

AGENDA--CITY COUNCIL MEETING
CITY OF MARTINSVILLE, VIRGINIA

Council Chambers – Municipal Building
7:30 p.m. – Tuesday, January 10, 2012

Invocation – Vice Mayor Kimble Reynolds
Pledge to the American flag

1. [Recognition of Clarence Monday.](#) (5 minutes)
2. [Consider approval of minutes of November 22, 2011, December 6, 2011, December 13, 2011, and December 19, 2011.](#) (2 minutes)
3. [Conduct public hearing and consider approval on second reading of Financing Ordinance on Building Energy Efficiency.](#) (5 minutes)
4. [Consider adopting the proposed Human Rights and Relations Commission bylaws, formally creating a Human Rights and Relations Commission and specifying advisory authority.](#) (45 minutes)
5. [Consider approval of Consent Agenda-accept & appropriate budget adjustments.](#) (2 minutes)
6. Business from the Floor

This section of the Council meeting provides citizens the opportunity to discuss matters that are not listed on the printed agenda. Since the Council meetings are broadcast on Martinsville Government Television, the City Council is responsible for the content of the programming. Thus, any person wishing to bring a matter to Council's attention under this Section of the agenda should:

 - (1) come to the podium, state name and address;**
 - (2) state the matter they wish to discuss and Council action requested;**
 - (3) limit remarks to five minutes;**
 - (4) refrain from making any personal references or accusations of a factually false and/or malicious nature.**

Persons who violate these guidelines will be ruled out of order by the presiding officer and asked to leave the podium. Persons who refuse to comply with the direction of the presiding officer may be removed from the chambers.
7. Comments by Council Members. (5 minutes)
8. Comments by Interim City Manager. (5 minutes)
- 9.
10. Items to be considered in Closed Session, in accordance with the code of Virginia, title 2.2, Chapter 37—Freedom of Information Act., Section 2.2-3711(A)—Closed Meetings, the following:
 - A. Appointments to boards and commissions as authorized by Subsection 1. (5 minutes)



City Council Agenda Summary

Meeting Date: January 10, 2012

Item No: 1.

Department: City Council

Issue: Recognition of Clarence Monday.

Summary: City Council will recognize Clarence Monday.

Attachments:

Recommendations:



City Council Agenda Summary

Meeting Date: January 10, 2011

Item No: 2.

Department: Clerk of Council

Issue: Consider approval of City Council meeting minutes of November 22, 2011, December 6, 2011, December 13, 2011, and December 19, 2011.

Summary: None

Attachments: [November 22, 2011](#)
[December 6, 2011](#)
[December 13, 2011](#)
[December 19, 2011](#)

Recommendations: Motion to approve.

November 22, 2011

The regular meeting of the Council of the City of Martinsville, Virginia, was held on November 22, 2011, 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, Mark Stroud, Sr., Danny Turner, and Gene Teague. Staff present included: Clarence Monday, City Manager, Brenda Prillaman, Eric Monday, Leon Towarnicki, Bobby Phillips, Dennis Bowles, and Rob Fincher.

Mayor Adkins called the Council meeting to order and Council Member Gene Teague gave the invocation and Pledge of Allegiance to the flag.

On a motion by Gene Teague, seconded by Kimble Reynolds, with a 5-0 vote, Council approved the amended minutes of the October 11, 2011 meeting with the addition of the words “and the architects” under Council Comments section.

Mayor Adkins read the following list of names of employees eligible for Service Awards from 10/1/11 through 12/31/11 and recognized them for their faithful service to the city.

EMPLOYEE NAME	YEARS OF SERVICE	DEPARTMENT
Chad Stallard	5	Sheriff's Department
Sandra Tomlinson	5	Commissioner of Revenue
James Hopkins	10	Fire Department
Danny Worrell	15	Public Works Department
Mark Gilbert	20	Police Department
Doug Boaz	20	Utility Billing Department
William Stultz	25	Utility Billing Department

Mayor Adkins introduced Mark Gerken of American Municipal Power, Inc. Mr. Marc Gerken, President and CEO of AMP presented updated information on the construction budgets for generation facilities in which Martinsville is one of 79 participants at 4.3 MW or 2.1% of the project. He reviewed construction costs as they have evolved since the projects were subscribed, reductions achieved in budgets and comparisons to costs of power from the market as well as the long term, leveled cost from the project. AMP currently has three separate hydroelectric projects under construction on the Ohio River and in various stages of completion with a total capacity of 208 megawatts (MW): Cannelton, Smithland and Willow Island.

 <p><i>AMP Hydro Phase I Project Update Presentation to Martinsville City Council</i> November 22, 2011</p> <p><i>Marc S. Gerken, P.E., President/CEO</i></p>	<p align="center">MEETING AGENDA</p> <ul style="list-style-type: none"> • 2006–2010 Capital Budget Recap • 2010–2011 Budget Changes • Cannelton, Smithland, Willow Island (AMP Hydro Phase I) Status • Hydro Phase I Levelized Costs • Power Supply Portfolio 	<p align="center">ORIGINAL FEASIBILITY STUDY COSTS – 2006 PRICE LEVEL</p> <p><small>7.1 Cost Estimate</small> The estimated cost of the projects is summarized in Table 2.</p> <p align="center"><small>Table 2 - Project Cost Summary (million \$ at 2006 price level)</small></p> <table border="1"> <thead> <tr> <th>Project</th> <th>Construction Cost</th> <th>Hydraulic Model</th> <th>Equipment and Construction Management</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>Smithland with Bulb Units</td> <td>241.06</td> <td>1.00</td> <td>15.92</td> <td>259.58</td> </tr> <tr> <td>Smithland with MCC Kaplan Units</td> <td>226.39</td> <td>1.00</td> <td>15.88</td> <td>243.24</td> </tr> <tr> <td>Cannelton</td> <td>242.37</td> <td>1.00</td> <td>16.97</td> <td>260.34</td> </tr> <tr> <td>Willow Island</td> <td>171.17</td> <td>1.00</td> <td>11.98</td> <td>184.15</td> </tr> <tr> <td align="right" colspan="4">Total Cost:</td> <td>\$704,070,000</td> </tr> </tbody> </table>	Project	Construction Cost	Hydraulic Model	Equipment and Construction Management	Total	Smithland with Bulb Units	241.06	1.00	15.92	259.58	Smithland with MCC Kaplan Units	226.39	1.00	15.88	243.24	Cannelton	242.37	1.00	16.97	260.34	Willow Island	171.17	1.00	11.98	184.15	Total Cost:				\$704,070,000
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<p align="center">FEASIBILITY STUDY ASSUMPTIONS</p> <ul style="list-style-type: none"> • MWH estimates were high level -30% to +50% accuracy. • Estimates were prior to subsurface exploration (rock was assumed at 75' depth for Cannelton and Smithland and is now at 130'/180' respectively). • Estimates prior to Hydraulic Model Studies • Interest rate assumption for total project was 4.95 % in Sept. of 2007 • Term of financing was 40 years. • Energy generated was 935,000 Mwths 	<p align="center">UPDATED CAPITAL COSTS (2008)</p> <table border="1"> <thead> <tr> <th>Project</th> <th>2007 (Millions)</th> <th>2008 (Millions)</th> </tr> </thead> <tbody> <tr> <td>Cannelton</td> <td>\$260.34</td> <td>\$407.26</td> </tr> <tr> <td>Smithland</td> <td>\$259.58</td> <td>\$432.19</td> </tr> <tr> <td>Willow Island</td> <td>\$184.15</td> <td>\$262.52</td> </tr> <tr> <td align="right">Total</td> <td>\$704.07 M</td> <td>\$1,101 M</td> </tr> </tbody> </table>	Project	2007 (Millions)	2008 (Millions)	Cannelton	\$260.34	\$407.26	Smithland	\$259.58	\$432.19	Willow Island	\$184.15	\$262.52	Total	\$704.07 M	\$1,101 M	<p align="center">2008 UPDATED CAPITAL COST ASSUMPTIONS</p> <ul style="list-style-type: none"> • MWH capital cost estimates -20% to +30% accuracy • Turbine generator bids taken: 39% higher than MWH estimate (\$83M Increase - 3 bids received) 15% greater energy production (935 GWh vs. 1,076 GWh) Bids were taken at peak of commodity markets • Subsurface exploration completed Top of rock 55' to 105' deeper than anticipated Rock elevation will effect cofferdam excavation and powerhouse costs as a result of ground improvement • Bids for gates, cranes, and transformers, cofferdam and powerhouse design is not completed. 															
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<p align="center">OCTOBER 2010 CAPITAL COST ASSUMPTIONS</p> <ul style="list-style-type: none"> MWH estimates for entire project were reflective of the Cannelton powerhouse bid Cannelton Bid was 37% higher (\$219M was low and estimated was \$167M and final negotiated to \$192M) Estimates for CSW included \$111 M in contingency Financing included \$40 M in Corps bond money that is returned in construction fund at completion Engineering / construction management estimated to complete increased \$20.3 Million Overall increase was 27% All-In True Interest Rate after BABS subsidy for 2010 Financing 5.33% All-In True Interest Rate after BABS subsidy for 2009 & 2010 Financing 4.98% Term of financing for 2010 only was 35 Years 	<p align="center">UPDATED CAPITAL COST ESTIMATES BASED ON MELDAHL BIDS (APRIL, 2011)</p> <table border="1"> <thead> <tr> <th>Project</th> <th>2010(Millions)</th> <th>2011 Update (Millions)</th> </tr> </thead> <tbody> <tr> <td>Cannelton</td> <td>\$474.72</td> <td>\$456.43</td> </tr> <tr> <td>Smithland</td> <td>\$504.96</td> <td>\$473.64</td> </tr> <tr> <td>Willow Is.</td> <td>\$348.83</td> <td>\$334.45</td> </tr> <tr> <td>Total</td> <td>\$1,328.56 M</td> <td>\$1,264.52 M</td> </tr> </tbody> </table>	Project	2010(Millions)	2011 Update (Millions)	Cannelton	\$474.72	\$456.43	Smithland	\$504.96	\$473.64	Willow Is.	\$348.83	\$334.45	Total	\$1,328.56 M	\$1,264.52 M	<p align="center">HYDRO PHASE 1 PROJECT OWNERS COSTS SUMMARY (AMP COST NOT FINANCING)</p> <table border="1"> <thead> <tr> <th>Type of Owners Costs</th> <th>2009 Feasibility Study</th> <th>2010 Feasibility Study</th> <th>Difference</th> </tr> </thead> <tbody> <tr> <td>AMP Costs (Includes Insurance, Legal, Contingent)</td> <td>90,602,389</td> <td>94,706,212</td> <td>4,103,823</td> </tr> <tr> <td>Performance Bond/Collateral</td> <td>52,450,966</td> <td>51,020,384</td> <td>(1,430,582)</td> </tr> <tr> <td>Total</td> <td>\$ 143,053,355</td> <td>\$ 145,726,596</td> <td>\$ 2,673,241</td> </tr> </tbody> </table>	Type of Owners Costs	2009 Feasibility Study	2010 Feasibility Study	Difference	AMP Costs (Includes Insurance, Legal, Contingent)	90,602,389	94,706,212	4,103,823	Performance Bond/Collateral	52,450,966	51,020,384	(1,430,582)	Total	\$ 143,053,355	\$ 145,726,596	\$ 2,673,241				
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<p align="center">BUDGET/PROJECT UPDATE AS OF MAY 2011</p> 	<p align="center">BUDGET / PROJECT APPROACH</p> <ul style="list-style-type: none"> AMP met with MWH and internal staff and reviewed the total budgets for all of the projects as a result of the lower powerhouse bids received on the Meldahl Project. AMP adjusted projects costs and contingencies to the projects where additional project savings can be achieved. AMP continues working to implement this planned approach for all of the projects. 	<p align="center">CANNELTON</p> <ul style="list-style-type: none"> Original budget \$478,808,872 New budget <u>\$456,432,128</u> Net Project Savings \$22,376,744 3.1% Contingency included in the above adjusted budgeted capital (construction) costs. 																																			
<p align="center">SMITHLAND</p> <ul style="list-style-type: none"> Original budget \$508,786,526 New budget <u>\$473,640,731</u> Net Project Savings \$35,145,795 4.6% Contingency included in the above adjusted budgeted capital (construction) costs. 	<p align="center">WILLOW ISLAND</p> <ul style="list-style-type: none"> Original budget \$354,564,822 New budget <u>\$334,449,933</u> Net Project Savings \$20,114,889 4.6% Contingency included in the above adjusted budgeted capital (construction) costs. 	<p align="center">CANNELTON, SMITHLAND, WILLOW ISLAND SUMMARY</p> <ul style="list-style-type: none"> Original budget \$1,342,160,220 New budget <u>\$1,264,522,792</u> Net Project Savings \$77,637,428 4.0% Overall contingency included in the above adjusted budgeted capital (construction) costs. 																																			

BUDGET PROGRESS

- Over the three projects (Cannelton, Smithland, and Willow Island), we have reduced the budget by \$77.6 M.
- We are working on other areas of additional savings and we will be reporting back on those efforts.
- We are reviewing the most economical way to utilize the CSW savings to reduce costs (i.e. pay down debt, refunding, etc.)

UPDATED CAPITAL COST ESTIMATES BASED ON MELDAHL BIDS (April 2011)

Project	2010 (Thousands)	2011 Update (Thousands)	Difference
Cannelton	\$467,920	\$445,543	\$22,377
Smithland	\$495,096	\$459,950	\$35,146
Willow Is.	\$345,325	\$325,210	\$20,115
Sub-Total	\$1,308,341	\$1,230,703	\$77,638

OVERALL STATUS FOR CANNELTON, SMITHLAND & WILLOW ISLAND

- Cannelton, Smithland, and Willow Island projects are all under construction
- Turbine Generator, Design / Build cofferdams, Gates and Trashrack, Cranes, Transformers, Diesel Fuel, and reinforcing steel for all 3 projects have been awarded
- Trashrakes and loggrabbers are under negotiations
- Negotiations are ongoing for the Smithland and Willow Island general construction of the Powerhouse Contracts
- Transmission line work is as follows:
Cannelton - near complete
Smithland - pending final regulatory and ISO approvals
Willow Island - pending final negotiations with Cytec and FE (APS) / PJM for the substation

CANNELTON HYDRO PROJECT STATUS

- Project and contract status for Cannelton
 - Ground breaking was August 25, 2009
 - Land Clearing has been completed
- Major Contracts
 - Turbines: Awarded June 2008 (75.0% spent)
 - Cofferdam: Awarded February 2009 (100% complete / 100% spent)
 - Powerhouse Crane: Awarded July 2009 (28.7% spent)
 - Powerhouse Gates: Awarded October 2009 (79.0% spent)
 - Powerhouse Construction: Awarded September 2009 (13.0% spent)
 - Transformer: Awarded November 2009 (92.8% spent)
- Completion Date: May 28, 2014

SMITHLAND HYDRO PROJECT STATUS

- CJ Mahan is under contract to Design / Build the cofferdam, excavation, and the Phase I of ground improvements
- CJ Mahan has provided a price for the general construction of the Powerhouse
AMP is reviewing this along with a proposal to complete the Phase II ground improvements
- The Owner Furnished Equipment is in manufacturing and some is being stored off site until installation

SMITHLAND HYDRO PROJECT STATUS

- Project and contract status for Smithland
 - Ground breaking was September 1, 2010
 - Land Clearing has been completed
- Major Contracts
 - Turbines: Awarded June 2008 (64.3% spent)
 - Cofferdam: Awarded February 2010 (50% complete / 48.3% spent)
 - Powerhouse Crane: Awarded April 2010 (29.4% spent)
 - Powerhouse Gates: Awarded March 2010 (58.0% spent)
 - Powerhouse Construction: To be awarded October/November 2011
 - Transformer: Awarded November 2009 (82.0% spent)
- Completion Date: January 30, 2015

WILLOW ISLAND HYDRO PROJECT STATUS

- The Willow Island cofferdam and excavation contract has been awarded to Ruhlin Construction
- As a result of an existing sheetpile obstruction, Ruhlin had to add one coffercell. A change order was issued
- The slurry wall is complete
- Cofferdam schedule is approximately 114 days ahead of schedule
- We are continuing negotiations with Ruhlin on the general construction of the Powerhouse Contract

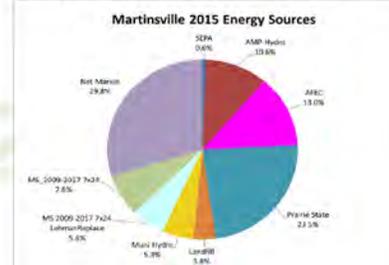
WILLOW ISLAND HYDRO PROJECT STATUS

- Project and contract status for Willow Island
 - Ground breaking took place July 21, 2011
 - Land Clearing has been completed
- Major Contracts
 - Turbines: Awarded June 2008 (65.4% spent)
 - Cofferdam: Awarded September 2010 (31% complete / 32.9% spent)
 - Powerhouse Crane: Awarded April 2010 (9% spent)
 - Powerhouse Gates: Awarded March 2010 (43.9% spent)
 - Powerhouse Construction: To be awarded October/November 2011
 - Transformer: Awarded November 9, 2009 (81.4% spent)
- Completion Date: January 14, 2015

LEVELIZED COST COMPARISON

	Prior to Constr. Cost Reduction	After Constr. Cost Reduction
Resource Costs	\$/MWh	\$/MWh
Hydro Phase 1	124.49	117.75

POWER SUPPLY PORTFOLIO

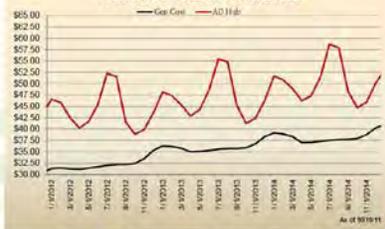


AFEC STARTUP, COMMISSIONING & TESTING SCHEDULE

Milestone	Date
AFEC Asset Purchase and Financial Closing	7/28/2011
Full Notice To Proceed (FNTP) issued to PIC Group - Commissioning Contractor	7/29/2011
FNTP issued to NAES - O&M Contractor	7/29/2011
Start of Commissioning	8/22/2011
Start of Performance Testing	11/28/2011**
Complete Performance Testing	12/8/2011**
Commercial Operation	1/1/2012

** Milestone Dates included in PIC Group agreement

Fremont Gen Cost vs PJM AD Hub

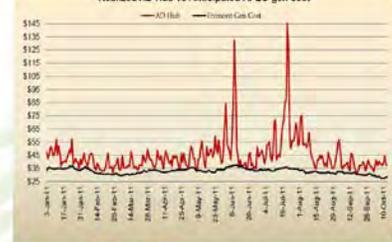


Percentage market over anticipated Gen cost for next 3 years

Cal 2012:	37.3%
Cal 2013:	30.2%
Cal 2014:	31.5%
Overall:	33.0%

Gen Cost = 4.81 * (Hub - 20) + VCM of \$2.52/MWh
Market = AD Hub

Realized AD Hub vs Anticipated AFEC gen cost



Market price over anticipated gen cost if operational in 2011: 36.07%

Gen Cost = 5.01 * (Hub - 20) + VCM of \$2.52/MWh
Market = AD Hub

November 22, 2011

After Council discussion, Mayor Adkins thanked Mr. Gerken for his updated information and asked that Dennis Bowles provide an updated fact sheet based on this new information.

Leon Towarnicki briefed Council on the Solid Waste Management Plan update noting that Sec.9-VAC 20-130-175.F of the Solid Waste Planning and Recycling Regulations, Amendment 2 requires that solid waste management planning units submit a plan update on a 5-year cycle. The City's last SWMP update was approved by Virginia DEQ on December 12, 2006. The City and Henry County (including the Town of Ridgeway) have submitted joint plans previously and are cooperating again on the current update with the City's solid waste engineering consultant, Joyce Engineering, Inc., handling the project. A Public Hearing is required to meet the public participation element of the plan. Copies of the plan are available for public review at the Library on East Church Street, in the Martinsville Public Works Office, Room 226 of the Municipal Building and at the Henry County Administration Building and a link to the plan is on the City's website. Mayor Adkins opened the public hearing. No public comments were made and Mayor Adkins closed the public hearing. On a motion by Gene Teague, seconded by Mark Stroud, with a 5-0 vote, Council adopted the 2011 update of the Solid Waste Management Plan.

On a motion by Gene Teague, seconded by Kimble Reynolds, with the following 5-0 recorded vote: Adkins, aye; Teague, aye; Reynolds, aye; Stroud, aye; and Turner, aye, Council approved the following Preliminary Ordinance regarding the Building Energy Efficiency Project, on second reading:

CITY OF MARTINSVILLE, VIRGINIA-----AN ORDINANCE RECITING THE EXPEDIENCY OF THE ISSUANCE OF UP TO \$1,250,000 PRINCIPAL AMOUNT OF GENERAL OBLIGATION BONDS OF THE CITY OF MARTINSVILLE, VIRGINIA, AND SETTING FORTH THE PURPOSE, IN GENERAL TERMS, FOR WHICH THE BONDS ARE TO BE ISSUED, THE MAXIMUM AMOUNT OF THE BONDS TO BE ISSUED AND THE MAXIMUM LENGTH OF TIME SUCH BONDS WILL BE OUTSTANDING

Adopted on November 22, 2011

Be it Ordained by the Council of the City of Martinsville, Virginia:

Section 1 - Findings and Determinations

The City Council ("**City Council**") of the City of Martinsville, Virginia (the "**City**") proposes to issue bonds for the purpose of assisting in the acquisition, construction, expansion, renovation and equipping of energy saving improvements to City buildings and facilities, all for municipal purposes (**together, the "Project"**) and hereby finds and determines that: (i) the City is in need of funds to be used by the City for such construction and equipment needs brought to the attention of the City Council by the Martinsville City Manager, specifically for the Project, for costs of issuance of the Bonds (defined below) and for payment of interest on the Bonds; (ii) the obtaining of such funds will be for municipal purposes of the City, for the welfare of citizens of the City for purposes which will serve the City and its citizens pursuant to the authority of the City to provide funds for the City's buildings and facilities used for municipal purposes; (iii) the most effective, efficient and expedient manner in which to provide such funds to the City is through the issuance of general obligation bonds in an original principal amount not to exceed \$1,250,000 to be issued by the City as further described herein (the "**Bonds**") to be used for the acquisition, construction and equipping of the Project and for certain costs of issuance of the Bonds; (iv) the issuance of the Bonds is within the power of the City to contract debts, borrow money and make and issue evidence of indebtedness; and, (iv) the issuance of the Bonds is in the best interests of the City and its citizens.

Section 2 - Description of the Bonds

The City Council finds that it is expedient for the City to borrow money and issue the Bonds for the Project in a maximum amount not to exceed ONE MILLION TWO HUNDRED FIFTY THOUSAND DOLLARS (\$1,250,000). The maximum length of time that the Bonds will be outstanding is twenty years from the date of issuance of the Bonds. The form and details of the Bonds which are proposed to be issued will be more specifically set forth in a City Ordinance to be entitled "AN ORDINANCE AUTHORIZING THE ISSUANCE OF UP TO \$1,250,000 MAXIMUM PRINCIPAL AMOUNT OF GENERAL OBLIGATION BONDS OF THE CITY OF MARTINSVILLE, VIRGINIA AND PROVIDING FOR THE FORM, DETAILS AND PAYMENT THEREOF, which will be introduced before the Council and considered for final passage following a public hearing on the issuance of the Bonds, as required by law.

Section 3 - Further Actions Authorized

The City Manager, Clerk of the Council, City Treasurer, City Attorney, Sands Anderson PC as bond counsel, Davenport & Company LLC as financial advisor to the City and all other officers, employees and agents of the City are hereby authorized and directed to take any and all such further action as shall be deemed necessary or desirable to facilitate consideration of the issuance of the Bonds. All actions of the City Manager, Clerk of the Council, City Treasurer, City Attorney, bond counsel, the City's financial advisor and all other officers, employees and agents of the City in furtherance of the issuance of the Bonds and the financing of the Project are hereby approved and ratified.

Section 4 - Invalidity of Sections

If any section, paragraph, clause or provision of this Ordinance shall be held invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining portions of this Ordinance.

Section 5 - Headings of Sections

The headings of the sections of this Ordinance shall be solely for convenience of reference and shall not affect the meaning, construction, interpretation or effect of such sections of this Ordinance.

Section 6 - Effective Date and Filing of Ordinance

Council hereby declares in the public interest that this Ordinance shall become effective immediately upon its passage. A copy of this Ordinance, certified by the Clerk of the Council, shall be filed with the Clerk of the Circuit Court of the City of Martinsville, Virginia.

Travis Clemons briefed Council on the Supplemental Ordinance regarding school bonds (QSCB Program) for renovations at Martinsville High School and advised a 19-year term has been approved with the five and ten year benchmarks relaxed. The purpose of the final ordinance, known as a Supplemental Ordinance, is to approve the terms of the bond sale. Interest will be shown, however,

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under QSCB program, such interest is subsidized. The exact terms and effective interest rate of the school bonds will not be known until bonds are sold by VPSA on November 30, 2011. Once bonds are sold, Council will be given complete information before the second reading of the Supplemental Ordinance at the special called meeting on December 6, 2011. On a motion by Danny Turner, seconded by Mark Stroud, with the following 3-2 recorded vote: Adkins, aye; Teague, nay; Reynolds, nay; Stroud, aye; and Turner, aye, Council approved the following Supplemental Ordinance on first reading:

<p style="text-align: center;">CITY OF MARTINSVILLE, VIRGINIA</p> <p style="text-align: center;">A SUPPLEMENTAL ORDINANCE AUTHORIZING THE ISSUANCE OF A NOT TO EXCEED \$9,300,000 GENERAL OBLIGATION SCHOOL BOND, SERIES 2011, OF THE CITY OF MARTINSVILLE, VIRGINIA, TO BE SOLD TO THE VIRGINIA PUBLIC SCHOOL AUTHORITY</p> <p style="text-align: center; margin-top: 200px;">Adopted on November 22, 2011 (first reading)</p>	<p style="text-align: center;">Be it ordained by the City Council of the City of Martinsville, Virginia:</p> <p>Section 1- Findings and Determinations</p> <p>The City Council (the "City Council") of the City of Martinsville, Virginia (the "City") on October 11, 2011 adopted an Ordinance entitled "Ordinance Authorizing the Issuance of a Not to Exceed \$9,300,000 General Obligation School Bond, Series 2011, of the City of Martinsville, Virginia to be Sold to the Virginia Public School Authority and Providing for the Form and Details Thereof" (the "Authorizing Ordinance"). All words and terms defined in Authorizing Ordinance have the same meaning in this Supplemental Ordinance, except as otherwise defined herein.</p> <p>Section 2- Authorization, Form and Details of the Bond</p> <p>The issuance of such General Obligation School Bond, Series 2011 (the "Bond") with payment terms as set forth in Exhibit A attached hereto, including the term thereof, interest rates, and dates and amounts of principal and interest payments due as described therein is approved. All other provisions of the Bond shall be set as set forth in the Authorizing Ordinance.</p> <p>Section 3- Affirmation of Authorizing Ordinance</p> <p>The Authorizing Ordinance is hereby ratified and confirmed and remains in full force and effect, except as such Authorizing Ordinance is amended and supplemented hereby. All acts of the officers, employees, agents and representatives of the City in conformity with the purposes and intent of the Authorizing Ordinance and in furtherance of the issuance and sale of the Bond are hereby approved and ratified.</p> <p>Section 4- Effectiveness and filing of Supplemental Ordinance</p> <p>This Ordinance shall take effect immediately as provided for in the Act (as defined in the Authorizing Ordinance) and Section 3 of Chapter 3 of the City Charter. A certified copy of this Supplemental Ordinance shall be filed by the Clerk with the Clerk of the Circuit Court of the City of Martinsville, Virginia.</p>
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<p>The Members of the Council voted as follows:</p> <table style="width:100%; border: none;"> <tr> <td style="width:50%; vertical-align: top;"> <p><u>Ayes</u></p> <p>Kim Adkins Danny Turner MARK Stroud</p> <p><u>Absent</u></p> </td> <td style="width:50%; vertical-align: top;"> <p><u>Nays</u></p> <p>Kimble Reynolds Gene Teague</p> <p><u>Abstentions</u></p> </td> </tr> </table> <p>Adopted this 22nd day of November, 2011</p> <p style="text-align: center;"><u>CERTIFICATE</u></p> <p>The undersigned Clerk of the City Council of the City of Martinsville, Virginia hereby certifies that the foregoing constitutes a true and correct extract from the minutes of a meeting of the Council held on November 22, 2011, and of the whole thereof so far as applicable to the matters referred to in such extract. The undersigned further certifies that such meeting was a regularly called meeting and that, during the consideration of the foregoing Supplemental Ordinance, a quorum was present.</p> <p style="text-align: center;">Dated this 22nd day of November, 2011</p> <div style="text-align: center; margin-top: 20px;"> <p>_____ Clerk, City Council City of Martinsville, Virginia</p> </div>	<p><u>Ayes</u></p> <p>Kim Adkins Danny Turner MARK Stroud</p> <p><u>Absent</u></p>	<p><u>Nays</u></p> <p>Kimble Reynolds Gene Teague</p> <p><u>Abstentions</u></p>	<table style="width:100%; border-collapse: collapse;"> <thead> <tr> <th colspan="4" style="text-align: center; border-bottom: 1px solid black;">Exhibit A</th> </tr> <tr> <th style="text-align: center; border-bottom: 1px solid black;">Date</th> <th style="text-align: center; border-bottom: 1px solid black;">Principal Amount</th> <th style="text-align: center; border-bottom: 1px solid black;">Interest Amount</th> <th style="text-align: center; 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Aaron Burdick of West Piedmont Planning District Commission briefed Council on the West Piedmont Hazard Mitigation Plan. The West Piedmont Planning District Commission, in cooperation with the Counties of Franklin, Henry, Patrick, and Pittsylvania, the Cities of Danville and Martinsville, and the Towns of Rocky Mount, Boones Mill, Chatham, Gretna, Hurt, Ridgeway, and Stuart, has been working to update the regional Multi-Jurisdictional Hazard Mitigation Plan, originally adopted in 2006. The Draft Plan has been approved by the Virginia Department of Emergency Management and by the Federal Emergency Management Agency. The purpose of the plan is to identify potential natural and man-made hazards and develop strategies to address them. Formal adoption of a Hazard Mitigation Plan is required in order to qualify for Hazard Mitigation Assistance Grants. The 312-page West Piedmont Hazard Mitigation Plan document can be viewed on the city website. Council Member Stroud asked about availability of any grants for early warning systems and Council Member Teague passed along information to Mr. Burdick to update a few items in the plan for narrative purposes. On a motion by Gene Teague, seconded by Kimble Reynolds, with a 5-0 vote, Council approved the following resolution approving the update of the West Piedmont Hazard Mitigation Plan:



City Attorney Eric Monday reviewed the proposed City Legislative Agenda and Unfunded Mandates with Council. After discussion, votes were taken on individual amendments: Governance, regarding funding for the Henry County-Martinsville Dept. of Social Services—motion by Gene Teague, seconded by Kimble Reynolds, with a 5-0 vote; Governance, regarding eminent domain—motion by Gene Teague, seconded by Mark Stroud, with a 4-1 vote (Turner voting nay); United States Congress regarding I-73 route—motion by Gene Teague, seconded by Mark Stroud, with a 4-0 vote (Reynolds

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abstaining). On a motion by Gene Teague, seconded by Mark Stroud, with a 5-0 vote, Council adopted the 2012 City Legislative Agenda as follows:

The City of Martinsville appreciates the efforts its legislators undertake at both the state and federal level on behalf of its citizens. Listed below are the City's priorities requested of its legislative delegation in 2012.

Virginia General Assembly

Transportation

1. In the short term, upgrade those portions of Route 220 overlaying I-73 to interstate standards. Any construction or upgrades to the I-73 corridor should begin on those sections passing through Henry County.
2. Continue to place priority on Route 58 improvements, particularly the section between Stuart and Hillsville, Virginia.
3. Endorse the rapid development of the Trans-Dominion Express, with particular emphasis on extension of passenger rail service to Roanoke.
4. Request that the Trans-Dominion Express be extended to include a spur from Lynchburg to Danville.
5. Encourage the enactment of a long-term capital funding formula for the future transportation needs of the Commonwealth.

Education

1. City Council endorses the agenda proposed by the Martinsville City School System and also endorses the educational priorities adopted by Henry County, on behalf of its school system.
2. Oppose the imposition of unaided education mandates and in the event of revenue cuts by the Commonwealth opposes targeted cuts by the Commonwealth, instead preferring local decision making authority on where to make any such cuts.
3. Recognizing its potential to promote economic development within our community and region, continue support for the development and funding of the New College Institute; urge that any funding reductions to New College Institute, if considered, be minimized to the greatest extent possible; and support the affiliation of The New College Institute as a branch of a four-year public university.

Economic Development

1. Maintain current levels of funding for economic development incentives, including but not limited to the Governor's Opportunity Fund.
2. Enhance the authority granted to localities to address and eliminate blighted properties, and the formation of interstate compacts to allow expedited recourse against out-of-state property owners.
3. Continue current funding levels of the Virginia Museum of Natural History.
4. Support the development of a multiuse trail traversing Southern Virginia from the Blue Ridge Parkway to the Chesapeake Bay in order to stimulate economic growth and promote regional tourism.
5. Include Mayo River State Park on the Commonwealth's list for future capital funding, as a benefit to the entire southern Virginia region.
6. Request enhanced state and federal financial assistance for localities which exceed the average state unemployment rate by 300% or more.
7. Request state and federal economic development reimbursements to Martinsville and Henry County for development of the Commonwealth Crossing site.
8. Support continued tourism awareness initiatives in the Martinsville-Henry County region.

Governance

1. Request the appointment of a joint gubernatorial/legislative commission to examine the structure of local government in Virginia, the commission's mandate to include:
 - a. Examination of local government in the other 49 states for potential adaptation to Virginia.
 - b. Enable cities to expand their revenue base
 - c. Elimination of the "zero-sum" revenue base structure, which creates friction between cities and counties.
 - d. Elimination of redundant services and programs between contiguous cities and counties.
2. Require full funding for HB 599 funds, in fulfillment of the Commonwealth's commitment to cities in return for their acquiescence in the annexation moratorium.
3. Explore all potential options for the generation of revenue by localities.
4. Elimination of all unfunded mandates from the Commonwealth to localities.
5. Oppose any elimination or alteration of local revenue streams, and specifically oppose any amendment to the current manner in which the Business Occupation and Licensing Tax and the Machinery and Tools Tax are levied.
6. Request at a minimum, level funding for operational requirements of the Henry-Martinsville Department of Social Services.
7. Request that the General Assembly leaves intact the fire programs fund and the rescue squad assistance funds and not use these funds as a way to balance the state budget.
8. Support legislation directing health insurance credit for retirees of local government, constitutional officers, school division employees, and state employees.
9. Request that the Commonwealth fully fund its obligations to constitutional officers.
10. Oppose any attempt to curtail the doctrine of sovereign immunity for localities.
11. Oppose any attempt to permit collective bargaining for state and local government employees.
12. Request that the 2011 legislative redistricting result in at least the same number of legislative districts and members as are currently representing Martinsville and Henry County and that Martinsville and Henry County remain in the Fifth Congressional district.
13. Oppose any amendment of the existing burden of proof or process in local tax appeals cases.
14. Oppose passage of state constitutional amendment affecting the use of eminent domain.

United States Congress

1. Urge the Federal Highway Commission to adopt the CTB's designated route for I-73, or alternatively to preserve the current record of decision in the event the CTB's route is rejected.
2. In the short term, upgrade those portions of Route 220 overlaying I-73 to interstate standards.
3. Oppose any change in the route of the Amtrak Crescent train service. Encourage Amtrak to provide motorcoach transfer service between Danville and Martinsville.
4. Request \$3.72M in funds for the redevelopment of brownfields extending from the former Sara Lee site, along Aaron Street, to Rives Road.
5. Request \$6.25M in funds for the elimination and redevelopment of blighted areas in the city.
6. Request legislation to provide special federal incentives to businesses locating in regions which have experienced job losses in excess of 5% of the total workforce and/or declines in median incomes since the adoption of NAFTA, WTO or GATT. Target such areas for increased federal funding in education or workforce retraining.
7. Extend high speed broadband service throughout southern Virginia.
8. Request enhanced state and federal financial assistance for localities which exceed the average state unemployment rate by 300% or more.

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9. Request state and federal economic development reimbursements to Martinsville and Henry County for development of the Commonwealth Crossing site.

Staff Designations

City Council empowers the following staff members to speak on its behalf and in its best interests to the General Assembly, its members and committees:
City Attorney Eric Monday
City Manager Clarence Monday
Other department heads as appointed by the City Manager

Mandates:

1. The Commonwealth should fully fund its commitment to public education, including capital expenses.
2. The Commonwealth should provide adequate funding for the operation of the local departments of social services.
3. The Commonwealth should fully fund the operations of constitutional officers.
4. The Commonwealth must abide by its commitment to fund law enforcement through "599" appropriations.
5. The Commonwealth should refrain from shifting additional VRS contributions onto localities.

A motion was made by Gene Teague, seconded by Danny Turner, with a 5-0 vote, for the City Attorney to send a letter to VML and VACO regarding the mandates and barriers. Council also directed the City Attorney to draft a letter to the Governor outlining specific mandates as agreed upon by Council. The City Attorney advised the mandates will be posted on the city website for public comment.

Business from the Floor: Ural Harris, 217 Stuart St., comments on budget issues.

Council Comments: Turner-requested city look into limitations on temporary businesses setting up in parking lots taking business away from local restaurants and Council asked that the Planning Commission look at this and report back. Stroud-comments on being thankful.

City Manager Comments: Mr. Monday reported the city employee United Way campaign recently raised \$12,185 and he expressed appreciation to all employees donating and to the employees working on the campaign: Lane Shively, Robin Legus, Karen Walker, and Mary Kay Washington.

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 Danny Turner, with the following 5-0 recorded vote: Adkins, aye; Teague, aye; Reynolds, 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. (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. No action was taken.

There being no further business, the meeting adjourned at 9:36 PM.

Clarence Monday
Clerk of Council

Kim Adkins
Mayor

December 6, 2011

A special called meeting of the City Council of the City of Martinsville, Virginia was held on December 6, 2011, in Council Chambers, Municipal Building at 12:00 noon. Council Members present included: Mayor Kim Adkins, Vice Mayor Kimble Reynolds, Jr., Gene Teague, Mark Stroud, Sr., and Danny Turner. City staff present included: City Manager Clarence Monday, Leon Towarnicki, Eric Monday, and Brenda Prillaman. Mayor Adkins called the meeting to order.

On a motion by Danny Turner, seconded by Mark Stroud, with the following recorded 3-2 vote: Adkins, aye; Reynolds, nay; Teague, nay; Stroud, aye; and Turner, aye, Council approved the following Supplemental Ordinance, on second reading, regarding school bonds for renovations at Martinsville High School:

<p>CITY OF MARTINSVILLE, VIRGINIA</p> <p>A SUPPLEMENTAL ORDINANCE AUTHORIZING THE ISSUANCE OF A \$9,300,000 GENERAL OBLIGATION SCHOOL BOND, SERIES 2011, OF THE CITY OF MARTINSVILLE, VIRGINIA, TO BE SOLD TO THE VIRGINIA PUBLIC SCHOOL AUTHORITY</p> <p>Adopted on December 6, 2011 (second reading)</p>

Be it ordained by the City Council of the City of Martinsville, Virginia:

Section 1- Findings and Determinations

The City Council (the "City Council") of the City of Martinsville, Virginia (the "City") on October 11, 2011 adopted an Ordinance entitled "Ordinance Authorizing the Issuance of a Not to Exceed \$9,300,000 General Obligation School Bond, Series 2011, of the City of Martinsville, Virginia to be Sold to the Virginia Public School Authority and Providing for the Form and Details Thereof" (the "Authorizing Ordinance"). All words and terms defined in Authorizing Ordinance have the same meaning in this Supplemental Ordinance, except as otherwise defined herein.

Section 2- Authorization, Form and Details of the Bond

The issuance of such General Obligation School Bond, Series 2011 (the "Bond") in accordance with Virginia Public School Authority requirements and with payment terms as set forth in **Exhibit A** attached hereto, including the term thereof, interest rates, and dates and amounts of principal and interest payments due as described therein is approved. All other provisions of the Bond shall be set as set forth in the Authorizing Ordinance.

Section 3- Affirmation of Authorizing Ordinance

The Authorizing Ordinance is hereby ratified and confirmed and remains in full force and effect, except as such Authorizing Ordinance is amended and supplemented hereby. All acts of the officers, employees, agents and representatives of the City in conformity with the purposes and intent of the Authorizing Ordinance and in furtherance of the issuance and sale of the Bond are hereby approved and ratified.

Section 4- Effectiveness and filing of Supplemental Ordinance

This Ordinance shall take effect immediately as provided for in the Act (as defined in the Authorizing Ordinance) and Section 3 of Chapter 3 of the City Charter. A certified copy of this Supplemental Ordinance shall be filed by the Clerk with the Clerk of the Circuit Court of the City of Martinsville, Virginia.

The Members of the Council voted as follows:

Ayes

Kim Adkins
Mark Stroud
Danny Turner

Navs

Gene Teague
Kimble Reynolds

Absent

Abstentions

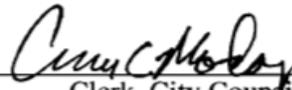
December 6, 2011

Adopted this 6th day of December, 2011

CERTIFICATE

The undersigned Clerk of the City Council of the City of Martinsville, Virginia hereby certifies that the foregoing constitutes a true and correct extract from the minutes of a meeting of the Council held on December 6, 2011, and of the whole thereof so far as applicable to the matters referred to in such extract. The undersigned further certifies that such meeting was a regularly called meeting and that, during the consideration of the foregoing Supplemental Ordinance, a quorum was present.

