. 28 and Nov. 4 (give or take a day) - publication/broadcast of notice of hearing
- Nov. 9 - City Council selects bank, second reading (and final adoption) of Preliminary Ordinance, first reading of Ordinance Authorizing issuance of bond
- November 23 - Council holds public hearing, second reading (and final adoption) of Ordinance Authorizing issuance of bond
- Closing - week of Nov. 29

October 12, 2010

There was discussion as to return on investment before agreement to borrow the money. On a motion by Gene Teague, seconded by Kimble Reynolds, with the following 5-0 recorded vote: Adkins, aye; Reynolds, aye; Teague, aye; Stroud, aye; and Turner, aye, Council approved the following resolution which puts into place the necessary steps to consider issuance of bonds and conduct a public hearing on November 23, 2010:

**RESOLUTION SETTING PUBLIC HEARING AND APPROVING RELATED ACTIONS RELATED TO POTENTIAL ISSUANCE OF BONDS**

**WHEREAS**, City Council (the "City Council") of the City of Martinsville, Virginia (the "City") is considering financing capital purchases and improvements, including landfill gas collection system improvements and an automatic bar screen for the City's wastewater treatment system (**together, the "Project"**), to be accomplished through the issuance by the City of its general obligation bond or bonds, Series 2010 in a principal amount not to exceed \$1,950,000 (the "**Bonds**").

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MARTINSVILLE, VIRGINIA:**

1. The City Manager, with Sands Anderson PC as Bond Counsel and Davenport & Company LLC as financial advisor to the City, is authorized to issue a Request for Proposals in order to receive proposals from banks regarding the Bonds.
2. The City Manager, Assistant Finance Director, City Attorney, Bond Counsel, the Financial Advisor to the City and all other officers, employees and agents of the City are hereby authorized and directed to take such further action deemed necessary or desirable to facilitate consideration of the issuance of the proposed Bonds, including but not limited to the publication and broadcasting, as required by the City Charter, of notice of a public hearing to be held prior to final authorization by the City Council of the issuance of the Bonds. The public hearing shall be held on November 23, 2010 at 7:30 p.m. at the City Council Chambers, Second Floor, City of Martinsville Municipal Building, 55 West Church Street, Martinsville, Virginia 24112. All actions of the City Manager, Assistant Finance Director, City Attorney, Bond Counsel, the City's Financial Advisor and all other officers, employees and agents of the City in furtherance of the actions described above are hereby approved and ratified.
3. This resolution shall take effect immediately.

Dick Ephgrave of Longwood Business Development Center and serves as president of Grace Network reported to Council regarding pay day lending institutions and asked for Council's consideration of the proposed resolution. He also gave information regarding an alternative financing option that may be available with lower interest rates. Henry County has already approved the resolution and Virginia First Cities also endorses this resolution. On a motion by Gene Teague, seconded by Kimble Reynolds, with a 5-0 vote, Council approved the following resolution:

**RESOLUTION CONCERNING THE REFORM OF PREDATORY LENDING PRACTICES IN THE COMMONWEALTH OF VIRGINIA**

**WHEREAS**, the City Council of Martinsville represents the citizens of City of Martinsville, Virginia; and

**WHEREAS**, the City Council believes our citizens remain concerned over what is perceived to be predatory lending in City of Martinsville and elsewhere in the Commonwealth, including practices that can exploit women and men called to serve in the United States armed services; and

**WHEREAS**, the City Council shares these continuing concerns with surrounding localities and intends through this Resolution to express these concerns to the General Assembly and Governor of Virginia; and

**WHEREAS**, it is essential that the General Assembly and the Governor of Virginia address this matter as a high priority at the next legislative session, leading to enactment of laws strictly prohibiting and deterring all predatory lending practices in the Commonwealth of Virginia.

**NOW, THEREFORE, BE IT RESOLVED**, on this 12<sup>th</sup> day of October 2010 that the City Council of Martinsville urges the General Assembly and the Governor of the Commonwealth of Virginia to enact laws at the 2011 session of the General Assembly strictly prohibiting and deterring all predatory, usurious lending practices, including but not limited to provisions that would:

- Impose an interest rate cap of thirty-six percent (36%), calculated as an effective annual percentage rate including all fees or charges of any kind, for any consumer credit extended in the Commonwealth of Virginia;
- Prohibit a creditor's use of a personal check or other device as a means, directly or indirectly, to gain access to a consumer's bank account; and
- Incorporate into the Virginia Code the protections regarding consumer credit to military personnel as reflected in the Military Lending Act, 10 United States Code Section 987.

