

October 9, 2012

The regular meeting of the Council of the City of Martinsville, Virginia, was held on October 9, 2012, in Council Chambers, Municipal Building, at 7:30 PM, Closed Session beginning at 7:00PM, with Mayor Kim Adkins presiding. Council Members present included: Mayor Kim Adkins, Vice Mayor Kimble Reynolds, Gene Teague, Mark Stroud and Danny Turner. Staff present included: Leon Towarnicki, Interim City Manager, Brenda Prillaman, Eric Monday, Linda Conover, Mike Rogers, Dennis Bowles, and Donna Odell.

Mayor Adkins called the meeting to order and advised Council will go into Closed Session. In accordance with Section 2.1-344 (A) of the Code of Virginia (1950, and as amended) and upon a motion by Mark Stroud, seconded by Danny Turner, with the following 5-0 recorded vote: Adkins, aye; Stroud, aye; Reynolds, aye; Teague, aye; and Turner, aye, Council convened in Closed Session, for the purpose of discussing the following matters: (A) A prospective business or industry or the expansion of an existing business or industry where no previous announcement has been made of the business' or industry's interest in locating or expanding its facilities in the community as authorized by Subsection 5. (B) Appointments to boards and commissions as authorized by Subsection 1. (C) A personnel matter as authorized by Subsection 1. 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 Session. On a motion by Gene Teague, seconded by Mark Stroud, with the following recorded 5-0 vote: Adkins, aye; Reynolds, aye; Teague, aye; Stroud, aye; and Turner, aye, Council returned to Open Session.

Action taken-Board appointments: Southern Virginia Recreation Facilities Authority-a motion was made by Kimble Reynolds, seconded by Mark Stroud, with a 5-0 vote, to re-appoint James McGarry, 720 Grattan Rd. to a 4 year term ending 10/31/16.

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

Minutes: On a motion by Gene Teague, seconded by Danny Turner, with a 5-0 vote, Council approved the minutes of September 11, 2012, September 13, 2012, September 14, 2012, and September 15, 2012.

Proclamation GED & Career Awareness Week: Mayor Adkins read and presented the proclamation to Charlene Harrington of the Martinsville Adult Education Program.

Proclamation Domestic Violence Awareness Month: Mayor Adkins read and presented the proclamation to Debbie Menefee from Citizens Against Family Violence.

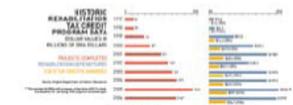
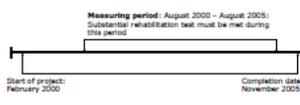
Proclamation Extra Mile Day: Mayor Adkins read the proclamation which will be mailed to the Extra Mile America Foundation.

Artwork from former City Manager Don Edmonds: Leon Towarnicki presented background information on the request to display the artwork prepared by former City Manager Don Edmonds. In the early 1980s, former Martinsville City Manager Don Edmonds prepared a number of pencil sketches as gifts for several City employees and close friends, one of whom was the late W. Holladay Yeaman who served as the City's Finance Director and Clerk of Council for many years. Mr. Yeaman's son, Joe, recently passed the framed pencil sketch of Christ Episcopal Church to city administration noting that this sketch of Christ Episcopal Church located on Church Street is where Mr. Yeaman attended for many years and was given to Mr. Yeaman as a gift from Don Edmonds. It is the expressed desire to donate the print to the City in honor of Mr. Yeaman and Mr. Edmonds. Former City Manager, Don Edmonds, who now resides in Tyler, Texas was in

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attendance at the Council meeting. Mayor Adkins read comments from several local businessmen and women who could not attend, but wanted to express their gratitude to Mr. Edmonds. Council and others also expressed their gratitude and thanked Mr. Edmonds for his impact on the city. Plans are being made to display the print along with a brief description of the print's history at a prominent and visible location in the Municipal Building.