Dated this 6th day of December, 2011

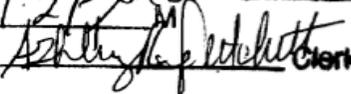


Clerk, City Council
City of Martinsville, Virginia

VIRGINIA
City of Martinsville Circuit Court
Clerk's Office

Received and Filed this the

6th Day of December 2011

Teste:  Clerk

December 6, 2011

EXHIBIT A

DEBT SERVICE

Virginia Public School Authority
Martinsville City
(Direct Payment Qualified School Construction Bonds)
Series 2011-2
Final Sizing 12-1-11 - Local Amortizations

True interest cost - annual
rate of interest - 4.25%

Date	Principal	Interest	Total Debt Service	Federal Tax Credit	Net Debt Service	Annual Net D/S
06/01/2012		182,254.17	182,254.17	(182,254.17)		
12/01/2012	42,571.04	197,625.00	240,196.04	(197,625.00)	42,571.04	
06/01/2013		197,625.00	197,625.00	(197,625.00)		42,571.04
06/30/2013						
12/01/2013	64,312.04	197,625.00	261,937.04	(197,625.00)	64,312.04	
06/01/2014		197,625.00	197,625.00	(197,625.00)		64,312.04
06/30/2014						
12/01/2014	86,369.04	197,625.00	283,994.04	(197,625.00)	86,369.04	
06/01/2015		197,625.00	197,625.00	(197,625.00)		86,369.04
06/30/2015						
12/01/2015	108,734.04	197,625.00	306,359.04	(197,625.00)	108,734.04	
06/01/2016		197,625.00	197,625.00	(197,625.00)		108,734.04
06/30/2016						
12/01/2016	128,943.04	197,625.00	326,568.04	(197,625.00)	128,943.04	
06/01/2017		197,625.00	197,625.00	(197,625.00)		128,943.04
06/30/2017						
12/01/2017	399,676.04	197,625.00	597,301.04	(197,625.00)	399,676.04	
06/01/2018		197,625.00	197,625.00	(197,625.00)		399,676.04
06/30/2018						
12/01/2018	415,636.04	197,625.00	613,261.04	(197,625.00)	415,636.04	
06/01/2019		197,625.00	197,625.00	(197,625.00)		415,636.04
06/30/2019						
12/01/2019	429,467.04	197,625.00	627,092.04	(197,625.00)	429,467.04	
06/01/2020		197,625.00	197,625.00	(197,625.00)		429,467.04
06/30/2020						
12/01/2020	599,872.04	197,625.00	797,497.04	(197,625.00)	599,872.04	
06/01/2021		197,625.00	197,625.00	(197,625.00)		599,872.04
06/30/2021						
12/01/2021	988,622.04	197,625.00	1,186,247.04	(197,625.00)	988,622.04	
06/01/2022		197,625.00	197,625.00	(197,625.00)		988,622.04
06/30/2022						
12/01/2022	670,644.18	197,625.00	868,269.18	(197,625.00)	670,644.18	
06/01/2023		197,625.00	197,625.00	(197,625.00)		670,644.18
06/30/2023						
12/01/2023	670,644.18	197,625.00	868,269.18	(197,625.00)	670,644.18	
06/01/2024		197,625.00	197,625.00	(197,625.00)		670,644.18
06/30/2024						
12/01/2024	670,644.18	197,625.00	868,269.18	(197,625.00)	670,644.18	
06/01/2025		197,625.00	197,625.00	(197,625.00)		670,644.18
06/30/2025						
12/01/2025	670,644.18	197,625.00	868,269.18	(197,625.00)	670,644.18	
06/01/2026		197,625.00	197,625.00	(197,625.00)		670,644.18
06/30/2026						
12/01/2026	670,644.18	197,625.00	868,269.18	(197,625.00)	670,644.18	
06/01/2027		197,625.00	197,625.00	(197,625.00)		670,644.18
06/30/2027						
12/01/2027	670,644.18	197,625.00	868,269.18	(197,625.00)	670,644.18	
06/01/2028		197,625.00	197,625.00	(197,625.00)		670,644.18
06/30/2028						
12/01/2028	670,644.18	197,625.00	868,269.18	(197,625.00)	670,644.18	
06/01/2029		197,625.00	197,625.00	(197,625.00)		670,644.18
06/30/2029						
12/01/2029	670,644.17	197,625.00	868,269.17	(197,625.00)	670,644.17	
06/01/2030		197,625.00	197,625.00	(197,625.00)		670,644.17
06/30/2030						
12/01/2030	670,644.17	197,625.00	868,269.17	(197,625.00)	670,644.17	
06/30/2031						670,644.17
	9,300,000.00	7,494,379.17	16,794,379.17	(7,494,379.17)	9,300,000.00	9,300,000.00

Interest to be paid is before receipt of Qualified School Construction Bond subsidy payments.

There being no further business, the meeting adjourned at 12:03 PM.

Clarence Monday, Clerk of Council

Kim Adkins, Mayor

December 13, 2011

The regular meeting of the Council of the City of Martinsville, Virginia, was held on December 13 2011, 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, Gene Teague, Mark Stroud, Sr., and Danny Turner. Staff present included: Clarence Monday, City Manager, Brenda Prillaman, Eric Monday, Linda Conover, Leon Towarnicki, Marshall Thomas, Jim Taipalus, Chris Morris, Cindy Dickerson, Ercell Cowan and Cindy Barbour.

Mayor Adkins called the Council meeting to order and Gene Teague gave the invocation and Pledge of Allegiance to the flag.

On a motion by Mark Stroud, seconded by Kimble Reynolds, with a 5-0 vote, Council approved the minutes of October 25, 2011, November 7, 2011 tour, November 7, 2011, and November 8, 2011.

Mayor Adkins and City Council presented a plaque and resolution to Dr. Barry Dorsey. On a motion by Kimble Reynolds, seconded by Mark Stroud, with a 5-0 vote, Council approved the following resolution in recognition of Dr. Barry Dorsey:

WHEREAS, Dr. Barry M. Dorsey has served as Executive Director of the New College Institute since 2006; and
WHEREAS, under his leadership, New College Institute has provided opportunities to 244 individuals who have completed bachelor's and master's degrees and he has laid the groundwork for future students to pursue their postsecondary educational aspirations locally; and
WHEREAS, New College Institute is becoming an integral part of Uptown Martinsville through transforming existing buildings into state-of-the-art educational facilities; and
WHEREAS, Dr. Dorsey has contributed to the entire community through his involvement in a variety of civic organizations, his participation in local events and support for the Martinsville Mustangs; and
WHEREAS, Dr. Dorsey is a forward-thinking, progressive-minded leader who actively demonstrates his dedication to education; and
WHEREAS, Dr. Barry Dorsey will retire as Executive Director of New College Institute on December 31, 2011 and will continue to serve the community; now, therefore,
BE IT RESOLVED by the Council of the City of Martinsville, in regular session assembled December 13, 2011, that it does hereby express gratitude to **Barry M. Dorsey, Ph.D.**, for his years of service to the growth of the City of Martinsville and his dedication to education and this community and does, with this resolution, call upon its citizens to thank Dr. Dorsey for the remarkable strides made forward by New College Institute under his leadership.

Mayor Adkins read a proclamation recognizing retiring Voting Registrar Ercell Cowan and the Mayor and City Council presented Ms. Cowan with a Key to the City.

Mark Heath of the MHC Economic Development Corporation gave his monthly update to Council regarding activities and prospects.

Jim Taipalus presented an update on the Martinsville Mustangs team outlining cost saving measures being put into place using volunteers, partnering with Patrick Henry Community College to use their travel bus, using interns next summer, as well as using commission paid employees to sell sponsorships. He also outlined efforts made to increase revenue through consulting with the Coastal Plain League representatives for innovative ways to increase revenue. He pointed out an advisory committee has been created and meetings have been held with League representatives. A meeting is scheduled for December 14 which will include a tour of the facility to determine costs in improvements.

Clarence Monday briefed Council on the Building Energy Efficiency ordinance process. Council has already adopted a Preliminary Ordinance, on two readings, for the Building Energy Efficiency Project. The next step in this process is to consider an Ordinance, on first

December 13, 2011

reading, authorizing the issuance of bonds and providing the form, details, and payments thereof as stated on page three of the Ordinance. This Ordinance includes reference to a Financing Agreement that sets forth terms and conditions with respect to issuance of the bond. On January 10, 2012, the Council will conduct a Public Hearing on the matter prior to second reading of the Ordinance. On a motion by Gene Teague, seconded by Kimble Reynolds, with the following 5-0 recorded vote: Adkins, aye; Teague, aye; Reynolds, aye; Stroud, aye; and Turner, aye, Council approved the following ordinance, on first reading, for the Building Energy Efficiency Project:

<p style="text-align: center;">CITY OF MARTINSVILLE, VIRGINIA</p> <p style="text-align: center;">AN ORDINANCE AUTHORIZING THE ISSUANCE OF UP TO \$1,250,000 MAXIMUM PRINCIPAL AMOUNT OF GENERAL OBLIGATION BONDS OF THE CITY OF MARTINSVILLE, VIRGINIA AND PROVIDING FOR THE FORM, DETAILS AND PAYMENT THEREOF</p> <p style="text-align: center;">Adopted on December 13, 2011 (first reading)</p>	<p style="text-align: center;">Be it Ordained by the Council of the City of Martinsville, Virginia:</p> <p>Section 1 Definitions</p> <p>Unless the context shall clearly indicate some other meaning, the following words and terms shall for all purposes of the Ordinance and of any certificate, resolution or other instrument amendatory thereof or supplemental thereto for all purposes of any opinion or instrument or other documents therein or hereon mentioned, have the following meanings:</p> <p>"Act" shall mean the Public Finance Act, Chapter 26, Title 15.2 of the Code of Virginia of 1950, as amended.</p> <p>"Bank" shall mean _____ Bank, _____.</p> <p>"Bond" shall mean the City's General Obligation Bond, Series 2012, in the aggregate principal amount of up to \$1,250,000, authorized to be issued hereunder.</p> <p>"Bondholder" or "Bondholders" shall mean the registered holder or holders of the Bond.</p> <p>"Bond Counsel" shall mean Sandra Anderson PC or another attorney or firm of attorneys nationally recognized on the subject of municipal bonds selected by the City.</p> <p>"Bond Fund" shall mean the Bond Fund established by Section 6.</p> <p>"Bond Maturity Date" shall mean _____, 20____.</p> <p>"Bond Payment Date" shall mean the _____ day of each _____ and _____, beginning _____, 20____ up to and including the Bond Maturity Date.</p> <p>"Bond Proceeds Fund" shall mean the Bond Proceeds Fund established by Section 4.</p> <p>"Business Day" shall mean any Monday, Tuesday, Wednesday, Thursday or Friday on which commercial banks generally are open for business in the Commonwealth of Virginia.</p> <p>"City" shall mean the City of Martinsville, Virginia.</p> <p>"City Charter" shall mean the City Charter of the City of Martinsville, Virginia, as amended.</p> <p>"Clerk" shall mean the Clerk of the Council or the Deputy Clerk of the Council.</p>	<p>"Closing Date" shall mean the date on which the Bond is issued and delivered to the Bondholder.</p> <p>"Code" shall mean the Internal Revenue Code of 1986, as amended, and applicable regulations, procedures and rulings thereunder.</p> <p>"Commonwealth" shall mean the Commonwealth of Virginia.</p> <p>"Council" shall mean the City Council of the City of Martinsville.</p> <p>"Interest Account" shall mean the Interest Account in the Bond Fund established by Section 6.</p> <p>"Mayor" shall mean the Mayor or Vice Mayor of the City.</p> <p>"Outstanding" when used in reference to the Bond shall mean as of a particular date, the Bond authenticated and delivered under this Ordinance except:</p> <p>(i) If a Bond is canceled by the City at or before such date;</p> <p>(ii) A Bond for the redemption or purchase of which cash or noncallable direct obligations of the United States of America, equal to the redemption or purchase price thereof to the redemption or purchase date, shall have been deposited with the Paying Agent, with notice of redemption or purchase shall have been given in accordance with the Ordinance;</p> <p>(iii) A Bond in lieu of, or in substitution for which, another Bond shall have been authenticated and delivered pursuant to this Ordinance; and</p> <p>(iv) If a Bond is deemed paid under the provisions of Section 9, except that such Bond shall be considered Outstanding until the maturity or redemption date thereof only for the purposes of actually being paid.</p> <p>"Paying Agent" shall mean the City Treasurer acting as Paying Agent for the Bond hereunder or the successors or assigns serving as such hereunder.</p> <p>"Principal Account" shall mean the Principal Account in the Bond Fund established by Section 6.</p> <p>"Registrar" shall mean the Paying Agent, or the successors or assigns serving as such hereunder.</p>
<p>Section 2 Findings and Determinations</p> <p>The Council hereby finds and determines that (i) the City is in need of funds to be used for the purposes of financing capital improvements, including energy saving improvements to City buildings and facilities, all for municipal purposes (together, the "Project") including payment of costs of insurance of the Bond and interest on the Bond; (ii) the obtaining of such funds will be for municipal purposes of the City, for the welfare of citizens of the City for purposes which will serve the City and its citizens pursuant to the authority of the City to provide funds for and otherwise support the activities of the City and the City's municipal purposes; (iii) the most effective, efficient and expeditious manner in which to provide such funds to the City is through the issuance of a general obligation Bond, Series 2012, in an aggregate original principal amount not to exceed \$1,250,000 to be issued by the City as further described herein (the "Bond"); to be sold to the Bank, which has offered to purchase the same on certain terms and conditions pursuant to the Bank's proposal and the Financing Agreement (as defined herein); (iv) the issuance of the Bond is within the power of the City to contract debts, borrow money and make and issue evidence of indebtedness; and, (v) the issuance of the Bond is in the best interests of the City and its citizens. The maximum length of time that the Bond will be outstanding is twenty years from the date of issuance of the Bond. The Council further hereby finds and determines that the average probable useful life of the Project financed by the Bond exceeds twenty years and that the Bond is payable and shall mature within the average probable useful life of that portion of the Project.</p> <p>Section 3 Authorization, Form and Details of the Bond</p> <p>(a) There is hereby authorized to be issued a general obligation bond of the City in the aggregate principal amount of _____ for municipal purposes as described in Section 2 above. The Bond authorized herein shall be designated "General Obligation Bond, Series 2012." The Bond shall be issuable in the principal amount of \$ _____ as a fully registered Bond, without coupons, shall be dated the Closing Date, shall be numbered R-1, shall bear interest payable on the Bond Payment Dates at a rate of _____ % per annum. The Bond shall mature on the Bond Maturity Date. Commencing on _____, 2012, and continuing on each _____ and _____ thereafter, interest on the outstanding principal amount of the Bond shall be due and payable as set forth above, and commencing on _____, 20____, and continuing on each _____ thereafter, principal amounts of the Bond shall be due in accordance with the Bank's written proposal to purchase the Bond until the Bond Maturity Date. The Bond is subject to redemption prior to maturity at the option of the Council at any time _____, in whole or in part, at a redemption price equal to _____ % of the principal amount of the Bond to be redeemed, plus interest accrued to the redemption date.</p>	<p>The Bond is hereby authorized to be issued under the City Charter and the Act. The Bond shall bear interest from the date on which it is authenticated. Interest on the Bond shall be computed on the basis of 30-day months and a 360-day year.</p> <p>Principal of, and interest on, the Bond shall be payable in lawful money of the United States of America. Principal of and interest on the Bond shall be payable by check or draft mailed to the registered owner thereof at its address.</p> <p>The Bond shall be printed, lithographed or typewritten and shall be substantially in the form herein below set forth, with such appropriate variations, omissions and insertions as are permitted or required by this Ordinance, including such variations, insertions and omissions as shall be necessary to issue the Bond under a system of book-entry for recording the ownership and transfer of ownership of rights to receive payments of principal of and interest on the Bond and may have endorsed thereon such legends or text as may be necessary or appropriate to conform to any applicable rules and regulations of any governmental authority or any usage or requirement of law with respect thereto.</p> <p>If any principal of, or interest on, the Bond is not paid when due (whether at maturity, by acceleration or call for redemption, or otherwise), then, to the extent permitted by law, the overdue installments of principal shall bear interest until paid at the same rate or rates as set forth in the Bond.</p> <p>The Bond shall be signed by the facsimile or manual signature of the Mayor. The facsimile of the City's seal shall be printed thereon or manually impressed thereon and attested by the facsimile or manual signature of the Clerk. In case any officer whose signature or facsimile of whose signature shall appear on a Bond shall cease to be such officer before delivery of the Bond, such signature or facsimile shall nevertheless be valid and sufficient for all purposes, the same as if he remained in office until such delivery. The Bond may bear the facsimile signature of or may be signed by such persons as at the actual time of the execution thereof shall be the proper officers to sign the Bond although on the date of delivery of the Bond such persons may not have been such officers.</p> <p>The Bond shall bear a certificate of authentication, in the form set forth below, duly executed by the Registrar. The Registrar shall authenticate the Bond with the signature of an authorized officer of the Registrar. Only authenticated Bond shall be entitled to any right or benefit under this Ordinance, and such certificate on the Bond issued hereunder shall be conclusive evidence that the Bond has been duly issued and is secured by the provisions hereof.</p> <p>The Paying Agent shall act as Registrar and shall maintain Registration Books for the registration and the registration of transfer of the Bond. The City Treasurer is hereby designated and authorized to act as Paying Agent and Registrar hereunder. The transfer of the Bond may be registered only on the books kept for the registration and registration of transfer of the Bond upon surrender thereof to the Registrar together with an assignment duly executed by the</p>	<p>registered Bondholder in person or by his duly authorized attorney or legal representative in such form as shall be satisfactory to the Registrar. Upon any such transfer, the City shall execute and the Registrar shall authenticate and deliver, in exchange of the Bond, a new registered Bond registered in the name of the transferee of the same series, maturity and interest rate as the Bond so exchanged in any denomination or denominations authorized by this Ordinance.</p> <p>The Registrar shall not be required to make any such registration or registration of transfer during the thirty (30) days immediately preceding any Bond Payment Date or a redemption date.</p> <p>Prior to due presentment for registration of transfer of the Bond, the Registrar shall treat the registered Bondholders as the persons exclusively entitled to payment of principal of, premium, if any, and interest on, the Bond and the exercise of all other rights and powers of the Bondholder.</p> <p>If a Bond has been mutilated, lost or destroyed, the City shall execute and the Registrar shall authenticate and deliver a new Bond of like date and tenor in exchange or substitution for, and upon cancellation of, such mutilated Bond or in lieu of and in substitution for such lost or destroyed Bond; provided, however, that the City and the Registrar shall execute, authenticate and deliver such Bond only if the Registrar has paid the reasonable expenses and charges of the City and the Registrar in connection therewith and, in the case of a lost or destroyed Bond, has furnished to the City and the Registrar (a) evidence satisfactory to them that such Bond was lost or destroyed and the Bondholder was the Owner thereof and (b) indemnity satisfactory to them. If the Bond has matured, instead of issuing a new Bond, the Registrar may pay the same without surrender thereof upon receipt of the aforesaid evidence and indemnity.</p> <p>If a Bond has been paid (whether at maturity, by acceleration or otherwise) or delivered to the Paying Agent for cancellation, the Bond shall not be reissued and the Registrar shall, unless otherwise directed by the City, create, shred or otherwise dispose of the Bond. The Registrar shall deliver to the City a certificate of any such creation, shredding or other disposition of the Bond.</p> <p>CUSIP identification numbers may be printed on the Bond, but such numbers shall not be deemed to be a part of the Bond or a part of the contract evidenced thereby and no liability shall hereafter attach to the City or any of the officers or agents thereof because of or on account of said CUSIP numbers.</p> <p>The Bond, the Certificate of Authentication and the provision for the assignment to be inserted in the Bond shall be substantially in the following form, to-wit:</p> <p style="text-align: center;">"FORM OF BOND"</p>
<p>No. R-1</p> <p style="text-align: center;">UNITED STATES OF AMERICA COMMONWEALTH OF VIRGINIA, CITY OF MARTINSVILLE</p> <p style="text-align: center;">GENERAL OBLIGATION BOND, SERIES 2012</p> <p>Date: _____, 2012</p> <p>Registered Holder: _____ BANK</p> <p>Maturity Date: _____, 20____</p> <p>Principal Sum: \$ _____ Interest Rate: _____ %</p> <p>KNOW ALL MEN BY THESE PRESENTS, that the City of Martinsville, Virginia (hereinafter sometimes referred to as the "City"), a City of the Commonwealth of Virginia, for value received hereby promises to pay to the registered holder (named above), or assigns, subject to prepayment or prior redemption as hereinafter provided, the principal amount of \$ _____ (_____ %), in annual installments in the amounts set forth on Schedule A attached hereto payable on _____ and annually on _____ thereafter to and including _____, 20____, together with interest from the date of this bond on the unpaid principal balance, payable semi-annually on _____ and _____ of each year, commencing on _____, at the rate of _____ % per annum, as set forth in Schedule A attached hereto.</p> <p>Both principal and interest on this Bond are payable in any coin or currency of the United States of America which at the time of payment is legal tender for public and private debts.</p> <p>It is hereby certified, recited and declared that all acts, conditions and things required to have happened, to exist and to have been performed precedent to and in the issuance of this Bond do exist, have happened and have been performed in regular and due time, form and manner as required by law; that this Bond does not exceed any constitutional, statutory or charter limitation of indebtedness; and that provision has been made for the payment of the principal of, and interest on, this Bond as provided in the Ordinance.</p> <p>No registration, transfer or exchange of this Bond shall be permitted within thirty (30) days of the Maturity Date or the date of prepayment or redemption of this Bond.</p> <p>This Bond is in the aggregate principal amount of \$ _____ and is issued under and pursuant to and in compliance with the Constitution and laws of the Commonwealth of</p>	<p>Virginia, including the City Charter of the City of Martinsville, Virginia and Chapter 26, Title 15.2 of the Code of Virginia of 1950, as amended, the same being the Public Finance Act, and the Ordinances duly adopted under said Chapter by the City Council on November 22, 2011 and January 10, 2012 (together, the "Ordinance") and the Financing Agreement.</p> <p>This Bond shall bear interest from the date on which this Bond is authenticated. Interest on this Bond shall be computed on the basis of 30-day months and a 360-day year.</p> <p>This Bond is transferable only upon the registration books kept at the office of the Registrar by the registered holder hereof, or by his duly authorized attorney, upon surrender of this Bond (together with a written instrument of transfer, satisfactory in form to the Registrar, duly executed by the registered holder or his duly authorized attorney, which may be from endorsed hereon) and subject to the limitations and upon payment of the charges, if any, as provided in the Ordinance, and thereupon as provided in the Ordinance a new Bond, in the aggregate principal amount and of the same series, interest rate and maturity as the Bond surrendered, shall be issued in exchange therefor. The City and the Registrar shall deem and treat the person in whose name this Bond is registered as the absolute owner hereof for the purpose of receiving payment of, or on account of, the principal hereof and interest due hereon and for all other purposes whatsoever.</p> <p>The Bond is subject to prepayment or redemption prior to maturity at the option of the City Council at any time, in whole or in part, at a redemption price equal to 100% of the principal amount of the Bond to be redeemed, plus interest accrued to the redemption date. The records of the Holder hereof shall be prima facie evidence of the amount of principal and interest owed hereunder.</p> <p>THIS BOND IS A GENERAL OBLIGATION OF THE CITY FOR THE PAYMENT OF WHICH THE CITY'S FULL FAITH AND CREDIT ARE IRREVOCABLY PLEDGED. THE CITY COUNCIL IS AUTHORIZED AND REQUIRED TO LEVY AND COLLECT ANNUALLY AT THE SAME TIME AND IN THE SAME MANNER AS OTHER TAXES OF THE CITY ARE ASSESSED, LEVIED AND COLLECTED, A TAX UPON ALL TAXABLE PROPERTY WITHIN THE CITY, OVER AND ABOVE ALL OTHER TAXES AUTHORIZED OR LIMITED BY LAW AND WITHOUT LIMITATION AS TO RATE OR AMOUNT, SUFFICIENT TO PAY WHEN DUE THE PRINCIPAL OF AND PREMIUM, IF ANY, AND INTEREST ON THE BOND, TO THE EXTENT OTHER FUNDS OF THE CITY ARE NOT LAWFULLY AVAILABLE AND APPROPRIATED FOR SUCH PURPOSE.</p> <p>Reference is hereby made to the Ordinance and to all of the provisions thereof to which any holder of this Bond by his acceptance hereof hereby assents, for definitions of terms; the description of and nature and extent of the security for the Bond; the conditions upon which the Ordinance may be amended or supplemented without the consent of the holder of this Bond and</p>	<p>upon which it may be amended only with the consent of the holder of the Bond affected thereby; the rights and remedies of the holder hereof with respect hereto; the rights, duties and obligations of the City; the provisions discharging the Ordinance as to this Bond and for the other terms and provisions of the Ordinance.</p> <p>This Bond shall not be valid or obligatory for any purpose unless the certificate of authentication hereon has been duly executed by the Registrar and the date of authentication inserted hereon.</p> <p>IN WITNESS WHEREOF, the City of Martinsville, Virginia, by its City Council has caused this Bond to be signed by the Mayor and attested by the Clerk of said Council, by their manual or facsimile signatures, and its seal to be impressed or impinged hereon, and this Bond to be dated as set forth above.</p> <p>(SEAL)</p> <p>Clerk of the City Council _____ Mayor of the City of Martinsville _____</p> <p style="text-align: center;">CERTIFICATE OF AUTHENTICATION</p> <p>This Bond is the Bond described in the within-mentioned Ordinance.</p> <p style="text-align: center;">REGISTRAR - CITY OF MARTINSVILLE TREASURER</p> <p>By: _____ Martinsville City Treasurer</p> <p>DATE OF AUTHENTICATION: _____</p>

<p style="text-align: center;">(FORM OF ASSIGNMENT)</p> <p>For value received, the undersigned hereby sells, assigns, and transfers unto _____</p> <p>Please insert social security number or other tax identification number of assignee: _____</p> <p>Name and address of assignee, including zip code: _____ the within-mentioned Bond and hereby irrevocably constitutes and appoints _____ attorney-in-fact, to transfer the same on the registration books thereof maintained in the office of the within-mentioned Registrar with the full power of substitution in the premises.</p> <p>DATED: _____</p> <p>BOVD. The signature to this assignment must correspond with the name of the registered holder that is written on the face of the within bond in every particular, without alteration or enlargement or any change whatsoever.</p> <p style="text-align: center;">Signature Guaranteed _____</p> <p style="text-align: center;">NOTICE: Signature(s) must be guaranteed by a member firm of the New York Stock Exchange or a commercial bank or trust company.</p>	<p>Section 4 Creation of Proceeds Fund</p> <p>There is hereby established a trust fund to be designated the "Bond Proceeds Fund, City of Martinsville General Obligation Bond, Series 2012."</p> <p>Section 5 Payments into Proceeds Fund</p> <p>(a) All funds received from the proceeds of the sale of the Bond after payment of certain costs of issuance of the Bond shall be deposited into the Proceeds Fund to pay costs of the Project in accordance with the Financing Agreement and applicable laws.</p> <p>Section 6 Creation of Bond Fund</p> <p>There is hereby established a trust fund to be designated the "Bond Fund, City of Martinsville General Obligation Bond, Series 2012" in which Bond Fund there is hereby established an Interest Account and a Principal Account. As and when received, monies shall be deposited into the Bond Fund, and payments from the Bond Fund shall be made as follows:</p> <p>(i) to the Interest Account in the Bond Fund, subject to credit, if any, for proceeds of the Bond deposited therein, on the Business Day prior to each Bond Payment Date, an amount equal to the amount of interest that will become due on the Bond on the next succeeding Bond Payment Date; and</p> <p>(ii) to the Principal Account in the Bond Fund on the Business Day prior to each Bond Payment Date an amount equal to the principal that is required to be deposited into the Principal Account in order to pay the principal due on the Bond on the next succeeding Bond Payment Date.</p> <p>Section 7 Accounts Within Funds</p> <p>Any fund or account created by this Ordinance may contain such accounts or subaccounts as may be necessary for the orderly administration thereof.</p> <p>Section 8 Investment of Funds</p> <p>(a) The City shall separately invest and reinvest any monies held in the funds established by this Ordinance in investments which would mature in amounts and at times so that the principal of, premium, if any, and interest on, the Bond can be paid when due at maturity thereof.</p>	<p>(b) Permissible investments include investments in securities that are legal investments under Chapter 45 of Title 2.2 of the Code of Virginia of 1950, as amended (Section 2.2-4500 et seq.) and which are otherwise in compliance with Section 15.2-2019 of the Act.</p> <p>Section 9 Defiance</p> <p>The obligations of the City under this Ordinance and covenants of the City provided for herein shall be fully discharged and satisfied as to the Bond and the Bond shall no longer be deemed to be Outstanding thereunder when the Bond shall have been purchased by the City and canceled or destroyed, when the payment of principal of the Bond, plus interest on such principal to the due date thereof either (a) shall have been made or (b) shall have been provided for by irrevocably depositing with a financial institution acting as escrow agent selected by the Paying Agent for the Bond, money sufficient to make such payment, or direct and general obligations of, or obligations of the principal of, and interest on, which are guaranteed by the United States of America, maturing in such amounts and at such times as will insure the availability of sufficient monies to make such payment.</p> <p>Section 10 General Obligation</p> <p>The Council, in accordance with Section 7 of Chapter 11 of the City Charter and Section 15.2-2024 of the Act, is herewith authorized and required to levy and collect annually, at the same time and in the same manner as other taxes of the City are assessed, levied and collected, a tax upon all taxable property within the City, over and above all other taxes, authorized or limited by law and without limitation as to rate or amount, sufficient to pay when due the principal of and premium, if any, and interest on the Bond, to the extent other funds of the City are not lawfully available and appropriated for such purpose.</p> <p>Section 11 Event of Default</p> <p>Each of the following shall constitute an event of default hereunder as to any particular Bond:</p> <p>(a) Failure to pay the principal of the Bond when due;</p> <p>(b) Failure to pay interest on the Bond when due;</p> <p>(c) Failure of the City to perform any other covenant or agreement contained in this Ordinance, which failure shall have continued for 60 days after the notice thereof from the Bondholder, provided, however, that if any such failure shall be such that it cannot be cured or corrected within a 60-day period but is, in fact, susceptible of cure or correction, it shall not</p>																																																								
<p>constitute an Event of Default if curative or corrective action is instituted within said period and diligently pursued until the failure of performance is cured or corrected;</p> <p>(d) The instituting of any proceeding with the consent of the City for the purpose of effecting composition between the City and its creditors or for the purpose of reducing the claims of creditors pursuant to any federal or state statute; or</p> <p>(e) If the City for any reason shall be rendered incapable of fulfilling its obligations under this Ordinance as to the Bond.</p> <p>Upon the occurrence of an Event of Default, the Bondholder may declare the principal of the Outstanding Bond and all accrued and unpaid interest thereon to be due and payable immediately. This provision is subject to the condition that if, at any time after such declaration and before any such further action has been taken, all arrears of interest on, and principal of, the Bond shall have been paid and all other Events of Default, if any, which shall have occurred have been remedied, then the Bondholder may waive such default and annul such declaration.</p> <p>In case an Event of Default shall occur, subject to the provisions referred to in the preceding paragraph, the Bondholder shall have the right to protect the rights vested in such Bondholder by the Ordinance by such appropriate judicial proceeding as such Bondholder shall determine either by suit in equity or by action at law.</p> <p>Section 12 Enforcement by Bondholders</p> <p>The Bondholders may by mandamus or other appropriate proceeding at law or in equity in any court of competent jurisdiction, enforce and compel performance of this Ordinance and every provision and covenant thereof concerning the Bond, including without limiting the generality of the foregoing, the enforcement of the performance of all obligations and duties and requirements to be done or performed by the City by the Ordinance or by the applicable laws of the Commonwealth as to the Bond.</p> <p>Section 13 Modification of Bond Ordinance</p> <p>The City may without the consent of the Bondholder make any modification or amendment of this Ordinance required to cure any ambiguity or error herein contained or to make any amendments hereto or to grant to the Bondholder additional rights. The Bondholder shall have the power to authorize any modifications to this Ordinance proposed by the City other than as permitted above; provided that without the consent of the Bondholder affected hereby, no modifications shall be made which will (a) extend the time of payment of principal of, or interest on, a Bond or reduce the principal amount thereof or the rate of interest thereon; (b) give to a Bond any preference over any other bond secured equally and ratably therewith; (c) deprive</p>	<p>the Bondholder of the security afforded by this Ordinance, or (d) reduce the percentage in principal amount of a Bond required to authorize any modification to the Ordinance.</p> <p>Section 14 Application of Proceeds; Sale of Bond</p> <p>Proceeds derived from the sale of the Bond together with other monies available therefor shall be used to pay the costs of issuance and other expenses of the City relating to the issuance of the Bond and thereafter any remaining funds to be deposited in the Bond Proceeds Fund shall be used for the purposes specified in Section 2 of this Ordinance and otherwise used in accordance with the provisions of this Ordinance or an opinion of Bond Counsel. Interest accruing on the principal of the Proceeds Fund and any profit realized from it may be transferred to the Bond Fund to be applied to the payment of interest on the Bond during the acquisition, construction, improvement and equipping of the Project.</p> <p>Section 15 No Arbitrage Covenant and Covenants and Designations as to the Code</p> <p>The City hereby covenants that it will not use or invest, or permit the use or investment of any proceeds of the Bond in a manner that would cause the Bond to be subjected to treatment under Section 148 of the Code and the regulations adopted thereunder as an "arbitrage bond," and to that end the City shall comply with applicable regulations adopted under said Section 148 of the Code.</p> <p>The City covenants to comply with the subject provisions requiring that any issuance of "governmental bonds," as defined therein, be subject to certain requirements as to rebate and timing and type of payments to be paid for from the proceeds of such bonds, as well as other additional requirements. In order to assure compliance with such Code provisions, the City will enter into a Non-Arbitrage Certificate and Tax Covenants document, to comply with such requirements and covenants therein that it will not breach the terms thereof.</p> <p>The Council, on behalf of the City, hereby designates such Bond as "qualified tax-exempt obligations" as defined in Section 265(b)(3)(B) of the Code and certifies by this Ordinance that it does not reasonably anticipate the issuance by it or its subordinate entities of more than \$10,000,000 in "qualified tax-exempt obligations" during the calendar year 2012 and will not designate, or permit the designation by any of its subordinate entities of any of its notes or bonds (or those of its subordinate entities) during the calendar year 2012 which would cause the \$10,000,000 limitation of Section 265(b)(3)(D) of the Code to be violated. Additionally, the Council on behalf of the City designates the Bond as eligible for the "small issuer exception" to the rebate requirements of Section 148(f)(2) and (3) of the Code pursuant to Section 148(f)(7)(vii) of the Code, as the City is a governmental unit with general taxing powers, no bond which is a part of the Bond is a private activity bond, 95% or more of the net proceeds of the Bond are to be used for local governmental activities of the City, and the aggregate face</p>	<p>amount of all tax-exempt bonds, excluding private activity bonds to be issued by the City during the calendar year 2012 is not reasonably expected to exceed \$5,000,000 increased by the lesser of \$10,000,000 or so much of the aggregate face amount of bonds as are attributable to financing the construction of public school facilities within the meaning of Section 148(f)(D)(vii).</p> <p>The City intends that the adoption of this Ordinance will be a declaration of the City's official intent in accordance with U.S. Treasury Regulation Section 1.150-2 to reimburse Project expenditures made on or after 60 days prior to the date hereof from Bond proceeds. The City intends that funds that have been advanced for Project costs, or which may be so advanced, may be reimbursed from Bond Proceeds.</p> <p>Section 16 Further Actions Authorized; Approval of Documents</p> <p>The Mayor and Clerk of the Council and the City Manager, City Treasurer, City Attorney, Bond Counsel, the City's financial advisor and all other officers, employees and agents of the City are hereby authorized and directed to take any and all such further action and to execute and deliver such other documents, certificates, undertakings, agreements or other instruments as shall be deemed necessary or desirable in order to effectuate delivery of, and payment for the Bond, all in accordance with the Ordinance, including but not limited to the execution and delivery of form 8038-G as determined necessary by bond counsel and a Non-Arbitrage Certificate and Tax Covenants document and the making of any elections such officers, employees and agents deem desirable regarding any provision of the Code or regulations promulgated thereafter. The City Manager is hereby authorized to make any additional designations and irrevocable elections for the issuance of the Bond. The Financing Agreement shall be in substantially the form submitted to this meeting, which is hereby approved, with such completions, omissions, insertions, changes and revisions as may be approved by the officer executing them in his sole and absolute discretion, his execution thereof to constitute conclusive evidence of his approval of any such completions, omissions, insertions, changes and revisions.</p> <p>Section 17 Invalidity of Sections</p> <p>If any section, paragraph, clause or provision of this Ordinance shall be held invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining portions of this Ordinance.</p>																																																								
<p>Section 18 Headings of Sections, Table of Contents</p> <p>The headings of the sections of this Ordinance and the Table of Contents appended hereto or to copies hereof shall be solely for convenience of reference and shall not affect the meaning, construction, interpretation or effect of such sections of this Ordinance.</p> <p>Section 19 Effectiveness and Filing of Ordinance</p> <p>The Council hereby declares that this Ordinance shall become effective upon its passage as provided for in the Act and pursuant to Section 3 of Chapter 3 of the City Charter. A certified copy of this Ordinance shall be filed by the Clerk with the Clerk of the Circuit Court of the City of Martinsville, Virginia. The filing of this Ordinance with the Clerk of the Circuit Court of the City of Martinsville, Virginia shall be deemed to be the filing of an initial resolution or ordinance with such Court for all purposes of the Act.</p>	<p>The Members of the Council voted as follows:</p> <table border="0"> <tr> <td>Absent</td> <td>Yes</td> </tr> <tr> <td>Kim Adkins</td> <td></td> </tr> <tr> <td>Kimble Reynolds</td> <td></td> </tr> <tr> <td>Gene Teague</td> <td></td> </tr> <tr> <td>Mark Stroud</td> <td></td> </tr> <tr> <td>Danney Turner</td> <td></td> </tr> <tr> <td>Absent</td> <td>Abstentions</td> </tr> <tr> <td></td> <td></td> </tr> </table> <p>Adopted this 13th day of December, 2011.</p> <p>The undersigned Clerk of the City Council of the City of Martinsville, Virginia hereby certifies that the foregoing constitutes a true and correct extract from the minutes of a meeting of the City Council held on December 13, 2011, and of the whole thereof so far as applicable to the matters referred to in such extract. I hereby further certify that such meeting was a regularly called meeting and that, during the consideration of the foregoing ordinance, a quorum was present.</p> <p>Dated this 13th day of December, 2011.</p> <p style="text-align: center;"> Clerk, City Council of City of Martinsville, Virginia</p>	Absent	Yes	Kim Adkins		Kimble Reynolds		Gene Teague		Mark Stroud		Danney Turner		Absent	Abstentions			<p style="text-align: center;">TABLE OF CONTENTS</p> <table border="0"> <thead> <tr> <th></th> <th style="text-align: right;">Page</th> </tr> </thead> <tbody> <tr> <td>Section 1 Definitions.....</td> <td style="text-align: right;">1</td> </tr> <tr> <td>Section 2 Findings and Determinations.....</td> <td style="text-align: right;">3</td> </tr> <tr> <td>Section 3 Authorization, Form and Details of the Bond.....</td> <td style="text-align: right;">3</td> </tr> <tr> <td>Section 4 Creation of Proceeds Funds.....</td> <td style="text-align: right;">11</td> </tr> <tr> <td>Section 5 Payments into Proceeds Funds.....</td> <td style="text-align: right;">11</td> </tr> <tr> <td>Section 6 Creation of Bond Fund.....</td> <td style="text-align: right;">19</td> </tr> <tr> <td>Section 7 Accounts Within Funds.....</td> <td style="text-align: right;">12</td> </tr> <tr> <td>Section 8 Investment of Funds.....</td> <td style="text-align: right;">12</td> </tr> <tr> <td>Section 9 Defiance.....</td> <td style="text-align: right;">12</td> </tr> <tr> <td>Section 10 General Obligation.....</td> <td style="text-align: right;">12</td> </tr> <tr> <td>Section 11 Event of Default.....</td> <td style="text-align: right;">12</td> </tr> <tr> <td>Section 12 Enforcement by Noteholder.....</td> <td style="text-align: right;">13</td> </tr> <tr> <td>Section 13 Modification of Bond Ordinance.....</td> <td style="text-align: right;">13</td> </tr> <tr> <td>Section 14 Application of Proceeds; Sale of Bond.....</td> <td style="text-align: right;">14</td> </tr> <tr> <td>Section 15 No Arbitrage Covenant and Covenants and Designations as to the Code.....</td> <td style="text-align: right;">14</td> </tr> <tr> <td>Section 16 Further Actions Authorized.....</td> <td style="text-align: right;">15</td> </tr> <tr> <td>Section 17 Invalidity of Sections.....</td> <td style="text-align: right;">15</td> </tr> <tr> <td>Section 18 Headings of Sections, Table of Contents.....</td> <td style="text-align: right;">16</td> </tr> <tr> <td>Section 19 Effectiveness and Filing of Ordinance.....</td> <td style="text-align: right;">16</td> </tr> </tbody> </table>		Page	Section 1 Definitions.....	1	Section 2 Findings and Determinations.....	3	Section 3 Authorization, Form and Details of the Bond.....	3	Section 4 Creation of Proceeds Funds.....	11	Section 5 Payments into Proceeds Funds.....	11	Section 6 Creation of Bond Fund.....	19	Section 7 Accounts Within Funds.....	12	Section 8 Investment of Funds.....	12	Section 9 Defiance.....	12	Section 10 General Obligation.....	12	Section 11 Event of Default.....	12	Section 12 Enforcement by Noteholder.....	13	Section 13 Modification of Bond Ordinance.....	13	Section 14 Application of Proceeds; Sale of Bond.....	14	Section 15 No Arbitrage Covenant and Covenants and Designations as to the Code.....	14	Section 16 Further Actions Authorized.....	15	Section 17 Invalidity of Sections.....	15	Section 18 Headings of Sections, Table of Contents.....	16	Section 19 Effectiveness and Filing of Ordinance.....	16
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Business from the Floor: Ural Harris, 217 Stuart St., comments regarding compensation for Finance Director and AMP costs. Chris Morris, City Engineer, comments regarding vendors selling food in Uptown Martinsville taking business away from established businesses there. He reported that in October a food vendor approached the city about setting up an operation in Uptown. A questionnaire was distributed and there were no objections to it, so the business was licensed and it was in good standing with the health department. Also, the operation fit with city goals and objectives for a vibrant Uptown area. This vendor issue

December 13, 2011

was also referred to the Planning Commission and they felt it was good for free enterprise and would not recommend changing the ordinance. Chad Martin, 6 Molly Circle, commented regarding the KKK rally planned for this area on December 17 and pointed out he is concerned that the community is silent and that this is 6th time this year the KKK has come to our area. He asked Council to make a statement disagreeing with the positions of the KKK. All Council members, as well as City Manager, and City Attorney, said they do not agree with the KKK.

Comments from Council: Stroud-holiday wishes for all, encouraged blood donations, and noted there is no need for discrimination and hatred. Reynolds-condolences to family of Pastor Randy Stevens, noting that he served on the City's Human Relations Committee. Turner-holiday wishes to all, condolences to family of William Williams, questioned if the vendor policy is changing and after brief Council comments, Mayor Adkins stated each vendor will continue to be looked at on a case by case basis and policy will not change at this time. Ernie Harr, the vendor in question, advised he is a family owned business and their goal is to hire others and grow their business into a restaurant. Adkins—encouraged local shopping and noted the Artisan Center has a wide selection for gift giving during the holiday season. Mayor Adkins also noted the adjustment in the agenda advising there would be no closed session.

There being no further business, the meeting adjourned at 8:50 PM.

Clarence Monday
Clerk of Council

Kim Adkins
Mayor

December 19, 2011

A special called meeting of the City Council of the City of Martinsville, Virginia was held on December 19, 2011, in Council Chambers, Municipal Building at 8:00 AM. Council Members present included: Mayor Kim Adkins, Vice Mayor Kimble Reynolds, Jr., Gene Teague, Mark Stroud, Sr., and Danny Turner. City staff present included: City Manager Clarence Monday, Leon Towarnicki and Eric Monday. Mayor Adkins called the meeting to order.

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 Mark Stroud, with the following 5-0 recorded vote: Adkins, aye; Teague, aye; Reynolds, aye; Stroud, aye; and Turner, aye, Council convened in Closed Session, for the purpose of discussing the following matter: (A) 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 Kimble Reynolds, seconded by Gene Teague, 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: Council accepted Clarence Monday's resignation from the City effective January 15, 2012.