City Attorney Eric Monday briefed Council on request from Senator Roscoe Reynolds regarding a recent audit of VDOT which disclosed that VDOT retained approximately \$500 million in unspent transportation funds and Senator Reynolds requests that these funds be dedicated to completing US 58 improvements. Henry County has already approved the resolution. On a motion by Kimble Reynolds, seconded by Danny Turner, with a 5-0 vote, Council approved the following resolution:

October 12, 2010

**RESOLUTION SEEKING VIRGINIA DEPARTMENT OF TRANSPORTATION FUNDS FOR COMPLETION OF ROUTE 58**

**WHEREAS**, the conversion of Route 58 to a four-lane highway from the City of Martinsville to Interstate 77 in Carroll County is essential to the long-term growth of the City of Martinsville; and

**WHEREAS**, the final component is a section between Stuart and Hillsville, and its completion would provide some much-needed relief to a section of the Commonwealth mired in double-digit unemployment; and

**WHEREAS**, the work has been delayed by the funding issues that the Virginia Department of Transportation encountered over the past few years; and

**WHEREAS**, a recent audit of VDOT funds determined that the agency has about \$1 billion in reserves, and it is expected that about \$800 million of that will be released for maintenance and construction projects by December 31, 2010; and

**WHEREAS**, the City of Martinsville and all of southern Virginia have been waiting patiently for this section of Route 58 to be finished, while many other VDOT projects have proceeded to completion:

**NOW, THEREFORE, BE IT RESOLVED**, on this 12<sup>th</sup> day of October, 2010 that the City Council of Martinsville respectfully requests that Governor Bob McDonnell, Secretary of Transportation, Sean Connaughton, and the Virginia Department of Transportation use a portion of that unexpected windfall to finally complete the four lanes of Route 58 to their intersection with Interstate 77 in Carroll County.

City Attorney Eric Monday updated Council regarding responsibility for maintenance and removal of trees on public and private property noting that if a tree interferes with city right of way, the city can cut the tree, but if the tree is on private property, it is the responsibility of the property owner. The City Attorney will post the tree policy on the city's website as directed by Council.

On a motion by Mark Stroud, seconded by Danny Turner, with a 5-0 vote, Council approved the following consent agenda for budget adjustments FY11 with re-appropriation of FY10 funds:

**RE-APPROPRIATIONS FY10 TO FY11**

| ORG CODE            | OBJECT | DEPARTMENT                | ACCOUNT DESCRIPTION                     | DEBIT      | CREDIT     |
|---------------------|--------|---------------------------|---|------------|------------|
| <b>GENERAL FUND</b> |        |                           |   |            |            |
| 01103938            | 462101 |                           | Contribution From Fund Balance          |            | \$ 451,626 |
| 01123035            | 505810 | Comm of Revenue           | Dues/Memberships                        | \$ 222     |            |
| 01123035            | 505500 | Comm of Revenue           | Travel                                  | \$ 2,000   |            |
| 01123035            | 505540 | Comm of Revenue           | Training                                | \$ 2,000   |            |
| 01132068            | 508201 | Registrar                 | Machinery & Equipment                   | \$ 2,000   |            |
| 01221082            | 505810 | Commonwealth's Attorney   | Dues/Memberships                        | \$ 745     |            |
| 01221082            | 506118 | Commonwealth's Attorney   | Local - Confiscated Assets              | \$ 232     |            |
| 01221082            | 508202 | Commonwealth's Attorney   | Furniture & Fixtures                    | \$ 4,550   |            |
| 01217078            | 506047 | Sheriff - Courts          | Project Lifesaver                       | \$ 6,256   |            |
| 01311085            | 501206 | Police                    | Overtime - DMV Grant                    | \$ 14,793  |            |
| 01311085            | 501209 | Police                    | Overtime - VIPER Task Force             | \$ 12,000  |            |
| 01311085            | 503600 | Police                    | Advertising                             | \$ 500     |            |
| 01311085            | 506078 | Police                    | State - Confiscated Assets              | \$ 206     |            |
| 01311085            | 506079 | Police                    | Federal - Confiscated Assets            | \$ 17,390  |            |
| 01311085            | 506118 | Police                    | Local - Confiscated Assets              | \$ 57      |            |
| 01321102            | 506110 | Fire                      | Fire Programs                           | \$ 75,778  |            |
| 01322105            | 506114 | EMS                       | Four for Life                           | \$ 14,279  |            |
| 01331108            | 506010 | Sheriff - Corrections     | Radios & Weapons                        | \$ 1,485   |            |
| 01331108            | 508216 | Sheriff - Corrections     | COPS Technology                         | \$ 65,657  |            |
| 01341135            | 506300 | Inspections               | Demolition                              | \$ 5,500   |            |
| 01413145            | 503185 | Street Maintenance        | Paving                                  | \$ 113,192 |            |
| 01431162            | 508220 | City Hall Maintenance     | Plant Expansion (Courtroom Renovations) | \$ 26,328  |            |
| 01534440            | 503191 | Indoor Plumbing Rehab     | Contractors                             | \$ 12,955  |            |
| 01713211            | 508220 | Park Maintenance          | Physical Plant Expansion                | \$ 30,888  |            |
| 01812242            | 503600 | Misc. Development Expense | Advertising                             | \$ 5,000   |            |
| 01913250            | 505620 | General Expense           | Goals & Initiatives                     | \$ 37,613  |            |
| <b>REFUSE FUND</b>  |        |                           |   |            |            |
| 09103938            | 462101 |                           | Contribution From Fund Balance          |            | \$ 728,054 |
| 09425302            | 503140 | Landfill                  | Professional Services - Engineering     | \$ 33,812  |            |
| 09425302            | 505000 | Landfill                  | Carbon Credit Costs                     | \$ 7,174   |            |
| 09425302            | 508220 | Landfill                  | Physical Plant Expansion                | \$ 687,067 |            |
| <b>WATER FUND</b>   |        |                           |   |            |            |
| 12103938            | 462101 |                           | Contribution From Fund Balance          |            | \$ 18,000  |
| 12542312            | 508220 | Reservoir                 | Physical Plant Expansion                | \$ 18,000  |            |
| <b>SEWER FUND</b>   |        |                           |   |            |            |