Historic Tax Credits: City Attorney Eric Monday advised Council that in response to a concern voiced earlier by the EDC about confusion over the state/federal historic tax credit program, Commonwealth Preservation Group will present information about the program and other historic preservation issues. CPG is located in Norfolk and has performed significant work in Danville. The following information was shared in a powerpoint presentation:

<p>What are historic tax credits?</p> <ul style="list-style-type: none"> Historic tax credits are a dollar-for-dollar reduction on income tax liability for taxpayers who rehabilitate historic buildings. Credits are available from both the federal government and the Commonwealth of Virginia. For entities that cannot use the credits, a process of syndication enables them to be transferred to a taxpayer entity in exchange for cash.  <p>The Charles, Portsmouth, VA, 1847. Listed as one of the most historic 40th anniversary buildings designed by a historic architect (Stanley Morgan).</p>	<p>Federal Tax Credit Basics</p> <ul style="list-style-type: none"> Established in 1977 In 2009, VA was ranked #1 in completion of federal tax credit projects with 103 approved and an investment of \$471,197,362.00 As of 2007, \$1.5 billion was spent in rehabilitating 1200 buildings in Virginia. As of 2003, 29,000 projects have been certified nationwide. As of 2003, projects have been certified in over 1,700 cities nationwide, in 32 localities statewide. 	<p>State Tax Credit Basics</p> <ul style="list-style-type: none"> Established in 1997 As of 2007, \$952 million leveraged by the state tax credit program. Results include \$1,595 billion in economic impact, 10,769 full and part-time jobs created, \$444 million in labor income generated, and \$46 million in state tax revenue generated. 	<p>Comparing the State and Federal Credits</p> <table border="1"> <thead> <tr> <th>Federal Credit</th> <th>State Credit</th> </tr> </thead> <tbody> <tr> <td>Administered by National Park Service</td> <td>Administered by Virginia Department of Historic Resources</td> </tr> <tr> <td>Available to income-producing buildings only</td> <td>Available to income-producing and owner-occupied buildings</td> </tr> <tr> <td>Tax credit equals 20% of eligible expenditures</td> <td>Tax credit equals 25% of eligible expenditures</td> </tr> <tr> <td>5-year holding period after project completion</td> <td>No holding period</td> </tr> <tr> <td>20-year carry forward, 1-year carryback</td> <td>10-year carry forward, no carryback</td> </tr> </tbody> </table>	Federal Credit	State Credit	Administered by National Park Service	Administered by Virginia Department of Historic Resources	Available to income-producing buildings only	Available to income-producing and owner-occupied buildings	Tax credit equals 20% of eligible expenditures	Tax credit equals 25% of eligible expenditures	5-year holding period after project completion	No holding period	20-year carry forward, 1-year carryback	10-year carry forward, no carryback
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<p>Part 1: Evaluation of Significance</p> <ul style="list-style-type: none"> No Part 1 application is required for buildings individually listed on the State and National Registers; If contributing to a State and National Register listed historic district, Part 1 approval is required even if the building is already listed in the historic district inventory; If the applicant is only seeking State Historic Rehabilitation Tax Credits, then the building can also be certified as eligible for individual listing. 	<p>Part 2: Description of Rehabilitation</p> <ul style="list-style-type: none"> Part 2 includes a description of the existing condition of the building and proposed rehabilitation plan, supplemented by photographs and architectural drawings. Part 2 applications are evaluated for their compliance with the Secretary of the Interior's Standards for Rehabilitation (Standards). Part 2 submitted and approval is strongly recommended before beginning work to ensure that the proposed approach is approved and, as necessary, allow for modifications to the project to comply with the Standards. Project must be substantial in nature, as judged by the Substantial Rehabilitation Test. Project can be phased and tax credits can be taken in phases. 	<p>Secretary of the Interior's Standards for Rehabilitation</p> <ul style="list-style-type: none"> ...are common sense principles in non-technical language. They were developed to help protect our nation's irreplaceable cultural resources by promoting consistent preservation practices. As such, they are written to apply to buildings ranging in size from a storage shed to a high rise office building. "Rehabilitation" acknowledges the need to alter or add to a historic property to meet existing or changing use while retaining the property's historic character. The Standards for "Rehabilitation" are the most flexible of the four sets of Standards for the Treatment of Historic Properties promulgated by the National Park Service (others are Restoration, Preservation and Reconstruction). 	<p>Secretary of the Interior's Standards for Rehabilitation</p> <ol style="list-style-type: none"> The historic character of a property shall be retained and preserved. The removal of historic materials or alteration of features and spaces that characterizes a property shall be avoided. A property shall be used for its historic purpose or be placed in a new use that requires minimal change to the defining characteristics of the building and its site and environment. Each property shall be recognized as a physical record of its time, place, and use. Changes that create a false sense of historical development, such as adding conjectural features or architectural elements from other buildings, shall not be undertaken. 												