On a motion by Gene Teague, seconded by Mark Stroud, with a 5-0 vote, Council appointed Leon Towarnicki the Interim City Manager, effective December 19, 2011, and Brenda Prillaman as Clerk of Council, effective December 19, 2011.

There being no further business, the meeting adjourned at 9:12 AM.

Brenda Prillaman
Clerk of Council

Kim Adkins
Mayor

Meeting Date: January 10, 2012

Item No: 3.

Department: Finance and City Manager

Issue: Conduct Public Hearing and consider approval on second reading of Issuance Ordinance for Building Energy Efficiency Project

Summary: The City Council has already adopted an Ordinance, on first reading, authorizing issuance of the proposed general obligation bond for energy saving capital improvements. Before the Council for consideration at this meeting is an Ordinance, on second reading, that approves Carter Bank & Trust as lender and approving other related documents including a Financing Agreement, Post-Issuance Compliance Procedures, and a single marked page showing minor changes to the Financing Agreement since the last distribution.

The Council is required to conduct a Public Hearing on the matter prior to second reading of the Ordinance.

Attachments: [Ordinance](#)
[Related Attachments-Financing Agreement](#)
[Related Attachments-Post-issuance Compliance Procedures](#)

Recommendations: Staff recommends conducting the Public Hearing and adoption of the Issuance Ordinance on second reading

CITY OF MARTINSVILLE, VIRGINIA

**AN ORDINANCE AUTHORIZING THE ISSUANCE OF UP TO \$1,250,000 MAXIMUM
PRINCIPAL AMOUNT OF GENERAL OBLIGATION BONDS OF THE CITY OF
MARTINSVILLE, VIRGINIA AND PROVIDING FOR THE FORM, DETAILS AND
PAYMENT THEREOF**

Adopted on January 10, 2012 (second reading)

Be it Ordained by the Council of the City of Martinsville, Virginia:

Section 1 **Definitions**

Unless the context shall clearly indicate some other meaning, the following words and terms shall for all purposes of the Ordinance and of any certificate, resolution or other instrument amendatory thereof or supplemental thereto for all purposes of any opinion or instrument or other documents therein or herein mentioned, have the following meanings:

"Act" shall mean the Public Finance Act, Chapter 26, Title 15.2 of the Code of Virginia of 1950, as amended.

"Bank" shall mean Carter Bank & Trust, Martinsville, Virginia.

"Bond" shall mean the City's General Obligation Bond, Series 2012, in the aggregate principal amount of up to \$1,250,000, authorized to be issued hereunder.

"Bondholder" or **"Bondholders"** shall mean the registered holder or holders of the Bond.

"Bond Counsel" shall mean Sands Anderson PC or another attorney or firm of attorneys nationally recognized on the subject of municipal bonds selected by the City.

"Bond Fund" shall mean the Bond Fund established by Section 6.

"Bond Maturity Date" shall mean February 1, 2027.

"Bond Payment Date" shall mean the first day of each August and February, beginning August 1, 2012, up to and including the Bond Maturity Date.

"Bond Proceeds Fund" shall mean the Bond Proceeds Fund established by Section 4.

"Business Day" shall mean any Monday, Tuesday, Wednesday, Thursday or Friday on which commercial banks generally are open for business in the Commonwealth of Virginia.

"City" shall mean the City of Martinsville, Virginia.

"City Charter" shall mean the City Charter of the City of Martinsville, Virginia, as amended.

"City Manager" shall mean the City Manager or the Interim City Manager.

"Clerk" shall mean the Clerk of the Council or the Deputy Clerk of the Council.

"Closing Date" shall mean the date on which the Bond is issued and delivered to the Bondholder.

"Code" shall mean the Internal Revenue Code of 1986, as amended, and applicable regulations, procedures and rulings thereunder.

"Commonwealth" shall mean the Commonwealth of Virginia.

"Council" shall mean the City Council of the City of Martinsville.

"Interest Account" shall mean the Interest Account in the Bond Fund established by Section 6.

"Mayor" shall mean the Mayor or Vice Mayor of the City.

"Outstanding" when used in reference to the Bond shall mean as of a particular date, the Bond authenticated and delivered under this Ordinance except:

- (i) if a Bond is canceled by the City at or before such date;
- (ii) a Bond for the redemption or purchase of which cash or noncallable direct obligations of the United States of America, equal to the redemption or purchase price thereof to the redemption or purchase date, shall have been deposited with the Paying Agent, for which notice of redemption or purchase shall have been given in accordance with the Ordinance;
- (iii) a Bond in lieu of, or in substitution for which, another Bond shall have been authenticated and delivered pursuant to this Ordinance; and
- (iv) if a Bond is deemed paid under the provisions of Section 9, except that such Bond shall be considered Outstanding until the maturity or redemption date thereof only for the purposes of actually being paid.

"Paying Agent" shall mean the City Treasurer acting as Paying Agent for the Bond hereunder or the successors or assigns serving as such hereunder.

"Principal Account" shall mean the Principal Account in the Bond Fund established by Section 6.

"Registrar" shall mean the Paying Agent, or the successors or assigns serving as such hereunder.

Section 2 Findings and Determinations

The Council hereby finds and determines that (i) the City is in need of funds to be used for the purposes of financing capital improvements, including energy saving improvements to City buildings and facilities, all for municipal purposes (**together, the "Project"**) including payment of costs of issuance of the Bond and interest on the Bond; (ii) the obtaining of such funds will be for municipal purposes of the City, for the welfare of citizens of the City for purposes which will serve the City and its citizens pursuant to the authority of the City to provide funds for and otherwise support the activities of the City and the City's municipal purposes; (iii) the most effective, efficient and expedient manner in which to provide such funds to the City is through the issuance of a general obligation Bond, Series 2012, in an aggregate original principal amount not to exceed \$1,250,000 to be issued by the City as further described herein (**the "Bond"**) to be sold to the Bank, which has offered to purchase the same on certain terms and conditions pursuant to the Bank's proposal and the Financing Agreement dated as of January 1, 2012 between the Bank and the City (**the "Financing Agreement"**); (iv) the issuance of the Bond is within the power of the City to contract debts, borrow money and make and issue evidence of indebtedness; and, (v) the issuance of the Bond is in the best interests of the City and its citizens. The maximum length of time that the Bond will be outstanding is twenty years from the date of issuance of the Bond. The Council further hereby finds and determines that the average probable useful life of the Project financed by the Bond exceeds twenty years and that the Bond is payable and shall mature within the average probable useful life of that portion of the Project.

Section 3 Authorization, Form and Details of the Bond

(a) There is hereby authorized to be issued a general obligation bond of the City in the aggregate principal amount of \$1,250,000 for municipal purposes as described in Section 2 above. The Bond authorized herein shall be designated "General Obligation Bond, Series 2012." The Bond shall be issuable in the principal amount of \$1,250,000 as a fully registered Bond, without coupons, shall be dated the Closing Date, shall be numbered R-1, shall bear interest payable on the Bond Payment Dates at a rate of 2.75% per annum. The Bond shall mature on the Bond Maturity Date. Commencing on August 1, 2012, and continuing on each February 1 and August 1 thereafter, interest on the outstanding principal amount of the Bond shall be due and payable as set forth above, and commencing on February 1, 2013, and continuing on each February 1 thereafter, principal amounts of the Bond shall be due in accordance with the Bank's written proposal to purchase the Bond and the terms of the Financing Agreement until the Bond Maturity Date. The Bond is subject to redemption prior to maturity at the option of the Council at any time, in whole or in part, at a redemption price equal to 100% of the principal amount of the Bond to be redeemed, plus interest accrued to the redemption date.

The Bond is hereby authorized to be issued under the City Charter and the Act. The Bond shall bear interest from the date on which it is authenticated. Interest on the Bond shall be computed on the basis of 30-day months and a 360-day year.

Principal of, and interest on, the Bond shall be payable in lawful money of the United States of America. Principal of and interest on the Bond shall be payable by check or draft mailed to the registered owner thereof at its address.

The Bond shall be printed, lithographed or typewritten and shall be substantially in the form herein below set forth, with such appropriate variations, omissions and insertions as are permitted or required by this Ordinance, including such variations, insertions and omissions as shall be necessary to issue the Bond under a system of book-entry for recording the ownership and transfer of ownership of rights to receive payments of principal of and interest on the Bond and may have endorsed thereon such legends or text as may be necessary or appropriate to conform to any applicable rules and regulations of any governmental authority or any usage or requirement of law with respect thereto.

If any principal of, or interest on, the Bond is not paid when due (whether at maturity, by acceleration or call for redemption, or otherwise), then, to the extent permitted by law, the overdue installments of principal shall bear interest until paid at the same rate or rates as set forth in the Bond.

The Bond shall be signed by the facsimile or manual signature of the Mayor. The facsimile of the City's seal shall be printed thereon or manually impressed thereon and attested by the facsimile or manual signature of the Clerk. In case any officer whose signature or facsimile of whose signature shall appear on a Bond shall cease to be such officer before delivery of the Bond, such signature or facsimile shall nevertheless be valid and sufficient for all purposes, the same as if he remained in office until such delivery. The Bond may bear the facsimile signature of or may be signed by such persons as at the actual time of the execution thereof shall be the proper officers to sign the Bond although on the date of delivery of the Bond such persons may not have been such officers.

The Bond shall bear a certificate of authentication, in the form set forth below, duly executed by the Registrar. The Registrar shall authenticate the Bond with the signature of an authorized officer of the Registrar. Only authenticated Bond shall be entitled to any right or benefit under this Ordinance, and such certificate on the Bond issued hereunder shall be conclusive evidence that the Bond has been duly issued and is secured by the provisions hereof.

The Paying Agent shall act as Registrar and shall maintain Registration Books for the registration and the registration of transfer of the Bond. The City Treasurer is hereby designated and authorized to act as Paying Agent and Registrar hereunder. The transfer of the Bond may be registered only on the books kept for the registration and registration of transfer of the Bond upon surrender thereof to the Registrar together with an assignment duly executed by the

registered Bondholder in person or by his duly authorized attorney or legal representative in such form as shall be satisfactory to the Registrar. Upon any such transfer, the City shall execute and the Registrar shall authenticate and deliver, in exchange of the Bond, a new registered Bond registered in the name of the transferee of the same series, maturity and interest rate as the Bond so exchanged in any denomination or denominations authorized by this Ordinance.

The Registrar shall not be required to make any such registration or registration of transfer during the thirty (30) days immediately preceding any Bond Payment Date or a redemption date.

Prior to due presentment for registration of transfer for the Bond, the Registrar shall treat the registered Bondholders as the person or persons exclusively entitled to payment of principal of, premium, if any, and interest on, the Bond and the exercise of all other rights and powers of the Bondholder.

If a Bond has been mutilated, lost or destroyed, the City shall execute and the Registrar shall authenticate and deliver a new Bond of like date and tenor in exchange or substitution for, and upon cancellation of, such mutilated Bond or in lieu of and in substitution for such lost or destroyed Bond; provided, however, that the City and the Registrar shall execute, authenticate and deliver such Bond only if the Bondholder has paid the reasonable expenses and charges of the City and the Registrar in connection therewith and, in the case of a lost or destroyed Bond, has furnished to the City and the Registrar (a) evidence satisfactory to them that such Bond was lost or destroyed and the Bondholder was the Owner thereof and (b) indemnity satisfactory to them. If the Bond has matured, instead of issuing a new Bond, the Registrar may pay the same without surrender thereof upon receipt of the aforesaid evidence and indemnity.

If a Bond has been paid (whether at maturity, by acceleration or otherwise) or delivered to the Paying Agent for cancellation, the Bond shall not be reissued and the Registrar shall, unless otherwise directed by the City, cremate, shred or otherwise dispose of the Bond. The Registrar shall deliver to the City a certificate of any such cremation, shredding or other disposition of the Bond.

CUSIP identification numbers may be printed on the Bond, but such numbers shall not be deemed to be a part of the Bond or a part of the contract evidenced thereby and no liability shall hereafter attach to the City or any of the officers or agents thereof because or on account of said CUSIP numbers.

The Bond, the Certificate of Authentication and the provision for the assignment to be inserted in the Bond shall be substantially in the following form, to-wit:

"FORM OF BOND"

No. R-1

**UNITED STATES OF AMERICA
COMMONWEALTH OF VIRGINIA, CITY OF MARTINSVILLE
GENERAL OBLIGATION BOND,
SERIES 2012**

Dated: _____, 2012

Registered Holder:
_____ **BANK**

Maturity Date: _____, 20__

Principal Sum: \$ _____

Interest Rate: _____%

KNOW ALL MEN BY THESE PRESENTS, that the City of Martinsville, Virginia (**hereinafter sometimes referred to as the "City"**), a City of the Commonwealth of Virginia, for value received hereby promises to pay to the registered holder (named above), or assigns, subject to prepayment or prior redemption as hereinafter provided, the principal amount of _____ (\$ _____), in annual installments in the amounts set forth on Schedule A attached hereto payable on _____ and annually on _____ thereafter to and including _____, 20__, together with interest from the date of this bond on the unpaid principal balance, payable semi-annually on _____ and _____ of each year, commencing on _____, at the rate of _____% per annum, as set forth in Schedule A attached hereto and in accordance with the provisions of the Financing Agreement (as defined herein).

Both principal of and interest on this Bond are payable in any coin or currency of the United States of America which at the time of payment is legal tender for public and private debts.

It is hereby certified, recited and declared that all acts, conditions and things required to have happened, to exist and to have been performed precedent to and in the issuance of this Bond do exist, have happened and have been performed in regular and due time, form and manner as required by law; that this Bond does not exceed any constitutional, statutory or charter limitation of indebtedness; and that provision has been made for the payment of the principal of, and interest on, this Bond as provided in the Ordinance.

No registration, transfer or exchange of this Bond shall be permitted within thirty (30) days of the Maturity Date or the date of prepayment or redemption of this Bond.

This Bond is in the aggregate principal amount of \$_____, and is issued under and pursuant to and in compliance with the Constitution and laws of the Commonwealth of Virginia, including the City Charter of the City of Martinsville, Virginia and Chapter 26, Title 15.2 of the Code of Virginia of 1950, as amended, the same being the Public Finance Act, and the Ordinances duly adopted under said Chapter by the City Council on November 22, 2011 and January 10, 2012 (**together, the "Ordinance"**) and the Financing Agreement between the City and Carter Bank & Trust dated as of January 1, 2012 (**the "Financing Agreement"**).

This Bond shall bear interest from the date on which this Bond is authenticated. Interest on this Bond shall be computed on the basis of 30-day months and a 360-day year.

This Bond is transferable only upon the registration books kept at the office of the Registrar by the registered holder hereof, or by his duly authorized attorney, upon surrender of this Bond (together with a written instrument of transfer, satisfactory in form to the Registrar, duly executed by the registered holder or his duly authorized attorney, which may be the form endorsed hereon) and subject to the limitations and upon payment of the charges, if any, as provided in the Ordinance, and thereupon as provided in the Ordinance a new Bond, in the aggregate principal amount and of the same series, interest rate and maturity as the Bond surrendered, shall be issued in exchange therefor. The City and the Registrar shall deem and treat the person in whose name this Bond is registered as the absolute owner hereof for the purpose of receiving payment of, or on account of, the principal hereof and interest due hereon and for all other purposes whatsoever.

The Bond is subject to prepayment or redemption prior to maturity at the option of the City Council at any time, in whole or in part, at a redemption price equal to 100% of the principal amount of the Bond to be redeemed, plus interest accrued to the redemption date. The records of the Holder hereof shall be prima facie evidence of the amount of principal and interest owed hereunder.

THIS BOND IS A GENERAL OBLIGATION OF THE CITY FOR THE PAYMENT OF WHICH THE CITY'S FULL FAITH AND CREDIT ARE IRREVOCABLY PLEDGED. THE CITY COUNCIL IS AUTHORIZED AND REQUIRED TO LEVY AND COLLECT ANNUALLY AT THE SAME TIME AND IN THE SAME MANNER AS OTHER TAXES OF THE CITY ARE ASSESSED, LEVIED AND COLLECTED, A TAX UPON ALL TAXABLE PROPERTY WITHIN THE CITY, OVER AND ABOVE ALL OTHER TAXES AUTHORIZED OR LIMITED BY LAW AND WITHOUT LIMITATION AS TO RATE OR AMOUNT, SUFFICIENT TO PAY WHEN DUE THE PRINCIPAL OF AND PREMIUM, IF ANY, AND INTEREST ON THE BOND, TO THE EXTENT OTHER FUNDS OF THE CITY ARE NOT LAWFULLY AVAILABLE AND APPROPRIATED FOR SUCH PURPOSE.

Reference is hereby made to the Ordinance and to all of the provisions thereof to which any holder of this Bond by his acceptance hereof hereby assents, for definitions of terms; the

description of and nature and extent of the security for the Bond; the conditions upon which the Ordinance may be amended or supplemented without the consent of the holder of this Bond and upon which it may be amended only with the consent of the holder of the Bond affected thereby; the rights and remedies of the holder hereof with respect hereto; the rights, duties and obligations of the City; the provisions discharging the Ordinance as to this Bond and for the other terms and provisions of the Ordinance.

This Bond shall not be valid or obligatory for any purpose unless the certificate of authentication hereon has been duly executed by the Registrar and the date of authentication inserted hereon.

IN WITNESS WHEREOF, the City of Martinsville, Virginia, by its City Council has caused this Bond to be signed by the Mayor and attested by the Clerk of said Council, by their manual or facsimile signatures, and its seal to be impressed or imprinted hereon, and this Bond to be dated as set forth above.

(SEAL)

_____ [Do not sign] _____
Clerk of the City Council

_____ [Do not sign] _____
Mayor of the City of Martinsville

CERTIFICATE OF AUTHENTICATION

This Bond is the Bond described in the within-mentioned Ordinance.

**REGISTRAR - CITY OF MARTINSVILLE
TREASURER**

By: _____ [Do not sign] _____
Martinsville City Treasurer

DATE OF AUTHENTICATION:

[FORM OF ASSIGNMENT]

For value received, the undersigned hereby sells, assigns, and transfers unto

Please insert social security number or other tax identification number of assignee:
[_____]

Name and address of assignee, including zip code: _____
_____ the within-mentioned Bond and hereby irrevocably constitutes and appoints _____ attorney-in-fact, to transfer the same on the registration books thereof maintained in the office of the within-mentioned Registrar with the full power of substitution in the premises.

DATED: _____

BOND: The signature to this assignment must correspond with the name of the registered holder that is written on the face of the within Bond in every particular, without alteration or enlargement or any change whatsoever.

Signature Guaranteed

NOTICE: Signature(s) must be guaranteed by a member firm of the New York Stock Exchange or a commercial bank or trust company.

Section 4 Creation of Proceeds Fund

There is hereby established a trust fund to be designated the "Bond Proceeds Fund, City of Martinsville General Obligation Bond, Series 2012."

Section 5 Payments into Proceeds Fund

(a) All funds received from the proceeds of the sale of the Bond after payment of certain costs of issuance of the Bond shall be deposited into the Proceeds Fund to pay costs of the Project in accordance with the Financing Agreement and applicable law.

Section 6 Creation of Bond Fund

There is hereby established a trust fund to be designated the "Bond Fund, City of Martinsville General Obligation Bond, Series 2012" in which Bond Fund there is hereby established an Interest Account and a Principal Account. As and when received, monies shall be deposited into the Bond Fund, and payments from the Bond Fund shall be made as follows:

- (i) to the Interest Account in the Bond Fund, subject to credit, if any, for proceeds of the Bond deposited therein, on the Business Day prior to each Bond Payment Date, an amount equal to the amount of interest that will become due on the Bond on the next succeeding Bond Payment Date; and
- (ii) to the Principal Account in the Bond Fund on the Business Day prior to each Bond Payment Date an amount equal to the principal that is required to be deposited into the Principal Account in order to pay the principal due on the Bond on the next succeeding Bond Payment Date.

Section 7 Accounts Within Funds

Any fund or account created by this Ordinance may contain such accounts or subaccounts as may be necessary for the orderly administration thereof.

Section 8 Investment of Funds

(a) The City shall separately invest and reinvest any monies held in the funds established by this Ordinance in investments which would mature in amounts and at times so that the principal of, premium, if any, and interest on, the Bond can be paid when due at maturity thereof.

(b) Permissible investments include investments in securities that are legal investments under Chapter 45 of Title 2.2 of the Code of Virginia of 1950, as amended (Section 2.2-4500 et seq.) and which are otherwise in compliance with Section 15.2-2619 of the Act.

Section 9 Defeasance

The obligations of the City under this Ordinance and covenants of the City provided for herein shall be fully discharged and satisfied as to the Bond and the Bond shall no longer be deemed to be Outstanding thereunder when the Bond shall have been purchased by the City and canceled or destroyed, when the payment of principal of the Bond, plus interest on such principal to the due date thereof either (a) shall have been made or (b) shall have been provided for by irrevocably depositing with a financial institution acting as escrow agent selected by the Paying Agent for the Bond, money sufficient to make such payment, or direct and general obligations of, or obligations the principal of, and interest on, which are guaranteed by, the United States of America, maturing in such amounts and at such times as will insure the availability of sufficient monies to make such payment.

Section 10 General Obligation

The Council, in accordance with Section 7 of Chapter 11 of the City Charter and Section 15.2-2624 of the Act, is hereafter authorized and required to levy and collect annually, at the same time and in the same manner as other taxes of the City are assessed, levied and collected, a tax upon all taxable property within the City, over and above all other taxes, authorized or limited by law and without limitation as to rate or amount, sufficient to pay when due the principal of and premium, if any and interest on the Bond, to the extent other funds of the City are not lawfully available and appropriated for such purpose.

Section 11 Event of Default

Each of the following shall constitute an event of default hereunder as to any particular Bond:

- (a) Failure to pay the principal of the Bond when due;
- (b) Failure to pay interest on the Bond when due;
- (c) Failure of the City to perform any other covenant or agreement contained in this Ordinance, which failure shall have continued for 60 days after the notice thereof from the Bondholder; provided, however, that if any such failure shall be such that it cannot be cured or corrected within a 60-day period but is, in fact, susceptible of cure or correction, it shall not

constitute an Event of Default if curative or corrective action is instituted within said period and diligently pursued until the failure of performance is cured or corrected;

(d) The instituting of any proceeding with the consent of the City for the purpose of effecting composition between the City and its creditors or for the purpose of reducing the claims of creditors pursuant to any federal or state statute; or

(e) If the City for any reason shall be rendered incapable of fulfilling its obligations under this Ordinance as to the Bond.

Upon the occurrence of an Event of Default, the Bondholder may declare the principal of the Outstanding Bond and all accrued and unpaid interest thereon to be due and payable immediately. This provision is subject to the condition that if, at any time after such declaration and before any such further action has been taken, all arrears of interest on, and principal of, the Bond shall have been paid and all other Events of Default, if any, which shall have occurred have been remedied, then the Bondholder may waive such default and annul such declaration.

In case an Event of Default shall occur, subject to the provisions referred to in the preceding paragraph, the Bondholder shall have the right to protect the rights vested in such Bondholder by the Ordinance by such appropriate judicial proceeding as such Bondholder shall determine either by suit in equity or by action at law.

Section 12 Enforcement by Bondholders

The Bondholders may by mandamus or other appropriate proceeding at law or in equity in any court of competent jurisdiction, enforce and compel performance of this Ordinance and every provision and covenant thereof concerning the Bond, including without limiting the generality of the foregoing, the enforcement of the performance of all obligations and duties and requirements to be done or performed by the City by the Ordinance or by the applicable laws of the Commonwealth as to the Bond.

Section 13 Modification of Bond Ordinance

The City may without the consent of the Bondholder make any modification or amendment of this Ordinance required to cure any ambiguity or error herein contained or to make any amendments hereto or to grant to the Bondholder additional rights. The Bondholder shall have the power to authorize any modifications to this Ordinance proposed by the City other than as permitted above; provided that without the consent of the Bondholder affected thereby, no modifications shall be made which will (a) extend the time of payment of principal of, or interest on, a Bond or reduce the principal amount thereof or the rate of interest thereon; (b) give to a Bond any preference over any other bond secured equally and ratably therewith; (c) deprive

the Bondholder of the security afforded by this Ordinance, or (d) reduce the percentage in principal amount of a Bond required to authorize any modification to the Ordinance.

Section 14 Application of Proceeds; Sale of Bond

Proceeds derived from the sale of the Bond together with other monies available therefor shall be used to pay the costs of issuance and other expenses of the City relating to the issuance of the Bond and thereafter any remaining funds to be deposited in the Bond Proceeds Fund shall be used for the purposes specified in Section 2 of this Ordinance and otherwise used in accordance with the provisions of this Ordinance or an opinion of Bond Counsel. Interest accruing on the principal of the Proceeds Fund and any profit realized from it may be transferred to the Bond Fund to be applied to the payment of interest on the Bond during the acquisition, construction, improvement and equipping of the Project.

Section 15 No Arbitrage Covenant and Covenants and Designations as to the Code

The City hereby covenants that it will not use or invest, or permit the use or investment of any proceeds of the Bond in a manner that would cause the Bond to be subjected to treatment under Section 148 of the Code and the regulations adopted thereunder as an "arbitrage bond," and to that end the City shall comply with applicable regulations adopted under said Section 148 of the Code.

The City covenants to comply with the Code provisions requiring that any issuance of "governmental bonds," as defined therein, be subject to certain requirements as to rebate and timing and type of payments to be paid for from the proceeds of such bonds, as well as other additional requirements. In order to assure compliance with such Code provisions, the City will enter into a NonArbitrage Certificate and Tax Covenants document, to comply with such requirements and covenants therein that it will not breach the terms thereof.

The Council, on behalf of the City, hereby designates such Bond as "qualified tax-exempt obligations" as defined in Section 265(b)(3)(B) of the Code and certifies by this Ordinance that it does not reasonably anticipate the issuance by it or its subordinate entities of more than \$10,000,000 in "qualified tax-exempt obligations" during the calendar year 2012 and will not designate, or permit the designation by any of its subordinate entities of, any of its notes or bonds (or those of its subordinate entities) during the calendar year 2012 which would cause the \$10,000,000 limitation of Section 265(b)(3)(D) of the Code to be violated. Additionally, the Council on behalf of the City designates the Bond as eligible for the "small issuer exception" to the rebate requirements of Section 148(f)(2) and (3) of the Code pursuant to Section 148(f)(D)(vii) of the Code, as the City is a governmental unit with general taxing powers, no bond which is a part of the Bond will be a private activity bond, 95% or more of the net proceeds of the Bond are to be used for local governmental activities of the City, and the aggregate face

amount of all tax-exempt bonds, excluding private activity bonds to be issued by the City during the calendar year 2012 is not reasonably expected to exceed \$5,000,000 increased by the lesser of \$10,000,000 or so much of the aggregate face amount of bonds as are attributable to financing the construction of public school facilities within the meaning of Section 148(f)(D)(vii).

The City intends that the adoption of this Ordinance will be a declaration of the City's official intent in accordance with U.S. Treasury Regulation Section 1.150-2 to reimburse Project expenditures made on or after 60 days prior to the date hereof from Bond proceeds. The City intends that funds that have been advanced for Projects costs, or which may be so advanced, may be reimbursed from Bond Proceeds.

Section 16 Further Actions Authorized; Approval of Documents

The Mayor and Clerk of the Council and the City Manager, City Treasurer, City Attorney, Bond Counsel, the City's financial advisor and all other officers, employees and agents of the City are hereby authorized and directed to take any and all such further action and to execute and deliver such other documents, certificates, undertakings, agreements or other instruments as shall be deemed necessary or desirable in order to effectuate delivery of, and payment for the Bond, all in accordance with the Ordinance, including but not limited to the execution and delivery of form 8038-G as determined necessary by bond counsel and a Non-Arbitrage Certificate and Tax Covenants document and the making of any elections such officers, employees and agents deem desirable regarding any provision of the Code or regulations promulgated thereunder. The City Manager is hereby authorized to make any additional designations and irrevocable elections for the issuance of the Bond. The Financing Agreement and the Post-Issuance Compliance Procedures for Tax Exempt Governmental Bonds shall each be in substantially the forms submitted to this meeting, which are hereby approved, with such completions, omissions, insertions, changes and revisions as may be approved by the officer executing them in his sole and absolute discretion, his execution thereof to constitute conclusive evidence of his approval of any such completions, omissions, insertions, changes and revisions.

Section 17 Invalidity of Sections

If any section, paragraph, clause or provision of this Ordinance shall be held invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining portions of this Ordinance.

Section 18 Headings of Sections, Table of Contents

The headings of the sections of this Ordinance and the Table of Contents appended hereto or to copies hereof shall be solely for convenience of reference and shall not affect the meaning, construction, interpretation or effect of such sections of this Ordinance.

Section 19 Effectiveness and Filing of Ordinance

The Council hereby declares that this Ordinance shall become effective upon its passage as provided for in the Act and pursuant to Section 3 of Chapter 3 of the City Charter. A certified copy of this Ordinance shall be filed by the Clerk with the Clerk of the Circuit Court of the City of Martinsville, Virginia. The filing of this Ordinance with the Clerk of the Circuit Court of the City of Martinsville, Virginia shall be deemed to be the filing of an initial resolution or ordinance with such Court for all purposes of the Act.

The Members of the Council voted as follows:

Ayes

Nays

Absent

Abstentions

Adopted this 10th day of January, 2012.

The undersigned Clerk of the City Council of the City of Martinsville, Virginia hereby certifies that the foregoing constitutes a true and correct extract from the minutes of a meeting of the City Council held on January 10, 2012, and of the whole thereof so far as applicable to the matters referred to in such extract. I hereby further certify that such meeting was a regularly called meeting and that, during the consideration of the foregoing ordinance, a quorum was present.

Dated this 10th day of January, 2012.

Clerk, City Council of
City of Martinsville, Virginia

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FINANCING AGREEMENT

BETWEEN

CARTER BANK & TRUST

AND

CITY OF MARTINSVILLE, VIRGINIA

Dated as of January 1, 2012

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EXHIBIT A

Project Description

EXHIBIT B

Debt Service Schedule

FINANCING AGREEMENT

THIS FINANCING AGREEMENT is dated as of the 1st day of January, 2012, between **CARTER BANK & TRUST**, Martinsville, Virginia (**the “Bank”**), and the **CITY OF MARTINSVILLE, VIRGINIA**, a body politic and corporate of the Commonwealth of Virginia (**the “Borrower”**).

The Borrower intends to issue and sell to the Bank its general obligation bond, in the maximum principal amount of \$1,250,000 (**the “Bond”**), authorized to be issued under the Ordinance (as defined herein), to provide for the payment of a portion of the Project Costs, and financing certain costs of issuing the Bond.

In this Agreement, the Borrower and the Bank desire to set forth certain terms and conditions with respect to the issuance of the Bond by the Borrower to the Bank and the purchase of the Bond by the Bank.

ARTICLE I

DEFINITIONS

Section 1.1 Definitions. The capitalized terms contained in this Agreement and not defined above shall have the meanings set forth below unless the context requires otherwise and any capitalized terms not otherwise defined herein shall have the meaning assigned to such terms in the Act:

“Act” means the Virginia Public Finance Act of 1991, Chapter 26 of Title 15.2 of the Code of Virginia of 1950, as amended.

“Agreement” means this Financing Agreement between the Bank and the Borrower, together with any amendments or supplements hereto.

“Authorized Representative” means any member, official or employee of the Borrower authorized by resolution, ordinance or other official act of the governing body of the Borrower to perform the act or sign the document in question.

“Bond” means the Bond in substantially the form set forth in the Ordinance and issued by the Borrower to the Bank pursuant to the Ordinance and this Agreement.

“Bond Proceeds” means the proceeds of the sale of the Bond to the Bank pursuant to this Agreement.

“Closing Date” means the date of the delivery of the Bond to the Bank.

“Code” means the Internal Revenue Code of 1986, as amended, and applicable regulations, procedures and rulings thereunder.

“Default” means an event or condition the occurrence of which would, with the lapse of time or the giving of notice or both, become an Event of Default.

“Event of Default” shall have the meaning set forth in Section 9.1.

“Fiscal Year” means the period of twelve months established by the Borrower as its annual accounting period.

“Ordinance” means all resolutions or ordinances adopted by the governing body of the Borrower approving the transactions contemplated by and authorizing the execution and delivery of this Agreement and the execution, issuance and delivery of the Bond.

“Project” means the capital project described in Exhibit A, the costs of the construction, acquisition or equipping of which are to be financed in whole or in part with the Bond Proceeds.

“Project Costs” means the costs of the construction, acquisition or equipping of the Project, provided such costs are permitted by the Act.

Section 1.2. Rules of Construction. The following rules shall apply to the construction of this Agreement unless the context requires otherwise.

(a) Singular words shall connote the plural number as well as the singular and vice versa.

(b) All references in this Agreement to particular Sections or Exhibits are references to Sections or Exhibits of this Agreement unless otherwise indicated.

(c) The headings and table of contents as used in this Agreement are solely for convenience of reference and shall not constitute a part of this Agreement nor shall they affect its meaning, construction or effect.

ARTICLE II

REPRESENTATIONS

Section 2.1. Representations by Borrower. The Borrower makes the following representations as the basis for its undertakings under this Agreement:

(a) The Borrower is a duly created and validly existing “locality” within the meaning of the Act and is vested with the rights and powers conferred upon it by Virginia law.

(b) The Borrower has full right, power and authority to (i) adopt the Ordinance and execute and deliver this Agreement and the other documents related thereto, (ii) issue, sell and deliver the Bond to the Bank, (iii) finance the Project by borrowing money for such purpose pursuant to this Agreement and the issuance of the Bond, and (iv) carry out and consummate all of the transactions contemplated by the Ordinance, this Agreement, and the Bond.

(c) This Agreement and the Bond were duly authorized by the Ordinance and are in substantially the same form as presented to the governing body of the Borrower at its meeting at which the Ordinance was adopted.

(d) All permits, licenses, registrations, certificates, authorizations and approvals required to have been obtained as of the date of the delivery of this Agreement have been obtained for (i) the Borrower's adoption of the Ordinance, (ii) the execution and delivery by the Borrower of this Agreement, and the Bond, (iii) the performance and enforcement of the obligations of the Borrower thereunder, and (iv) the acquisition, construction, equipping, occupation, operation and use of the Project. The Borrower knows of no reason why any such required permits or approvals not obtained as of the date hereof cannot be obtained as needed.

(e) This Agreement and the Bond have been executed and delivered by duly authorized officials of the Borrower and constitute the legal, valid and binding obligations of the Borrower enforceable against the Borrower in accordance with their terms.

(f) There are not pending nor, to the best of the Borrower's knowledge, threatened, any actions, suits, proceedings or investigations of a legal, equitable, regulatory, administrative or legislative nature, in which a judgment, order or resolution may have a materially adverse effect on the Borrower in its business, assets, condition (financial or otherwise), operations or prospects or in its ability to perform its obligations under this Agreement or the Bond.

(g) No material adverse change has occurred in the financial condition of the Borrower as indicated in the financial statements, applications and other information furnished to the Bank.

Section 2.2. Representations by Bank.

The Bank makes the following representations:

(a) The Bank is a banking corporation having its principal place of business in Martinsville, Virginia.

(b) The Bank is duly empowered and authorized pursuant to its charter and the laws of the Commonwealth of Virginia, to enter into this Agreement and the transactions contemplated hereby, and to carry out its obligations hereunder and by proper action has duly authorized the execution and delivery of, and performance under, this Agreement.

(c) The Bank acknowledges that it has experience and expertise in the purchase and

ownership of obligations similar to those arising under this Agreement and that it is capable of evaluating the merits and risks of this Agreement.

(d) The Bank acknowledges that no offering statement, prospectus or other comprehensive disclosure document containing material information with respect to the City and this Agreement has been provided to it in connection with entering into this Agreement; however, it has been provided with such information concerning the operations and financial condition of the City as it has requested. The Bank has had an opportunity to make inquiries of such officers, employees, agents and attorneys of the City as it considers appropriate in connection with entering into this Agreement.

(e) The Bank has no present intention of further reselling or disposing and will not further sell or dispose of its interest in the Agreement or the Bond in transactions constituting a “distribution” thereof (as that term is used in the Securities Act of 1933, as amended, and the regulations promulgated by the Securities and Exchange Commission thereunder).

ARTICLE III

ISSUANCE AND DELIVERY OF THE BOND

Section 3.1. Loans to Borrower and Purchase of the Bond.

Contemporaneously with the execution and delivery of the Bond, the Bank shall make available to the Borrower the principal amount of \$1,250,000, which is expected to be sufficient to finance the Project Costs. The Borrower shall use such moneys only to pay, or for the reimbursement to the Borrower of, Project Costs. The Borrower’s repayment obligations to the Bank shall be evidenced by the Bond, which shall be in substantially the form set forth in the Ordinance and delivered to the Bank on the Closing Date.

Section 3.2. Conditions Precedent to Purchase of the Bond. The Bank shall not be required to make the loan to Borrower and purchase the Bond unless the conditions precedent to Closing set forth in this Agreement have been fulfilled.

ARTICLE IV

USE OF BOND PROCEEDS

Section 4.1. Application of Bond Proceeds.

On the Closing Date, the Bank shall (i) disburse Bond Proceeds to the Bond Proceeds Fund established by the Ordinance in the amount of \$_____ and (ii) disburse Bond

Proceeds for payment of certain costs of issuance of the Bond in the amount of \$_____ as set forth in a closing memorandum of the Borrower's financial advisor.

ARTICLE V

PLEDGE OF FULL FAITH AND CREDIT

Section 5.1. Pledge of Full Faith and Credit. Under the Ordinance, the Borrower has pledged its full faith and credit to secure the payment of the principal of and premium, if any and interest on the Bond. The Borrower agrees, unless other funds are lawfully available and appropriated for timely payment of the Bond, to levy an annual tax upon all property subject to local taxation in its jurisdiction sufficient to pay when due the principal of and premium, if any and interest on the Bond.

ARTICLE VI

PAYMENTS

Section 6.1. Payment of Bond.

The Bond shall be dated the date of its delivery to the Bank and shall bear interest on the outstanding principal balance at the rate of 2.75% per annum. Interest on the Bond will be computed on the basis of a year of 360 days and twelve 30-day months. Commencing on August 1, 2012 and continuing thereafter on each February 1 and August 1 (each a "Bond Payment Date") until February 1, 2027 (the "Maturity Date"), interest on the Bond shall be due and payable as set forth above, and commencing on February 1, 2013, and continuing thereafter on each February 1 until the Maturity Date, principal amounts of the Bond shall be due as set forth in the debt service schedule for the Bond produced by the City's financial advisor attached hereto as Exhibit B; provided, however, that should the Borrower elect to make a prepayment in part of the principal amount of the Bond that for the first such prepayment, at the unilateral option of the Borrower, Exhibit B shall be revised, without any change in a Bond Payment Date or the Maturity Date, to reflect re-amortization of the principal amount remaining after such prepayment from the date of such prepayment to the Maturity Date.

ARTICLE VII

PREPAYMENT

Section 7.1. Prepayment of Bond. At its option, the Borrower may prepay the Bond at any time, in whole or in part, at a redemption price equal to 100% of the principal amount of the Bond to be redeemed, plus interest accrued to the redemption date.

ARTICLE VIII

SPECIAL COVENANTS

Section 8.1. Financial Records and Statements. The Borrower shall maintain proper books of record and account in which proper entries shall be made in accordance with generally accepted government accounting standards, consistently applied, of all its business and affairs related to the Project including all funds and accounts created under the Ordinance. The Borrower shall have an annual audit of the financial condition of the Borrower made by an independent certified public accountant, within one hundred and eighty (180) days after the end of each Fiscal Year. The Borrower shall furnish to the Bank copies of such report immediately after it is submitted to the Borrower. Such report shall include statements in reasonable detail, certified by such accountant, reflecting the Borrower's financial position as of the end of such Fiscal Year and the results of the operations of the Borrower and changes in the financial position of its funds for the Fiscal Year.

Section 8.2. Arbitrage and Private Activity Covenants. The Borrower shall not take any action, or approve any investment or use of the proceeds of this Financing Agreement (including failure to spend the same with due diligence) or taking any other action, which would cause the Bond to be "arbitrage bonds" within the meaning of Section 148 of the Code, or otherwise cause the interest on the Bond to be includable in the gross income of the Bank under existing statutes. Without limiting the generality of the foregoing, the Borrower shall comply with any provision of law that may require the Borrower at any time to rebate to the United States any part of the earnings derived from the investment of the funds received under this Agreement, unless the Borrower and the Bank receive an opinion of nationally recognized bond counsel that such compliance is not required to prevent the interest on the Bond from being includable in the gross income for federal income tax purposes of the Bank under existing law. The Borrower covenants that it shall not permit the proceeds derived from this Agreement to be used in any manner that would result in (a) 10% or more of such proceeds or the facilities financed with such proceeds being used in a trade or business carried on by any person other than a governmental unit, as provided in Section 141(b) of the Code, provided that no more than 5% of such proceeds may be used in a trade or business unrelated to the Borrower's use of the Project, (b) 5% or more of such proceeds being used with respect to any "output facility" (other than a facility for the furnishing of water), within the meaning of Section 141(b)(4) of the Code, or (c) 5% or more of such proceeds being used directly or indirectly to make or finance loans to any persons other than a governmental unit, as provided in Section 141(c) of the Code; provided, however, that if the Borrower and the Bank receive an opinion of nationally recognized bond counsel that any such covenants need not be complied with to prevent the interest on the Bond from being includable in the gross income for Federal income tax purposes of the Bank under existing law, the Borrower need not comply with such covenants.

Section 8.3. Further Assurances. The Borrower shall to the fullest extent permitted by law pass, make, do, execute, acknowledge and deliver such further resolutions, acts, deeds,

conveyances, assignments, transfers and assurances as may be necessary or desirable for the better assuring, conveying, granting, assigning and confirming the rights granted or assigned by this Agreement, or as may be required to carry out the purposes of this Agreement. The Borrower shall at all times, to the fullest extent permitted by law, defend, preserve and protect all rights of the Bank under this Agreement against all claims and demands of all persons.

ARTICLE IX

DEFAULTS AND REMEDIES

Section 9.1. Events of Default. An Event of Default as to the Bond, and remedies for any such Event of Default, are set forth in the Ordinance.

ARTICLE X

MISCELLANEOUS

Section 10.1. Successors and Assigns. This Agreement shall be binding upon, inure to the benefit of and be enforceable by the parties and their respective successors and assigns.

Section 10.2. Amendments. The Bank and the Borrower shall have the right to amend from time to time any of the terms and conditions of this Agreement, provided that all amendments shall be in a writing and shall be signed by or on behalf of the Bank and the Borrower.

Section 10.3. Liability of Officials, etc. In the absence of fraud, no present or future director, official, officer, employee or agent of the Borrower shall be liable personally in respect of this Agreement or the Bond or for any other action taken by such individual pursuant to or in connection with the financing provided for in this Agreement or the Bond.

Section 10.4. Applicable Law. This Agreement shall be governed by the applicable laws of Virginia.

Section 10.5. Severability. If any clause, provision or section of this Agreement shall be held illegal or invalid by any court, the illegality or invalidity of such clause, provision or Section shall not affect the remainder of this Agreement which shall be construed and enforced as if such illegal or invalid clause, provision or section had not been contained in this Agreement. If any agreement or obligation contained in this Agreement is held to be in violation of law, then such agreement or obligation shall be deemed to be the agreement or obligation of the Bank and the Borrower, as the case may be, only to the extent permitted by law.