October 12, 2010

|   |        |                              |                                    |            |                     |
|---|--------|------------------------------|------------------------------------|------------|---------------------|
| 13103938                                      | 462101 |                              | Contribution From Fund Balance     |            | \$ 29,611           |
| 13550325                                      | 508220 | Wastewater Plant             | Physical Plant Expansion           | \$ 29,611  |                     |
| <b>ELECTRIC FUND</b>                          |        |                              |                                    |            |                     |
| 14103938                                      | 462101 |                              | Contribution From Fund Balance     |            | \$ 321,416          |
| 14563338                                      | 506400 | Electric Maintenance         | Pole Maintenance                   | \$ 15,500  |                     |
| 14564339                                      | 508205 | Electric Construction        | Vehicle                            | \$ 184,652 |                     |
| 14565340                                      | 506900 | Electric General Expense     | Disaster Recovery                  | \$ 121,264 |                     |
| <b>CAPITAL RESERVE FUND</b>                   |        |                              |                                    |            |                     |
| 16103938                                      | 462101 |                              | Contribution From Fund Balance     |            | \$ 74,000           |
| 16575365                                      | 508085 | Vehicles                     | Jail                               | \$ 40,000  |                     |
| 16575365                                      | 508120 | Vehicles                     | Sr Citizens                        | \$ 14,000  |                     |
| 16576366                                      | 508058 | ADP Equipment                | Computer Replacement               | \$ 20,000  |                     |
| <b>CDBG FUND</b>                              |        |                              |                                    |            |                     |
| 47103938                                      | 462101 |                              | Contribution From Fund Balance     |            | \$ 388,884          |
| 47824284                                      | 503130 | Paradise Planning Grant      | Professional Services              | \$ 7,915   |                     |
| 47825516                                      | 503195 | Moss/Barton Program Income   | Construction                       | \$ 1,532   |                     |
| 47826516                                      | 503195 | South Side Program Income    | Construction                       | \$ 8,303   |                     |
| 47827291                                      | 503124 | Cherry Street - Phase I      | Substantial Reconstructions        | \$ 86,681  |                     |
| 47827291                                      | 503140 | Cherry Street - Phase I      | Prof. Services - Engineering       | \$ 39,735  |                     |
| 47827291                                      | 508250 | Cherry Street - Phase I      | Land Acquisition                   | \$ 126,915 |                     |
| 47828516                                      | 503195 | RP Thomas Program Income     | Construction                       | \$ 7,213   |                     |
| 47829375                                      | 503189 | W Church Corr Improv Project | Relocation                         | \$ 86,790  |                     |
| 47829375                                      | 506702 | W Church Corr Improv Project | Signage                            | \$ 12,024  |                     |
| 47831378                                      | 505532 | USDA Revolving Loan Prog     | Revolving Loan                     | \$ 11,776  |                     |
| <b>HOUSING CHOICE FUND</b>                    |        |                              |                                    |            |                     |
| 49103938                                      | 462101 |                              | Contribution From Fund Balance     |            | \$ 29,203           |
| 49535280                                      | 503150 | HAP Administration           | Prof. Services - Legal             | \$ 6,000   |                     |
| 49535280                                      | 503300 | HAP Administration           | Software Maint.                    | \$ 9,459   |                     |
| 49535280                                      | 503320 | HAP Administration           | Office Equipment Maint             | \$ 700     |                     |
| 49535280                                      | 505210 | HAP Administration           | Postal Services                    | \$ 1,738   |                     |
| 49535280                                      | 505500 | HAP Administration           | Travel                             | \$ 3,188   |                     |
| 49535280                                      | 505540 | HAP Administration           | Training                           | \$ 7,115   |                     |
| 49535280                                      | 505810 | HAP Administration           | Dues                               | \$ 318     |                     |
| 49535280                                      | 506001 | HAP Administration           | Office Supplies                    | \$ 685     |                     |