<p>Secretary of the Interior's Standards for Rehabilitation</p> <ol style="list-style-type: none"> Most properties change over time; those changes that have acquired historic significance in their own right shall be retained and preserved. Distinctive features, finishes, and construction techniques or examples of craftsmanship that characterize a historic property shall be preserved. Deteriorated historic features shall be repaired rather than replaced. Where the severity of deterioration requires replacement of a distinctive feature, the new feature shall match the old in design, color, texture, and other visual qualities and, where possible, materials. Replacement of missing features shall be substantiated by documentary, physical, or pictorial evidence. 	<p>Secretary of the Interior's Standards for Rehabilitation</p> <ol style="list-style-type: none"> Chemical or physical treatment, such as sandblasting, that cause damage to historic materials shall not be used. The surface cleaning of structures, if appropriate, shall be undertaken using the gentlest means possible. Significant archaeological resources affected by a project shall be protected and preserved. If such resources must be disturbed, mitigation measures shall be undertaken. New additions, exterior alterations, or related new construction shall not destroy historic materials that characterize the property. The new work shall be differentiated from the old and shall be compatible with the massing, size, scale and architectural features to protect the historic integrity of the property and its 	<p>Secretary of the Interior's Standards for Rehabilitation</p> <ol style="list-style-type: none"> New additions and adjacent or related new construction shall be undertaken in such a manner that if removed in the future, the essential form and integrity of the historic property and its environment would be unimpaired. 	<p>Substantial Rehabilitation Test</p> <p>Federal Requirement:</p> <ul style="list-style-type: none"> Eligible expenditures must exceed the owner's adjusted basis in the building (including land) or \$5,000, whichever is greater. <p>State Requirement:</p> <ul style="list-style-type: none"> For buildings which are not owner-occupied residences, the eligible expenditures must be at least 50% of the local government's assessed value of the building (including land) in the year prior to initiating work. For owner-occupied residences, the eligible expenditures must be at least 25% of the local government's assessed value of the building (including land) in the year prior to initiating work. 												
<p>Substantial Rehabilitation Test Measuring Period</p> <ul style="list-style-type: none"> For most projects, the measuring period is 24 months. For phased projects, the measuring period is 90 months. The measuring period must end the same year that the project is completed. An owner DOES NOT have to complete the project within the measuring period. Federal Rule: The phasing plan must be in place prior to the start of construction. The adjusted basis is determined at the start of the measuring period. State Rule: The phasing plan must be submitted with the Part 2 application. The assessed value is determined the year prior starting work. 	<p>Substantial Rehabilitation Test Measuring Period Example - Phased</p>  <p>Measuring period: August 2000 - August 2002; Substantial rehabilitation test must be met during this period.</p> <p>Start of project: February 2000; Completion date: November 2005</p>	<p>Photographic Documentation</p> <ul style="list-style-type: none"> Photographs should clearly document the building, its setting, and all significant architectural features and spaces. Documentation of deteriorated features that will be recovered during the course of the rehabilitation is essential. Aid prior photographs are preferred. Each rebuilding and the site must be photographed, in addition to the primary building. 	<p>Part 3 - Request for Certification of Completed Work</p> <ul style="list-style-type: none"> Credits are claimed in the year that the project, or a phase thereof, is completed. When credits are to be syndicated, the ownership and syndication structure must be in place prior to the placed-in-service date and prior to submission of the Part 3 Request for Certification of Completed Work. For the state credit, the Part 3 application must include a CPA certification when there are expenditures over \$100,000.00. 												
<p>Eligible Expenditures</p> <ul style="list-style-type: none"> Eligible expenditures must be capital in nature. Eligible expenditures must include certain soft costs such as architectural and engineering fees, construction period taxes and interest, and reasonable developer fees. Acquisition costs, expenditures attributable to enlargements or additions and most landscaping and site work are not considered eligible expenditures. The CPA is responsible for determining eligible expenditures in the process of preparing the Cost Certification. 	<p>Tax Credits At Work in Virginia</p> <ul style="list-style-type: none"> Palace Theater and Gallery, Cape Charles, VA Non-profit theater and art gallery rehabilitation which is ongoing and began in January 2009. Phase 1 of work is complete. Utilized Virginia Historic Rehabilitation Tax Credits only. Approximately \$400,000 in costs yielded approximately \$100,000 in tax credits. 	<p>Tax Credits At Work in Virginia</p> <ul style="list-style-type: none"> Case Study: West End Historic District, Suffolk, VA Listed on VLR/NR in Summer/Fall 2003 with CLO grant (\$0,000 City investment, \$0,000 grant funding) Listing makes Rehabilitation Tax Credits available to approximately 300 properties in West End Over twenty buildings rehabilitated using Historic Rehabilitation Tax Credits for the first 10 buildings, the following data has been tracked: <ul style="list-style-type: none"> \$700,000 total assessed value before rehabilitation projects \$1,200,000 total investment, all owner occupied \$3,400,000 total property value after rehabilitation 													
<p>Tax Credits At Work in Virginia</p> <ul style="list-style-type: none"> St Paul's Catholic Church, Portsmouth, VA 16,911 square foot Catholic Church in active use. Utilized Virginia Historic Rehabilitation Tax Credits only. Project began in 2002 and was completed in 2008. Approximately \$2,700,000 in project costs, approximately \$675,000 in credits awarded. 	<p>Tax Credits At Work in Virginia</p> <ul style="list-style-type: none"> Mallonee School, Hopewell, VA 54,000 square foot vacant historic school rehabilitated for use as apartments. Utilized Virginia and Federal Historic Rehabilitation Tax Credits. Project began in 2009 and was completed in 2010. Approximately \$6,940,000 in project costs, approximately \$1,735,000 in state credits and \$1,388,000 in federal credits awarded. 	<p>Tax Credits At Work in Virginia</p> <ul style="list-style-type: none"> Martinsville, VA Historic Districts  													