Section 10.6. Notices. Unless otherwise provided for herein, all demands, notices, approvals, consents, requests, opinions and other communications under the Bond or this

Agreement shall be in writing and shall be deemed to have been given when delivered in person or mailed by first class registered or certified mail, postage prepaid, addressed as follows:

Bank: Carter Bank & Trust
1300 Kings Mountain Road
Martinsville, Virginia 24112
Attention: Mr. John J. Engel

Borrower: City of Martinsville, Virginia
P.O. Box 1112
55 West Church
Martinsville, Virginia 24114
Attention: Finance Director

A duplicate copy of each demand, notice, approval, consent, request, opinion or other communication given by any party named in this Section shall also be given to each of the other parties named. The Bank and the Borrower may designate, by notice given hereunder, any further or different addresses to which subsequent demands, notices, approvals, consents, requests, opinions or other communications shall be sent or persons to whose attention the same shall be directed.

Section 10.7. Headings. The headings of the several articles and sections of this Agreement are inserted for convenience only and do not comprise a part of this Agreement.

Section 10.8. Term of Agreement. This Agreement shall be effective upon its execution and delivery, provided that the Bond previously or simultaneously shall have been executed and delivered. Except as otherwise specified, the Borrower's obligations under this Agreement shall expire upon payment in full of the Bond.

Section 10.9. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be an original and all of which together shall constitute but one and the same instrument.

[Signature Page Follows]

WITNESS the following signatures, all duly authorized.

CARTER BANK & TRUST

By: _____

Its: _____

CITY OF MARTINSVILLE, VIRGINIA

By: _____

Its: _____

EXHIBIT A

PROJECT DESCRIPTION

The financing of capital improvements, including energy saving improvements to City buildings and facilities, the costs of the construction, acquisition or equipping of which are to be financed in whole or in part with the Bond Proceeds.

EXHIBIT B
DEBT SERVICE SCHEDULE

Post-Issuance Compliance Procedures
For Tax Exempt Governmental Bonds

The Internal Revenue Service (the “IRS”) Tax Exempt Bonds branch has announced that it will expand its efforts to ascertain compliance with the IRS regulations governing post-issuance requirements for tax exempt bonds issued by local governments. In order to demonstrate post-issuance compliance it is important for local governments to maintain complete records of compliance with IRS rules governing actions taken after issuance of bonds. Actions for which records should be kept include investment and expenditure of bond proceeds and ownership and use of bond-financed facilities.

The following information and procedures are designed to assure post-issuance compliance with IRS rules governing the tax exempt status of interest on a particular issue of bonds. The issuer should maintain a file for each issue of bonds, note or similar obligations (such file may include electronic storage of records). This form should be updated annually (in a cumulative fashion without deleting information from previous years) and retained in such file until at least three years after the bonds, and any refunding bonds, are paid in full.

Name of Issuer: City of Martinsville, Virginia

Name of Bond Issue: _____

Date of Bond Issue: _____

Contact Information for Persons Responsible for Maintaining Records:

City Finance Director
P. O. Box 1112
Martinsville, Virginia 24114
276-403-5143

Current City Finance Director:

Linda Conover
E-mail address: lconover@ci.martinsville.va.us

Length of Record Retention Period: _____

(Records, including bond transcript, should be kept at least for the life of the bond issue and any refunding bonds plus three years; accordingly records will be kept through the date shown above.)

Issuer Contact:

(Responsible for providing information below, except as otherwise indicated)

City Finance Director
P. O. Box 1112
Martinsville, Virginia 24114
276-403-5143

Current City Finance Director:

Linda Conover
E-mail address: lconover@ci.martinsville.va.us

Escrow Agent Contact (if applicable):

(Responsible for providing information in 3(a), 3(b) and 3(f) below)

Trustee Contact (if applicable):

(Responsible for providing information in 3(a), 3(b) and 3(f) below)

Paying Agent Contact (if applicable):

Financial Advisor Contact:

(Responsible for providing information in 3(g))

Ted Cole
Davenport & Company LLC
One James Center
901 E. Cary Street, Suite 1100
Richmond, Virginia 23219
804-697-2907

Information to be Retained: The following information will be retained in the above-described file.

1. Summary of Use of Bond Proceeds:

(This should be a cumulative summary incorporating information from prior reports.)

Date of Expenditure	Amount	Purpose	Payee (or vendor if
----------------------------	---------------	----------------	----------------------------

3. Investment of Bond Proceeds

(a) Amount remaining in Project Fund as of _____:

(b) Description of investments in each fund and investment earnings for each fund (as of _____):

(Include: (i) the purchase date;
 (ii) the purchase price;
 (iii) the accrued interest due on the purchase date;
 (iv) the face amount;
 (v) the interest payment dates;
 (vi) the coupon rate;
 (vii) the maturity, sale or disposition date;
 (viii) the amount received at maturity or the sale or disposition price; and
 (ix) the accrued interest due on the sale or disposition date.

(c) Yield on each Rebatable Fund (as of _____):

Project Fund:

Yield Restriction Requirements - Examine nonarbitrage/tax certificate or agreement and note when temporary period for investment of bond proceeds without yield restriction expires. Consult with trustee and bond counsel two months prior to deadline to insure yield restriction, if any required, is put in place.

(d) Rebate Calculations:

(Identify consultant engaged to calculate any rebate liability and show any rebate liability if calculated. Rebate liability must be calculated at 5 year intervals at a minimum.)

Records for computation of bond yield, rebate and yield reduction payments, Form 8038-T, Form 8038-R any other applicable Form 8038 series returns.

Exception to rebate requirements - Indicate whether nonarbitrage/tax certificate or agreement provides for:

a. Small issuer exception to rebate requirement, or

b. Spending exceptions to rebate requirements. If spending exception applies, document expenditure of proceeds accordingly.

(e) Filing of Form 8038T

(Confirm filing of Form 8038T and payment of rebate liability or indicate that filing/payment is not required.)

(f) Confirm that records showing fund balances, investment earnings and yield on investments have been retained for the current year and all prior years.

(g) Describe all investment contracts (GICs, swaps, caps) with respect to bond proceeds including:

Copy of GIC or other agreement

Amount actually paid by the issuer and any administrative costs paid by the issuer:

For each bid, the name of the person and entity submitting the bid, the time and date of bid and bid results:

Copy of the bid solicitation form (if the terms of the GIC deviated from the bid solicitation, an explanation of the deviation)

Records for investment of bond proceeds related to guaranteed investment contracts, bond insurance contracts, financial derivatives (if applicable)

4. Reissuance

(Describe any amendments to the bonds or bond documents or any agreements entered into affecting the use of proceeds or repayment of the bonds or the security for the bonds.)

5. Form of maintaining bond records

Records shall be kept in paper form or electronic form, or both, as feasible.

6. Copies of the following shall be kept (if applicable):

- a. Audited financial statements
- b. Any election of accounting methodology, etc (these usually are not made)
- c. Appraisals or feasibility studies for bond-financed property

- d. Documents related to government grants association with the bond-financed project
- e. Publications, brochures and newspaper articles for the bond financing (if any exist)
- f. Correspondence, including e-mails, related to bond financings
- g. Reports of any prior IRS examinations of the entity or any of its bond financings

This form updated on: _____

By: _____

Name: _____

Title: _____

Meeting Date: January 10, 2012

Item No: 4.

Department: City Council

Issue: Consider adopting the proposed Martinsville Human Rights and Relations Commission bylaws, formally creating a Human Rights and Relations Commission and specifying its advisory authority

Summary: One of City Council's ongoing annual strategic priorities states to "Ensure a government that is efficient, transparent, affordable, inclusive and collaborative." While ambitious, current and previous Councils have made positive steps toward achieving and sustaining this priority, especially as it pertains to being efficient, transparent, affordable and collaborative with improvements in customer satisfaction, increased participation on boards and commissions, the successfully launched Government Academy and ongoing collaborative initiatives to maintain our public-private partnerships in the region.

One part of this strategic priority has been more of a challenge to address – "Ensuring inclusiveness." A few years ago, Council did formally adopt the National League of Cities initiative, "Working toward Inclusive Communities." Signage was even made, but with busy schedules and pressing economy, the initiative faded and signage was never displayed publically as planned.

Fast forward a few years: In August 2010, Westside Community residents advocated for a community center on the Westside, citing the Westside is "like a forgotten part of Martinsville." While the development of the center had merit and warranted a comprehensive review, as approved by Council in the adoption of its strategic priorities pertaining to Community Development, the fact that a portion of the City of Martinsville reported to be forgotten resonated with Council. In March 2011, Council took formal action with the formation of the Human Relations Advisory Committee.

This Committee has had a total of eight meetings, including a tour to the City of Greensboro to meet with its Human Relations Commission and staff and a tour of the City of Martinsville, so that all on the newly formed Human Relations Advisory Committee were familiar with all parts of the city.

Two of the eight meetings included (1) Dr. John Thomas of the Weldon Cooper Center to help give strategic direction and (2) Dr. Martha Walker of the Virginia Extension Cooperative to facilitate a strategic planning session. Based on advice from Dr. Thomas and the strategic planning facilitation, the vision, mission and goals are detailed in the proposed bylaws for Council consideration.

Attachments: Booklet with Bylaws, PowerPoint Presentation and other support Documentation. Booklet may be accessed on city website at http://www.martinsville-va.gov/content/File/humanrelationscommission_bylaws_jan_10_2012.pdf

Recommendations: Motion to approve

Human Relations Advisory Committee Report and Recommendation to City Council

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Several more meetings occurred in preparation for the January 10, 2012, presentation to City Council.

Recommendation to City Council: To adopt the proposed Martinsville Human Rights and Relations Commission bylaws, formally creating a Human Rights and Relations Commission and specifying its advisory authority.

Background: One of City Council’s ongoing annual strategic priorities states to “**Ensure a government that is efficient, transparent, affordable, inclusive and collaborative.**” While ambitious, current and previous Councils have made positive steps toward achieving and sustaining this priority, especially as it pertains to being efficient, transparent, affordable and collaborative with improvements in customer satisfaction, increased participation on boards and commissions, the successfully launched Citizen’s Academy and ongoing collaborative initiatives to maintain our public-private partnerships in the region.

One part of this strategic priority has been more of a challenge to address – “Ensuring inclusiveness.” A few years ago, Council did formally adopt the National League of Cities initiative, “Working toward Inclusive Communities.” Signage was even made, but with busy schedules and pressing economy, the initiative faded and signage was never displayed publically as planned.



Fast forward a few years: In August 2010, Westside Community residents advocated for a community center on the Westside, citing the Westside is “like a forgotten part of Martinsville.” While the development of the center had merit and warranted a comprehensive review, as approved by Council in the adoption of its strategic priorities pertaining to Community Development, the fact that a portion of the City of Martinsville reported to be forgotten resonated with Council. As discussions continued, it became apparent a more honest dialogue on race, class, gender and etc. needed to occur within the City.

In March 2011, Council took formal action with the formation of the Human Relations Advisory Committee.

This Committee has had a total of eight meetings, including a tour to the City of Greensboro to meet with its Human Relations Commission and staff and a tour of the City of Martinsville, so that all on the newly formed Human Relations Advisory Committee were familiar with all parts of the city.

Two of the eight meetings included (1) Dr. John Thomas of the Weldon Cooper Center to help give strategic direction and (2) Dr. Martha Walker of the Virginia Extension Cooperative to facilitate a strategic planning session. Based on advice from Dr. Thomas and the strategic planning facilitation, the vision, mission and goals are detailed in the proposed bylaws for Council consideration.

Immediately following this Introduction are (1) the proposed bylaws, (2) a copy of the PowerPoint presentation to be given to City Council, (3) written comments from some of the Human Relation Advisory Committee members and (4) support documentation of the Human Relations Advisory Committee’s formation and activity as a Committee.

**BYLAWS
OF THE
MARTINSVILLE
HUMAN RIGHTS and RELATIONS COMMISSION**

**ARTICLE I
CREATION**

Section 1.1 The Human Rights Commission was created by action of City Council pursuant to powers granted in Chapter 2, Section 5 of the Code of the City of Martinsville, Virginia and Section 15.2-965 and Chapter 39 of Title 2.2 of the Code of Virginia, 1950, as amended. The Commission was created with the vision that “Martinsville will advocate for a culture of public decision-making and problem-solving that is accountable and inclusive” and to advise the City Administration and City Council in matters that will fulfill the mission “To ensure equity and opportunities for all citizens.”

**ARTICLE II
MEMBERSHIP**

Section 2.1 The Commission shall consist of up to eleven regular members, two of which shall be representatives from the student body of Martinsville High School. All members shall be appointed by the City Council.

Section 2.2 One member shall be appointed from each voting precinct in the City. The City Council shall make every effort to ensure that its appointments to the Commission result in a diversity of membership reflecting race, gender, economic class and cultural background. City Council shall also seek to appoint at least one member with experience in the respective fields of education, health care, and human resources or employment. The City Attorney shall be an *ex-officio*, nonvoting member.

Section 2.3 The Commission shall receive staff support from the City Administration, by a person(s) to be designated by the City Manager. This support shall include furnishing information that may be of assistance to the Commission in carrying out its mission.

Section 2.4 Each member shall, prior to being vested with voting privileges, complete an appropriate training course in human rights and relations, as determined by the Chairman and the City’s designated person. Initial appointees to the Commission, may however, vote upon election of

officers and organization of the Commission prior to such training. No member who has a personal interest in any matter before the Commission shall participate in discussion or voting upon that matter. "Personal interest" shall be defined as a relationship to or knowledge of the matter such that an impartial evaluation of the matter is not possible. In the event that a personal interest is suggested to exist in any member, such member may, if the member affirms it to be true under oath, execute a disclosure acknowledging the interest but affirming the member's impartiality. Such disclosure shall permit that member to participate in discussion of the matter but not to vote upon it.

ARTICLE III **TERMS OF MEMBERS AND VACANCIES**

- Section 3.1 Terms of the nine regular members shall be four years, but initial appointment shall be staggered whereby five members shall be appointed for an initial term of four years, and four members shall be appointed for a term of three years. Representatives from the student body of Martinsville High School shall be appointed annually and serve on the Commission during the school year.
- Section 3.2 All regular members shall be eligible to serve two successive terms provided they continue to satisfy the basic and respective criteria upon which they were originally appointed. They will be ineligible for reappointment to an additional term for a period of one year, unless there are an insufficient number of qualified applicants to fill all vacancies.
- Section 3.3 Should mid-term vacancies occur among regular member positions, or when terms expire as provided herein, the Commission as a whole and/or as individuals shall be entitled to submit nominations for City Council's consideration in appointing replacements.

ARTICLE IV **OFFICERS**

- Section 4.1 The officers shall be the Chairperson, the Vice Chairperson and the Recording Secretary. The officers shall be elected for a two-year period. The Chairperson shall serve not more than two consecutive terms. In the event of a vacancy in either office, an election to fill the vacancy shall be held at the next meeting of the Commission or as soon thereafter as practicable.
- Section 4.2 The Chairperson shall cause an agenda to be prepared for each meeting and shall preside thereat. The Chairperson shall sign correspondence, reports and recommendations on the part of the Commission and shall

otherwise represent the Commission in its proper relationships with the City Council, the City Administrators, State and Federal agencies, and the public.

Section 4.3 The Vice Chairperson shall serve in the absence of the Chairperson.

Section 4.4 A Recording Secretary shall be elected by the Commission membership to assist the Chairperson in development and dissemination of the agenda and in recording accurate minutes of all meetings. Minutes of each meeting shall be forwarded to Commission members with the next regularly scheduled Commission meeting agenda and to members of City Council with the next regularly scheduled Council agenda following the monthly meeting of the Commission. With the exception of records pertaining to investigation or conciliation of allegations of discrimination, all records of the Commission shall be subject to the Virginia Freedom of Information Act; the Recording Secretary shall be the records custodian.

ARTICLE V MEETINGS

Section 5.1 The Commission shall meet once each month, except December, at a time and day agreed on in advance by the Commission, or at the call of the Chairperson. The Chairperson may cancel any monthly meeting when it is deemed appropriate.

Section 5.2 Meetings shall convene at an appointed time, except when members are specifically notified otherwise.

ARTICLE VI QUORUM AND ATTENDANCE

Section 6.1 No business of the Commission can be conducted at any meeting thereof without the presence of a quorum, consisting of at least four regular members.

Section 6.2 Members are expected to attend all regularly scheduled meetings. Any member having missed five regularly scheduled meetings in a calendar year shall be so notified in writing by the Chairperson. In the event the Officers have not deemed such absences to be excused, such member shall be presumed to have resigned from the Commission and City Council shall appoint a replacement.

ARTICLE VII
GOALS, FUNCTIONS AND COMMITTEES

Section 7.1 The goals of the Commission shall be as follows:

- a) Develop community capacity to address challenges and opportunities, identified by the Commission, in the areas of race, class, government accountability and responsiveness, and conflicts arising from cultural differences.
- b) Ensure open and accountable government that hears and values all voices.
- c) Bridge the fault line of race and class that inhibit progress and erode community health.

Section 7.2 The Committee shall have three standing action subcommittees.

The Chairperson shall appoint members to each action subcommittee from the membership of the Commission. The Chairperson shall also appoint such *ad hoc* committees as deemed necessary. The Chairperson shall require approval by a quorum of the Commission to establish the duration of an *ad hoc* committee and the individual members appointed to the *ad hoc* committee.

A. Equity Committee

Goal: Develop community capacity to address challenges and opportunities, identified by the Commission, in the areas of race, class, government accountability and responsiveness, and conflicts arising from cultural differences.

- 1. Offering education and training and/or community discussion and/or speaker series on topics pertaining to equity, inclusiveness, racial reconciliation, poverty reduction.
- 2. Improving relations and fostering dialogue among various sections of the City.
- 3. Identifying and dispelling misconceptions and falsehoods among communities within the City.

B. Inclusion Committee

Goal: Ensure open and accountable government that hears and values all voices.

1. Offering and supporting activities that build inclusiveness.
2. Advocating for community strategies geared to poverty reduction (reducing barriers toward prosperity).
3. Educating both government employees and citizens on laws and policies fostering greater transparency in government.

C. Resolution Committee

Goal: Bridge the fault line of race and class that inhibit progress and erode community health.

1. Advocate a “zero tolerance” policy against discrimination, with the ultimate goal of eradicating discrimination within the City of Martinsville.
2. Providing oversight for mediating claims of discrimination in the City.

This Committee shall respond to charges of discrimination levied against entities within the City. The Committee shall adopt such procedures and forms as is deemed necessary for the processing of charges, subject to the requirements of the Virginia Administrative Process Act, Code of Virginia Section 2.2-4000 *et seq.*, and the guidance of the policies and procedures of the Equal Employment Opportunity Commission, the Virginia Human Rights Council, or other appropriate agencies. The Committee may inquire into any charge of discrimination brought before it, may investigate the facts underlying such charges, and take into consideration the cooperation of the parties involved. If the charges are deemed to have merit, the Committee may recommend mediation services, conducted by an impartial third party. Such mediation services shall be voluntary and confidential. The Committee may also recommend to the Commission that unresolved charges, deemed to have merit, be referred to the Equal Employment Opportunity Commission, to the Virginia Human Rights Council, or to other appropriate agencies, and upon the vote of a majority the Commission, such a referral may be made.

In accordance with then Code of Virginia, neither this Committee nor the Commission shall have the power of subpoena or to compel testimony. This process shall not be available to employees of the City of Martinsville who have pursued grievances under the City Employee Grievance Process or who are within the prescribed time limitations for initiating such a grievance.

ARTICLE VIII **AMENDMENTS**

Section 8.1 These Bylaws shall become effective when ratified by City Council, and may be amended by a two-thirds vote of the Commission in attendance, provided that a quorum is present and further provided that written notice of proposed amendments are first given to each member not less than ten days prior to the regular or called meeting at which such amendments are to be considered.

Section 8.2 Amendments so adopted shall not become effective until duly ratified by City Council.



Human Relations Advisory Committee Report to City Council

**Ensuring equity and opportunities
for all citizens**

January 10, 2012

[Setting the Stage]

- Background on the formation of the Human Relations Advisory Committee
- Human Relations Committee Activity
- Formal Recommendation for City Council to Consider



Background on Formation

- City Council adopts 2010-2011 Strategic Priorities
- One of these priorities states to “Ensure a government that is efficient, transparent, affordable, inclusive and collaborative.”
 - Strides have been made.
 - **“Ensuring inclusive” was more of a challenge.**
- **Council did formally adopt the National League of Cities initiative, “Working toward Inclusive Communities” several years ago.**



Background on Formation

- Fast forward to August 2010: Westside community residents advocate for community center, citing:
 - Westside: “It’s like the forgotten part of Martinsville.”



Background on Formation

- Meetings hosted by Mayor and Vice Mayor
 - September 2, 2010
 - October 28, 2010

- City Council approves forming a Human Relations Advisory Committee
 - March 22, 2010

- City Council appoints members to the Committee
 - April 12, 2010



Background on Formation

■ Committee Members

1. **Kimble Reynolds**
2. **Kim Adkins**
3. **Marie Craddock**
4. **Ural Harris**
5. **Tony Jones**
6. **Chad Martin**
7. **Rachel Beneke**
8. **Randy Stevens**
9. **Bonnylee Witt**
10. **Thomas Salyer**
11. **Bailey Penn**
12. **Barbara Jackman**
13. **Pam Heath**
14. **Phyllis Hairston**
15. **Veraine Randolph**
16. **William Randolph**
17. **Alicia Solomon**
18. **Sidney Lee**



Background on Formation

■ Regular Guests

1. Chief of Police Mike Rogers
2. Sheriff Steve Draper
3. City Attorney Eric Monday
4. Rev. Leonard Jones
5. John Martin
6. Joe Martin
7. Crystal Whitener
8. Ron Morris
9. Jared Soares
10. John Fisher
11. Alexis Lee
12. Rev. Tyler Millner
13. James Preston



Background on Formation

- **Original Framework (as adopted by Council on March 22, 2011)**
 - **Vision – To create a culture of public decision-making and problem-solving that is forward thinking, accountable and inclusive.**
 - **Mission – To advance strategies in the City that expand opportunity, reduce poverty and build inclusiveness.**
 - **Goals**
 - **Ensure open and accountable government that hears and values all voices**
 - **Develop the civic capacity to address identified City challenges and opportunities**
 - **Bridge the fault line of race and class that inhibit community progress and erode civic health**
 - **Objectives**
 - **Analyze economic, workforce and demographic trends to identify challenges that impede progress for the City and its residents**
 - **To address these challenges, help City Council to develop or suggest responsive public policies at the local, state and/or federal levels; demonstrate effective programs; and build institutional and community capacity for progress.**

Human Relations Advisory Committee Activity

- **Held 7 Meetings**
 1. **July 12, 2011**
 2. **July 26, 2011**
 3. **August 23, 2011**
 4. **September 6, 2011** →
 5. **September 20, 2011**
 6. **October 11, 2011**
 7. **November 1, 2011**
 8. **November 7, 2011**

- **Visited Greensboro to meet with Greensboro Human Relations Commission and Staff**
 - **August 16, 2011**

- **Toured Martinsville**
 - **September 1, 2011**



Human Relations Advisory Committee Activity



- **Based on Strategic Planning Session on September 6, and follow up meetings, revised vision and mission**
 - **Vision – Martinsville will advocate for a culture of public-decision and problem-solving that is accountable and inclusive**
 - **Mission – To ensure equity and opportunities for all**

Formal Recommendation to City Council to Consider

- To advance this vision and mission, bylaws were formally adopted by the Committee for Council consideration.
- Components of the bylaws are:
 - **The Creation of the Martinsville Human Rights and Relations Commission**
 - **Commission membership, responsibilities and pertinent details pertaining to the Commission's operation**
 - Up to 11 members with two being representatives from the student body of Martinsville High School
 - One member shall be appointed from each voting precinct
 - Every effort will be made to ensure appointments result in a diversity of membership reflecting race, gender, economic class and cultural background
 - One member shall be appointed with the following experiences: education, health care and human services or employment
 - City attorney shall serve as ex-officio, nonvoting member
 - City Manager shall designate someone from City Administration to provide staff support

Formal Recommendation to City Council to Consider

- **Components of the bylaws continued:**
 - **Goals**
 - **Develop community capacity to address challenges and opportunities, identified by the Commission, in the areas of race, class, government accountability and responsiveness and conflicts arising from differences.**
 - **Ensure open and accountable government that hears and values all voices.**
 - **Bridge the fault line of race and class that inhibit progress and erode community health.**



Formal Recommendation to City Council to Consider

- To implement goals, three committees are proposed to be formed:

1. Equity

- Goal – Develop community capacity to address challenges and opportunities, identified by the Commission, in the areas of race, class, government accountability and responsiveness and conflicts arising from differences.

- Offering education and training and/or community discussion and/or speaker series on topics pertaining to equity, inclusiveness, racial reconciliation, poverty reduction.
- Improving relations and fostering dialogue among various sections of the City.
- Identifying and dispelling misconception and falsehoods among communities within the City.



Formal Recommendation to City Council to Consider

2. Inclusion

- **Goal – Ensure open and accountable government that hears and values all voices.**
 - **Offering and supporting activities that build inclusiveness.**
 - **Advocating for community strategies geared to poverty reduction (reducing barriers toward prosperity).**
 - **Educating both government employees and citizens on laws and policies fostering greater transparency in government.**



Formal Recommendation to City Council to Consider

3. Resolution

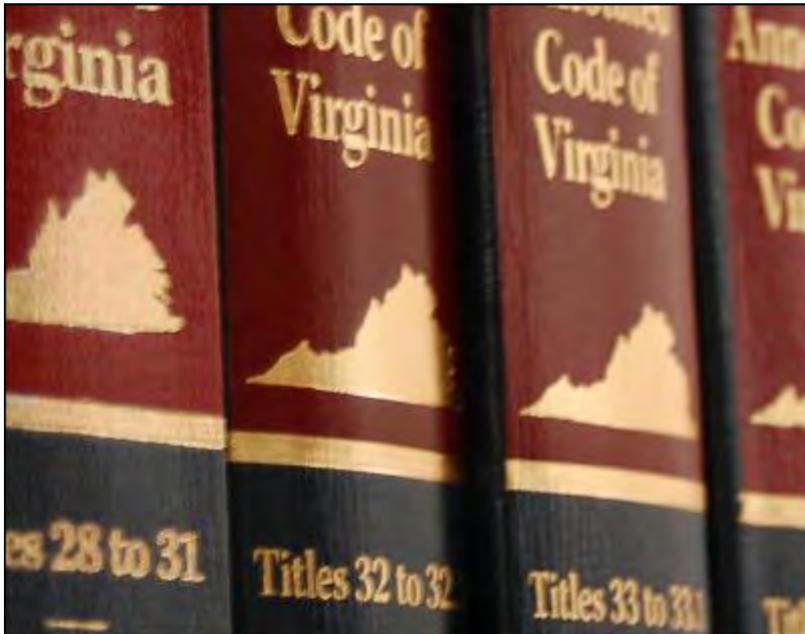
- **Goal – Bridge the fault line of race and class that inhibit progress and erode community health.**
 - **Advocate a “zero tolerance” policy against discrimination, with the ultimate goal of eradicating discrimination within the City.**
 - **Providing oversight for mediating claims of discrimination.**



Formal Recommendation to City Council to Consider

3. Resolution continued...

- In accordance with Code of Virginia, neither this committee or Commission shall have the power of subpoena or to compel testimony.
- This does not bypass the City Employee Grievance Process.



Formal Recommendation to City Council to Consider

- To adopt the proposed Martinsville Human Rights and Relations Commission bylaws, formally creating a Human Rights and Commission and specifying its advisory authority





Human Relations Advisory Committee Report to City Council

**Ensuring equity and opportunities for
all citizens**

Questions?

January 10, 2012

Written comments by a few of the Human Relations Advisory Committee members:

From Rachel Beneke:

When I moved here with my family in 1997, I thought we had found paradise. The lack of traffic, the friendliness of the people we encountered, the sweet pretty neighborhoods all through town, the openness of the school officials, as I enrolled my daughter in 5th Grade at Albert Harris, all added up to an impression that we were welcomed warmly. The ‘small town’ effects, as my daughter grew, became even more important – there’s nothing like knowing all about your child’s friends and their families.

The specter of economic problems did loom, as we found ourselves able to purchase a much larger house in a better neighborhood than we had left, due to the recent layoffs of middle management at DuPont. Pressure mounted at my husband’s job, due to cut back in costs, and to reduce employee rolls. My daughter Emma, always a champion of anyone suffering the slightest injustice, soon made friends from all over town. Through Emma’s school friends, and as an after-school tutor with Joan Montgomery’s ‘Camp Excellence,’ I became acquainted with kids, and some parents, from poorer neighborhoods. I puzzled over how this place had evolved, from some deep South backwater a hundred and fifty years ago (as it must have been) through becoming a furniture and textile boomtown, to the dubious future it now faced, and how that success had passed over some families of these kids I met after school, and as a substitute teacher.

Before we knew it, the Tultex ‘Christmas Massacre’ happened, and suddenly, from balancing on a thin edge of success, the area was sliding down, toward the deep valley of recession. I was lucky to find a part-time job which suited my abilities, and soon found that I was becoming quite closely acquainted with the ‘movers and shakers’ of this town, some of whom were responsible for the building up of, and to some extent, the departure of, its success. Some of them became my friends, as they supported me through the death of my husband in 2003. The mystery remains, however, and after 10 years, although my knowledge of individuals and of their families deepens, I am still in search of the true story of Martinsville. The more I learn, the more committed I become to making this the home town my family has known, for all the people here.

The opportunity to serve on this committee has proven enlightening, in many ways. The vision of how a rust belt city, Allentown, PA, was able to renew itself, moving toward a different identity, through the activation of links between people of all divisions and all strata of the place, was an epiphany for me. I know people from every part of this town – I have strong connections to many of them – and the vision of how that network, the one we share, can strengthen and inspire us, as a true community, to become a better, more prosperous, more secure, home for all

-- that is the goal of this Human Rights and Relations Commission. I believe we have a structure that can support this really happening.
We can be a voice for community building, a forum for justice, and a symbol of the faith we have in this place to really become a 'city without limits.'

From Marie Craddock:

This Commission would provide the citizens of Martinsville an opportunity to openly and publicly discuss issues that currently keep this community divided.

From Tony Jones:

I would like to thank you for having us here tonight to consider the approval of the proposed Martinsville Human rights and Relations Commission. As you know, I was in the forefront in the proposed Westside Community Center initiative. As that process went forward, it became apparent that there was some separation and miscommunication on several fronts in our city. In that light, with leadership from the Mayor and Vice Mayor, City Council formed a diverse advisory committee to investigate the state of human rights and relations in Martinsville. After eight meetings which spurred conversation, debate, advice from guest experts, government and school officials and fact finding tours of Martinsville and Greensboro, NC, that has a successful and effective similar commission already in place, the advisory committee came up with what you see tonight as the Martinsville City Human Rights and Relations Commission proposal. As a citizen of Martinsville and advisory committee member, I would like to ask you to adopt this commission as I think it will give the citizens of our city an open line of communication, answers to questions and serve as a clearinghouse for the citizenry. Also the commission will serve as a forum for our citizens to receive help on the local level.

I would like to thank you in advance for your consideration of this proposal and I sincerely and respectfully encourage you to adopt the Martinsville Human Rights and Relations Commission.

From Veraine Randolph

Martinsville has a motto as a city without limits. By approving the recommendation for the Human Rights and Relations Commission, it will help bridge the gap between citizens of this community and government and offer an outlet for citizens to voice their concerns.

(An additional comment continues on the next page)

From Thomas Salyer

As a resident of the City of Martinsville it has been an honor to be involved in the Advisory Committee to address the issue of developing a Human Rights and Relation Commission. The Advisory Committee is a diverse group of proactive individuals from all sectors of the community who are dedicated in the process of advocating for a forum in which all citizens can have a voice and be heard. In the past few years the City of Martinsville and its residents have felt the negative impact of the down fall of the economy and the devastation of not being able to find employment. Because of these dire circumstances there is feeling of hopelessness, with a fear of the uncertainty for the future. I strongly believe the implementation of a Human Rights and Relation Commission will have a positive effect on the residents because it promotes inclusiveness of all communities within the city and will provide the opportunity for all voices to be part of the process of working on a mission to improve the quality of livelihood and a positive outlook for the community and the future.

From Bonnylee Witt

"We will not enjoy security without development, we will not enjoy development without security, and we will not enjoy either without respect for human rights."

- UN Secretary-General Kofi Annan

We do not come here tonight to belabor an on-going issue that plagues and continues to plague this community and its very essence of survival. We do not come here tonight to stir up any emotions that are residual or dormant within layers of sociological and philosophical ideologies. But we do come here tonight with our hearts and souls, concerned and passionate, about a proposal that if approved, will advance our community and its residents in revolutionary proportions. It will create within our business, economic, and social infrastructures the pathway to address, to explore, and to advocate for the issues surrounding the disproportionate effects of discriminatory type behaviors that exists in our community. It will lay the groundwork for a more diverse and integrated co-existence of peoples from all walks of life and create a new spirit that will capture the true meaning of human rights and relations for our wonderful city. What we propose to Council this evening is the recommendation of the creation and implementation of a Human Rights and Relations Commission.

If approved, the Human Rights and Relations Commission will be a light that will illumine the darkness of discrimination. It will create more opportunities for dialogue and seek out new avenues of education that speak to the topics of equity, inclusiveness, racial reconciliation, and poverty reduction. We can no longer live in the 'old way of doing things'. If you haven't notice, we live in a very diverse community and that is...a beautiful thing. The City of Martinsville is currently a

place where residents from vast ethnic backgrounds live, work and “call this place home”. If this is so, then what has been done and is being done to welcome them and relate with them in a way that respects and appreciates their culture and their traditions. Every individual has their own story, history, and culture and it is the embracing of these concepts that will open the doors to diversity and close the doors to prejudice and discontent.

The City of Martinsville is a place where neighborhoods exist and families reside. If this is so, then why do some neighborhoods lack and others do not? It is also a place where people work and receive compensation for the work they do. Something must exist at a local level to advocate and assist these folks if there exist unfair practices that tear at the very core of their human dignity and leave them helpless and defenseless in what to do. If we survey the landscape of life within this great city, the question must be asked, “Why do we not have racial representation on various committees and organizations?” As we look at a failing economy, the very basic needs of shelter and housing are confronted with the shadows of discrimination and those who are affected by it become homeless or are forced to live in dwellings that are unsafe and unprotected. We must not wait for a complaint to be brought forth concerning ‘Abuse of Power’ as it relates to any of our service-providing agencies within our city. No individual should ever experience being disenfranchised because they are interpreted as being ‘different’, nor should they ever feel as if they are not worthy of what is rightfully and constitutionally theirs in the first place.

We may not want to acknowledge that these things exist and yet they have existed since the dawn of time. It also may be said that state-level agencies already are in place to assess and mediate such human rights’ issues. But we, the Human Relations Advisory Committee, proclaim to you this evening, that the wounds of discrimination continue to permeate our city, and our city will continue to be incomplete, until we take responsibility locally. It would be counterproductive for this proposal not to be approved; for the survival of this city and all its inhabitants depend on it. If Council should vote for the approval of the Human Rights and Relations Commission, then we can begin a journey towards healing and reconciliation to mend what needs mending and to create a place where people from all walks of life will come to live, work, and feel apart of something great.

Processes Leading to the Formation of a Human Relations Advisory Committee

1. Portions of City Council's Strategic Priorities
2. August 17, 2010 – News Release sent out on the consideration to launch a Westside Community Center
3. September 2, 2010 – Meeting #1 hosted by Mayor & Vice Mayor re: the formation of Westside Community Center
4. September 14, 2010 – Formal Presentation made to City Council by For The Children to form a Westside Community Center
5. October 28, 2010 – Meeting #2 hosted by Mayor & Vice Mayor re: the formation of Westside Community Center
6. November 9, 2010 – Formal update by For The Children re: the formation of Westside Community Center
7. March 22, 2011 – City Council approves forming a Human Relations Advisory Committee
8. April 12, 2011 – City Council appoints members to the Human Relations Advisory Committee

Strategic Priorities	Key Outcomes	Success Indicators	SUPPORTING GOALS achievement oriented	Performance Measure and Target	Lead Responsibility	PRIORITY
<p>Government: 1. Ensure a government that is efficient, transparent, affordable, inclusive and collaborative.</p>	1.1 Improved customer satisfaction.	Completed survey.	1.1/1.3/1.6 Complete & analyze a customer service survey. Develop action plan based on surveys.	Completed surveys w/indicated returns; action plan T:10% city residents.	City Manager and Department Heads	immediate
	1.2 Increase community participation and number of citizens qualified and interested in serving on Boards & Commissions. Emphasize community inclusion.	More frequent MGTV programming. Use website and social media to announce opportunities.	1.2/1.3 Expand MGTV usage. Use website and social media.	# new programs T:(4) new programs 1st year.	City Manager, MIS, and Human Resources.	immediate
	1.3 Improved communications with the citizens and public to demonstrate and reinforce the government's accountability.	A citizen academy with excellent participant reviews. Use website and social media to announce opportunities.	1.3 Establish citizen academy. 1.3 Celebrate successes at Council meetings.	# citizens completing the academy T:(10) per year.	Human Resources	immediate
	1.4 Successfully partner with our governmental neighbors and private groups to bring new business and other entrepreneurial opportunities to our community.	More jobs, stronger tax base.	1.4 Continue supporting the EDC and other appropriate organizations.	Adequately fund economic development activities.	Council	immediate
	1.5 Evaluate internal and external opportunities to combine programs, services, process and/or departments, etc. to create a more efficient and effective government.	An independent analysis of programs, services, processes and departments has been conducted., etc.	1.5 Explore opportunities to consolidate programs, services, processes, and/or departments..	Amount of cost savings and/or intangible benefits.	Council, City Manager, Department Heads, School District.	immediate
	1.6 Explore the implications of reversion.	Analysis of the implications of reversion is completed.	1.6 Report generated for distribution to constituent base.	Cost savings to City residents.	City Manager, City Attorney, Department Heads, and Council	immediate
	1.7 Opportunities for citizens	Public enthusiasm and support. Increased participation on all boards, commissions, and public meetings.	1.7 Promote leadership opportunities in the City..	# board/commission vacancies and participation in community opportunities.	Public Information Office	mid range
	1.8 Public and private partnerships.	Cooperative programs with Harvest, NCI, PHCC, National College, Memorial Hospital, Carilion, Incubator, and others.	1.8 Maintain, encourage, and support leadership training and opportunities for citizens.	# public/private partners and leadership training available.	Council and Community Development.	long term

Strategic Priorities	Key Outcomes	Success Indicators	SUPPORTING GOALS achievement oriented	Performance Measure and Target	Lead Responsibility	PRIORITY
<p>Community Development: 2. Provide an attractive, safe, active and creative community with a great quality of life.</p>	2.1 Creation of a West Side Community Center	Community Center built.	2.1 Work with citizen groups to determine design, programming, functionality, and fiscal authority.	Citizen participation and established community center	Council	Immediate
	2.2. Clean, attractive and vibrant neighborhoods and communities.	Maintain historic integrity of existing structures				
		Create awards program for revitalization and renovation of properties.				
		Establish additional urban community gardens and support existing gardens.	2.2 Organize groups to encourage urban gardens.	Quality community garden(s), embraced by the community.	Community Development, Parks and Recreation	mid range
	2.3 Expand regional transit system.	Transit program.	2.3 Continue to support public transit program.	# system users.	Public Works	immediate
			2.3 Reach out to Roanoke, Danville, and Piedmont Triad areas for connector services.	Agreements with Roanoke, Danville, and Piedmont Triad are in place.	Public Works	immediate
	2.4 An environmentally responsible community.	Program focusing on a Green society.	2.4 Establish Green initiative.	Reduced landfill wastes and reduced energy dependence.	Public Works	mid range
		Explore expanding recycling program	2.4 New sites determined for drop off, consider curbside pick-up, expand recyclables.	Reduced landfill wastes and reduced energy dependence.	Public Works	immediate
	2.5 Increased variety of retail, dining, cultural and educational opportunities.	Comprehensive transformation plan for Uptown.	2.5 Support the evolution of NCJ into a 4-year institution of higher education.	# communities reviewed and completed implementation plan.	Community Development	immediate to long term



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MARTINSVILLE BULLETIN

Tuesday, November 1, 2011

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Westside community center proposed Group announces fundraising effort for center in Martinsville

Back

Tuesday, August 17, 2010

By DEBBIE HALL - Bulletin Staff Writer

Several local residents on Monday announced plans to raise funds and support for building a community center on the westside of Martinsville.

Organizers envision the center as a "public-private venture" that would attract youngsters from the city and county as well as tourists who might attend tournaments and other events offered there, according to Tony Jones, who with Phyllis Page is co-chairman of a planning committee promoting the center.

"When completed, this project will improve the quality of life for families in the neighborhood and fill a tremendous void that impacts the entire city," Jones said in a news release. Martinsville currently "has no cultural resources or similar facilities" located west of the municipal building, the release said.

The westside, which includes the predominantly black areas from the Sportsman's Club on Fayette Street west to Rivermont Heights, needs a place its residents can take pride in and go to for educational, cultural and athletic activities, said Jones, who also is head women's basketball coach at Patrick Henry Community College.

Jones and other organizers want the city to endorse the effort and agree to donate land and in-kind services, such as property maintenance, for the center. He said he has met with members of Martinsville City Council, including Mayor Kim Adkins, and with representatives of several area agencies about the idea.

Martinsville City Manager Clarence Monday said he, Adkins and other city officials recently met with Jones, Page and Sharon Brooks Hodges, executive director of the Black Family Preservation Group Inc., about the idea. The latter group is helping organizers write grant proposals for the project, the release said.

In an interview, Monday expressed concerns about the city's ability to get involved.

"Running a community center is very expensive, not only with capital costs, but operational costs as well. The city is not in a position" to commit to that, he said.

There also are "a lot of other issues," Monday said, including how the center would be sustained. He referred to recent struggles encountered by the Fieldale Community Center, which has struggled to stay open after losing financial support from the textile company that built it and later closed. The Fieldale center relies on volunteer support and community donations to stay afloat.

The potential impact a community center would have on memberships at the YMCA, which has a branch in the city, also is an issue, Monday said.

"There is a lot involved in this process, and we do know it would be very expensive" to operate a community center, Monday said. He noted that the city pays \$800,000 per year for its parks and recreation program, which includes opportunities for senior citizens, adults and youngsters.

"All of our parks and recreation programming is offered to the entire city," Monday said.

Jones said organizers plan to build the center without taxpayer funds. A fundraising committee will be established to seek grants and generate capital, the release said.

The committee also hopes to operate the center without charging memberships or annual fees "to keep the community center available to as many people as possible," Jones said. A majority of events would be offered free, while nominal fees might be charged for others, he said.

Because building plans are in the early stages, cost estimates and other specific information are not yet available, Jones said. However, the group will seek grants to pay for the project and in the future hopes to "be in a position to approach the Harvest Foundation" for financial help, he said.

The planning committee intends to work with an architect within the next two weeks to begin drafting plans and develop a cost estimate, Jones said.

According to the news release, the community center proposal is the result of meetings, discussions and ideas generated by parents, teens, young adults and others who live in the city's westside. Jones said the vision of former city councilman Bruce Dallas, who died in 2007.

"Turning that vision into something real is a way of honoring Bruce's memory," Jones said.