| <b>TOTAL CITY FUNDS:</b>                      |        |                              |                                    |            | <b>\$ 2,040,794</b> |
| <b>SCHOOL FUNDS</b>                           |        |                              |                                    |            |                     |
| 18103938                                      | 462101 |                              | Contribution From Fund Balance     |            | \$ 160,840          |
| 61101100                                      | 561120 | SEMMA                        | Instructional S & W                | \$ 55,059  |                     |
| 61101100                                      | 562100 | SEMMA                        | Social Security                    | \$ 3,414   |                     |
| 61101100                                      | 562150 | SEMMA                        | Medicare                           | \$ 798     |                     |
| 61101100                                      | 562210 | SEMMA                        | Retirement                         | \$ 4,917   |                     |
| 61101100                                      | 562300 | SEMMA                        | Medical Insurance                  | \$ 2,334   |                     |
| 61101100                                      | 562400 | SEMMA                        | State Life Insurance               | \$ 154     |                     |
| 61101100                                      | 562520 | SEMMA                        | Long-term Disability Insurance     | \$ 35      |                     |
| 61101100                                      | 562750 | SEMMA                        | Retiree Health Care Credit         | \$ 330     |                     |
| 61101100                                      | 565503 | SEMMA                        | Travel                             | \$ 2,500   |                     |
| 61101100                                      | 566000 | SEMMA                        | Materials & Supplies               | \$ 5,000   |                     |
| 61101100                                      | 566013 | SEMMA                        | Instructional Materials & Supplies | \$ 11,769  |                     |
| 66501100                                      | 561120 | SEMMA SUMMER                 | Instructional S & W                | \$ 9,696   |                     |
| 66501100                                      | 561151 | SEMMA SUMMER                 | Teachers Aides S & W               | \$ 4,463   |                     |
| 66501100                                      | 562100 | SEMMA SUMMER                 | Social Security                    | \$ 878     |                     |
| 66501100                                      | 562150 | SEMMA SUMMER                 | Medicare                           | \$ 205     |                     |
| 66501100                                      | 565800 | SEMMA SUMMER                 | Miscellaneous Expense              | \$ 175     |                     |
| 66501100                                      | 566013 | SEMMA SUMMER                 | Instructional Materials & Supplies | \$ 589     |                     |
| 81621310                                      | 561120 | HARVEST - ELEMENTARY         | Instructional S & W                | \$ 15,000  |                     |
| 81621310                                      | 562100 | HARVEST - ELEMENTARY         | Social Security                    | \$ 930     |                     |
| 81621310                                      | 562150 | HARVEST - ELEMENTARY         | Medicare                           | \$ 218     |                     |
| 81621310                                      | 563000 | HARVEST - ELEMENTARY         | Medical Insurance                  | \$ 7,500   |                     |
| 81621310                                      | 565503 | HARVEST - ELEMENTARY         | Travel                             | \$ 500     |                     |
| 81621310                                      | 566013 | HARVEST - ELEMENTARY         | Instructional Materials & Supplies | \$ 3,000   |                     |
| 81631310                                      | 561120 | HARVEST - SECONDARY          | Instructional S & W                | \$ 20,000  |                     |
| 81631310                                      | 562100 | HARVEST - SECONDARY          | Social Security                    | \$ 1,240   |                     |
| 81631310                                      | 562150 | HARVEST - SECONDARY          | Medicare                           | \$ 290     |                     |
| 81631310                                      | 563000 | HARVEST - SECONDARY          | Medical Insurance                  | \$ 5,000   |                     |
| 81631310                                      | 565503 | HARVEST - SECONDARY          | Travel                             | \$ 500     |                     |
| 81631310                                      | 566013 | HARVEST - SECONDARY          | Instructional Materials & Supplies | \$ 3,625   |                     |
| 82001031                                      | 566013 | HARVEST - SPEC ED            | Instructional Materials & Supplies | \$ 721     |                     |
| <b>TOTAL SCHOOL FUNDS:</b>                    |        |                              |                                    |            | <b>\$ 160,840</b>   |
| <b>TOTAL FY10 RE-APPROPRIATIONS INTO FY11</b> |        |                              |                                    |            | <b>\$ 2,201,634</b> |