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Update M-HC Economic Development: Mark Heath updated Council on recent activities and programs at the Economic Development Corporation and distributed a handout on Commonwealth Crossing..

Electric Rate Stabilization Plan continued discussion: Mayor Adkins gave background information to Council to why the electric rate stabilization plan is being discussed:

During the regularly scheduled Council meeting of September 25, an overview of the Electric Rate Stabilization Plan was presented to City Council. Participation in a rate stabilization plan at this time will set aside funds in FY 2013 & 2014 to stabilize projected future rising power cost and repay American Municipal Power Generating Station (AMPGS) stranded cost over a 42 month term beginning July 1, 2012 and ending December 31, 2015. Wholesale power costs are projected to be lower during FY13 and FY14 and the implementation of the Rate Stabilization Plan stabilizes power cost at \$69.97 per megawatt-hour (MWh) producing funds needed for repayment of the AMPGS stranded cost. The accumulated funds also are used to maintain the \$69.97 per MWh rate as the actual rate fluctuates from month to month both above and below the stabilization rate. The rate stabilization plan that AMP offers its members (a service AMP has offered for some time), deposits member funds that are in excess of the monthly AMP power bill into a trust fund for the purpose of stabilizing future power cost and as a means to set aside funds necessary for repayment of AMPGS stranded cost. At the September 25th meeting, Council delayed action pending receipt of information from AMP regarding administrative and/or management fees associated with the plan. AMP has indicated there are two fees – an annual \$500 fee for administration of the trust fund by US Bank; and a one-time AMP fee of \$2000 to recover legal and administrative expenses associated with set up and administration of the rate stabilization plan for the term.

Dennis Bowles then presented the following information:

<h3>What is a rate stabilization plan?</h3> <ul style="list-style-type: none"> A plan which provides a means of stabilizing future power costs by using funds accumulating in fiscal years 2013 and 2014, when power cost are lower and applying the savings to offset higher power cost in 2015 and 2016; stabilizing power cost for a 42 month term. Accumulation of funds over the term of the plan will also be used to repay the AMPGS stranded cost. Proposed Plan Term: 42 months, beginning July 1, 2012 and continuing through December 31, 2015. 	<h3>Plan Specifics</h3> <ul style="list-style-type: none"> Funds are deposited into an interest bearing trust fund by AMP on the City's behalf through payment of the City's monthly power bill. The accumulating funds are used to maintain the average monthly power cost of \$69.97 as actual power cost fluctuates above and below the stabilized rate. Stabilizing power cost for the proposed 42 mo. term provides a means for retail customer rates to remain stable for the term. Plan Fees: <ul style="list-style-type: none"> \$500 annually for trust fund administration by US Bank One time AMP fee of \$2000 for legal and administrative expense 	<h3>Plan Specifics Cont.</h3> <ul style="list-style-type: none"> The Plan may require adjustments to the \$69.97 rate or an extension to the term at a later date to soften the impact of future power rates. 																																
<h3>City of Martinsville Fiscal-Year Rate Summary - Levelized Rates</h3> <table border="1"> <thead> <tr> <th>Fiscal Year</th> <th>Rate (\$/MWh)</th> </tr> </thead> <tbody> <tr><td>2009</td><td>\$98.14</td></tr> <tr><td>2010</td><td>\$145.51</td></tr> <tr><td>2011</td><td>\$176.43</td></tr> <tr><td>2012*</td><td>\$69.97</td></tr> <tr><td>2013</td><td>\$69.97</td></tr> <tr><td>2014</td><td>\$69.97</td></tr> <tr><td>2015</td><td>\$73.88</td></tr> </tbody> </table> <p><small>*FY rates include surcharge for July-Dec only and projected rates for Jan-Mar only.</small></p>	Fiscal Year	Rate (\$/MWh)	2009	\$98.14	2010	\$145.51	2011	\$176.43	2012*	\$69.97	2013	\$69.97	2014	\$69.97	2015	\$73.88	<h3>City of Martinsville Fiscal-Year Rate Summary - Levelized Rates</h3> <table border="1"> <thead> <tr> <th>Fiscal Year</th> <th>Rate (\$/MWh)</th> </tr> </thead> <tbody> <tr><td>2009</td><td>\$98.14</td></tr> <tr><td>2010</td><td>\$145.51</td></tr> <tr><td>2011</td><td>\$176.43</td></tr> <tr><td>2012*</td><td>\$69.97</td></tr> <tr><td>2013</td><td>\$69.97</td></tr> <tr><td>2014</td><td>\$69.97</td></tr> <tr><td>2015</td><td>\$73.88</td></tr> </tbody> </table> <p><small>*FY rates include surcharge for July-Dec only and projected rates for Jan-Mar only.</small></p>	Fiscal Year	Rate (\$/MWh)	2009	\$98.14	2010	\$145.51	2011	\$176.43	2012*	\$69.97	2013	\$69.97	2014	\$69.97	2015	\$73.88	<h3>City of Martinsville Updated AMPGS Sunk Cost Repayment Schedule</h3> <p><small>*AMPGS Total Sunk Cost expected to be paid from the trust fund at the end of the 42-month term.</small></p>
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<h3>Recommendations</h3> <ul style="list-style-type: none"> Staff along with GDS Associates and Blue Ridge Power agency representatives recommends approval of the Rate Stabilization Plan. <p>Plan Benefits:</p> <ul style="list-style-type: none"> Stable power cost through mid-term 2016 Stable retail rates for customers through the term Repayment of AMPGS stranded cost with no increased cost to our customers 																																		

Mr. Turner stated he is opposed to the rate stabilization plan and he feels AMP's advice cannot be trusted.

Mr. Teague pointed out that AMP has no association with U.S. Bank who would be administering the plan and he thinks it is a good plan which was recommended by the city's long-time utility consultant, GDS Associates.

Mr. Stroud agreed with Mr. Teague. On a motion by Gene Teague, seconded by Kimble Reynolds, with a 4-1 vote (Turner voting nay), Council approved the Rate Stabilization Plan as presented.

Consent Agenda: On a motion by Gene Teague, seconded by Mark Stroud, with a 5-0 vote, Council approved the following amended consent agenda regarding re-appropriations:

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RE-APPROPRIATIONS FY12 TO FY13