According to the release, the center "will be more than an athletic field. We're envisioning dance and recording studios, a computer lab and an urban garden that grows produce for a culinary arts and nutrition program."

The committee also wants to build an Olympic-sized swimming pool, amphitheater, concession stand, banquet hall, weight room and a learning/resource center.

Among city-owned properties the group would like officials to consider donating for the center are the Dr. Dana O. Baldwin Block, a large vacant lot between West Church, Market, Fayette and Moss streets,

and an open area adjacent to Albert Harris Intermediate School, Jones said.

The Baldwin Block was to be the site of an 80,000-square-foot indoor sports arena and field house proposed by the Harvest Foundation several years ago. Harvest later put that project on hold, and nothing has been built there.

The second site, known as the Dana O. Baldwin Park (formerly Marun Park) on Swanson Street, is the site of an Aug. 29 "Say Yes" campaign/fundraising drive to raise funds and generate support for the project, according to the release. The free event will begin at 4 p.m. Food and music will be included.

Monday said portions of that area served as a former landfill. "You can't really build anything" on those portions, he said.

Jones said organizers realize what they are proposing is not simple.

"We know building the center is a big undertaking, but with support" from the city, county, other organizations and private contributors, Jones said he is convinced the project will be a success.

"We know, and the community knows, this is a hefty goal," he added. With the current economic conditions, "it may seem a strange time to take on this endeavor." But with so many youngsters at risk, "this is the best time for our children."

For the Children Inc. has agreed to serve as fiscal agent for the project, Jones said.

Patricia Carter, executive director of that agency, said Page, who serves on For the Children's board, asked the agency if it was interested in participating.

Because it "goes along with our mission of enhancing families, we were excited about being able to collaborate," Carter said. The community center "would give young people a venue to participate in a variety of activities."

Jones said organizers would like to begin by building the pool. They hope to accomplish that goal by next summer and complete construction of the community center by 2012, he said.

Their idea is to charge admission fees for the pool, which would help pay for it, Jones said.

If the project comes to fruition, an authority would oversee operations of the center, he said.

Mable Finney, executive director of FOCUS Inc., an agency that works with youngsters in need or crisis, said that while she is not familiar with the community center project, "something is needed on that end of town soon. Our problem is that area has been lacking for some time. It's like the forgotten part of Martinsville."

She is hopeful that the center could somehow address another problem involving former inmates who are unable to get jobs due to their criminal histories.

A community center might help keep youngsters out of trouble, but "you've still got to pick up" those who have been through the system and are trying to re-enter society, Finney said. Any plans for a community center should include a way to "mesh the two" goals and help both groups, she said.

City council will make any decisions about city involvement in the proposal, Monday said. He said he suggested the planning committee present the proposal to council during its Sept. 14 meeting.

The committee does plan to present its ideas to city council next month, Jones said.

West End Community Center Meeting
September 2, 2010 ▪ 11 a.m. ▪ West Piedmont Workforce Investment Board Office

Meeting Summary

Attendees:

- West End Community Center – Tony Jones, Phyllis Page and Sharon Hodge
- YMCA – Brad Kinkema
- Boys & Girls Club – Lynn Ward and Laurie Wardle
- FAHI – Curtis Millner and Gerald Holman
- City – Wayne Knox, Gary Cody, Kimble Reynolds and Kim Adkins (WPWIB and also on the Y board)
- Faith-based community – Bishop J. C. Richardson, Rev. Tyler Millner and Rev. Thurman Echols (also on the Y board)
- Harvest Foundation – Jeff Mansour, Gladys Hairston and Angela Logan

Facilitator: Kim Adkins

Purposes of Meeting: To convene a discussion on the proposed initiative to build a West End Community Center with entities and/or individuals that may have an interest to learn more about the initiative.

Takeaways:

- West End Community Center officials and supporters want to provide a sense of community on the westside of Martinsville that will not only improve residents' quality of life, but also become a destination for the entire region (hence, the proposal of an Olympic-sized swimming pool that would become a vehicle to attract swimming competitions from a multiple-state region, while building the capacity to cultivate competitive and leisure swimming programs in the region).
- The YMCA and Boys & Girls Club officials recognize the demand for services to help our area's youth-in-need is greater than the capacity they have in place to meet this demand (there is not an enough space at the YMCA facilities and not enough personnel to provide "high touch" when older youth (teenagers) are participating in recreational activities (such as pickup basketball in the gyms); and the Boys & Girls Club has a waiting list of youth who want their services).
- Programs geared to mentor disadvantaged youth, which in Martinsville is predominately African Americans, need a more concerted effort to attract African American adults (preferably African American males) as mentors, teachers and other role model positions (firefighters, police officers, city and school administrators, coaches).
- When an initiative such as the West End Community Center is launched, why is it some in the community question the initiative's inclusiveness? When other initiatives are launched from other parts of the community, this question doesn't seem to arise. A more honest discussion regarding race is needed in our community.

- “To know where you are going, you need to know where you came from,” said FAHI. They are supportive of becoming part of the center.
- Some in the meeting suggested the West End Community Center should start small as other agencies/initiatives have done.
- Harvest Foundation staff stated that the Foundation’s board learned important lessons from the planning, construction and operation of the field sports complex. These lessons are guiding their consideration of potential projects for the Baldwin Block and will influence decisions related to any similar facilities. The most important lesson learned was the need for a self-sustaining facility that would not be a long term burden on the Foundation or the City of Martinsville. Second, there must be clear community support and multiple funding and operational partners to successfully construct and operate such a facility. Finally, regular updates and discussions with community groups are necessary to answer questions and address concerns related to the Baldwin Block project.

All agreed to continue the discussion. Another meeting will be set soon.

The meeting concluded around 1 p.m.

September 14, 2010

The regular meeting of the Council of the City of Martinsville, Virginia, was held on September 14, 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, Linda Conover, Eddie Cassady, Bobby Phillips, and Ruth Easley.

Following the invocation by Council Member Gene Turner and Pledge to the American Flag, the Mayor welcomed everyone to the meeting and recognized Joyce Staples and her class from Longwood visiting the Council meeting.

On a motion by Danny Turner, seconded by Gene Teague, with a 4-0 vote, (Mayor Adkins abstained) Council approved the minutes of the June 22, 2010 meeting. On a motion by Gene Teague, seconded by Kimble Reynolds, with a 5-0 vote, Council approved the minutes of the July 1, July 13, July 27, July 30 and the amended minutes August 9, 2010 meetings. August 9, 2010 minutes were amended by adding the following sentence regarding the Mustangs vote: "Mayor Adkins wanted it noted for the record she voted the motion down because she needed more time to evaluate the information presented. Recognizing there were time constraints, she asked Council to consider calling a special Council meeting prior to its next Council meeting on August 24".

Mayor Adkins presented a proclamation to Beth Hairston Hodge for Domestic Violence Month. The Mayor also presented a proclamation to Nancy Moore for World Habitat Day.

Mayor Adkins gave an overview of September 13, 2010 Council Neighborhood meeting and tour outlining sites visited on the tour and citizen concerns brought to Council's attention at the neighborhood meeting.

Sharon Brooks-Hodge, Tony Jones, and Phyllis Page presented information to Council regarding a proposed Westside Community Center. Points made included: city has no cultural resources on West End; need a place accessible to all for the whole community; need city's endorsement to help them seek funds from other sources; center would be operated by a public authority; asked permission to use city-owned property behind Albert Harris School which was previously a landfill; Jeff Parkhill, an architect from Hughes Associates Architects who did in-kind work for the group, reviewed proposed schematic building plans for the site at Albert Harris as well as the Uptown Baldwin block; this is an opportunity for the city and Harvest Foundation to be inclusive;

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discussion of funding sources possibilities; discussion on representation on Uptown Management Team members which does include FAHI; discussion on high costs for renting out school facilities for events; all options need to be looked at for Baldwin Block as Council has worked very hard on Uptown revitalization; a significant part of decision on Baldwin Block will include public input. On a motion by Kimble Reynolds, seconded by Danny Turner, with a 5-0 vote, Council agreed to endorse the West Side Community Center as a catalyst for meeting the needs for youth and families throughout the community. Council asked that staff come up with an inclusion plan on the process for Baldwin Block to include West Side Community Center group. West Side Community Center representatives will be invited back to the first Council meeting in November for an update on their timeline. Tyler Millner of Axton made remarks regarding Harvest Foundation funding in regard to being inclusive of whole community.

Bobby Phillips, Safety Officer, presented information to Council for their review regarding the updated Emergency Operations Plan. At the September 28 meeting, Council will be asked to adopt the plan by resolution.

Clarence Monday summarized information regarding next steps for evaluation of a natural gas combined cycle power generation facility including use of a Citizen Advisory Committee. Points made included: AMP will bring another electric generation facility to the City for consideration; facility will be natural gas combined cycle and city can either execute a long-term power purchase agreement or pass; data on facility expected within the next month and should have 2-3 months to examine; will be 4 levels of review including: staff, Blue Ridge Power, GDS Associates, and Citizens Advisory Committee; past members of Power Advisory Committee were sent letters to see if interested in serving again; once information arrives from AMP, it will be given simultaneously to staff, Blue Ridge Power, GDS, and the committee with much of the information being business confidential; stressed this an important decision; AMP has and continues to fulfill its commitment to offer projects to protect its customers from volatile power market fluctuations. Council agreed that Council appointments to the Citizens Power Advisory Committee will be made at the September 28 meeting and asked that staff prepare a scope of work for the committee for Council consideration at the September 28 meeting.

Commissioner of Revenue, Ruth Easley, briefed Council on the request to adopt a resolution setting the allocation percentage for personal property tax relief for qualifying vehicles in the City for tax year 2010. On December 13, 2005, Council adopted an

September 14, 2010

ordinance that established a local program of personal property tax relief that requires city council to annually set the relief allocation percentage that is anticipated to fully use the Personal Property Tax Relief Act relief funds provided to the city by the state. The commissioner of the revenue has completed the annual assessment of motor vehicles that have a Martinsville tax situs for tax year 2010. By ordinance, qualifying vehicles assessed at \$1,000, or less, receive 100% relief. Qualifying vehicles with assessed values between \$1,001 and the first \$20,000 receive a calculated annual percentage of relief based on the number of qualifying vehicles and their associated assessments. The commissioner of the revenue estimates that a percentage rate of 58.9% will fully use all state PPTRA funds allocated to the city for Tax Year 2010. 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:

RESOLUTION -SETTING THE ALLOCATION PERCENTAGE FOR PERSONAL PROPERTY TAX RELIEF IN THE CITY OF MARTINSVILLE FOR TAX YEAR 2009

WHEREAS, on December 13, 2005 by Ordinance 2005-8 the Martinsville City Council established a local program of tax relief that serves the best interests of its citizens regarding personal property tax on qualifying use vehicles, pursuant to modifications made by the General Assembly of Virginia to the Personal Property Tax Relief Act of 1998 (PPTRA); and

WHEREAS, the city's relief program requires the city council to adopt an annual percentage of local tax relief for personal use vehicles valued between \$1,001 and the first \$20,000 that will fully exhaust the PPTRA relief funds provided to the city by the Commonwealth of Virginia; and

WHEREAS, the commissioner of the revenue has completed the annual assessment of motor vehicles with Martinsville tax situs for Tax Year 2010; and **WHEREAS**, the commissioner of the revenue estimates that a percentage of relief of 58.9% applied to the first \$20,000 of assessed values for qualifying vehicles valued over \$1,000 will fully use all available state PPTRA relief allocated for tax year 2010.

NOW, THEREFORE BE IT RESOLVED by the Martinsville City Council that 58.9% shall be the percentage of relief to be applied to the first \$20,000 in value of each qualifying vehicle with an assessed value more than \$1,000 pursuant to and in accordance with provisions of Sec. 21-10 of the Martinsville City Code. Adopted this 14th day of September 2010.

On a motion by Danny Turner, seconded by Gene Teague, with a 5-0 vote, Council approved the following consent agenda:

BUDGET ADDITIONS FOR 09/14/10				
ORG	OBJECT	DESCRIPTION	DEBIT	CREDIT
<u>FY11</u>				
<u>GENERAL FUND</u>				
01100908	480411	Miscellaneous - Donations/Skate Park		35,505
01713211	508220	Park Maintenance - Physical Plant Expansion	35,505	
		appropriate donated funds for Skate Park		
01100908	480410	Miscellaneous - Donations/Fire Dept		50
01321102	505500	Fire Dept. - Training	50	
		Appropriate donation		
Total General Fund:			35,555	35,555

Business from the floor: Alexis Lee, 127 Sellers St., asked Council to please consider the West Side Community Center; Ural Harris, 217 Stuart St., pointed out no one from previous Power Committee should be allowed to serve and expressed his disagreement with the Commonwealth Crossing water/sewer agreement; Ladonna Hairston, Rose Lane, commended Council for taking step tonight to assist the West Side Community Center.

September 14, 2010

Comments from City Council: Turner—reported Martensville, Saskatchewan, Canada representatives will be visiting the area and he is trying to get a teleconference with their Council meeting there to invite them here; Reynolds—thanked Westside group for their flexibility and understanding working with Council; Stroud—encouraged citizen participation and noted he had a citizen thank him for Council approving the senior discount on the utility bill; Adkins—thanked Westside group for their leadership.

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 Danny Turner, 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) Discussion or consideration of the investment of public funds where competition or bargaining is involved, where, if made public initially, the financial interest of the governmental unit would be adversely affected as authorized by Subsection 6.

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 Session. On a motion by Kimble Reynolds, seconded by Gene Teague, 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: On a motion by Gene Teague, seconded by Danny Turner, with a 5-0 vote, Council appointed Doug Sharpe, 206 Clearview Drive, to the Transportation Safety Commission for a four year term ending 12/31/13. No other action was taken.

There being no further business, Mayor Adkins adjourned the meeting at 10:25 PM.

Clarence C. Monday
Clerk of Council

Kim E. Adkins
Mayor

**Westside Community Center Meeting
October 28, 2010 • 11 a.m. • WPWIB Office**

Meeting Summary

Attendees:

- Westside Community Center – Tony Jones
- FAHI – Curtis Millner (also Henry County School Board member) and Gerald Holman (also with the faith-based community)
- City – Wayne Knox, Gary Cody, Kimble Reynolds and Kim Adkins (also WPWIB staff and Y board member)
- Martinsville Public Schools – Pam Heath and Kim Barto (also Boys & Girls Club board member)
- Henry County Public Schools – Tony Jackson

Facilitator: Kim Adkins

The meeting is a follow up from the meeting on September 2, 2010, where attendees agreed to continue the discussion on the proposed initiative to build a Westside Community Center, which will increase the capacity to help youth-in-need and create a sense of community on the Westside of Martinsville. The agenda was to:

- Hear an update on the development of the community center.
- Discuss ideas to meet immediate needs (the community shouldn't wait for a center).

Takeaways:

- For the benefit of new attendees, Tony Jones gave a brief background on the initiative. He also reported the Westside Community Center's steering committee has been collaborating with area agencies and employers to plan several community-wide events (Stuff the Bus Program, Nook Day Celebration, Community Fun Night and Heritage Weekend). Highlights are as follows:
 1. Stuff the Buss – Partnering with Walmart and school systems to fill up school buses in M-HC with presents during the holiday season. They are in the process of contacting United Way, Grace Network and Angel Tree to target families in need and of modest means who may benefit from receiving these gifts.
 2. Nook Day Celebration – This would be the second annual celebration in memory of a young man who accidentally killed himself while playing. There will be dancing, gospel singing/music and activities for children of all ages and local speakers giving positive messages throughout the day, encouraging positive behavior from our youth.
 3. Heritage Weekend – This event is in the discussion phase, but the premise is to celebrate our diverse heritage throughout the community.Mr. Jones also reported the steering committee has met with the Harvest Foundation regarding the process to submit a grant application for funding consideration and city officials to determine if Baldwin Park is a viable

option to build a center (portions of the park are on a landfill). Other grant proposals have been submitted to various funding entities in support of an urban garden, health and nutrition program and small business training. The center also was included as a partner in a grant submitted by a coalition of organizations for an HIV initiative through the Virginia Department of Health. More details are forthcoming.

- Tony Jackson said in his experience successful community centers embody (1) family, (2) schools and (3) the church (a three-legged stool reference). He said the faith-based community (churches) has the capacity to convene and centralize activities to reach our youth. Dr. Jackson said we need to create the capacity for our youth to dream. A good example of this is in Richmond where Trinity Church started small and built a community center; and it has grown to include 12 churches. There are now three centers in a centralized area.
- Curtis Millner visited these three centers in Richmond and he said he saw few children in the street. He said he witnessed 300 children in a martial art program at one of these centers.
- Pam Heath acknowledged the need for such a center as the Martinsville school system is very much aware that students need positive activities and support beyond the school. She said part of the school division's mission is outreach to families, and one of the avenues they have used is through activities sponsored through the school in the Albert Harris Elementary neighborhood. "We are supportive of the efforts to establish a Westside Community Center," she said.
- An honest discussion regarding race continued. Kimble Reynolds recommended that we look at what other communities have done. He mentioned (1) visiting Charlottesville where they have open discussions on this topic and researching other areas to see what they have done; (2) hosting a community-wide book discussion on the topic, such as *To Kill a Mockingbird*. We would reassemble to discuss next steps.
- Pam Heath and Dr. Jackson both agreed to meet with Mr. Jones regarding school facilities and programming.
- In future planning, ministers and children need to be at the table in planning.

Next Steps for this group:

- Convening a meeting with ministers.
- Meeting with Trinity church officials to learn their process of building community centers (creating and sustaining a sense of community).
- Researching and visiting Charlottesville to learn their process on having an open discussion on race.

Kim Adkins will be following up with attendees to confirm responsibilities. In the meantime, activities/events by the West Community Center officials will continue as planned as mentioned previously.

The meeting adjourned at 12 p.m.

The regular meeting of the Council of the City of Martinsville, Virginia, was held on November 9, 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, Linda Conover, Robert Ramsey, Ruth Easley and Wayne Knox.

Following the invocation by Council Member Gene Teague and Pledge to the American Flag, the Mayor welcomed everyone to the meeting.

On a motion by Gene Teague, seconded by Danny Turner, with a 5-0 vote, Council approved the minutes of October 12, 2010 and October 15-16, 2010 meetings.

Mayor Adkins presented a proclamation recognizing Starling Avenue Baptist Church's 75th Anniversary. Mayor Adkins presented a proclamation to Green Committee member, Mark Stroud, recognizing Recycle Day 2010.

Brief comments were made by Wayne Knox regarding the proposed zoning ordinance amendment related to electronic game rooms and Mayor Adkins continued the public hearing from the previous Council meeting. Comments: Carolyn Drew of Fifth St. concerned about crimes increasing; Johnny Robertson of Cascade, questioned why NC banned them if the high revenue is expected from these establishments; Naomi Hodge Muse of MHC Voters League asked that Council do away with the internet cafes; Tim Martin of the Planning Commission explained the commission did more investigating and that Va. legislators need to address this and he encouraged a moratorium on all these establishments; Gina Bozack of Colonial Downs stating this is hurting their business here; Tony Jones concerned with so many of the establishments being located in the West End area and encouraged citizens to call the landlords; Mike Elder of Childress Dr. concerned that blacks not being treated fairly; Marty Rainer, an owner of internet sweepstakes facility located in West Side of the City, stated he has a guard at the facility and there is not a lot of difference in lottery and internet sweepstakes; Melvin Smith of 614 E. Church St. has a game room Uptown and concerned about the wording in the ordinance regarding bladed instrument; Leonard Jones of 701 Starling Ave. concerns with this type of establishment as well as pay day lenders; Rev. J. C. Richardson who is a member of the Planning Commission advised that the law allowed these establishments to come in, not the Planning Commission, and the reason they are here is because they weren't regulated and he requests a moratorium be put on them; Tim Martin questioned

if current law allows them in all zones all over the city and the City Attorney responded that the present law allows it except in residential. The City Attorney stated that Council can do away with Special Use Permits and have no more of these establishments and the grandfathered ones would have to go by restrictions; Gloria Hylton of 402 Second St. concerned that they were banned in Henry County and not here; Jean Wilson of 627 Fayette St. stated the distance requirements are not being adhered to; Tony Millner of the NAACP voiced his concerns regarding negative impact; Rick Moore, who runs a location on W. Church St., and lives in Charlotte NC, stated the sweepstakes are pre-determined winnings and he has full security. There being no further comments, the Mayor closed the public hearing.

Council members and the City Attorney then discussed particulars of the proposed ordinance related to electronic game rooms. On a *motion* by Gene Teague, seconded by Kimble Reynolds, with a 5-0 vote, Council agreed to take out the special use permit language and move it into definitions that no electronic game rooms be allowed in any zones. There was Council discussion on hours of operation and it was recommended by Vice Mayor Reynolds to set hours from 10:00am to 7:00pm. On a *motion* by Kimble Reynolds, seconded by Gene Teague, Council approved with a 3-2 vote (Stroud-aye, Teague-aye, Reynolds-aye, Turner-nay, and Adkins-nay) to amend regulation on hours to 10:00 am to 7:00pm. There was Council discussion on number of gaming machines engaged in sweepstakes. Vice Mayor Reynolds made a *motion* that establishments cannot have more than 10 gaming machines simultaneously at any given time. The motion died for lack of a second. The City Attorney advised that the final language of the ordinance will have clarified language regarding restrictions applying to grandfathered facilities. On a *motion* by Gene Teague, seconded by Kimble Reynolds, with the following 4-1 recorded vote: Teague-aye, Adkins-aye, Stroud-aye, Reynolds-aye, Turner-nay, Council voted to adopt on an emergency basis and making the amendments effective today. Council Member Turner challenged whether an emergency exists. On a *motion* by Gene Teague, seconded by Kimble Reynolds, with the following 5-0 recorded vote, Teague-aye, Adkins-aye, Stroud-aye, Reynolds-aye, Turner-aye, Council agreed to adopt the following ordinance related to internet gaming, on second reading, as amended to take effect immediately:

ORDINANCE 2010-Z-4 INTERNET GAMING

BE IT ORDAINED by the Council of the City of Martinsville, Virginia, in regular session held on November 9, 2010 and that Appendix B of the City Code, the Zoning Ordinance, be amended as follows with strikethrough indicating deletion of existing text and italicized boldface type indicating new text, and that pursuant to Chapter 3, Section 2(a) of the City Charter, and by the majority vote of the Council, said amendments shall take effect immediately upon passage:

SECTION II-DEFINITIONS

Amusement arcade - Establishments in which a principal use is the operation of video, mechanical, electronic, and/or coin operated games and/or devices for the amusement of the general public.

Amusement machine - Any video, mechanical, electronic and/or coin operated game and/or device for the amusement of patrons. This definition shall not be construed to include coin operated music players, coin operated mechanical children's rides or coin operated television.

Electronic Game Room (internet sweepstake/internet café) - A business enterprise, whether principal or accessory, where persons utilize electronic machines, including but not limited to computers and gaming terminals to conduct games of odds or chance, including sweepstakes, and where cash, merchandise, or other items of value are deemed or otherwise distributed, whether or not the value of such distribution is determined by electronic games played or by predetermined odds. Electronic Gaming Operations do not include operations associated with the official Virginia Lottery or amusement arcades.

- A. *With respect to each such establishment existing prior to November 9, 2010:*
- (1) Alcohol is prohibited;*
 - (2) Bladed weapons are prohibited;*
 - (3) Establishment cannot open for business prior to 10:00 a.m. and must close by 7:00 p.m.;*
 - (4) Establishment must abide by all building and zoning codes.*
- B. *With respect to any such establishment existing after November 9, 2010:*
- (1) Alcohol is prohibited;*
 - (2) Bladed weapons are prohibited;*

- (3) Establishment cannot open for business prior to 10:00 a.m. and must close by 7:00 p.m.;**
- (4) Establishment must abide by all building and zoning codes.**
- (5) Establishment must be located at least 1000 feet from churches, schools, and playgrounds;**
- (6) Establishment is prohibited in any local historic district without regard to zoning classification.**

Internet café- See Electronic game room

Internet sweepstake- See Electronic game room

SECTION XII: COMMERCIAL DISTRICTS

- A. C-1 Neighborhood Commercial District.**
- B. Uses permitted by right in the C-1 District.**
 - 53. ~~Electronic game rooms.~~ Amusement arcades.**
- E. C-1A Intermediate Commercial District.**
- F. Uses permitted by right in the C-1A District.**
 - 53. ~~Electronic game rooms.~~ Amusement arcades.**
- I. C-2 Central Business District.**
- J. Uses permitted by right in the C-2 District.**
 - 54. ~~Electronic game rooms.~~ Amusement arcades.**
- M. C-3 General Commercial District.**
- N. Uses permitted by right in the C-3 District.**
 - 51. ~~Electronic game rooms.~~ Amusement arcades.**

SECTION XIII: BUSINESS AND MANUFACTURING DISTRICTS

- E. M-1 Light Manufacturing District.**
- F. Uses permitted by right in the M-1 Light Manufacturing District.**
 - 50. ~~Electronic game rooms.~~ Amusement arcades.**

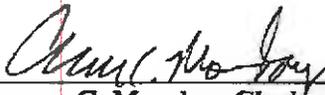
I. M-2 Heavy Manufacturing District.

J. Uses permitted by right in the M-2 Heavy Manufacturing District.

All uses are allowed in the M-2 District with exception of the following:

24. Electronic game rooms.

Attest:



Clarence C. Monday, Clerk of Council

11-9-10
Date Adopted

11-9-10
Date Effective

Sharon Brooks-Hodge, Tony Jones, and Phyllis Page presented an update to Council regarding a proposed Westside Community Center. Information was presented on volunteer recruitment, collaborations, upcoming events, technical assistance, planned projects, development of two community advisory boards, and temporary site now being used at 105 East Main St. The City Manager briefed Council on the Baldwin Park old landfill site and reported about 5 acres used to be the landfill, but it is a 15 acre site. Mr. Jones thanked Council for working with the group and reported they will continue their fundraising efforts.

Business from the floor: Leonard Jones commended Council on a good resolution. Jessie Ward, 178 Ward Road, voiced her concerns with the comments made by a member of Council that she felt were unacceptable. Sharon Hodge of 203 Greyson St. voiced her concerns about having to deal with the city's zoning ordinances regarding 201 Greyson St. and she questioned as to when Council was going to enforce the zoning ordinance on that property. The Mayor responded that the business there is in the process of re-locating.

Clarence Monday made brief comments regarding the approval on second reading of the preliminary ordinance making initial findings regarding issuance of bonds for the landfill-methane project noting that this ordinance still does not commit the City to the

issuance of such bonds. On a motion by Gene Teague, seconded by Mark Stroud, with the following 5-0 recorded vote: Adkins, aye; Reynolds, aye; Teague, aye; Stroud, aye; and Turner, aye, Council approved the following ordinance on second reading:

CITY OF MARTINSVILLE, VIRGINIA

AN ORDINANCE RECITING THE EXPEDIENCY OF THE ISSUANCE OF UP TO \$1,950,000 PRINCIPAL AMOUNT OF GENERAL OBLIGATION BONDS OF THE CITY OF MARTINSVILLE, VIRGINIA, AND SETTING FORTH THE PURPOSE, IN GENERAL TERMS, FOR WHICH THE BONDS ARE TO BE ISSUED, THE MAXIMUM AMOUNT OF THE BONDS TO BE ISSUED AND THE MAXIMUM LENGTH OF TIME SUCH BONDS WILL BE OUTSTANDING

Adopted on November 9, 2010 (second reading)

Be it Ordained by the Council of the City of Martinsville, Virginia:

Section 1 - Findings and Determinations

The City Council ("City Council") of the City of Martinsville, Virginia (the "City") proposes to issue bonds for the purpose of assisting in the acquisition, construction, expansion, renovation and equipping of City of Martinsville public works facilities, including landfill improvements (including facilities for electricity generation from landfill gas) and wastewater treatment plant improvements (including an automatic bar screen), all for municipal purposes (together, the "Project") and hereby finds and determines that: (i) the City is in need of funds to be used by the City for such construction and equipment needs brought to the attention of the City Council by the Martinsville City Manager, specifically for the Project, for costs of issuance of the Bonds (defined below) and for payment of interest on the Bonds; (ii) the obtaining of such funds will be for municipal purposes of the City, for the welfare of citizens of the City for purposes which will serve the City and its citizens pursuant to the authority of the City to provide funds for and otherwise support the City's public works solid waste disposal and wastewater treatment services; (iii) the most effective, efficient and expedient manner in which to provide such funds to the City is through the issuance of general obligation bonds in an original principal amount not to exceed \$1,950,000 to be issued by the City as further described herein (the "Bonds") to be used for the acquisition, construction and equipping of the Project and for certain costs of issuance of the Bonds; (iv) the issuance of the Bonds is within the power of the City to contract debts, borrow money and make and issue evidence of indebtedness; and, (iv) the issuance of the Bonds is in the best interests of the City and its citizens.

Section 2 - Description of the Bonds

The City Council finds that it is expedient for the City to borrow money and issue the Bonds for the Project in a maximum amount not to exceed ONE MILLION NINE HUNDRED FIFTY THOUSAND DOLLARS (\$1,950,000). The maximum length of time that the Bonds will be outstanding is eleven years from the date of issuance of the Bonds. The form and details of the Bonds which are proposed to be issued will be more specifically set forth in a City Ordinance to be entitled "AN ORDINANCE AUTHORIZING THE ISSUANCE OF UP TO \$1,950,000 MAXIMUM PRINCIPAL AMOUNT OF GENERAL OBLIGATION BONDS OF THE CITY OF MARTINSVILLE, VIRGINIA AND PROVIDING FOR THE FORM, DETAILS AND PAYMENT THEREOF, which will be introduced before the Council and considered for passage following a public hearing on the issuance of the Bonds, as required by law.

Section 3 - Further Actions Authorized

The City Manager, Clerk of the Council, City Treasurer, City Attorney, Sands Anderson PC as bond counsel, Davenport & Company LLC as financial advisor to the City and all other officers, employees and agents of the City are hereby authorized and directed to take any and all such further action as shall be deemed necessary or desirable to facilitate consideration of the issuance of the Bonds. All actions of the City Manager, Clerk of the Council, City Treasurer, City Attorney, bond counsel, the City's financial advisor and all other officers, employees and agents of the City in furtherance of the issuance of the Bonds and the financing of the Project are hereby approved and ratified.

Section 4 - Invalidity of Sections

If any section, paragraph, clause or provision of this Ordinance shall be held invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining portions of this Ordinance.

Section 5 - Headings of Sections

The headings of the sections of this Ordinance shall be solely for convenience of reference and shall not affect the meaning, construction, interpretation or effect of such sections of this Ordinance.

Section 6 - Effective Date and Filing of Ordinance

Council hereby declares in the public interest that this Ordinance shall become effective immediately upon its passage. A copy of this Ordinance, certified by the Clerk of the Council, shall be filed with the Clerk of the Circuit Court of the City of Martinsville, Virginia.

City Manager, Clarence Monday, briefed Council on the proposed ordinance for the construction and implementation of Phase II of the Landfill-Methane Project. This Ordinance authorizes the issuance of up to \$1,950,000 of General Obligation Bonds and is a determination by the City Council that: (1)The City is in need of the funds for generation of electricity from landfill gas and a wastewater treatment plant improvement project. (2)The project is for municipal purposes to serve the City and its citizens. (3)The most effective, efficient, and expedient manner in which to provide such funds is by the issuance of General Obligation Bonds, not to exceed a principal amount of \$1,950,000. (4)Issuance of the bonds is within the power of the City to incur such indebtedness. (5)The maximum length of time the Bonds will be outstanding is eleven years, from the date of issuance, and the Council determines the Project's useful life

exceeds eleven years. Adoption of this Ordinance requires a second reading and is scheduled for the November 23 Council meeting. Request for proposals (RFPs) have been issued for bank financing and necessary equipment. Four financial institutions responded to the financing RFP. These proposals will be discussed with the Council at the meeting, and the selected financial institution will be identified within the Ordinance upon approval. Nine proposals were received on Monday, Nov. 1, for the landfill gas/electric project. An evaluation committee has already been convened and has started examining the proposals, comparing proposals to the scope of work required of the project, and thoroughly evaluating the proposals based on cost and other factors deemed appropriate in ensuring the best value to the City. In closed session, staff will offer more specific information that the Council needs to know in order to make an informed decision as to the project's cost-benefit. Discussion to this detail in public, at this point, will adversely affect the City's negotiating position. At Council's November 23 meeting, staff will make a more formal public presentation including total project cost, fiscal benefit to the City, and other relevant information. A Public Hearing will also be conducted prior to adoption of this Ordinance on second reading. Paul Jacobson and David Boyd briefed council on bank rates and gave details explaining the bank proposals and reported the recommendation is Carter Bank. On a *motion* by Gene Teague, seconded by Kimble Reynolds, with the following recorded 5-0 vote: Teague-aye, Adkins-aye, Stroud-aye, Reynolds-aye, Turner-aye, Council approved the following ordinance, on first reading, with Carter Bank being the chosen bank:

CITY OF MARTINSVILLE, VIRGINIA
AN ORDINANCE AUTHORIZING THE ISSUANCE OF UP TO \$1,950,000 MAXIMUM PRINCIPAL AMOUNT OF GENERAL OBLIGATION BONDS OF THE CITY OF MARTINSVILLE, VIRGINIA AND PROVIDING FOR THE FORM, DETAILS AND PAYMENT THEREOF
Adopted on November 9, 2010 (first reading)

Be it Ordained by the Council of the City of Martinsville, Virginia:

Section 1 Definitions

Unless the context shall clearly indicate some other meaning, the following words and terms shall for all purposes of the Ordinance and of any certificate, resolution or other instrument amendatory thereof or supplemental thereto for all purposes of any opinion or instrument or other documents therein or herein mentioned, have the following meanings:

"Act" shall mean the Public Finance Act, Chapter 26, Title 15.2 of the Code of Virginia of 1950, as amended.

"Bank" shall mean _____ Bank, _____.

"Bonds" shall mean the City's General Obligation Bonds, Series 2010, in the aggregate principal amount of up to \$1,950,000, authorized to be issued hereunder.

"Bondholder" or "Bondholders" shall mean the registered holder or holders of the Bonds.

"Bond Counsel" shall mean Sands Anderson PC or another attorney or firm of attorneys nationally recognized on the subject of municipal bonds selected by the City.

"Bond Fund" shall mean the Bond Fund established by Section 6.

"Bond Maturity Date" shall mean _____, 20__.

"Bond Payment Date" shall mean the ___ day of each _____ and _____, beginning _____, 20__, up to and including the Bond Maturity Date.

"Bond Proceeds Fund" shall mean the Bond Proceeds Fund established by Section 4.

"Business Day" shall mean any Monday, Tuesday, Wednesday, Thursday or Friday on which commercial banks generally are open for business in the Commonwealth of Virginia.

"City" shall mean the City of Martinsville, Virginia.

"City Charter" shall mean the City Charter of the City of Martinsville, Virginia, as amended.

"Clerk" shall mean the Clerk of the Council or the Deputy Clerk of the Council.

"Closing Date" shall mean the date on which the Bonds are issued and delivered to the Bondholder.

"Code" shall mean the Internal Revenue Code of 1986, as amended, and applicable regulations, procedures and rulings thereunder.

"Commonwealth" shall mean the Commonwealth of Virginia.

"Council" shall mean the City Council of the City of Martinsville.

"Interest Account" shall mean the Interest Account in the Bond Fund established by Section 6.

"Mayor" shall mean the Mayor or Vice Mayor of the City.

"Outstanding" when used in reference to the Bonds shall mean as of a particular date, the Bonds authenticated and delivered under this Ordinance

except:

- (i) if a Bond is canceled by the City at or before such date;
- (ii) a Bond for the redemption or purchase of which cash or noncallable direct obligations of the United States of America, equal to the redemption or purchase price thereof to the redemption or purchase date, shall have been deposited with the Paying Agent, for which notice of redemption or purchase shall have been given in accordance with the Ordinance;
- (iii) a Bond in lieu of, or in substitution for which, another Bond shall have been authenticated and delivered pursuant to this Ordinance; and
- (iv) if a Bond is deemed paid under the provisions of Section 9, except that such Bond shall be considered Outstanding until the maturity or redemption date thereof only for the purposes of actually being paid.

"Paying Agent" shall mean the City Treasurer acting as Paying Agent for the Bonds hereunder or the successors or assigns serving as such hereunder.

"Principal Account" shall mean the Principal Account in the Bond Fund established by Section 6.

"Registrar" shall mean the Paying Agent, or the successors or assigns serving as such hereunder.

Section 2 Findings and Determinations

The Council hereby finds and determines that (i) the City is in need of funds to be used for the purposes of financing the acquisition, construction, expansion, renovation and equipping of City of Martinsville municipal facilities, specifically landfill improvements (including facilities for electricity generation from landfill gas) and wastewater treatment plant improvements (including an automatic bar screen), all for municipal purposes (together, the "Project") including payment of costs of issuance of the Bonds and interest on the Bonds; (ii) the obtaining of such funds will be for municipal purposes of the City, for the welfare of citizens of the City for purposes which will serve the City and its citizens pursuant to the authority of the City to provide funds for and otherwise support the activities of the City and the City's municipal purposes; (iii) the most effective, efficient and expedient manner in which to provide such funds to the City is through the issuance of general obligation Bonds, Series 2010, in an aggregate original principal amount not to exceed \$1,950,000 to be issued by the City as further described herein (the "Bonds") to be sold to the Bank, which has offered to purchase the same on certain terms and conditions pursuant to the Bank's proposal and the Financing Agreement; (iv) the issuance of the Bonds is within the power of the City to contract debts, borrow money and make and issue evidence of indebtedness; and, (v) the issuance of the Bonds is in the best interests of the City and its citizens. The maximum length of time that the Bonds will be outstanding is eleven years from the date of issuance of the Bonds. The Council further hereby finds and determines that the average probable useful life of the Project, and each portion thereof, financed by the Bonds exceeds eleven years and that the Bonds are payable and shall mature within the average probable useful life of that portion of the Project.

Section 3 Authorization, Form and Details of the Bonds

(a) There is hereby authorized to be issued general obligation bonds of the City in the aggregate principal amount of up to \$1,950,000 for municipal purposes as described in Section 2 above. The Bonds authorized herein shall each be designated "General Obligation Bond, Series 2010." The Bonds shall be issuable in the principal amount of \$ _____ as a fully registered Bond, without coupons, shall be dated the Closing Date, shall be numbered R-1, shall bear interest payable on the Bond Payment Dates at a rate of ____% per annum. The Bonds shall mature on the Bond Maturity Dates. Commencing on _____, 2010, and continuing on each _____ and _____ thereafter, interest on the outstanding principal amount of the Bonds shall be due and payable as set forth above, and commencing on _____, 20____, and continuing on each _____ thereafter, principal amounts of the Bonds shall be due in accordance with the Bank's written proposal to purchase the Bonds until the Bond Maturity Date. The Bonds are subject to redemption prior to maturity at the option of the Council at any time, in whole or in part, at a redemption price equal to 100% of the principal amount of the Bonds to be redeemed, plus interest accrued to the redemption date, and if any Bonds are issued as Build America Bonds (as defined below) such Bonds shall be subject to optional redemption in the event the federal government terminates or modifies the Build America Bond direct payment program and discontinues or reduces interest subsidy payments as described below.

Any of the Bonds may bear interest at a taxable rate and may be issued as an interest-subsidy Build America Bond ("Build America Bond"), provided for in the American Recovery and Reinvestment Act of 2009 (the "Stimulus Act"), which provides for the issuer of a Build America Bond to receive subsidy payments directly from the United States Treasury equal to 35% of the interest paid on the Build America Bond. The Council may designate any Bond as a "Build America Bond" as provided for in the Stimulus Act and irrevocably elect (a) to have Section 54AA of the Code apply to the Bond so that the Bond is treated as a Build America Bond and (b) to receive refundable credit subsidy payments directly from the United States Treasury equal to 35% of the interest paid on the Bond pursuant to §54AA(g) of the Code. The City Manager or other officer of the City executing Internal Revenue Service Forms 8038-CP in relation to such Bond is authorized to bind the City in relation to the execution of such forms, to request the Internal Revenue Service to send such refundable credit subsidy payments directly to the City and to consent to the disclosure of return information necessary to process the refundable credit subsidy payments City contact persons designated by that officer.

The Bonds are hereby authorized to be issued under the City Charter and the Act. The Bonds shall bear interest from the date on which they are authenticated. Interest on the Bonds shall be computed on the basis of 30-day months and a 360-day year.

Principal of, and interest on, the Bonds shall be payable in lawful money of the United States of America. Principal of and interest on the Bonds shall be payable by check or draft mailed to the registered owner thereof at its address.

The Bonds shall be printed, lithographed or typewritten and shall be substantially in the form herein below set forth, with such appropriate variations, omissions and insertions as are permitted or required by this Ordinance, including such variations, insertions and omissions as shall be necessary to issue the Bonds under a system of book-entry for recording the ownership and transfer of ownership of rights to receive payments of principal of and interest on the Bonds and may have endorsed thereon such legends or text as may be necessary or appropriate to conform to any applicable rules and regulations of any governmental authority or any usage or requirement of law with respect thereto.

If any principal of, or interest on, the Bonds is not paid when due (whether at maturity, by acceleration or call for redemption, or otherwise), then, to the extent permitted by law, the overdue installments of principal shall bear interest until paid at the same rate or rates as set forth in the Bonds.

The Bonds shall be signed by the facsimile or manual signature of the Mayor. The facsimile of the City's seal shall be printed thereon or manually impressed thereon and attested by the facsimile or manual signature of the Clerk. In case any officer whose signature or facsimile of whose signature shall appear on a Bond shall cease to be such officer before delivery of the Bond, such signature or facsimile shall nevertheless be valid and sufficient for all purposes, the same as if he remained in office until such delivery. The Bonds may bear the facsimile signature of or may be signed by such persons as at the actual time of the execution thereof shall be the proper officers to sign the Bonds although on the date of delivery of the Bonds such persons may not have been such officers.

The Bonds shall bear a certificate of authentication, in the form set forth below, duly executed by the Registrar. The Registrar shall authenticate the Bonds with the signature of an authorized officer of the Registrar. Only authenticated Bonds shall be entitled to any right or benefit under this Ordinance, and such certificate on the Bonds issued hereunder shall be conclusive evidence that the Bonds have been duly issued and is secured by the provisions hereof.

The Paying Agent shall act as Registrar and shall maintain Registration Books for the registration and the registration of transfer of the Bonds. The City Treasurer is hereby designated and authorized to act as Paying Agent and Registrar hereunder. The transfer of the Bonds may be registered only on the books kept for the registration and registration of transfer of the Bonds upon surrender thereof to the Registrar together with an assignment duly executed by the registered Bondholder in person or by his duly authorized attorney or legal representative in such form as shall be satisfactory to the Registrar. Upon any such

transfer, the City shall execute and the Registrar shall authenticate and deliver, in exchange of the Bonds, a new registered Bond registered in the name of the transferee of the same series, maturity and interest rate as the Bond so exchanged in any denomination or denominations authorized by this Ordinance.

The Registrar shall not be required to make any such registration or registration of transfer during the thirty (30) days immediately preceding any Bond Payment Date or a redemption date.

Prior to due presentment for registration of transfer for the Bonds, the Registrar shall treat the registered Bondholders as the person or persons exclusively entitled to payment of principal of, premium, if any, and interest on, the Bonds and the exercise of all other rights and powers of the Bondholder.