October 12, 2010

Comments from City Council: Stroud—complimentary of efforts on Dick & Willie Trail; Reynolds—also complimentary of great event at Dick & Willie Trail and noted that at the recent VML Conference, Martinsville was recognized for participating in the NLC discount drug card program. Turner—reminder that race fans will be in town and all should extend welcome; Adkins—received citizen concerns (1) regarding Halloween being moved to Nov. 1 and methods of communicating this to the public, (2) traffic issues on Greyson St. which will be addressed by the Transportation Safety Commission, (3) concerns about need for cat leash laws which the City Attorney will research and contact the SPCA for recommendations to Council.

Comments from City Manager: reminder of the Council/Staff Strategic Planning Session to be held Oct. 15 & 16 at the VMNH; reminder of grand opening of City's Skatepark Oct. 16; announced the city employees raised over \$11,000 for the United Way campaign despite the employee furlough days and economy and he applauded the efforts of the city employees. City Attorney Eric Monday reminded everyone of the Grace Network Pumpkin Patch and the city school auction Oct. 16.

In accordance with Section 2.1-344 (A) of the Code of Virginia (1950, and as amended) and upon a motion by Gene Teague, seconded by Kimble Reynolds, with the following 5-0 recorded vote: Adkins, aye; Reynolds, aye; Teague, aye; Stroud, aye; and Turner, aye, Council convened in Closed Session, for the purpose of discussing the following matter: (A) Appointments to Boards and Commissions as authorized by Subsection 1. (B) The condition, acquisition, use or disposition of real property as authorized by Subsection 3. (C) Discussion of the award of a public contract involving the expenditure of public funds, including interviews of bidders or offerors, and discussion of the terms of scope of such contract, where discussion in an open session would adversely affect the bargaining position or negotiating strategy of the public body as authorized by Subsection 29. (D) Consultation with legal counsel and briefings by staff members, attorneys or consultants pertaining to actual or probable litigation, or other specific legal matters requiring the provision of legal advice by such counsel, as authorized by Subsection 7.

At the conclusion of Closed Session, each returning member of Council certified that (1) only public business matters exempt from open meeting requirements were discussed in said Closed Session; and (2) only those business matters identified in the motion convening the Closed Session were heard, discussed, or considered during said

October 12, 2010

Session. On a motion by Gene Teague, seconded by Kimble Reynolds, with the following recorded 5-0 vote: Adkins, aye; Reynolds, aye; Teague, aye; Stroud, aye; and Turner, aye, Council returned to Open Session. The following action was taken on appointments to Boards and Commissions:

Power Advisory Committee—a motion was made by Danny Turner, seconded by Mark Stroud, with a 5-0 vote, to appoint the following to the Power Advisory Committee to advise on this particular natural gas combined cycle facility project replacement for AMPGS facility: Andrew Hynes of 1226 Lanier Rd., Dave Maddox of 1002 Valient Lane, Vince Stone of 1229 Sam Lions Trail, Joe Hundley of 714 Circle Court, Rayford Smith of 1108 Knollwood Place, and Lorene Martin of 921 Myrtle Road.

Industrial Development Authority—a motion was made by Mayor Adkins, seconded by Gene Teague, to appoint John Korff of 1007 Knollwood Place, to an unexpired 4 year term ending 9/29/12. A motion was made by Danny Turner, seconded by Gene Teague, to re-appoint Vern Berry to a 4 year term ending 9/26/14.

Transportation Safety Commission---on a motion by Kimble Reynolds, seconded by Mark Stroud, with a 5-0 vote, to re-appoint Ralph Lawson, 909 Barrows Mill Road, to a four year term ending 12/31/14.

Architectural Review Board---on a motion by Kimble Reynolds, seconded by Gene Teague, with a 5-0 vote, to appoint Elizabeth Moore, 915 Corn Tassel Trail, to a three year term ending 3/31/11. No other action was taken.

There being no further business, Mayor Adkins adjourned the meeting at 10:55 PM.

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Clarence C. Monday  
Clerk of Council

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Kim E. Adkins  
Mayor