ORG CODE	OBJECT	DEPARTMENT	ACCOUNT DESCRIPTION	DEBIT	CREDIT
GENERAL FUND					
01103938	462101		Contribution From Fund Balance		\$ 1,092,243
01111005	506012	City Council	Code Revision & Supplement	\$ 8,000	
01129290	508220	Purchasing	incomplete project Physical Plant Expansion	\$ 20,459	
01217078	506047	Sheriff - Courts	incomplete project Project Life Saver	\$ 8,948	
01221082	501300	Commonwealth's Attorney	rollover of prior years' appropriated donations Part-time wages	\$ 5,734	
01221082	505500	Commonwealth's Attorney	carry-over from prior year & grant funding (interns) Travel	\$ 6,290	
01221082	506105	Commonwealth's Attorney	add'l comp board funds (prior year error corrected) State - Confiscated Assets	\$ 5,676	
01221082	506118	Commonwealth's Attorney	Local - Confiscated Assets forfeiture funds - carry-over	\$ 692	
01311085	501206	Police	Overtime - DMV Grant	\$ 10,261	
01311085	506078	Police	grant funding State - Confiscated Assets	\$ 9,046	
01311085	506079	Police	Federal - Confiscated Assets	\$ 6,831	
01311085	506106	Police	forfeiture funds - carry-over Non-Capital Equip JAG	\$ 4,701	
01311085	506118	Police	grant funding Local - Confiscated Assets	\$ 773	
01311085	508165	Police	forfeiture funds - carry-over Construction - Animal Shelter	\$ 25,000	
01321102	506110	Fire	donated funds from FY08 to be applied this year Fire Programs	\$ 27,721	
01322105	506114	EMS	Four for Life	\$ 11,004	
01341135	506300	Inspections	grant funding Demolition	\$ 40,000	
01331108	508216	Sheriff - Corrections	continuing projects COPS Technology Grants Program	\$ 57,157	
01413145	503185	Street Maintenance	grant funding Paving	\$ 233,623	
01413147	506010	Signals	state funding Supplies	\$ 2,500	
01436168	503136	Fiber Optics	Prof Serv - Consultant	\$ 42,500	
01812245	506830	Uptown Master Plan Phase I	incomplete project Supplies - Comfort Station	\$ 26,500	
01812245	506831	Uptown Master Plan Phase I	Supplies - Depot St/NCI Park Lot	\$ 179,714	
01812245	506833	Uptown Master Plan Phase I	Supplies - North Lawn	\$ 67,799	
01812245	506834	Uptown Master Plan Phase I	Supplies - Baldwin Block	\$ 103,494	
01812245	506835	Uptown Master Plan Phase I	Supplies - Wayfinding	\$ 115,750	
01816244	505645	Contributions-Outside Agencies	grant funding E911 Communications Center	\$ 14,567	
01913250	508246	General Expense	incomplete project (County) CCBC W/S Line Commitment	\$ 57,503	
01913250	508246	General Expense	balance of commitment		
MEALS TAX FUND					
02103938	462101		Contribution from Fund Balance		\$ 8,731,416
02160270	508260	Meals Tax Adm	Maint/Improvement - High School	\$ 8,731,416	
02160270	508260	Meals Tax Adm	incomplete project		
WATER FUND					
12103938	462101		Contribution From Fund Balance		\$ 108,000
12542312	503140	Reservoir	Prof Serv - Eng & Arch	\$ 3,000	
12541311	508220	Water Plant	dam inspection/incomplete Physical Plant Expansion	\$ 100,000	
12541311	506007	Water Plant	water line replacement project Plant Repairs & Maintenance	\$ 5,000	
12541311	506007	Water Plant	incomplete project		
ELECTRIC FUND					
14103938	462101		Contribution From Fund Balance		\$ 155,333
14561336	506010	Electric Generation	Mechanical Generator Repairs	\$ 5,000	
14565340	506900	Electric General Expense	Disaster Recovery	\$ 150,333	
14565340	506900	Electric General Expense	incomplete project		
CAPITAL RESERVE FUND					
16103938	462101		Contribution From Fund Balance		\$ 1,011,123
16575365	508080	Vehicles	Fire/EMS	\$ 224,264	
16572362	508075	Tools/Equipment	Ambulance not delivered until August/September Police Dept	\$ 3,300	
16577367	508140	Physical Plant Expansion	need additional narrowband programmable radios - emergency City Hall	\$ 768,824	
16577367	508085	Physical Plant Expansion	Jail	\$ 14,735	
16577367	508085	Physical Plant Expansion	incomplete project		
CDBG FUND					
47103938	462101		Contribution From Fund Balance		\$ 16,393
47831378	505332	USDA Revolving Loan Program	Revolving Loan Payments	\$ 15,000	
47832379	508250	Neighborhood Stabilization 3	Land Acquisition	\$ 1,393	
47832379	508250	Neighborhood Stabilization 3	grant programs		
HOUSING CHOICE FUND					
49103938	462101		Contribution From Fund Balance		\$ 24,651