If a Bond has been mutilated, lost or destroyed, the City shall execute and the Registrar shall authenticate and deliver a new Bond of like date and tenor in exchange or substitution for, and upon cancellation of, such mutilated Bond or in lieu of and in substitution for such lost or destroyed Bond; provided, however, that the City and the Registrar shall execute, authenticate and deliver such Bond only if the Bondholder has paid the reasonable expenses and charges of the City and the Registrar in connection therewith and, in the case of a lost or destroyed Bond, has furnished to the City and the Registrar (a) evidence satisfactory to them that such Bond was lost or destroyed and the Bondholder was the Owner thereof and (b) indemnity satisfactory to them. If the Bond has matured, instead of issuing a new Bond, the Registrar may pay the same without surrender thereof upon receipt of the aforesaid evidence and indemnity.

If a Bond has been paid (whether at maturity, by acceleration or otherwise) or delivered to the Paying Agent for cancellation, the Bond shall not be reissued and the Registrar shall, unless otherwise directed by the City, cremate, shred or otherwise dispose of the Bond. The Registrar shall deliver to the City a certificate of any such cremation, shredding or other disposition of the Bond.

CUSIP identification numbers may be printed on the Bonds, but such numbers shall not be deemed to be a part of the Bonds or a part of the contract evidenced thereby and no liability shall hereafter attach to the City or any of the officers or agents thereof because or on account of said CUSIP numbers.

The Bonds, the Certificate of Authentication and the provision for the assignment to be inserted in the Bonds shall be substantially in the following form, to-wit:

"FORM OF BOND"

No. R-1

**UNITED STATES OF AMERICA COMMONWEALTH OF VIRGINIA, CITY OF MARTINSVILLE
GENERAL OBLIGATION BOND, SERIES 2010**

Dated: _____, 2010 Registered Holder:

Maturity Date: July 15, 20__

BANK

Principal Sum: \$ _____

Interest Rate: _____%

KNOW ALL MEN BY THESE PRESENTS, that the City of Martinsville, Virginia (hereinafter sometimes referred to as the "City"), a City of the Commonwealth of Virginia, for value received hereby promises to pay to the registered holder (named above), or assigns, subject to prepayment or prior redemption as hereinafter provided, the principal amount of _____ (\$ _____), in annual installments in the amounts set forth on Schedule A attached hereto payable on _____ and annually on _____ thereafter to and including _____, 20__, together with interest from the date of this bond on the unpaid principal balance, payable semi-annually on _____ and _____ of each year, commencing on _____, at the rate of - _____% per annum, as set forth in Schedule A attached hereto.

Both principal of and interest on this Bond are payable in any coin or currency of the United States of America which at the time of payment is legal tender for public and private debts.

It is hereby certified, recited and declared that all acts, conditions and things required to have happened, to exist and to have been performed precedent to and in the issuance of this Bond do exist, have happened and have been performed in regular and due time, form and manner as required by law; that this Bond does not exceed any constitutional, statutory or charter limitation of indebtedness; and that provision has been made for the payment of the principal of, and interest on, this Bond as provided in the Ordinance.

No registration, transfer or exchange of this Bond shall be permitted within thirty (30) days of the Maturity Date or the date of prepayment or redemption of this Bond.

This Bond is in the aggregate principal amount of \$ _____, and is issued under and pursuant to and in compliance with the Constitution and laws of the Commonwealth of Virginia, including the City Charter of the City of Martinsville, Virginia and Chapter 26, Title 15.2 of the Code of Virginia of 1950, as amended, the same being the Public Finance Act, and the Ordinances duly adopted under said Chapter by the City Council on _____, 2010 and _____, 2010 (together, the "Ordinance") and the Financing Agreement between the City and _____ Bank dated as of _____, 2010 (the "Financing Agreement").

This Bond shall bear interest from the date on which this Bond is authenticated. Interest on this Bond shall be computed on the basis of 30-day months and a 360-day year.

This Bond is transferable only upon the registration books kept at the office of the Registrar by the registered holder hereof, or by his duly authorized attorney, upon surrender of this Bond (together with a written instrument of transfer, satisfactory in form to the Registrar, duly executed by the registered holder or his duly authorized attorney, which may be the form endorsed hereon) and subject to the limitations and upon payment of the charges, if any, as provided in the Ordinance, and thereupon as provided in the Ordinance a new Bond, in the aggregate principal amount and of the same series, interest rate and maturity as the Bond surrendered, shall be issued in exchange therefor. The City and the Registrar shall deem and treat the person in whose name this Bond is registered as the absolute owner hereof for the purpose of receiving payment of, or on account of, the principal hereof and interest due hereon and for all other purposes whatsoever.

The Bond is subject to prepayment or redemption prior to maturity at the option of the City Council at any time, in whole or in part, at a redemption price equal to 100% of the principal amount of Bond to be redeemed, plus interest accrued to the redemption date. The records of the Holder hereof shall be prima facie evidence of the amount of principal and interest owed hereunder.

THIS BOND IS A GENERAL OBLIGATION OF THE CITY FOR THE PAYMENT OF WHICH THE CITY'S FULL FAITH AND CREDIT ARE IRREVOCABLY PLEDGED. THE CITY COUNCIL IS AUTHORIZED AND REQUIRED TO LEVY AND COLLECT ANNUALLY AT THE SAME TIME AND IN THE SAME MANNER AS OTHER TAXES OF THE CITY ARE ASSESSED, LEVIED AND COLLECTED, A TAX UPON ALL TAXABLE PROPERTY WITHIN THE CITY, OVER AND ABOVE ALL OTHER TAXES AUTHORIZED OR LIMITED BY LAW AND WITHOUT LIMITATION AS TO RATE OR AMOUNT, SUFFICIENT TO PAY WHEN DUE THE PRINCIPAL OF AND PREMIUM, IF ANY, AND INTEREST ON THE BOND, TO THE EXTENT OTHER FUNDS OF THE CITY ARE NOT LAWFULLY AVAILABLE AND APPROPRIATED FOR SUCH PURPOSE.

Reference is hereby made to the Ordinance and to all of the provisions thereof to which any holder of this Bond by his acceptance hereof hereby assents, for definitions of terms; the description of and nature and extent of the security for the Bond; the conditions upon which the Ordinance may be amended or supplemented without the consent of the holder of this Bond and upon which it may be amended only with the consent of the holder of the Bond affected thereby; the rights and remedies of the holder hereof with respect hereto; the rights, duties and obligations of the City; the provisions discharging the Ordinance as to this Bond and for the other terms and provisions of the Ordinance.

This Bond shall not be valid or obligatory for any purpose unless the certificate of authentication hereon has been duly executed by the Registrar and the date of authentication inserted hereon.

IN WITNESS WHEREOF, the City of Martinsville, Virginia, by its City Council has caused this Bond to be signed by the Mayor and attested by the Clerk of said Council, by their manual or facsimile signatures, and its seal to be impressed or imprinted hereon, and this Bond to be dated as set forth above.

(SEAL)

Clerk of the City Council

Mayor of the City of Martinsville

CERTIFICATE OF AUTHENTICATION

This Bond is the Bond described in the within-mentioned Ordinance.

REGISTRAR - CITY OF MARTINSVILLE TREASURER

By: _____
Martinsville City Treasurer

DATE OF AUTHENTICATION:

[FORM OF ASSIGNMENT]

For value received, the undersigned hereby sells, assigns, and transfers unto
Please insert social security number or other tax identification number of assignee: [_____]
Name and address of assignee, including zip code: _____

_____ the within-mentioned Bond and hereby irrevocably constitutes and appoints _____ attorney-in-fact, to transfer the same on the registration books thereof maintained in the office of the within-mentioned Registrar with the full power of substitution in the premises.

DATED: _____

BOND: The signature to this assignment must correspond with the name of the registered holder that is written on the face of the within Bond in every particular, without alteration or enlargement or any change whatsoever.

Signature Guaranteed

NOTICE: Signature(s) must be guaranteed by a member firm of the New York Stock Exchange or a commercial bank or trust company.

Section 4 Creation of Proceeds Fund

There is hereby established a trust fund to be designated the "Bond Proceeds Fund, City of Martinsville General Obligation Bond, Series 2010."

Section 5 Payments into Proceeds Fund

(a) All funds received from the proceeds of the sale of the Bonds after payment of certain costs of issuance of the Bonds shall be deposited into the Proceeds Fund to pay costs of the Project in accordance with the Financing Agreement and applicable law.

Section 6 Creation of Bond Fund

There is hereby established a trust fund to be designated the "Bond Fund, City of Martinsville General Obligation Bonds, Series 2010" in which Bond Fund there is hereby established an Interest Account and a Principal Account. As and when received, monies shall be deposited into the Bond Fund, and payments from the Bond Fund shall be made as follows:

- (i) to the Interest Account in the Bond Fund, subject to credit, if any, for proceeds of the Bonds deposited therein, on the Business Day prior to each Bond Payment Date, an amount equal to the amount of interest that will become due on the Bonds on the next succeeding Bond Payment Date; and
- (ii) to the Principal Account in the Bond Fund on the Business Day prior to each Bond Payment Date an amount equal to the principal that is required to be deposited into the Principal Account in order to pay the principal due on the Bond on the next succeeding Bond Payment Date.

Section 7 Accounts Within Funds

Any fund or account created by this Ordinance may contain such accounts or subaccounts as may be necessary for the orderly administration thereof.

Section 8 Investment of Funds

- (a) The City shall separately invest and reinvest any monies held in the funds established by this Ordinance in investments which would mature in amounts and at times so that the principal of, premium, if any, and interest on, the Bonds can be paid when due at maturity thereof.
- (b) Permissible investments include investments in securities that are legal investments under Chapter 45 of Title 2.2 of the Code of Virginia of 1950, as amended (Section 2.2-4500 et seq.) and which are otherwise in compliance with Section 15.2-2619 of the Act.

Section 9 Defeasance

The obligations of the City under this Ordinance and covenants of the City provided for herein shall be fully discharged and satisfied as to the Bonds and the Bonds shall no longer be deemed to be Outstanding thereunder when the Bonds shall have been purchased by the City and canceled or destroyed, when the payment of principal of the Bonds, plus interest on such principal to the due date thereof either (a) shall have been made or (b) shall have been provided for by irrevocably depositing with a financial institution acting as escrow agent selected by the Paying Agent for the Bonds, money sufficient to make such payment, or direct and general obligations of, or obligations the principal of, and interest on, which are guaranteed by, the United States of America, maturing in such amounts and at such times as will insure the availability of sufficient monies to make such payment.

Section 10 General Obligation

The Council, in accordance with Section 7 of Chapter 11 of the City Charter and Section 15.2-2624 of the Act, is hereafter authorized and required to levy and collect annually, at the same time and in the same manner as other taxes of the City are assessed, levied and collected, a tax upon all taxable property within the City, over and above all other taxes, authorized or limited by law and without limitation as to rate or amount, sufficient to pay when due the principal of and premium, if any and interest on the Bonds, to the extent other funds of the City are not lawfully available and appropriated for such purpose.

Section 11 Event of Default

Each of the following shall constitute an event of default hereunder as to any particular Bond:

- (a) Failure to pay the principal of the Bond when due;
- (b) Failure to pay interest on the Bond when due;
- (c) Failure of the City to perform any other covenant or agreement contained in this

Ordinance, which failure shall have continued for 60 days after the notice thereof from the Bondholder; provided, however, that if any such failure shall be such that it cannot be cured or corrected within a 60-day period but is, in fact, susceptible of cure or correction, it shall not constitute an Event of Default if curative or corrective action is instituted within said period and diligently pursued until the failure of performance is cured or corrected;

- (d) The instituting of any proceeding with the consent of the City for the purpose of effecting composition between the City and its creditors or for the purpose of reducing the claims of creditors pursuant to any federal or state statute; or
- (e) If the City for any reason shall be rendered incapable of fulfilling its obligations under this Ordinance as to the Bond.

Upon the occurrence of an Event of Default, the Bondholder may declare the principal of the Outstanding Bond and all accrued and unpaid interest thereon to be due and payable immediately. This provision is subject to the condition that if, at any time after such declaration and before any such further action has been taken, all arrears of interest on, and principal of, the Bond shall have been paid and all other Events of Default, if any, which shall have occurred have been remedied, then the Bondholder may waive such default and annul such declaration.

In case an Event of Default shall occur, subject to the provisions referred to in the preceding paragraph, the Bondholder shall have the right to protect the rights vested in such Bondholder by the Ordinance by such appropriate judicial proceeding as such Bondholder shall determine either by suit in equity or by action at law.

Section 12 Enforcement by Bondholders

The Bondholders may by mandamus or other appropriate proceeding at law or in equity in any court of competent jurisdiction, enforce and compel performance of this Ordinance and every provision and covenant thereof concerning the Bonds, including without limiting the generality of the foregoing, the enforcement of the performance of all obligations and duties and requirements to be done or performed by the City by the Ordinance or by the applicable laws of the Commonwealth as to the Bonds.

Section 13 Modification of Bond Ordinance

The City may without the consent of the Bondholder make any modification or amendment of this Ordinance required to cure any ambiguity or error herein contained or to make any amendments hereto or to grant to the Bondholder additional rights. The Bondholder shall have the power to authorize any modifications to this Ordinance proposed by the City other than as permitted above; provided that without the consent of the Bondholder affected thereby, no modifications shall be made which will (a) extend the time of payment of principal of, or interest on, a Bond or reduce the principal amount thereof or the rate of interest thereon; (b) give to a Bond any preference over any other bond secured equally and ratably therewith; (c) deprive the Bondholder of the security afforded by this Ordinance, or (d) reduce the percentage in principal amount of a Bond required to authorize any modification to the Ordinance.

Section 14 Application of Proceeds; Sale of Bonds

Proceeds derived from the sale of the Bonds together with other monies available therefor shall be used to pay the costs of issuance and other expenses of the City relating to the issuance of the Bonds and thereafter any remaining funds to be deposited in the Bond Proceeds Fund shall be used for the purposes specified in Section 2 of this Ordinance and otherwise used in accordance with the provisions of this Ordinance or an opinion of Bond Counsel. Interest accruing on the principal of the Proceeds Fund and any profit realized from it may be transferred to the Bond Fund to be applied to the payment of interest on the Bonds during the acquisition, construction, improvement and equipping of the Project.

Section 15 No Arbitrage Covenant and Covenants and Designations as to the Code

The City hereby covenants that it will not use or invest, or permit the use or investment of any proceeds of the Bonds in a manner that would (a) cause the Bonds to be subjected to treatment under Section 148 of the Code and the regulations adopted thereunder as an "arbitrage bond," and to that end the City shall comply with applicable regulations adopted under said Section 148 of the Code or (b) if any Bonds are Build America Bonds, adversely affect the status of such Bonds as Build America Bonds under existing law.

The City covenants to comply with the Code provisions requiring that any issuance of "governmental bonds," as defined therein, be subject to certain requirements as to rebate and timing and type of payments to be paid for from the proceeds of such bonds, as well as other additional requirements. In order to assure compliance with such Code provisions, the City will enter into a Compliance Certificate, to comply with such requirements and covenants therein that it will not breach the terms thereof.

The Council, on behalf of the City, if any Bonds are not Build America Bonds, hereby designates such Bonds as "qualified tax-exempt obligations" as defined in Section 265(b)(3)(B) of the Code and certifies by this Ordinance that it does not reasonably anticipate the issuance by it or its subordinate entities of more than \$30,000,000 in "qualified tax-exempt obligations" during the calendar year 2010 and will not designate, or permit the designation by any of its subordinate entities of, any of its notes or bonds (or those of its subordinate entities) during the calendar year 2010 which would cause the \$30,000,000 limitation of Section 265(b)(3)(D) of the Code to be violated.

Section 16 Further Actions Authorized; Approval of Documents

The Mayor and Clerk of the Council and the City Manager, City Treasurer, City Attorney, Bond Counsel, the City's financial advisor and all other officers, employees and agents of the City are hereby authorized and directed to take any and all such further action and to execute and deliver such other documents, certificates, undertakings, agreements or other instruments as shall be deemed necessary or desirable in order to effectuate delivery of, and payment for the Bonds, all in accordance with the Ordinance, including but not limited to the execution and delivery of forms 8038-G, 8038-B and 8038-CP, as appropriate and as determined necessary by bond counsel, and Non-Arbitrage Certificate and Tax Covenants and the making of any elections such officers, employees and agents deem desirable regarding any provision of the Code or regulations promulgated thereunder. The City Manager is hereby authorized to make any additional designations and irrevocable elections for the issuance of the Bonds, including issuance of any Bonds as Build America Bonds, if advisable. The Financing Agreement shall be in substantially the form submitted to this meeting, which is hereby approved, with such completions, omissions, insertions, changes and revisions as may be approved by the officer executing them in his sole and absolute discretion, his execution thereof to constitute conclusive evidence of his approval of any such completions, omissions, insertions, changes and revisions.

Section 17 Invalidity of Sections

If any section, paragraph, clause or provision of this Ordinance shall be held invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining portions of this Ordinance.

Section 18 Headings of Sections, Table of Contents

The headings of the sections of this Ordinance and the Table of Contents appended hereto or to copies hereof shall be solely for convenience of reference and shall not affect the meaning, construction, interpretation or effect of such sections of this Ordinance.

Section 19 Effectiveness and Filing of Ordinance

The Council hereby declares that this Ordinance shall become effective upon its passage as provided for in the Act and pursuant to Section 3 of Chapter 3 of the City Charter. A certified copy of this Ordinance shall be filed by the Clerk with the Clerk of the Circuit Court of the City of Martinsville, Virginia. The filing of this Ordinance with the Clerk of the Circuit Court of the City of Martinsville, Virginia shall be deemed to be the filing of an initial resolution or ordinance with such Court for all purposes of the Act.

Mayor Adkins gave an overview of November 8, 2010 Council Neighborhood meeting outlining citizen concerns that were brought to Council's attention at the neighborhood meeting. Leon Towarnicki gave an update on the pavement issues on Askin St. Council asked that Leon send a letter to VDOT to get some of the street maintenance funds released.

Budget Analyst, Linda Conover, presented the monthly finance report which was approved with a 5-0 vote on a motion by Kimble Reynolds, seconded by Gene Teague.

FY10 – PRELIMINARY AUDIT FIGURES

Based on the current information at the conclusion of the audit on October 29th, overall revenues were \$85,432,999 and overall expenditures, including depreciation, were \$86,863,241.

The total of combined fund balances for FY10 is \$13,133,683, which is \$449,274 less than the audited fund balance as of June 30, 2009. As previously stated, several items impacted the combined fund balance throughout the year, including the purchase of the Henry Hotel, the City's share of the relocation of Social Services, reduction in State Aid to Localities, personnel reductions, payroll furloughs and overall conservation efforts on the part of City staff. The final

fund balance during the FY10 budget process eighteen months ago was projected to be \$12,214,459. No additional changes are expected; however, the official draft document has yet to be received. It will be arriving before the end of November, at which time it will be thoroughly reviewed by staff for accuracy.

FY11 – September Revenue & Expenditure Reports

In September, total expenditures exceeded revenues as expected for the first quarter. A variance is typical at this point in the new fiscal year, due to the timing of the receipt of revenues, such as real estate taxes that are not due until December 5th. Early tax payments are just now beginning to come in. This delay in revenues combined with annual early-in-the-year expenditures, such as debt service, contributes to this difference. At this point in the fiscal year, staff does not foresee any real revenue concerns.

FY11 – Combined Balance Sheet

The total of combined fund balances for FY11 at the end of September is \$6,033,502. This “low” amount would only be a concern if this were the end of the fiscal year. Again as stated before, the main contributing factors to this variance are the many annual one-time expenditures and the timing of the receipt of funds. With anticipated tax collections of approximately \$3,000,000, the fund balance is expected to improve in the second quarter.

FY11 – Projected Fund Balance

The projected fund balance at year-end FY11 is \$11,937,976, a difference of \$1,195,707 less than year-end FY10. Contributing to this difference is the budgeted use of fund balance and additional fund balance appropriations including \$331,900 for the Commonwealth Crossing Business Center Water & Sewer Infrastructure Project.

Council had brief discussion regarding adding back the employee furlough days noting that one has already been taken in September. Council decided that if finances continue the way they are presently, there will be enough time to make that call as time gets closer and it will be looked at in February.

On a motion by Gene Teague, seconded by Kimble Reynolds, with a 5-0 vote, Council approved the following consent agenda:

BUDGET ADDITIONS FOR 11/09/10				
ORG	OBJECT	DESCRIPTION	DEBIT	CREDIT
<u>FY11</u>				
<u>GENERAL FUND</u>				
01103919	443133	Private Grants - VML Grant		3,311
01334122	506104	Safety - Non-capital Equipment Risk Management Safety Grant Program	3,311	
01100909	490104	Recovered Costs		1,572
01100908	440402	Donation/Hooker Field		51
01720420	506014	Hooker Field - Field Materials & Supplies recovered cost of seeding & donations	1,623	
01101917	442810	State Categorical Other - Highway Projects		16,936
01413151	503140	Thorofare Construction - Prof. Service Engineering appropriate state reimbursements-Liberty St.	16,936	
Total General Fund:			21,870	21,870

City Attorney, Eric Monday, presented information on a resolution regarding Business, Professional & Occupational License Tax and Machinery & Tools Tax and requested Council’s consideration of a resolution. On a motion by Gene Teague, seconded by Kimble Reynolds, with a 5-0 vote, Council approved the following resolution opposing alteration to the taxes:

WHEREAS, Earlier this year Governor Bob McDonnell appointed his Commission on Economic Development and Job Creation and the Commission recently returned its suggestions to Governor McDonnell; and

WHEREAS, two of the suggestions, if implemented, would have devastating consequences on City of Martinsville’s ability to collect sufficient revenue needed to provide services to its citizens; and

WHEREAS, one change, in the method of calculating the Business, Professional and Occupational Tax (BPOL), could negatively affect the \$1,752,744 City of Martinsville has budgeted in revenue for Fiscal Year 2011; and

WHEREAS, a second change, the elimination of the Machinery and Tools Tax, could result in the loss of an additional \$105,015 in assessed revenue in the FY 2011 Budget; and

WHEREAS, the total potential impact on the current City of Martinsville Budget of \$1,857,759 would be catastrophic on the City’s ability to provide basic services and would require an increase of 28.78 cents per \$100 of assessed value in real property tax rates to replace; and

WHEREAS, these changes would be another example of the Commonwealth of Virginia tying the hands of localities in revenue generation, with no options planned or presented for alternative revenue streams:

NOW, THEREFORE, BE IT RESOLVED, on this 9th day of November 2010 that the City of Martinsville strongly opposes these suggested changes and requests the Governor and the General Assembly to refrain from their implementation.

After discussion, Council approved the following 2011 City Legislative Agenda with amendments as suggested on a motion by Gene Teague, seconded by Mark Stroud, with a 5-0 vote:

The City of Martinsville appreciates the efforts its legislators undertake at both the state and federal level on behalf of its citizens. Listed below are the City's priorities requested of its legislative delegation in 2011.

Virginia General Assembly

Transportation

1. Urge the CTB to reach a final conclusion on the I-73 corridor.
2. In the short term, upgrade those portions of Route 220 overlaying I-73 to interstate standards. Any construction or upgrades to the I-73 corridor should begin on those sections passing through Henry County.
3. Continue to place priority on Route 58 improvements, particularly the section between Stuart and Hillsville, Virginia.
4. Endorse the rapid development of the Trans-Dominion Express, with particular emphasis on extension of passenger rail service to Roanoke.
5. Request that the Trans-Dominion Express be extended to include a spur from Lynchburg to Danville.
6. Encourage the enactment of a long-term capital funding formula for the future transportation needs of the Commonwealth.

Education

1. City Council endorses the agenda proposed by the Martinsville City School System and also endorses the educational priorities adopted by Henry County on behalf of its school system.
2. Oppose the imposition of unaided education mandates and in the event of revenue cuts by the Commonwealth opposes targeted cuts by the Commonwealth, instead preferring local decision making authority on where to make any such cuts.
3. Recognizing its potential to promote economic development within our community and region, continue support for the development and funding of the New College Institute; urge that any funding reductions to New College Institute, if considered, be minimized to the greatest extent possible; and support the affiliation of The New College Institute as a branch of a four-year public university.

Economic Development

1. Maintain current levels of funding for economic development incentives, including but not limited to the Governor's Opportunity Fund.
2. Enhance the authority granted to localities to address and eliminate blighted properties, and the formation of interstate compacts to allow expedited recourse against out-of-state property owners.
3. Continue current funding levels of the Virginia Museum of Natural History.
4. Support the development of a multiuse trail traversing Southern Virginia from the Blue Ridge Parkway to the Chesapeake Bay in order to stimulate economic growth and promote regional tourism.
5. Include Mayo River State Park on the Commonwealth's list for future capital funding, as a benefit to the entire southern Virginia region.
6. Request enhanced state and federal financial assistance for localities which exceed the average state unemployment rate by 300% or more.
7. Request state and federal economic development reimbursements to Martinsville and Henry County for development of the Commonwealth Crossing site.
8. Support continued tourism awareness initiatives in the Martinsville-Henry County region.

Governance

1. Request the appointment of a joint gubernatorial/legislative commission to examine the structure of local government in Virginia, the commission's mandate to include:
 - a. Examination of local government in the other 49 states for potential adaptation to Virginia.
 - b. Enable cities to expand their revenue base
 - c. Elimination of the "zero-sum" revenue base structure, which creates friction between cities and counties.
 - d. Elimination of redundant services and programs between contiguous cities and counties.
2. Require full funding for HB 599 funds, in fulfillment of the Commonwealth's commitment to cities in return for their acquiescence in the annexation moratorium.
3. Explore all potential options for the generation of revenue by localities.
4. Elimination of all unfunded mandates from the Commonwealth to localities.
5. Oppose any elimination or alteration of local revenue streams, and specifically oppose any amendment to the current manner in which the Business Occupation and Licensing Tax and the Machinery and Tools Tax are levied.
6. Request additional funding to adequately accommodate the space and office requirements of the Henry-Martinsville Department of Social Services.
7. Request that the General Assembly leaves intact the fire programs fund and the rescue squad assistance funds and not use these funds as a way to balance the state budget.
8. Support legislation directing health insurance credit for retirees of local government, constitutional officers, school division employees & state employees.
9. Request that the Commonwealth fully fund its obligations to constitutional officers.
10. Oppose any attempt to curtail the doctrine of sovereign immunity for localities.
11. Oppose any attempt to permit collective bargaining for state and local government employees.
12. Request that the 2011 legislative redistricting result in at least the same number of legislative districts and members as are currently representing Martinsville & Henry County and that Martinsville & Henry County remain in the Fifth Congressional district.
13. Oppose any amendment of the existing burden of proof or process in local tax appeals cases.

United States Congress

1. Continue to place priority on Route 58 improvements and the development of I-73.
2. In the short term, upgrade those portions of Route 220 overlaying I-73 to interstate standards.
3. Oppose any change in the route of the Amtrak Crescent train service. Encourage Amtrak to provide motorcoach transfer service between Danville and Martinsville.
4. Request \$3.72M in funds for the redevelopment of brownfields extending from the former Sara Lee site, along Aaron Street, to Rives Road.
5. Request \$6.25M in funds for the elimination and redevelopment of blighted areas in the city.
6. Request legislation to provide special federal incentives to businesses locating in regions which have experienced job losses in excess of 5% of the total workforce and/or declines in median incomes since the adoption of NAFTA, WTO or GATT. Target such areas for increased federal funding in education or workforce retraining.
7. Extend high speed broadband service throughout southern Virginia.
8. Request enhanced state and federal financial assistance for localities which exceed the average state unemployment rate by 300% or more.
9. Request state & federal economic development reimbursements to Martinsville & Henry County for development of the Commonwealth Crossing site.

Staff Designations

City Council empowers the following staff members to speak on its behalf and in its best interests to the General Assembly, its members and committees:

Comments from City Council: Reynolds-inquired as to conversations with EDC as it relates to education and he asked that the issues Sharon Hodge voiced be resolved and get the business to be in compliance within 60 days; Turner-thanked veterans in honor of Veterans Day; Stroud-reminder to donate blood.

Comments by City Manager: reported the Power Advisory Committee will meet on Nov. 19 and their agenda will be posted on city website and the meeting is open to the public.

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 Mark Stroud, 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 matters: (A) Discussion or consideration of the investment of public funds where competition or bargaining is involved, where, if made public initially, the financial interest of the governmental unit would be adversely affected as authorized by Subsection 6. (B) 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. The third item on the closed agenda (a personnel matter as authorized by Subsection 1) will be postponed until next meeting due to time.

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 Session. On a motion by Gene Teague, seconded by Danny Turner, with the following recorded 5-0 vote: Adkins, aye; Reynolds, aye; Teague, aye; Stroud, aye; and Turner, aye, Council returned to Open Session. No action taken on the two items discussed.

There being no further business, Mayor Adkins adjourned the meeting at 11:16 PM.

Clarence C. Monday
Clerk of Council

Kim E. Adkins
Mayor

March 22, 2011

The regular meeting of the Council of the City of Martinsville, Virginia, was held on March 22, 2011, in Council Chambers, Municipal Building, at 7:30 PM, with Mayor Kim Adkins presiding. Council Members present included: Mayor Adkins, Vice Mayor Kimble Reynolds, Gene Teague, Mark Stroud, Sr., and Danny Turner. Staff present included: Clarence Monday, City Manager, Eric Monday, Brenda Prillaman, Mike Rogers, Ruth Easley, Donna Odell, and Kathy Vernon.

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

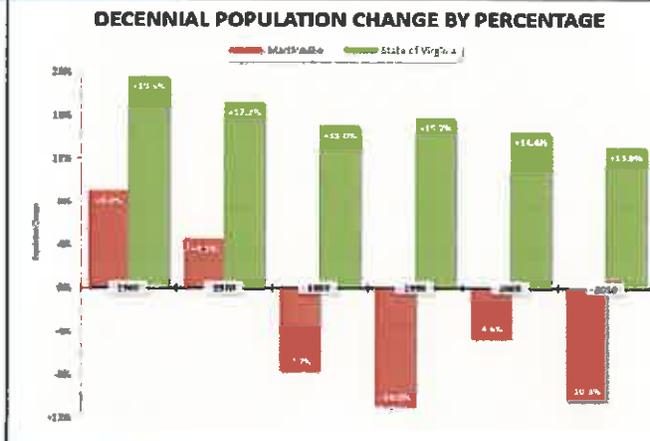
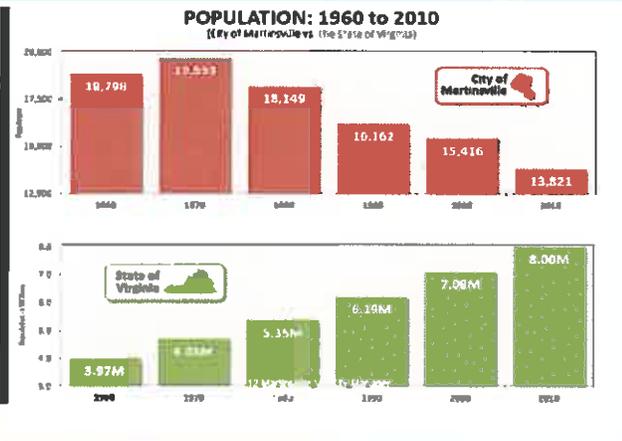
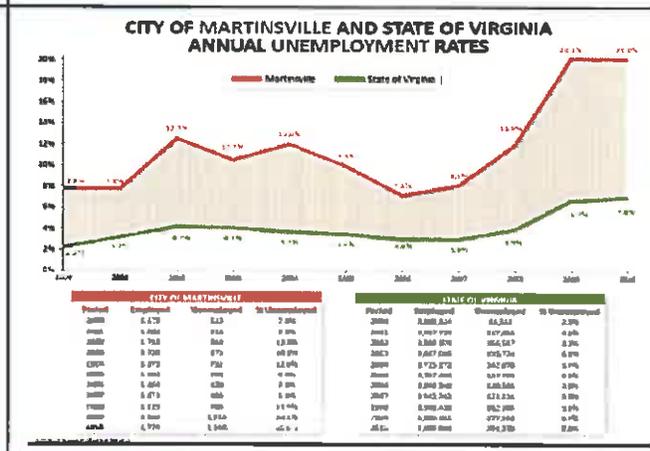
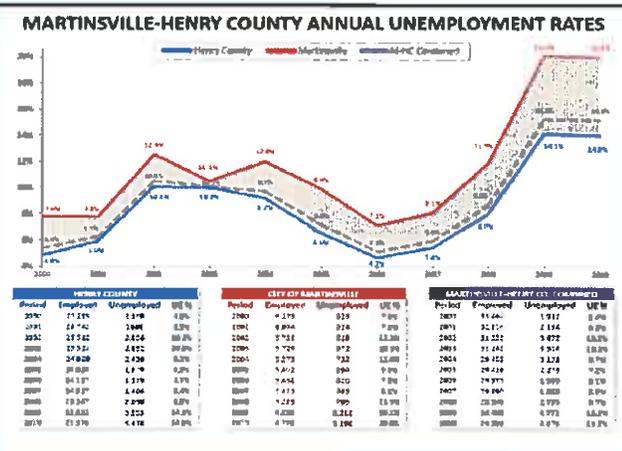
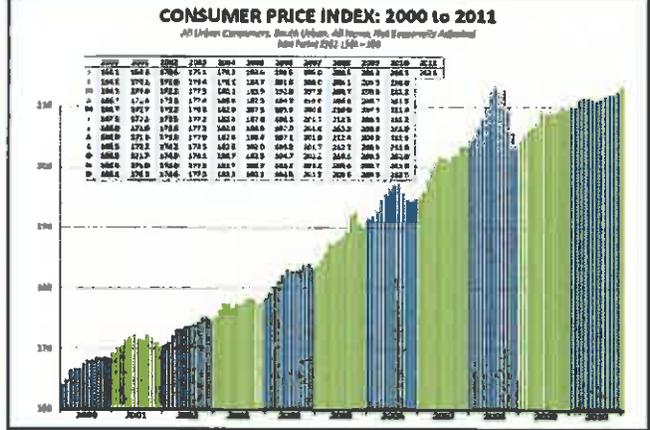
On a motion by Gene Teague, seconded by Danny Turner, Council approved with a 5-0 vote, the minutes of the March 8, 2011 meeting.

Mayor Adkins presented a proclamation recognizing Child Abuse Prevention Awareness Month for the Martinsville Exchange Club.

Human Resources Director, Donna Odell, briefed Council on the success of the 2011 City of Martinsville Government Academy and publicly acknowledged Kathy Vernon, H R Specialist, for the work she did on this project.

Clarence Monday, City Manager/Finance Director, gave a presentation regarding pre-budget information for FY12 budget and options for funding Commonwealth Crossing:

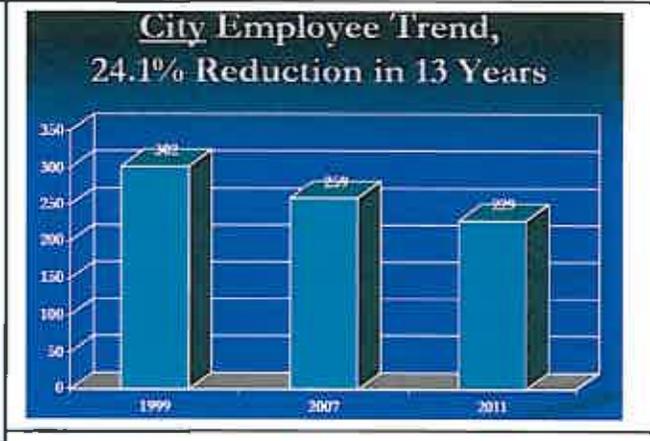




Top 10 Virginia Localities in Percent of Population Decline

Source: Virginia Year Book, February 2011 edition

Locality	Percent Loss, 2000-2010
Accomack County	-13%
Danville	-11%
Buchanan County	-11%
Martinsville	-10%
Highland County	-8%
Grayson County	-8%
Henry County	-7%
Bath County	-6%
Hampton	-6%
Alleghany County	-6%



Although the Population Has Declined

- Utilities must be provided
 - Personnel reductions have occurred in Water, Sewer, Electric, and Refuse Departments
 - Operational costs have been cut as much as possible.
- Public Safety must be maintained
 - Fire/EMS call volume increased 45% since 2004.
 - Police call volume increased 14% since 2000.
- Citizens demand and expect vital services.
 - Personnel eliminated in all City Departments.

Assessed Property Values

FY	RES	SP	SALES	PS	PS-PP	Total
2010	693,122,800	103,067,571	6,124,366	23,411,431	242,044	825,968,312
2009	646,748,767	113,874,882	6,715,547	22,318,052	*	786,657,378
2008	639,192,692	106,609,168	11,452,777	26,072,959	*	785,327,606
2007	593,869,976	100,582,018	15,148,780	21,340,984	*	730,739,756
2006	588,986,184	98,478,170	12,831,665	25,709,402	*	726,007,431
2005	559,497,600	101,881,411	12,063,428	27,043,443	*	700,486,880
2004	556,169,600	84,124,537	13,754,159	29,719,299	*	683,767,594
2003	531,425,500	89,785,700	13,854,533	27,763,786	*	662,529,519
2002	500,132,200	91,886,053	17,253,822	27,821,178	*	637,093,253
2001	489,376,500	87,362,958	47,211,356	27,313,555	*	681,234,369

Real Estate Reassessment

- The purpose of a reassessment is NOT to raise revenue.
- Prior to the most recent reassessment, Real Estate Property Value \$694,312,500.
- These numbers are NOT final and will change!
 - After reassessment, City's Overall Taxable Value \$667,722,500.
 - Represents reduction of \$26,590,000 in assessed value, or a 3.83% reduction.

Real Estate Reassessment

- Potential Revenue loss of approximately \$270,000.
- To make the reassessment revenue neutral, tax rate must be increased from current rate of \$1.01816 per \$100 of assessed value to \$1.058705 at a 100% collection rate.
- One penny generates \$66,772.
- No tax increase has been recommended at this time....for information only!

Misc. Revenue History

Source	FY 07	FY 08	FY 09	FY 10	FY11 Budget/Projected
Local Sales & Use Tax	2,279,517	2,054,228	2,015,151	1,759,239	1,900,000
E911 / Telecomm	794,015	1,031,174	968,924	937,786	1,000,000
Rental Tax	2,949	2,523	2,112	880	0
599 Funds	995,980	1,000,553	962,941	841,344	872,133
					872,180
Mach & Tools Tax	249,222	210,024	113,193	112,242	99,931
Business Equipment	177,610	1,011,680	1,059,712	1,023,797	103,814
					857,761
					882,595

State Revenue for Constitutional Offices

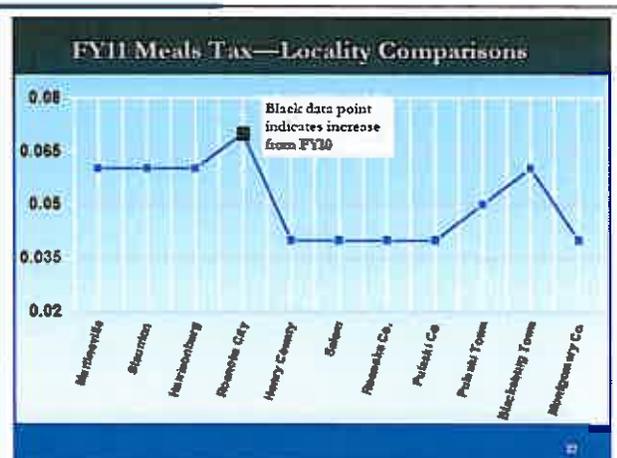
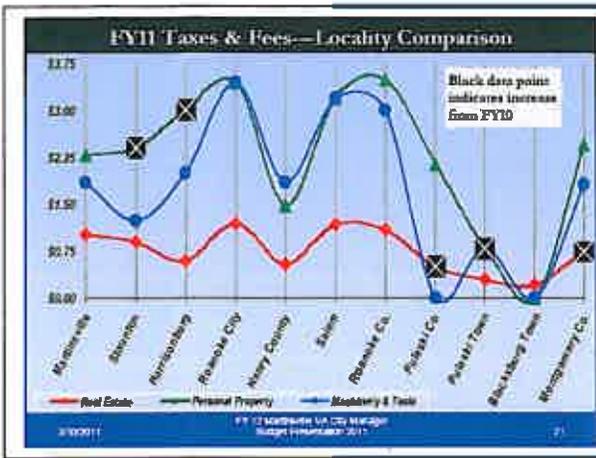
YEAR	BUDGET	ACTUAL	% REC'D
2011	2,703,684	incomplete	N/A
2010	2,960,777	2,579,668	87.13%*
2009	3,083,104	2,428,796	78.78%*
2008	2,958,040	2,948,004	99.66%
Difference	(\$254,356)		(8.6%)

Utility Transfer History

Fund	FY09	FY09	FY10	FY11 as Budgeted	Difference
Refuse	\$2,085,944	\$46,995	\$339,027	\$341,574	(84%)
Water	\$462,396	\$1,431,070	\$949,568	\$1,301,891	N/A
	<small>*not a typical year</small>				
Sewer	N/A	1,149,760	936,401	989,990	(13.9%)
Electric	\$3,769,390	\$1,021,597	\$578,025	\$104,076	(97%)

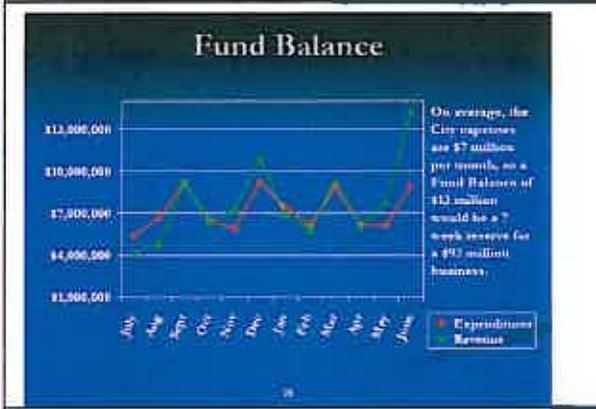
Impact on City Residential Taxpayer From FY11 Rate Increases

	Average Monthly Increase as Approved
Water Rate Increase	\$3.39
Power Cost Adjustment	\$6.80
Monthly Increase for Average Household in the City of Martinsville	\$10.19



Fund Balance

	Audited Fund Balance	Reappropriations
FY 2006	10,967,723	1,065,811
FY 2007	13,304,837	796,448
FY 2008	15,717,064	1,950,516
FY 2009	13,582,957	2,121,342
FY 2010	13,127,213	2,201,634



FY11 and Year-End FB

- FY11 Budget approved with the use of \$639,751 Fund Balance.
- Once all budgeted/reappropriated FY11 expenditures are incurred, not including unanticipated revenue and unexpended funds, the FY11 year-end combined Fund Balance is estimated to be \$10.5M, as of the January 2011 mid year budget analysis.

Summary

- Population loss and continued high unemployment levels have caused loss of tax base.
- Inflation and increased fuel costs drive up operational costs.
- \$270,000 potential revenue loss as a result of most recent reassessment.
- State funding for constitutional offices has been reduced by nearly 9% in three years.

Summary

- Local revenue continues declining.
- Transfers from City Utilities down, especially Refuse and Electric.
- City's workforce has been reduced over 24% in the past 13 years.
- Staffing in every department reduced, especially Government Administration.

Summary

- Fund Balance remains strong but must be protected.
- Current City wide expenditures exceed revenue by nearly \$640,000.
- FY12 starting out with a deficit, holding all else constant.
- Must align spending with available revenue.

Summary

- With declining revenue and increasing expenditures, cannot continue using fund balance on a regular basis.
- Impossible to continue offering full range of services without tax/fee increases.
- Tough choices must be made again!
- Open for suggestions.

Harvest Grant

- \$654,997 for implementing Uptown Master Plan, Phase I.
- In concert with the CDBG funds.
- Physical improvements will be funded, in addition to site assessment for the Baldwin Block and the area behind the historic courthouse.
- All of these physical improvements will help make the Uptown more attractive, welcoming, and useable for residents, tourists, merchants, and potential investors.

City CDBG Project

- \$ 691,325 in DHCD funds
- Eliminate blight and create jobs
- Fayette Street and the Courthouse Square
- 27 properties will have facade upgrades
- Enhance pedestrian connections with new crosswalks, curb ramps, and landscaping
- Expansion of the Courthouse Square plaza
- Install wayfinding signage and install new streetlights

City and County Partnerships

- Economic development
- 9-1-1 Communications Center
- Health Department
- Social Services
- Blue Ridge Regional Library
- Magistrate
- Fund MANY "outside organizations" such as
 - Police Academy
 - Business incubator

During Budget Season...

"While talking budget, it is easy to be distracted and only focus on money. Budgets can be balanced. Let's reflect on the positives that we have going for us in this great community."

Glenn Mendip, City Manager

Commonwealth Crossing Site

Grading Project Cost \$16.5M

Funding Partners

VTIC (new)	5,000,000
VTIC (previous)	1,500,000
Harvest Foundation	5,000,000
Henry County	3,300,000
Martinsville	1,700,000
Total	\$16,500,000

Commonwealth Crossing Site

- County staff working to obtain permits for grading.
- Site aggressively marketed already.
- No City payment expected in FY12.
- City funds to be paid in FY13, on or after July 1, 2012.

<p>Option #1</p> <p>\$500,000 from Fund Balance and Finance Remaining Portion</p> <table border="0"> <tr> <td>Project Cost</td> <td>\$1,700,000</td> <td></td> </tr> <tr> <td>Fund Balance</td> <td>-500,000</td> <td></td> </tr> <tr> <td>Finance</td> <td>\$1,200,000</td> <td></td> </tr> </table> <p>i = 3.5% Ignores Closing Costs:</p> <table border="0"> <tr> <td>Term 3 years = \$428,321</td> <td>Total Cost \$1,784,963</td> </tr> <tr> <td>Term 4 years = \$326,701</td> <td>Total Cost \$1,806,804</td> </tr> <tr> <td>Term 5 years = \$265,778</td> <td>Total Cost \$1,828,890</td> </tr> </table>	Project Cost	\$1,700,000		Fund Balance	-500,000		Finance	\$1,200,000		Term 3 years = \$428,321	Total Cost \$1,784,963	Term 4 years = \$326,701	Total Cost \$1,806,804	Term 5 years = \$265,778	Total Cost \$1,828,890	<p>Option #2</p> <p>Total Financing</p> <table border="0"> <tr> <td>Project Cost</td> <td>\$1,700,000</td> <td></td> </tr> <tr> <td>i = 3.5%</td> <td></td> <td>Ignores Closing Costs</td> </tr> </table> <table border="0"> <tr> <td>Term 3 years = \$606,788</td> <td>Total Cost \$1,870,364</td> </tr> <tr> <td>Term 4 years = \$462,827</td> <td>Total Cost \$1,851,308</td> </tr> <tr> <td>Term 5 years = \$376,518</td> <td>Total Cost \$1,882,590</td> </tr> </table>	Project Cost	\$1,700,000		i = 3.5%		Ignores Closing Costs	Term 3 years = \$606,788	Total Cost \$1,870,364	Term 4 years = \$462,827	Total Cost \$1,851,308	Term 5 years = \$376,518	Total Cost \$1,882,590									
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<p>It is the Council's decision on how to fund the City's share of the grading work for CCBC.</p>																																					

Mr. Monday stated that as Finance Director of the City, he urged Council to align spending with revenue. The City Manager will make the FY12 budget presentation to City Council on April 28, 2011.

On a motion by Kimble Reynolds, seconded by Danny Turner, with a 5-0 vote, Council approved the updated 2010-2011 Goals & Initiatives as follows:



Goals and Initiatives 2010-2011 Strategic Plan

VISION

Martinsville-Henry County is a nationally recognized success story. Once a thriving industrial center, the region has been renewed as a diverse community, but one that has never lost its small town appeal. With a vibrant "destination uptown", numerous entrepreneurial, career, cultural and recreational opportunities, a comprehensive education system, and a varied, technologically advanced economy, Martinsville, an All American City, has consistently ranked for over a decade among the top cities under 25,000 in which to live in the Southeast. Near both the Blue Ridge Mountains and the metropolitan areas of Virginia's Roanoke Valley and North Carolina's Piedmont Triad, Martinsville-Henry County offers the best of tightly knit, highly affordable, neighborly life with easy access to the amenities of the urban cities.

STRATEGY	KEY INDICATORS	MEASURE THE SUCCESS	RESPONSIBLE DEPARTMENT/AGENCY	PERFORMANCE MEASURES AND TARGET	LEAD DEPARTMENT	PRIORITY
Strategic Goal 1: Public Safety The City will ensure that the City's public safety services are financially viable and sustainable.	F1 Approved budget	Each year the City Council and Manager shall review and amend a budget.	F1 Working group composed of budget review committee, working group to include Department Head, City Manager and Council	Working group will review historical budget context.	Council, City Manager, Department Heads	Immediate
	F2 Working group	Working group will review the City's current budget to ensure a budget for the next year.	F2 Working group composed of City Manager, Department Heads, Council, City Manager, Department Heads	Working group will review the City's current budget to ensure a budget for the next year. The group will also review the City's current budget to ensure a budget for the next year.	Council, City Manager, Department Heads	Immediate
	F3 Working group	Working group will review the City's current budget to ensure a budget for the next year.	F3 Working group composed of City Manager, Department Heads, Council, City Manager, Department Heads	Working group will review the City's current budget to ensure a budget for the next year. The group will also review the City's current budget to ensure a budget for the next year.	Council, City Manager, Department Heads	Immediate
Strategic Goal 2: Public Safety The City will ensure that the City's public safety services are financially viable and sustainable.	F4 Working group	Working group will review the City's current budget to ensure a budget for the next year.	F4 Working group composed of City Manager, Department Heads, Council, City Manager, Department Heads	Working group will review the City's current budget to ensure a budget for the next year. The group will also review the City's current budget to ensure a budget for the next year.	Council, City Manager, Department Heads	Immediate
	F5 Working group	Working group will review the City's current budget to ensure a budget for the next year.	F5 Working group composed of City Manager, Department Heads, Council, City Manager, Department Heads	Working group will review the City's current budget to ensure a budget for the next year. The group will also review the City's current budget to ensure a budget for the next year.	Council, City Manager, Department Heads	Immediate
	F6 Working group	Working group will review the City's current budget to ensure a budget for the next year.	F6 Working group composed of City Manager, Department Heads, Council, City Manager, Department Heads	Working group will review the City's current budget to ensure a budget for the next year. The group will also review the City's current budget to ensure a budget for the next year.	Council, City Manager, Department Heads	Immediate

STRATEGY	KEY INDICATORS	MEASURE THE SUCCESS	RESPONSIBLE DEPARTMENT/AGENCY	PERFORMANCE MEASURES AND TARGET	LEAD DEPARTMENT	PRIORITY
Strategic Goal 3: Public Safety The City will ensure that the City's public safety services are financially viable and sustainable.	F7 Approved budget	Each year the City Council and Manager shall review and amend a budget.	F7 Working group composed of budget review committee, working group to include Department Head, City Manager and Council	Working group will review historical budget context.	Council, City Manager, Department Heads	Immediate
	F8 Working group	Working group will review the City's current budget to ensure a budget for the next year.	F8 Working group composed of City Manager, Department Heads, Council, City Manager, Department Heads	Working group will review the City's current budget to ensure a budget for the next year. The group will also review the City's current budget to ensure a budget for the next year.	Council, City Manager, Department Heads	Immediate
	F9 Working group	Working group will review the City's current budget to ensure a budget for the next year.	F9 Working group composed of City Manager, Department Heads, Council, City Manager, Department Heads	Working group will review the City's current budget to ensure a budget for the next year. The group will also review the City's current budget to ensure a budget for the next year.	Council, City Manager, Department Heads	Immediate
	F10 Working group	Working group will review the City's current budget to ensure a budget for the next year.	F10 Working group composed of City Manager, Department Heads, Council, City Manager, Department Heads	Working group will review the City's current budget to ensure a budget for the next year. The group will also review the City's current budget to ensure a budget for the next year.	Council, City Manager, Department Heads	Immediate
	F11 Working group	Working group will review the City's current budget to ensure a budget for the next year.	F11 Working group composed of City Manager, Department Heads, Council, City Manager, Department Heads	Working group will review the City's current budget to ensure a budget for the next year. The group will also review the City's current budget to ensure a budget for the next year.	Council, City Manager, Department Heads	Immediate
	F12 Working group	Working group will review the City's current budget to ensure a budget for the next year.	F12 Working group composed of City Manager, Department Heads, Council, City Manager, Department Heads	Working group will review the City's current budget to ensure a budget for the next year. The group will also review the City's current budget to ensure a budget for the next year.	Council, City Manager, Department Heads	Immediate

Council discussed the Virginia Municipal League's request to submit nominations for the membership on the 2011 Policy Committees. Council agreed to submit the following for membership on the VML 2011 Policy Committees and will be forwarded to VML:

- Community & Economic Development-Mayor Kim Adkins
- Environmental Quality-Eric Monday, City Attorney
- Finance-Clarence Monday, City Manager
- General Laws-Gene Teague, Council Member
- Human Development & Education-Mark Stroud, Sr., Council Member
- Transportation-Vice Mayor Kimble Reynolds

On a motion by Gene Teague, seconded by Mark Stroud, with a 5-0 vote, Council approved the following consent agenda:

BUDGET ADDITIONS FOR 3/22/11					
ORG	OBJECT	DESCRIPTION	DEBIT	CREDIT	
FY11 GENERAL FUND					
01100909	490134	Recovered Costs - Parks & Recreation		1,500	
01711210	506091	Parks & Recreation - Special Events/Cruise In	1,500		
		Costs recovered from various sponsors			
01100908	480410	Donations/Fire Department		500	
01322105	506049	EMS - Vehicle Fuels	500		
		appropriation of donation			
01102926	442304	Categorical Federal - Terrorism Prevention Program		29,740	
01311085	506044	Police Dept - Terrorism Prevention Program	29,740		
		appropriation of federal funds			
01101918	443156	State Grants - VDEQ Environmental Site Assessments		25,000	
01812242	503143	Miscellaneous Expense - Environmental Evaluations	25,000		
Total General Fund:			56,740	56,740	
CAPITAL RESERVE FUND:					
16100909	490104	Recovered Costs - Insurance Payment		11,400	
16575365	508105	Motor Vehicles - Public Works	11,400		
		appropriate ins from wrecked dump truck			
Total Capital Reserve Fund:			11,400	11,400	

March 22, 2011

Business from the floor: Ural Harris, 217 Stuart, commented on school budget, AMP facilities, budget cuts to EDC, city schools, and parks and recreation.

Comments-Council: Stroud-encouraged blood donations and prayer for Japan disaster victims; Reynolds-comments encouraging Council members participation in VML Legislative Committee, noted that VA First Cities has done well with General Assembly regarding brownfields, thanked police chief for patronizing new business; Turner-thanked Mayor for help on an employee search and reminded citizens of race weekend; Mayor Adkins asked Council to form the Human Relations Advisory Committee. On a motion by Gene Teague, seconded by Kimble Reynolds, with a 5-0 vote, Council agreed to form the committee as outlined in the memo from the Mayor and begin accepting applications.

City of Martinsville
Advisory Committee on Human Relations
March 22, 2011

Facilitator: Mayor Kim Adkins

Chairman: Vice-Mayor Kimble Reynolds

Vision: To create a culture of public decision-making and problem-solving that is forward thinking, accountable and inclusive.

Mission: To advance strategies in the City that expands opportunity, reduces poverty and builds inclusiveness.

Goals:

- Ensure open and accountable government that hears and values all voices.
- Develop the civic capacity to address identified City challenges and opportunities.
- Bridge the fault line of race and class that inhibit community progress and erode civic health.

Objectives:

- Analyze economic, workforce and demographic trends to identify challenges that impede progress for the City and its residents.
- To address these challenges, help City Council to develop or suggest responsive public policies at the local, state and/or federal levels; demonstrate effective programs; and build institutional and community capacity for progress.

There being no further business, Mayor Adkins adjourned the meeting at 8:55pm.

Clarence C. Monday
Clerk of Council

Kim Adkins
Mayor

HUMAN RELATIONS ADVISORY COMMITTEE

Established by City Council March 22, 2011 with the **mission** to advance strategies in the City that expands opportunity, reduces poverty, and builds inclusiveness.

Vision—to create a culture of public decision-making and problem solving that is forward thinking, accountable and inclusive.

Goals—(1) Ensure open and accountable government that hears and values all voices. (2) Develop the civic capacity to address identified City challenges and opportunities. (3) Bridge the fault line of race and class that inhibit community progress and erode civic health.

Objectives—(1) Analyze economic, workforce and demographic trends to identify challenges that impede progress for the City and its residents. (2) To address these challenges, help City Council to develop or suggest responsive public policies at the local, state and/or federal levels; demonstrate effective programs; and build institutional and community capacity for progress. Membership on committee open to public with no limit on terms set.

Contact:

Committee Chairman—Vice Mayor Kimble Reynolds, 401 Starling Ave., Martinsville, VA 24112
kreynolds@ci.martinsville.va.us phone 276-632-3588

Committee Facilitator—Mayor Kim Adkins, 1010 Sheraton Ct., Martinsville, VA 24112
kadkins@ci.martinsville.va.us phone 276-666-0431

NAME & Contact Info	Date appointed	Term expires	Full term
Marie Craddock, 613 Mulberry Rd., Apt. 3 Mville	4/12/11		
Ural Harris, 217 Stuart St. Mville	4/12/11		
Tony Jones, 612 Third St. Mville	4/12/11		
Chad Martin, 56 Molly Circle Mville	4/12/11		
Rachel Roop Beneke, 713 Beechnut Lane Mville	4/12/11		
Patrick Shuler, 1011 Maplewood Ct. Mville	4/12/11		
Randy Stevens, 104 Courtney Terrace Mville	4/12/11		
Bonnylee Shelor Witt, 61 Eighth St. (P O Box 174) Fieldale 24089	4/12/11		
Thomas Lee Salyer, 724 Circle Ct. Mville	4/26/11		
Bailey Gifford Penn, 1109 Chatham Rd.	4/26/11		
Barbara Jackman, 1004 Morningside Lane	5/24/11		
Pam Heath, 217 Arrowhead Trail	5/24/11		
Phyllis D. Hairston, 3730 Old Chatham Rd.	7/26/11		
Veraine Via Randolph, 1414 S. Askin St.	9/13/11		
William Churchill Randolph, 1414 S. Askin St.	9/13/11		
Alicia B. Solomon, 1014 Oakwood Ct.	9/13/11		
Sidney Lee, 127 Sellers St.	9/13/11		

9/27/2011

7

Note: If a Board or Commission does not specify number of terms a person can serve, then the number of terms defaults to three terms per a policy adopted by City Council Dec.11, 1990. (per city attorney 4/26/11) Two exceptions (1) if no one is interested (2) no one qualified has applied, then the person holding the position can serve another term if Council chooses.

Human Relations Advisory Committee

1. July 12, 2011 – Meeting #1
2. July 26, 2011 – Meeting #2 with John Thomas of Weldon Cooper Center and other community presenters
3. August 16, 2011 – Visit to Greensboro to meet with the Greensboro Human Relations Committee and staff
4. August 23, 2011 – Meeting #3
5. September 1, 2011 – Tour of Martinsville
6. September 6, 2011 – Meeting #4, Strategic Planning Session with Virginia Extension Cooperative facilitating
7. September 20, 2011 – Meeting #5
8. October 11, 2011 – Meeting #6
9. November 1, 2011 – Meeting #7
10. November 7, 2011 – Meeting #8

Human Relations Advisory Committee Meeting
Tuesday, July 12, 2011 • 12 p.m. • Heritage Center and Museum (Historic Henry
County Court House in Uptown, Martinsville)

Meeting Recap

PRESENT: Marie Craddock, Ural Harris, Tony Jones, Chad Martin, Rachel Beneke, Randy Stevens, Bonnylee Witt, Thomas Salyer, Bailey Penn and Barbara Jackman

ABSENT: Pam Heath and Patrick Shuler

GUESTS: Phyllis Hairston (representative for Pam Heath of Martinsville Public Schools), Veraine Randolph, Sidney and Alexis Lee, and Chief of Police Mike Rogers

MEDIA: Ron Morris of B99 and Jared Soares, freelance photographer shadowing Chad Martin

PRESIDING: Vice Mayor Kimble Reynolds

FACILITATOR: Mayor Kim Adkins

Vice Mayor Kimble Reynolds welcomed everyone and reviewed the following vision, mission, goals and objectives of this Human Relations Advisory Committee:

Human Relations Advisory Committee	
Vision	To create a culture of public decision-making and problem solving that is forward thinking, accountable and inclusive.
Mission	To advance strategies in the City that expands opportunity, reduces poverty and builds inclusiveness.
Goals	<ol style="list-style-type: none"> 1. Ensure open and accountable government that hears and values all voices. 2. Develop the civic capacity to address identified City challenges and opportunities. 3. Bridge the fault line of race and class that inhibit community progress and erode civic health.
Objectives	<ol style="list-style-type: none"> 1. Analyze economic, workforce and demographic trends to identify challenges that impede progress for the City and its residents. 2. To address these challenges, help City Council to develop or suggest responsive public policies at the local, state and/or federal levels; demonstrate effective programs; and build institutional and community capacity for progress.

Immediately following the review of the vision, mission, goals and objectives, introductions were made where each appointed committee member and guest briefly shared their backgrounds and reasons for wanting to be on the committee, or in the case of the visitors, in attendance.

Vice Mayor Reynolds reviewed the packet of materials, which included a resolution passed by City Council on April 25, 2006, citing the “City of Martinsville, Virginia, is committed to inclusion as a fundamental aspect of our community,” as part of an initiative launched by the National League of Cities on the ‘Partnership for Working toward Inclusive Communities.’” While the City adopted this resolution, there was no follow through until now with the formation of this advisory committee, Vice Mayor Reynolds said.

Other materials included what Greensboro, N.C., and Charlottesville have done to create an infrastructure of inclusiveness. Highlights from each city’s website were as follows:

- Greensboro, N.C. – The city formed a Human Relations Commission with the mission to “improve the quality of life for Greensboro residents by encouraging fair treatment and promoting mutual understanding and respect among all people.” Within this Commission, there were three committees chaired by a Commission member – human services, housing and education.
- Charlottesville – The city formed a “Dialogue on Race” Steering Committee to “engage every segment of our community in an open, honest, on-going discussion of race, racism and diversity and to identify problems and propose concrete solutions and paths to action that promote racial reconciliation, economic justice and equity.”

Vice Mayor Reynolds presented these two examples as he had been told by Virginia Municipal League, National League of Cities and other sources that these initiatives are considered best practices. The committee agreed it would be worth their time to visit these cities to learn more about what they have done and are continuing to do.

Prior to entering into a prepared activity, Vice Mayor Reynolds wanted to establish meeting dates and visits to Greensboro and Charlottesville. After a brief discussion, the committee agreed to the following dates:

- Meeting 2, Information Session Regarding Community and Region – Tuesday, July 26, 12 p.m. at Heritage Center and Museum
- Meeting 3 and 4, Visits to Greensboro and Charlottesville – the first three weeks in August (meeting dates will be disseminated for consideration)
- Meeting 5, Discussion on Visits – Tuesday, August 23, 12 p.m. at Heritage Center and Museum
- Meeting 6, Identification of Proposed Next Steps – Tuesday, September 6, 12 p.m. at Heritage Center and Museum
- Meeting 7, Recommendation to City Council – Tuesday, September 20, at City Council Chambers, 7:30 p.m.

For the next 20 minutes, the committee entertained two questions proposed by Vice Mayor Kimble Reynolds: What unites our community? What divides our community? Highlights from the responses fell into one or more of the following areas:

- What unites our community?
 - Love of this place
 - Sense of hope
 - Shared history
 - Sense of home/family

- What divides our community?
 - Ignorance (historical insensitivity, lack of understanding of different cultures)
 - Inequities
 - Economic divide or injustice
 - Fear of change
 - Fear of repercussions

With no other business, the meeting adjourned at 1:15 p.m.

**Human Relations Advisory Committee Meeting
Tuesday, July 26, 2011 • 12 p.m. • Heritage Center and Museum (Historic Henry
County Court House in Uptown, Martinsville)**

MINUTES

PRESENT: Rachel Beneke, Pam Heath, Barbara Jackman, Chad Martin, Thomas Salyer, Randy Stevens and Bonnylee Witt

ABSENT: Marie Craddock, Ural Harris, Tony Jones and Bailey Penn

GUESTS: Phyllis Hairston, John Fisher, Alexis Lee, Joe Martin, John Martin, Rev. Tyler Millner, Veraine Randolph, Jared Soares, and John Thomas of University of Virginia's Weldon Cooper Center for Public Service

PRESIDING: Vice Mayor Kimble Reynolds

FACILITATOR: Mayor Kim Adkins

Vice Mayor Kimble Reynolds called the meeting to order. He asked for a motion to approve the minutes from the last meeting. Upon a motion by Randy Stevens and a second by Thomas Salyer, the minutes from July 12, 2011, were approved unanimously.

Vice Mayor Reynolds said the purpose of this meeting was to learn more about the community and region. In doing so, he asked three experts to give presentations – (1) Committee member Barbara Jackman, who is the executive director of the Martinsville-Henry County Coalition of Health and Wellness, on the “health” of our community; (2) committee member Pam Heath, who is the superintendent of Martinsville Public Schools, on the state of our school system; and (3) Dr. John Thomas, director of the University of Virginia’s Weldon Cooper Center for Public Service, on what data and anecdotal information are saying about our region (facts and perceptions). Highlights and handouts for each presenter are as follows:

1. Barbara Jackman – Ms. Jackman said the community’s biggest challenge from her perspective is “healthcare is not set up to deal with chronic issues and life style choices.” She said the coalition’s goal is “to improve the quality and years of life for all citizens and eliminate health disparities among different segments of the population.” She further said the coalition oversees “programs of wellness, disease prevention and health care access and coordination.” Ms. Jackman handed out statistical information in Martinsville and Henry County and surrounding areas. See Attachment 1, pages 3-4.
2. Pam Heath – Ms. Heath said, “education is the great equalizer...we want the best education for all of our students.” She said the “biggest shift” in our school system has to do with the fact the school administration and her school board members have

“high expectations for all students.” She referred to this as “social justice.” Ms. Heath also handed out information. See Attachment 2, pages 5-9.

3. Dr. John Thomas – Dr. Thomas gave an insightful observation of our region. He said “knowing where we are going is just as important of knowing where we have been.” He said if we just look at data, it can be discouraging (declining and aging population, growing poverty). He said from his observation, the community is becoming more engaged than it has in the past (i.e., the Civic leaders facilitating community discussions on school merger), but he cautioned there may be leaders in the community who don’t do enough to ask people to be part of solutions to community challenges. To illustrate, he said not enough leaders do the gesture of “come here,” and he curled and uncurled his index finger and instead use the gesture of pointing the index finger with arm extended, indicating “this is what you need to do” to emphasize a point. He said this community needs to do more than have a one-way conversation; current and emerging community leaders may want to build trust and use the gesture of “come here” more. The Civic Leaders Program and the formation of this committee are a start in the right direction, he thought.

Dr. Thomas recommended that we read the book, *Why the Garden Club Couldn't Save Youngstown: Civic Infrastructure and Mobilization in Economic Crisis*, by Sean Safford, which attempts to reflect how the structure of civic relationships shapes the paths of economic change through the examination of two similar cities – Allentown, Pennsylvania, and Youngstown, Ohio. Dr. Thomas said despite sharing similar economic histories, Allentown and Youngstown have nevertheless taken different paths. The book analyses how the intersection of economic and civic social networks shapes the strategic choices and possibilities for mobilization. It also shows that difference in the way that civic and economic relationship intersected facilitated collective action in one location and impeded it in the other. The results indicate the upsides and downsides of social networking, particularly in times of economic stresses. The more inclusive the networking the more likely there will be mobilization across social, political and economic divisions, Dr. Thomas shared.

Handouts by Dr. Thomas are in Attachments 3-5, pages 10-21.

In other business, Vice Mayor Kimble Reynolds said additional information is forthcoming regarding trips to Greensboro and Charlottesville. Chad Martin asked for the committee to tour Martinsville. Kim Adkins agreed to coordinate.

Next meeting: August 23 at 12 p.m. at the Heritage Center and Museum.

With no further business, the meeting adjourned at 1:30 p.m.

Indicator	Virginia		Health Planning District 12		Danville City of Franklin County		Henry County		Martinsville City of Patrick County		Pittsylvania County	
	Value	%	Value	%	Value	%	Value	%	Value	%	Value	%
Total 2010 Population	7,874,646		246,322		44,207	52,328	55,115	14,436	18,915	61,321		
Children Age 0-17 %	23%		20%		22%	21%	20%	20%	19%	20%		
Adults 18-29 %	16%		15%		14%	16%	14%	13%	13%	15%		
Adults 30-44 %	21%		19%		17%	19%	19%	18%	20%	19%		
Adults 45-64 %	27%		28%		26%	28%	28%	26%	27%	30%		
Seniors Age 65+ %	13%		19%		22%	17%	18%	23%	21%	16%		
Males %	49%		48%		45%	49%	49%	45%	49%	49%		
Females %	51%		52%		55%	51%	51%	55%	51%	51%		
Black %	20%		24%		44%	9%	22%	42%	6%	23%		
White %	70%		74%		54%	89%	75%	56%	92%	75%		
Hispanic %	7%		3%		2%	2%	7%	5%	3%	2%		
Per Capita Income	\$32,845		\$21,228		\$20,905	\$24,758	\$18,334	\$23,313	\$21,607	\$20,444		
Median Household Income	\$59,450		\$36,804		\$29,324	\$45,821	\$34,026	\$33,245	\$36,401	\$38,368		
2008 Estimated Total Population in Poverty #	766,852		39,607		8,991	6,610	8,873	3,216	3,185	8,732		
2008 Estimated Total Population in Poverty %	10%		16%		20%	13%	16%	22%	17%	14%		
Population Age 25+ #	5,289,421		175,708		30,790	36,952	39,529	10,368	13,998	44,071		
Population Age 25+ that Did Not Graduate High School #	721,269		42,882		7,148	7,142	10,932	3,126	5,023	9,511		
Population Age 25+ that Did Not Graduate High School %	14%		24%		23%	19%	28%	30%	36%	22%		
Births with No Prenatal Care in First 13 Weeks %	15%		17%		27%	8%	17%	27%	17%	11%		
Total Age Adjusted Death Rate per 100,000	745.8		906.8		922.8	917.2	975.4	827.1	854.4	984.6		
Malignant Neoplasms Deaths (age adjusted rate per 100,000)	175.8		195.6		176.7	218.4	209.5	166	162	222.5		
Heart Disease Deaths (age adjusted rate per 100,000)	170.8		226		218.5	219.5	259.4	244.5	227.2	231.6		
Uninsured Children Total	180,777		6,856		1,401	1,282	1,638	425	499	1,611		

AtlasVa.com - The Virginia Atlas of Community Health
 produced by Community Health Solutions, Richmond, VA

For discussion at Human Relations Advisory Committee

Uninsured Children Percent	9%	13%	14%	11%	14%	14%	13%	13%
Nonelderly Uninsured Total	1,087,147	44,166	8,050	8,372	10,654	2,623	3,435	11,031
Nonelderly Uninsured Percent	16%	22%	23%	19%	24%	24%	23%	21%
Estimated 2010 Adult age 18+ Population #	6,037,722	196,153	34,577	41,577	43,962	11,529	15,381	49,127
Adults age 18+ and Overweight or Obese #	3,507,282	116,124	20,850	24,115	26,026	6,998	8,906	29,231
Adults age 18+ Smokers #	1,367,051	42,158	7,054	9,147	9,540	2,352	3,307	10,759
Adults age 18+ with No Dental Visit in Last 2 Years #	2,996,435	97,217	16,770	20,913	21,805	5,592	7,721	24,416
Adults age 18+ with Diabetes (told by a doctor or other health professional) %	8%	9%	10%	8%	9%	11%	8%	9%
Adults age 18+ with High Blood Pressure (told by a doctor or other health professional) %	29%	31%	34%	29%	31%	35%	30%	31%
Adults age 18+ with High Cholesterol (told by a doctor or other health professional) %	30%	32%	32%	32%	31%	32%	32%	31%
Adults age 18+ and Overweight or Obese %	58%	59%	60%	58%	59%	61%	58%	60%
Adults age 18+ Smokers %	22%	21%	20%	22%	22%	20%	22%	22%
Adults age 18+ with No Dental Visit in Last 2 Years %	50%	50%	49%	50%	50%	49%	50%	50%



Martinsville City Public Schools

"Where Learning Has No Limits and
Academic Excellence is Measured One Child at a Time"

746 Indian Trail • P.O. Box 5548 • Martinsville, Virginia 24115
(276) 403-5820 • fax (276) 403-5830

OUR MISSION

LEARNING FOR ALL: WHATEVER IT TAKES

Profile:

Approximate enrollment 2010-2011

Martinsville High School (grades 9-12)	706
Martinsville Middle School (grades 6-8)	503
Albert Harris Elementary School (grades K-5)	549
Patrick Henry Elementary School (grades K-5)	518
Clearview Early Childhood Center (3- and 4-year-old pre-school program and early childhood special education services)	<u>106</u>

Total: 2,382 Students

Hispanic	7%
White	33%
Black	57%
Asian	1%
American Indian	<u>1%</u>
	<i>(does not equal 100% due to rounding)</i> 99%
Economically disadvantaged students (based on Free or Reduced Lunch eligibility)	70%
Students with disabilities	13%
Students with Limited English Proficiency (LEP or ELL) – 9 native languages other than English	7%
<ul style="list-style-type: none"> • Approximately 68% live in single parent homes • One of highest teenage pregnancy rates in the state; a very high STD rate 	

Division Successes:

- All Schools Fully Accredited in 2010-2011
- One of 12 out of 132 School Divisions in Virginia to make Division AYP
- One of 14 out of 132 School Divisions in Virginia to meet ELL Annual Proficiency Goals Under NCLB
- Increased Numbers of Students Completing Associate Degrees, and Participating In Advanced Placement, and Dual-Enrollment Courses
- Implementation of a Formal Pre-AP Curriculum at Martinsville Middle School
- Some Students Beginning Algebra I in 6th Grade; Geometry in 7th Grade and Algebra II in 8th Grade
- Nearly 100% of Middle School Students Entering High School with 1-4 High School Credits
- Achievement Gaps Among Subgroups Are Narrowing Significantly
- Identified by JLARC for Interview and Site Visit to Assess K-3 Reading Practices Due to High Student Achievement
- Martinsville Middle School Honored as National Finalist in Panasonic School Change Awards this July at Lincoln Center in New York City

Strategies for Continuous Improvement:

- Energies focused on solutions; research-based & data driven, using Correlates of Effective Schools as framework for continuous school improvement
- Our yardstick for all decisions: "What's best for students?"
- We continuously monitor & adjust our instruction/actions/programs based on the data we collect
- Commitment to Core Values:
 1. *Learning is the heart and soul of what we do;*
 2. *All children are unique individuals with special gifts and talents;*
 3. *Teaching is hard work in an organization where all children are expected to learn to high levels;*
 4. *All people in the organization, both children and adults, should be valued and respected;*
 5. *Risk taking, problem solving, teamwork, creativity and a sense of humor are traits we embrace;*
 6. *The community is our "customer" and ideas and opinions are valued and acted upon.*
 7. *We recognize that a positive relationship between adults and students is vital to the learning process.*

We have RAISED our expectations for student learning:

- Went to State Board of Education—requested permission to increase HS graduation requirements to highest in state. Now every student must take 2 yrs. foreign language, extra math & science, & complete 40 hrs. of service learning within the community in order to graduate
- Did away with low level classes & began offering advanced classes. We eliminated all gate-keeping & opened those classes to any student who was willing to try the work. We offered HS Algebra I in 8th grade, then backed it down to 7th grade, then 6th grade
- Began a program at HS where students can earn an associate's degree while still in HS. We also received a large Advanced Placement grant and are encouraging all students to participate in AP courses. This year piloted a program with Radford/New College for first generation college students to live on campus two weeks and earn three hours college credit.

OUR GOAL: CREATE A COLLEGE-GOING CULTURE!

We have RAISED our expectations for attracting and retaining highly qualified teachers:

Percentage of Core Academic Classes Taught by Teachers Not Meeting the Federal Definition of Highly Qualified
2007-2008 - 5% 2008-2009 – 3% 2009-2010 – 1%

We have established a strong pre-school program:

- Expanded our 4-year-old program and added a 100% locally funded 3-year-old program. All classes are taught by fully licensed, HQ teachers with assistance of HQ paraprofessionals.
- Enrollment is geared to economically disadvantaged, and includes a strong parent involvement component

We take student health and safety seriously:

- To help deal with high pregnancy rate, we opened a Teen Health Center at MHS —open to all high school & middle school students.
- Staffed by a full time registered nurse to provide nursing services, education & referral services.
- Implemented a SAFESHARE program to provide safe avenue for students to report bullying, suspected gang activity, and to promote Internet safety.
 - Invited to present this program at statewide Virginia School Boards Association Conference this fall

We view parents and the community as our partners:

- We've allocated funding & put much effort into before & after school programming, partnering with the Boys & Girls Club, local churches, community mentors, as well as our own staff. We leverage the use of community partnerships in any way we can to support our students.
- We strive to be very transparent to our stakeholders. We televise our School Board meetings. We showcase students & their work at these televised meetings and at hosted community events
- We implemented a requirement that each teacher/administrator make at least 3 home visits per year in an effort to better engage parents in their children's education. This has become very popular with both teachers and parents. We give 2 early release days to teachers for this.

For additional information:

Virginia Department of Education School Division Report Card:

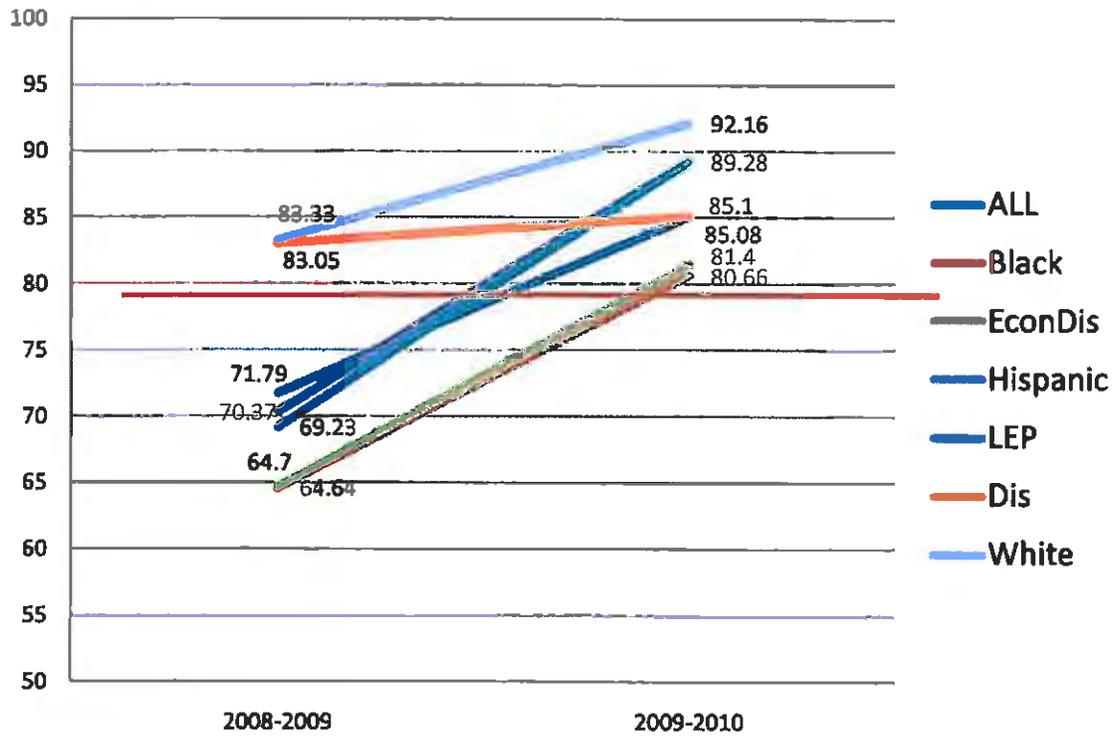
<https://p1pe.doe.virginia.gov/reportcard/report.do?division=116&schoolName=All>

The Annie E. Casey Foundation – Kids Count Data Center: Data for Martinsville *(Updated report to be available 8/17/11)*

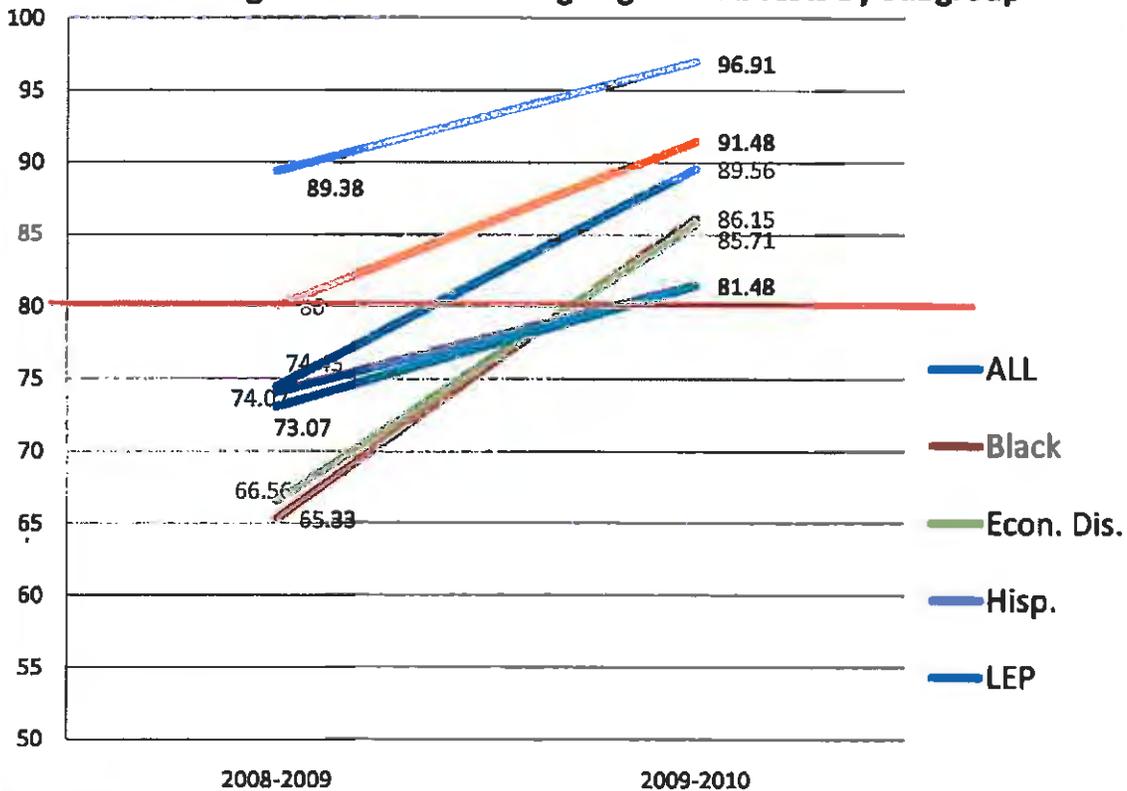
<http://datacenter.kidscount.org/data/bystate/stateprofile.aspx?state=VA&group=All&loc=6890&dt=1%2c3%2c2%2c4>

Submitted by
Pam Heath
Superintendent
Martinsville City Public Schools
pheath@martinsville.k12.va.us

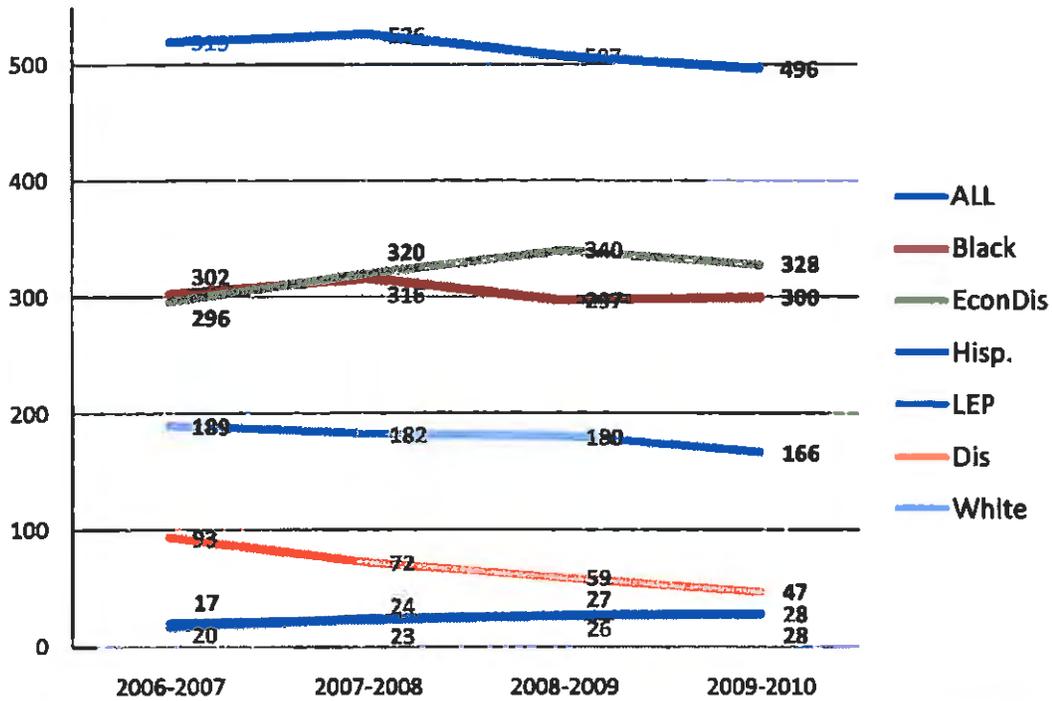
Martinsville Middle School Percentage of Students Passing Math SOL Tests by Subgroup



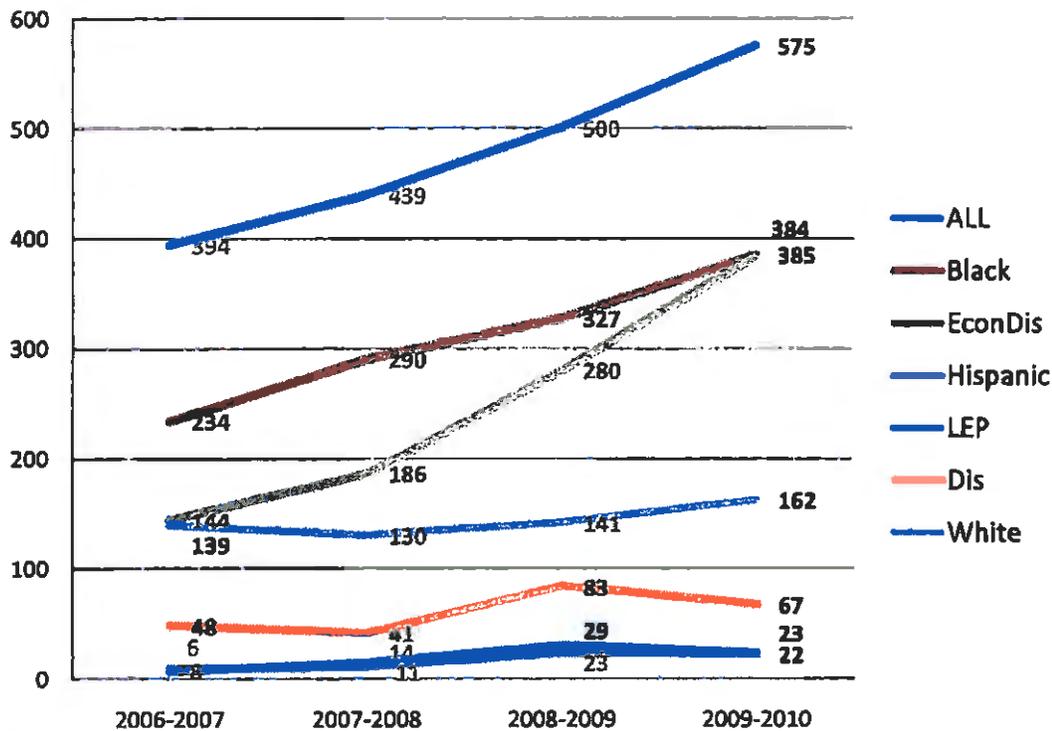
Martinsville Middle School Percentage of Students Passing English SOL Tests by Subgroup



Martinsville Middle School Number of Students Taking Math SOL Tests



Martinsville High School Number of Students Taking Math SOL Tests



AREA PROFILE: MARTINSVILLE CITY/HENRY COUNTY

POPULATION TRENDS, 2000-2010

	Martinsville City	Martinsville/Henry	Southside	Virginia
2010 Population	13,821	67,972	504,660	8,001,024
Growth Rate	-10.3%	-7.3%	1.4%	13.0%
Population Density (persons/square mile)	1,256	173	56	202

Martinsville City and Henry County are two of the 22 localities in the Southside region. Together, they contain 13% of the region's total population, but only 4% of its land mass. As a result, the Martinsville/Henry area has a significantly higher population density than Southside as a whole.