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49535280	503150	HAP Administration	Prof. Services - Legal	\$	5,000
49535280	503300	HAP Administration	Software Maint.	\$	5,000
49535280	505500	HAP Administration	Travel	\$	5,500
49535280	505540	HAP Administration	Training	\$	9,151
			Federal funds		
TOTAL CITY FUNDS:					\$ 11,139,159
SCHOOL FUNDS					
18103938	462101		Contribution From Fund Balance		\$ 108,298
66501100	561120	SEMAA SUMMER	Instructional S & W	\$	14,000
66501100	561151	SEMAA SUMMER	Teachers Aides S & W	\$	5,500
66501100	562100	SEMAA SUMMER	Social Security	\$	1,209
66501100	562150	SEMAA SUMMER	Medicare	\$	283
66501100	563000	SEMAA SUMMER	Purchased Services	\$	200
66501100	565800	SEMAA SUMMER	Miscellaneous Expense	\$	2,000
66501100	566013	SEMAA SUMMER	Instructional Materials & Supplies	\$	1,285
81621310	561120	HARVEST - ELEMENTARY	Instructional S & W	\$	6,000
81621310	562100	HARVEST - ELEMENTARY	Social Security	\$	372
81621310	562150	HARVEST - ELEMENTARY	Medicare	\$	87
81621310	563000	HARVEST - ELEMENTARY	Purchased Services	\$	19,227
81621310	563142	HARVEST - ELEMENTARY	Professional Development	\$	18,607
81621310	565503	HARVEST - ELEMENTARY	Travel	\$	3,600
81621310	565800	HARVEST - ELEMENTARY	Miscellaneous Expense	\$	1,200
81621310	566013	HARVEST - ELEMENTARY	Instructional Materials & Supplies	\$	1,200
81631310	561120	HARVEST - SECONDARY	Instructional S & W	\$	4,000
81631310	562100	HARVEST - SECONDARY	Social Security	\$	248
81631310	562150	HARVEST - SECONDARY	Medicare	\$	58
81631310	563000	HARVEST - SECONDARY	Purchased Services	\$	12,818
81631310	563142	HARVEST - SECONDARY	Professional Development	\$	12,404
81631310	565503	HARVEST - SECONDARY	Travel	\$	2,400
81631310	565800	HARVEST - SECONDARY	Miscellaneous Expense	\$	800
81631310	566013	HARVEST - SECONDARY	Instructional Materials & Supplies	\$	800
			grant funding		
TOTAL SCHOOL FUNDS:					\$ 108,298
TOTAL FY12 RE-APPROPRIATIONS INTO FY13					\$ 11,247,457

Employee Computer Purchase program: Mayor Adkins noted that this item was added to the agenda as an addendum. Finance Director Linda Conover briefed Council on the program. The Martinsville City and School Administrations are taking preliminary steps in offering a payroll deduction employee computer purchase program again this year. Partnering with Henry County, under this program, the City and School will front-fund the cost and employees will have the opportunity to purchase an Apple iPad 2 (2 versions), a MacBook Pro, or a Dell laptop with the cost, including applicable sales tax, recovered through six monthly payroll deductions from January through June 2013. The benefit to employees will be the cost savings realized through a bulk purchase program with six-month no-interest financing through payroll deduction payments. The City will not provide a warranty for any units purchased. Any warranty, software, or other issues will be strictly between the purchaser and Apple or Dell. Copies of the employee purchase form and purchase agreement were provided to Council. On a motion by Gene Teague, seconded by Kimble Reynolds, with a 5-0 vote, Council approved the employee computer purchase program and appropriation of funds, said funds to be recovered through payroll deduction. The specific amount will be available after October 25, 2012, after all employee orders are received.

Business from floor: Ural Harris, 217 Stuart St.-comments on AMP costs.

Council comments: Turner-thanked those who made Oktoberfest a success and reminded citizens that race weekend coming up; Adkins-read a note of appreciation received from Gen. Dennis Via for Council's recognition.

City Manager comments: reminders about Chamber Annual Meeting and RTI event. Eric Monday reminded citizens of voter registration deadlines.

There being no further business, the meeting adjourned at 9:20 pm.

Brenda Prillaman, Clerk of Council

Kim Adkins, Mayor