Martinsville/Henry experienced population decline over the past decade, losing more than 5,000 persons, or 7.3% of its total population.

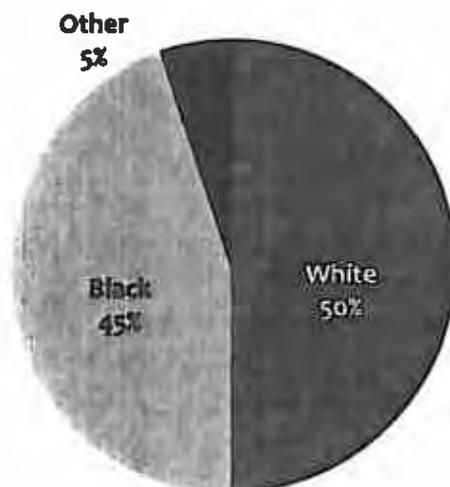
- Martinsville/Henry experienced natural decrease, like many other localities in Southside, with nearly 1,000 more deaths than births between 2000 and 2010.
- The area lost even more persons to migration: nearly 4,500 individuals left the Martinsville/Henry area.

Martinsville City in focus:

- Martinsville City lost nearly 1,600 persons over the decade, or 10.3% of its population. This loss was equally split between natural decrease and out migration from the area.

RACE AND ETHNICITY IN MARTINSVILLE CITY

- In Martinsville City, 45% of the population is black compared to 32% in the Southside region and 19% statewide.



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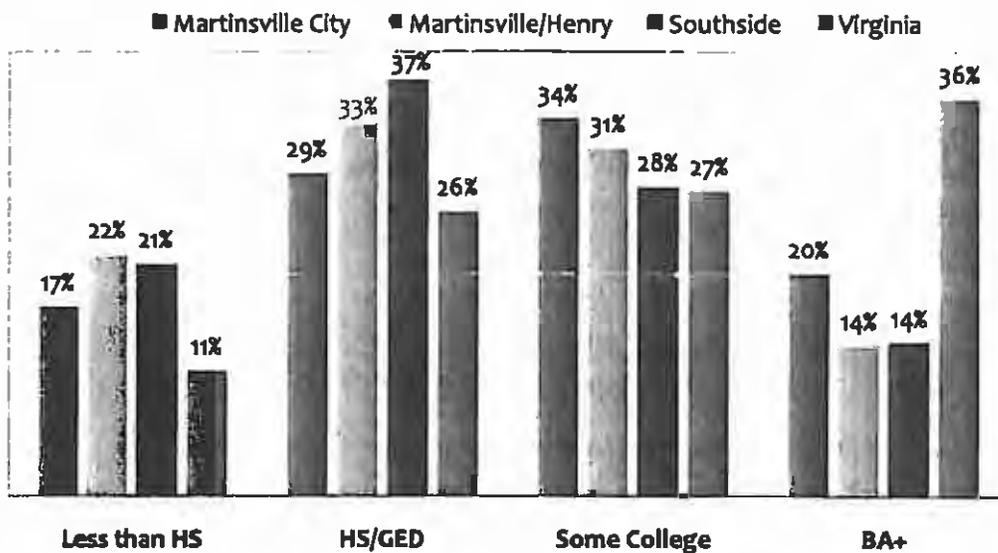
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has a lower population proportion black (22%).

- Four percent of Martinsville City's population identifies as Hispanic, similar to Southside Virginia (3%) and lower than statewide (8%).
 - The Martinsville/Henry area's Hispanic population grew by nearly 750 persons, or 31%, between 2000 and 2010. Most of this growth occurred in Henry County.

Sources: Data on population trends and race/ethnicity are from the 2000 and 2010 Census. Data on 2009 unemployment rate are from Bureau of Labor Statistics Local Area Unemployment statistics. Data on SNAP participation are from the Annie E. Casey Foundation Kids Count Data Center. All other data are from the 2005-2009 American Community Survey from the U.S. Census Bureau.

EDUCATIONAL ATTAINMENT, ADULTS 25-64



Educational attainment among Martinsville/Henry's working age population (adults 25-64) looks very similar to patterns in the Southside region and differs significantly from patterns at the state level, with higher proportions of adults with less than a HS diploma and a lower proportion of adults with a bachelor's degree or higher. Looking at Martinsville City in isolation shows more adults with some college training than surrounding Henry County.

- Martinsville City has fewer adults without a high school diploma (17%) than Henry County (23%).
- Martinsville City has more adults with a bachelor's or higher (20%) than Henry County (12%).

LABOR FORCE PARTICIPATION

Labor force statistics in Martinsville/Henry show

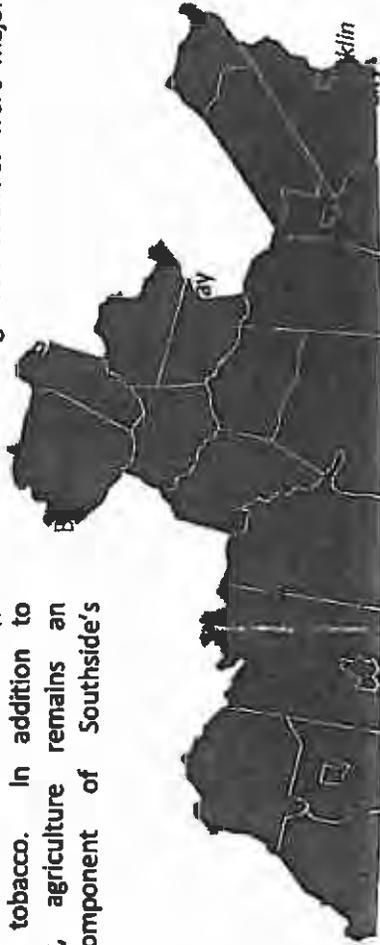
- Twenty-five percent of adults 25-64 are out of the labor force, meaning they are not working or looking for work. This is higher than the state (20%) but lower than the Southside region (29%) levels of out-of-labor force adults.
- Unemployment was 15.3% in 2009, higher than the Southside region (10.8%).
 - Martinsville City had the highest unemployment rate (20.1%) in both the region and the state.

INCOME AND POVERTY

- Forty-one percent of Martinsville City households earn less than \$25,000 per year.
- Twenty-one percent of Martinsville City households fall below the poverty line, compared to 10% statewide.
- In 2010, 36% of Martinsville/Henry area households received food stamp assistance at some point during the year, more than both the regional (32%) and statewide (18%) assistance rates.

- **Between 2005 and 2010, the Martinsville/Henry area experienced a 40% increase in the number of individuals receiving SNAP benefits, reflecting the protracted economic recession. Statewide, there was similar growth in SNAP participation.**

Sharing a long border with North Carolina, Southside Virginia occupies 9,082 square miles. Patrick and Franklin counties are the westernmost points, Buckingham and Cumberland the northernmost, and Southampton and Surry the easternmost. Historically, its four cities and eighteen counties were major producers of tobacco. In addition to manufacturing, agriculture remains an important component of Southside's economy.



Population Trends, 2000-2010

Southside has more than one-fifth of Virginia's land mass, but only 6% of its total population. The region barely grew between 2000 and 2010, gaining only 7,000 persons. This growth accounts for less than 1% of the state's total population growth since 2000.

2010 Census for Southside

Total Population	504,660
Growth Rate	1.4%
Population Density (persons/square mile)	56

Experiencing Natural Decrease

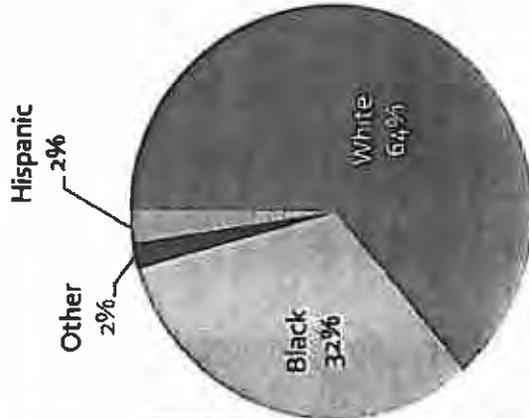
Nationwide, 1 in 4 counties have had more deaths than births in the last decade, a phenomenon called natural decrease. In Southside Virginia, 15 of its 22 localities experienced natural decrease.

- As a region, Southside had 3,510 more deaths than births in the last decade.
- Of the eight localities that experienced population loss, Danville had the largest losses.
- Through migration, many localities continued to grow in spite of having more deaths than births.
- Fueled primarily by migration, Franklin and Prince Edward counties grew by nearly 19%.

Race and Ethnicity in Southside Virginia

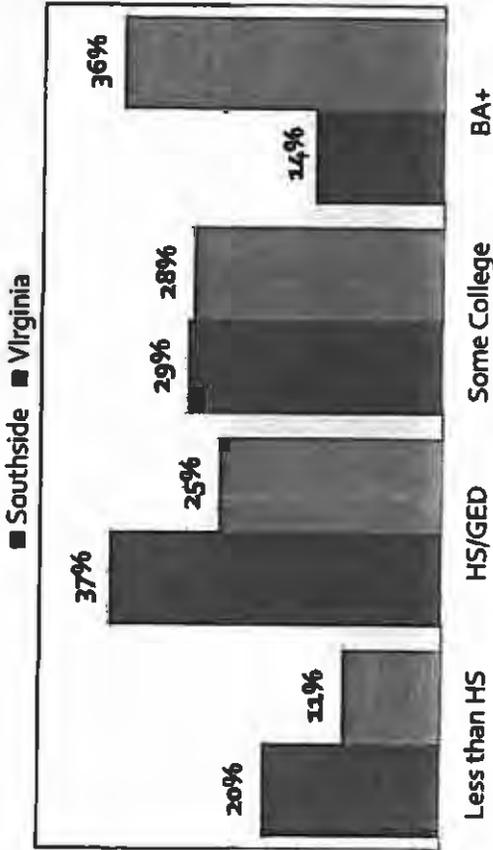
In Southside, 32% of the population is black compared to 19% statewide. While the changes are numerically small, the 2010 Census data show signs of growing Hispanic and Asian communities:

- Between 2000 and 2010, the Hispanic population grew in all localities.
- Franklin County had the largest numerical increase in Hispanic population (850 people), while Amelia had the largest percentage growth in Hispanic population (218%).
- Mecklenburg had the largest numerical increase in Asian population (120 people).



Human Relations Committee, 7/26/11, 14

Educational Attainment, Adults 25-64



Educational attainment among Southside's working age population (adults ages 25-64) differs significantly from patterns at the state level. Compared to the other seven regions, Southside has

- The highest percentage of adults without a high school diploma.
- The lowest percentage of adults with a bachelor's degree or higher.

Labor Force Participation

Labor force statistics in Southside Virginia show

- **Thirty-one percent of adults 25-64 are out of the labor force**, meaning they are not working or looking for work. This is much higher than state (20%) and national (22%) levels of out-of-labor force adults.
- **Unemployment was 10.8% in 2009**, higher than Virginia's unemployment rate (7.5%) and the national rate (9.7%).
- **Cumberland had the lowest unemployment rate (7.2%) while Martinsville had the highest (20.1%).**

Income and Poverty

- More than **36% of Southside's households earn less than \$25,000** per year.
- **Seventeen percent of households fall below the poverty line in Southside**, compared to 10% statewide.
- **Thirteen percent of households receive food stamps.**

Thirty-two percent of Southside households do not have adequate income to meet their regular expenditures, such as housing, food, and transportation, without help from government programs, family and friends, or local organizations.

Sources: Data on population trends and race/ethnicity are from the 2000 and 2010 Census. Data on 2009 unemployment rate are from Bureau of Labor Statistics Local Area Unemployment statistics. Data on income adequacy are from a Cooper Center study. All other data are from the 2007-2009 American Community Survey from the U.S. Census Bureau.

For more information, please contact
Rebecca Tippet
rebecca.tippet@virginia.edu or (434) 982-5861.



A Decade of Change in Virginia's Population

by Qian Cai

The Changing Census

As the 2010 census data are gradually being released, users may soon notice that the releases contain less information than the previous censuses, especially detailed demographic, socioeconomic and housing data. This is because the 2010 census, and every decennial census thereafter, has changed.

Detailed data collected in previous decades were from the census "long form," which, for example, was sent to one in every six households in 2000. During that census, all other households were sent a "short form," which asked only a few questions about each household member: name, sex, age, date of birth, race, ethnicity, relationship with head of household, and housing tenure (owner or renter). The long form was used to obtain detailed data on communities throughout the country. The short form was used collect the basic information required to fulfill the constitutionally mandated purpose of a decennial census: to apportion seats in the U.S. House of Representatives and redistrict state legislatures.

Beginning in 2010 the census had a short form only. The short form was sent to every household and collected the same basic information detailed above. The census long form has been replaced by the annual "American Community Survey," also conducted by the U.S. Census Bureau. Each

community in the nation, instead of having a snapshot of its population taken once every ten years, now has a snapshot every year.

This article is based on the 2010 census redistricting data for Virginia. The data contain information on total population, race and Hispanic origin, and voting-age population.



Qian Cai

State Population Growth

The results of the 2010 census show that Virginia experienced another decade of steady growth, reaching over 8 million. Virginia's growth rate (13 percent) outpaced the nation (9.7 percent) and was only slightly lower than the 14.4 percent growth rate of the prior decade. Typically, large population states lead in numerical growth, and smaller states lead in growth rates. Bucking the trend, Virginia ranks high on all three measures: population size (13th), numerical growth (6th), and growth rate (16th). Virginia's growth reflects a continuing national population shift toward southern and western states.

Population growth is the result of two factors: natural increase (more births than deaths), and net in-migration (more people moving in than moving out). These two factors do not always trend in the same direction, and the contribution of each to total population change may vary significantly.



"Northern Virginia alone composed more than half of the state's growth."

For example, more than 90 percent of the growth in California in the last ten years came from natural increase, while in Florida, net in-migration accounted for more than 80 percent of the growth. In Michigan, net out-migration of more than 462,000 people in the decade offset a natural increase of 406,000, resulting in net population decline.

Population growth in Virginia is well balanced. Virginia is the only state in the country in which natural increase and net in-migration contributed equal shares to population growth. Virginia remains a highly attractive state for people from other parts of the nation and the world to come to work and live, ranking 7th nationwide in the number of net in-migrants.

Population Distribution and Change

In the past decade, Virginia's population distribution and change trends continued a pattern evident in the 1990s, magnifying distinctions between the Urban Crescent, which arches across the Northern Virginia, Richmond and Hampton Roads metropolitan areas, and communities in the regions of Southside, Southwest, Valley and Eastern.¹ Appendix A provides a list of Virginia's metropolitan areas.

Virginia's population continues to concentrate in three large metropolitan statistical areas (MSAs): Northern Virginia, Richmond, and Hampton Roads. These three areas combined are home to 70 percent of the state's population and accounted for 82 percent of the state's total population growth. Northern Virginia alone composed more than half of the state's growth. Three of its counties (Fairfax, Loudoun, and Prince William), fueled by both high birth rates and large net in-migration, generated 40 percent of the state population growth.

The Richmond metropolitan area contributed 17 percent of the state's total growth. Five counties in the Richmond area (New Kent, Caroline, Goochland, Powhatan, and Chesterfield) were among the top 20 fastest growing localities in the state. For the first time in four decades, the city of Richmond gained, rather than lost, population over the last ten years. Its growth rate was 3.2 percent.

Table 1: Fastest Growing and Declining Virginia Localities, 2000-2010

Ten Fastest Growing		Ten Fastest Declining	
Locality	Percent Growth	Locality	Percent Loss
Loudoun County	84.1	Accomack County	-13.4
Prince William County	43.2	Danville City	-11.1
King George County	40.4	Buchanan County	-10.7
Stafford County	39.5	Martinsville City	-10.3
James City County	39.3	Highland County	-8.5
Manassas Park City	38.7	Grayson County	-8.0
New Kent County	36.9	Henry County	-6.5
Culpeper County	36.3	Bath County	-6.3
Spotsylvania County	35.4	Hampton City	-6.1
Suffolk City	32.8	Alleghany County	-5.6

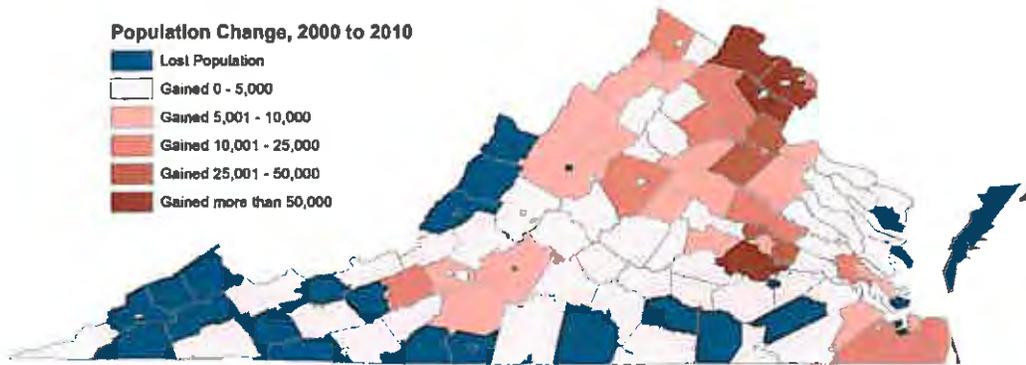
In contrast, Hampton Roads experienced low growth in the last decade, with a gain of only 5.7 percent. Only two of the region's localities (James City County and Suffolk City) made the top 20 fastest-growing list. At the same time, five cities in Virginia with the largest net out-migration are all in Hampton Roads: Virginia Beach, Newport News, Hampton, Norfolk, and Portsmouth, even though more military population moved into the area during the decade.

Among the remaining eight metro areas in the state, growth patterns vary considerably. The Winchester metro area, which was the least populous in 2000, surpassed the Bristol area in 2010 with a whopping growth rate of 26 percent, mainly due to spillover effects of Northern Virginia growth. Two metro areas with large universities, Charlottesville (University of Virginia) and Harrisonburg (James Madison University), also experienced high growth rates of nearly 16 percent. Danville is the only metro area in the state that lost population.

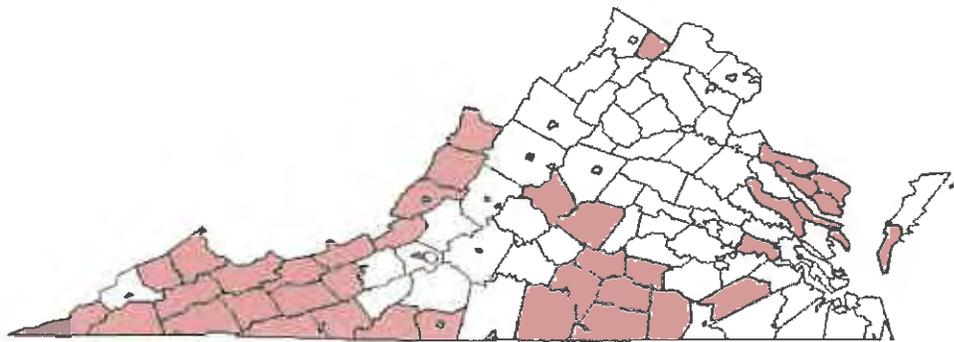
At the locality level, defined in this article as county and independent city, Fairfax County remains the state's most populous, with more than 1.1 million residents. Highland County remains the least populous, with a population a little over 2,300. Map 1 shows growth and loss in each city and county between 2000 and 2010. Major urban counties led in growth with Loudoun topping the list for the largest numerical growth, as well as the fastest growth rate, adding more than 142,000 people – a growth rate of 84 percent. While most of Virginia's 134 cities and counties experienced a population increase, 30 experienced a population decrease. Danville had the largest decline, losing 11 percent of its population.

¹ For more information about Virginia's eight regions as defined by the Cooper Center's Workforce and Demographics Group go to: <http://www.coopercenter.org/demographics/virginia-regions>

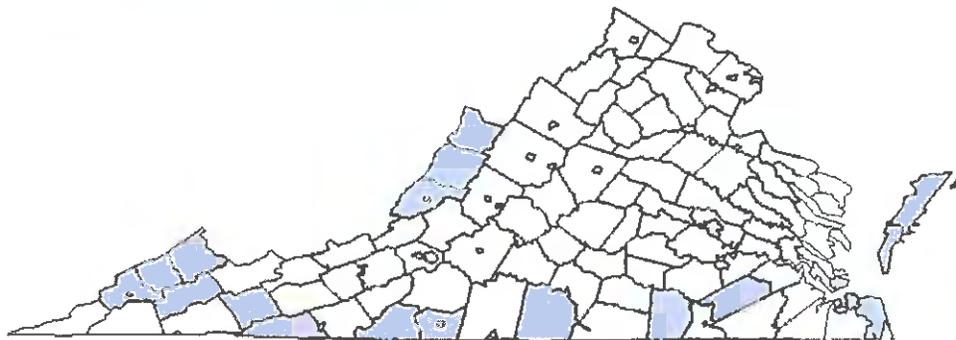
Map 1. Population Numerical Gain and Loss, 2000 to 2010



Map 2: Localities Experiencing More Deaths than Births, 2000-2010



Map 3: Localities Experiencing Net Out-migration, 2000-2010



More localities in Virginia experienced population losses during the last ten years than in the previous decade (30 vs. 24). Fifty-five localities had more deaths than births in the last decade (see Map 2), compared to 42 in the 1990s. Thirty localities experienced net out-migration (see Map 3) compared to 25 in the 1990s. As the older population ages in place and younger individuals and families move out for job and education opportunities elsewhere, many rural communities suffer losses both from more deaths than births and from net out-migration. Danville is a typical example. In a ten-year decrease of more than 5,300 people, 4,200 were due to net

out-migration, and 1,100 were due to deaths outnumbering births.

Race and Ethnicity

In addition to total population counts, the Census Bureau released data on race and ethnicity (Hispanic origin). Virginia, like the nation as a whole, is experiencing increasing racial diversity with the rapid growth of Hispanic and Asian populations.

Statewide, the most notable changes were: (1) Hispanics, who can be of any race, were the fastest-growing minority group in Virginia; (2) the Asian population grew considerably; and,

“As the older population ages in place and younger individuals and families move out for job and education opportunities elsewhere, many rural communities suffer losses both from more deaths than births and from net out-migration.”

"...one in every three new Virginians in the past decade was Hispanic."

(3) the proportion of the white population continued to decline.

In the last ten years, Virginia's Hispanic population grew by more than 300,000, or 92 percent. Thirty-six percent of this growth was due to natural increase and 64 percent was due to net immigration. Hispanics now comprise 7.9 percent of Virginia's population, compared to less than 4.7 percent ten years ago. Furthermore, growth in the Hispanic population contributed one-third of the state's total growth. In other words, one in every three new Virginians in the past decade was Hispanic.

The Hispanic population increase is also widespread across the commonwealth. Of 134 localities in Virginia, 132 experienced Hispanic population growth. In 26 localities the Hispanic population tripled; in 55 localities, it doubled. Only two counties in Virginia had fewer Hispanics in 2010 than in 2000: Arlington County in Northern Virginia and Buchanan County in the Southwest.

While most localities experienced significant Hispanic population increases, the majority of Virginia Hispanics live in the Urban Crescent and in some pockets of Southside Virginia and the Upper Valley. Northern Virginia is home to more than 60 percent of Virginia's Hispanics.

Virginia's Asian population was the second fastest-growing minority group, increasing by nearly 70 percent in ten years. Asians now account for 5.5 percent of the total population, compared to 4.8 percent in 2000. The geographic distribution of the Asian population, like that of Hispanics, heavily clusters around the urban centers, including the counties of Fairfax, Loudoun, Prince William, and Arlington and Alexandria City in Northern Virginia; major cities in Hampton Roads including Virginia Beach, Norfolk, Chesapeake and Newport News; and Henrico and Chesterfield counties and Richmond City in the Richmond metro area. In addition, major university centers, such as Charlottesville, Harrisonburg, and Lynchburg (Liberty University, Lynchburg College, and Randolph College), and counties containing or adjacent to large public colleges or universities such as Montgomery (Virginia Tech), Albemarle (University of Virginia), and James City (College of William and Mary) also have sizable Asian populations. In contrast, Asians are very sparse in rural communities.

In addition to the fast growth of Hispanic and Asian populations, Virginia's multi-race population, albeit small, experienced a large increase, from 2.0 percent of the total population in 2000 to 2.9 percent in 2010. This increase is a by-product of population diversity and inter-racial

marriage. The majority of the multi-racial population identified themselves as belonging to two race groups, primarily white and black, and white and Asian. Multi-racial Virginians predominantly reside in Northern Virginia and Hampton Roads. Manassas Park City tops the list, with more than 5 percent of its residents reporting themselves as multi-racial.

Unlike the nation as a whole, where Hispanics are the largest minority group, the black or African-American population remains the largest minority group in Virginia, accounting for 19 percent of the total population. The growth, from 1.4 million in 2000 to 1.6 million in 2010, or 11.6 percent, was just enough to keep blacks' share in the total population unchanged between 2000 and 2010. The black population is primarily concentrated in the eastern half of the state, particularly in Southside Virginia and the Hampton Roads area. The cities of Norfolk and Richmond have the largest black populations in the state, exceeding 100,000, while Petersburg City has the largest percentage of black residents (79 percent).

The white population grew from 5.1 million in 2000 to 5.5 million in 2010, or, 7 percent; however, in light of other race groups' much faster growth, the proportion of whites in the total population continued a decades-long trend of decline, dropping from 72 percent in 2000 to 69 percent in 2010. The proportion of Virginia's population that is white is now what it was one century ago, when blacks accounted for one-third of the population.

Summary

Virginia's population trends in the first decade of the 21st Century indicate the following developments in the second decade.

- Virginia's population continues to grow, albeit unevenly across regions. Northern Virginia, by its sheer population size, dominates statewide statistics and may mask population trends occurring elsewhere. The impact of Northern Virginia on the overall population is likely to continue, perhaps leading to a bipolar population distribution and potential impact on state and local economies, government, and resource allocation.
- Growth in major metro areas is likely to have spillover effects, stimulating growth in surrounding areas, making Virginia's Urban Crescent larger and wider.
- More rural communities will experience natural decrease, with deaths outnumbering births, as a result of aging of the population and outmigration of the younger population. Hispanic population growth in some of these communities may slow or reverse population

decline, both through immigrants moving into the area, and through a resident Hispanic higher birth rate.

- Virginia's population is more diverse than ever and will increasingly be so. Among Virginia's population under 18 years of age, 61.9 percent are white, and 11.1 percent are Hispanic, compared to 68.6 percent and 7.9 percent, respectively, for the population as a whole. In 22 localities in 2000, the majority of the under-18 population was a racial or ethnic minority. In 2010, that was true in 32 localities. Characteristics of Virginia's children suggest a future of even greater population diversity.

ABOUT THE AUTHOR:

Dr. Qian Cai (pronounced "chien tsai") is director of the Demographics & Workforce Group at the University of Virginia's Weldon Cooper Center for Public Service. Her research focuses on population estimates methodology, migration and immigration, and population aging. She is principal investigator for multiple research grants from the U.S. Census Bureau, Virginia Governor's Office and various state agencies. Qian serves on the Census Bureau's Steering Committee of the Federal-State Cooperative Program for Population Estimates, as well as Population Association of America's Committee on Applied Demography and Committee on Population Statistics. A native of China, Qian received a bachelor's degree in economics in 1991 and a master's degree in demography in 1994, both from Peking University. She received a Ph.D. in sociology from Brown University in 2000.

Appendix A: Virginia's Eleven Metropolitan Statistical Areas (Based on Office of Management and Budget 2003 definitions)

Blacksburg-Christiansburg-Radford, VA

Giles County
 Montgomery County
 Pulaski County
 Radford City

Charlottesville, VA

Albemarle County,
 Fluvanna County
 Greene County
 Nelson County
 Charlottesville City

Danville, VA

Pittsylvania County,
 Danville City

Harrisonburg, VA

Rockingham County
 Harrisonburg City

Kingsport-Bristol-Bristol, TN-VA

Virginia Portion (Bristol Area)
 Scott County
 Washington County
 Bristol City
 Non-Virginia Portion
 Hawkins County, TN
 Sullivan County, TN

Lynchburg, VA

Amherst County
 Appomattox County
 Bedford County
 Campbell County
 Bedford City
 Lynchburg City

Richmond, VA

Amelia County
 Caroline County
 Charles City County
 Chesterfield County
 Cumberland County
 Dinwiddie County
 Goochland County
 Hanover County
 Henrico County
 King and Queen County
 King William County
 Louisa County
 New Kent County
 Powhatan County
 Prince George County
 Sussex County
 Colonial Heights City
 Hopewell City
 Petersburg City
 Richmond City

Roanoke, VA

Botetourt County
 Craig County
 Franklin County
 Roanoke County
 Roanoke City
 Salem City

**Virginia Beach-Norfolk-Newport News,
VA-NC (Hampton Roads)**

Virginia Portion
Gloucester County
Isle of Wight County
James City County
Mathews County
Surry County
York County
Chesapeake City
Hampton City
Newport News City
Norfolk City
Poquoson City
Portsmouth City
Suffolk City
Virginia Beach City
Williamsburg City
Non-Virginia Portion
Currituck County, NC

Fairfax County
Fauquier County
Loudoun County
Prince William County
Spotsylvania County
Stafford County
Warren County
Alexandria City
Fairfax City
Falls Church City
Fredericksburg City
Manassas City
Manassas Park City
Non-Virginia Portion
District of Columbia
Calvert County, MD
Charles County, MD
Frederick County, MD
Montgomery County, MD
Prince George's County, MD
Jefferson County, WV

**Washington-Arlington-Alexandria,
DC-VA-MD-WV**

Northern Virginia Portion
Arlington County
Clarke County

Winchester, VA-WV

Virginia Portion
Frederick County
Winchester City
Non-Virginia Portion
Hampshire County, WV

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Meeting between the Greensboro Human Relations Commission and the Martinsville, VA Human Relations Advisory Group

August 16, 2011
10:30am-3:00pm
AGENDA

- I. Introductions
- II. Purpose of the meeting/general discussion
- III. HRC Formation and Evolution
- IV. HRC Leadership Discussion: (1) How the HRC fits in the City Government structure, and (2) how city government takes information from the Commission and uses it to bring about change or address community issues
- V. Lunch
- VI. HRC Committee Programs and Departmental Programs Discussion
- VII. Discussion of the National Association of Human Rights Workers and its relationship to human relations boards and agencies nationally
- VIII. Adjournment



Proclamation

WHEREAS, the Human Relations Commission and its Department in the City of Greensboro, North Carolina, are recognized nationwide as a best practice for cities to follow in order to improve the quality of life for city residents by encouraging fair treatment and promoting mutual understanding and respect among all people;

WHEREAS, the City of Martinsville, Virginia, and its newly formed Human Relations Committee are determined to create a culture of public decision-making and problem-solving that is forward thinking, accountable and inclusive; and the Martinsville's Human Relations Committee members and leadership, both elected and appointed, recognize that it would benefit greatly from meeting and conversing with officials from the City of Greensboro's Human Relations Commission and its Department;

WHEREAS, the City of Martinsville's Human Relations Committee and elected and appointed officials traveled to the City of Greensboro on August 16, 2011, to learn how its Human Relations Commission evolved into an entity of stature and importance as it relates to the City's struggles with issues of consequence;

WHEREAS, all in attendance from the City of Martinsville at this meeting on August 16, 2011, found the knowledge gained to be highly beneficial in its efforts to establish a similar Human Relations entity that has the support and creditability to study and make recommendations concerning problems in all fields of human relationships and encourage fair treatment and mutual understanding among all racial and ethnic groups in the City;

WHEREAS, all in attendance from the City of Martinsville are most appreciative to the City of Greensboro for its generosity of time and sharing of knowledge;

BE IT RESOLVED, that I, Kim E. Adkins, Mayor, and that I, Kimble Reynolds Jr., Vice Mayor, of the City of Martinsville, Virginia, do hereby acknowledge formally the City of Martinsville's utmost appreciation to the City of Greensboro's Human Relations Commissioners and its Department for its selflessness to assist the City of Martinsville to be more responsive and inclusive of all of its residents and establishments.

Kim E. Adkins
Mayor

Kimble Reynolds Jr.
Vice Mayor

Human Relations Advisory Committee
Tuesday, August 23, 2011 • 12 p.m. • Heritage Center and Museum
(Former Henry County Courthouse)

MINUTES

PRESENT: Kim Adkins, Rachel Beneke, Marie Craddock, Phyllis Hairston, Pam Heath, Barbara Jackman, Chad Martin, Kimble Reynolds, Thomas Salyer, Randy Stevens and BonnyLee Witt

ABSENT: Ural Harris, Tony Jones and Bailey Penn

GUESTS: Rev. Leonard Jones, Alexis Lee, Sidney Lee, Joe Martin, John Martin, Tyler Millner, James Preston, Veraine Reynolds, William Reynolds

PRESIDING: Vice Mayor Kimble Reynolds

FACILIATOR: Mayor Kim Adkins

Kimble Reynolds welcomed everyone; called the meeting to order. Vice Mayor Reynolds asked for a motion to approve the minutes from the July 26, 2011, meeting. Prior to the motion, it was noted that on page one “Mr. Heath” should be changed to “Ms. Heath.” With this correction, Pam Heath moved to approve. Phyllis Hairston seconded. Minutes carried unanimously.

Vice Mayor Reynolds said the purpose of the meeting was to confirm the tour of Martinsville, debrief on the visit to Greensboro, N.C., and discuss next steps, such as the visit to Charlottesville. Highlights from this discussion are as follows:

- Kim Adkins will confirm with Sheriff Steve Draper a time in mid-morning on Tuesday or Thursday of next week to tour Martinsville.
- Regarding the visit to Greensboro, all that went agreed they thoroughly enjoyed the visit with Greensboro’s Human Relations Commission and its department officials. While it was highly informative and inspiring, there was a sentiment that we may need a different perspective from an area more similar to Martinsville in size (a smaller city). Regardless, for this Human Relations entity to be successful they agreed with Greensboro’s repeated messages of (1) the right people have to be on the committee with no hidden agendas and these individuals need to be well respected in the community; (2) the right structure needs to be put in place, like an ordinance (and not a “Paper Tiger” entity that lacks teeth), in order to “mediate” to solve conflicts in the community; (3) awareness is very important, so there needs to be an appropriate amount of outreach addressing the issues identified in the city (such as, but limited to, sponsoring fair employment educational programs, conflict management education and training seminars, landlord-tenant dispute programs and equal housing opportunities and initiating partnerships with the school system and women’s groups).
- Vice Mayor Reynolds will reach out to Charlottesville again to see if they will entertain a visit from us.

Additional next steps:

- For one of our upcoming scheduled meetings, either September 6 or 20, confirm a facilitator to assist with mini strategic planning session. Mayor Adkins recommended Dr. Martha Walker with the Virginia Cooperative Extension. She agreed to check on her availability. Additional information will be sent out electronically on her availability. Agenda will be sent out in advance so all have input on the direction of this strategic planning session. In the meantime, Mayor

Adkins will advise Dr. Walker that proposed outcomes of this planning session are to (1) reaffirm or alter vision, mission and goals; (2) identify issues of consequence; (3) begin the initial discussion of a structure.

- All agreed additional time is needed to formulate recommendations to City Council. Timeline to do so will be adjusted; therefore, a presentation to Council will not on September 27 as originally planned.

With no further business, the meeting adjourned at 1 p.m.

Martinsville Tour – September 1, 2011

A Journal of Observations

Designed by Martha A. Walker, Ph.D.
Community Viability Specialist, Virginia Cooperative Extension

Please record your observations as you travel through Martinsville's neighborhoods.

- Are there differences between the neighborhoods? If so, describe those differences?
- Consider what services are being provided and the impact those services have on the residents.
- What challenges do the residents have?
- What can Martinsville do to improve conditions and remove barriers to progress?

Issue	Observation
What are the names of the neighborhoods included in your tour?	
What did you observe that "jumped out at you" during the tour?	
Condition of the homes	
Condition of the yards	
Children playing	
Adults talking/visiting	

<i>Issue</i>	<i>Observation</i>
Businesses	
Street and sidewalk condition	
Landscape of public areas	
Parks	
Police and Fire presence	
Employment/Unemployment statistics	
Crime rates	

Human Relations Advisory Committee Meeting
Tuesday, September 6, 2011 · 12 p.m. · Martinsville City School Office

MINUTES

PRESENT: Kim Adkins, Rachel Beneke, Marie Craddock, Phyllis Hairston, Pam Heath, Barbara Jackman, Tony Jones, Chad Martin, Kimble Reynolds, Thomas Salyer, Randy Stevens and Bonnylee Witt

ABSENT: Ural Harris

GUESTS: Alexis Lee, Sidney Lee, Chief of Police Mike Rogers, Alicia Soloman, Veraine Randolph and William Randolph

CHAIRMAN: Vice Mayor Kimble Reynolds

FACILITATOR: Dr. Martha Walker, Community Viability Specialist, Virginia Cooperative Extension

Vice Mayor Kimble Reynolds called the meeting to order. He asked for a motion to approve the minutes from August 23, 2011. Prior to approval, it was noted that Veraine and William Randolph's names were incorrectly represented as "Reynolds" instead of "Randolph." Correction was noted and will be made.

Vice Mayor Reynolds reported that the purpose of this meeting is very specific – to start the strategic planning process where vision, mission and goals will be affirmed or altered based on identified community issues the committee would like to explore. The goal of today, he said, is to identify these issues.

Vice Mayor Reynolds asked Mayor Kim Adkins to introduce the facilitator, Dr. Martha Walker, Community Viability Specialists of the Virginia Cooperative Extension. Mayor Adkins gave a brief introduction and turned the meeting over to Dr. Walker.

To kick off the discussion, Dr. Walker asked everyone who participated in the tour of the city to share their observations and takeaways. From this discussion, she asked the committee members to use their observations as a guide to help answer some of her pre-prepared questions. For those members who did not go on the tour, they were encouraged to use their perceived thoughts.

Dr. Walker had color-coded cards in front of each committee member to represent one of the following discussion topics or questions pertaining to the city – (1) What are the "bright spots"? (2) What do you "wish" for the city? (3) What are the "challenges" facing the city and (4) What "issues" should the human relations advisory committee address? Committee members were asked to write one thought or idea at time on each card. Cards were collected by Dr. Walker and grouped together on flip chart paper so that visually the committee could see if there were identified groupings and/or what topics needed further explanations. These identified groups and thoughts could give direction to confirm or not confirm if the committee's vision, missions and goals support the direction of the committee.

Immediately after this facilitated exercise, Dr. Walker led a discussion for the committee to review the commission's vision, mission and goals. Values were identified as well.

**Human Relations Advisory Committee
Notes from the Strategic Planning Process
September 6, 2011**

Bright Spots:

- Neighborhood parks
- Pride in the community (cleanliness, renovations, landscape, personal property maintenance)
- Landscape improvements, buildings in commercial areas
- Diversity of citizens, experiences
- Wealth of history
- Good infrastructure (buildings, repurposing, need to think differently, law enforcement, schools, libraries)
- Resources and people to create an inclusive culture (citizens, leadership)
- Small community
- Increase in use of resources
- All are experiencing the same thing

Challenges

- Lack of activities for youth (program)
- Invisible community
- Social barriers (tradition and history)
- Unmaintained homes (rental property neglect)
- Lack of jobs
- Small parks locked and gated
- Curbs and roads undeveloped in some areas of the city
- Lack of awareness of community issues
- Dogs on chains
- Small community (funding issues to assist with change)
- Indifference
- Cultural stereotypes
- Graffiti
- Coming together as one

I wish

- Members of the community becoming more engaged
- More volunteerism
- All parks were open and inviting
- Citizens learned nonviolent methods of conflict resolutions
- Equality
- More people out and about
- Martinsville-Henry County could prosper as in the past
- Inclusive, access
- More folks wanting to save and appreciate historic, even old buildings and plans
- More home ownership
- NCI
- Reconciliation and healing of the community
- Decent and more jobs
- Community was not segregated by racial and socio economic barriers
- We could get all citizens to care more

Human Relations Issues

- Create a process for equity
- Learn positive ways of handling different values
- Xenophobia (defn: a fear of losing identity, suspicion of activities)
- African American community institutions not recognized by rest
- Work on race relations and socio economic issues
- Not everyone feels they have a voice
- No forum/system to discuss community issues
- Divided
- Need for more jobs and conversations
- Misunderstood
- Blindness, self contained neighborhoods
- Have and have nots
- Citizens being able to share values, feelings
- Barriers (social) between parts of town

Support materials are on pages 5-10.

Do the identified bright spots, wishes, challenges and issues support the committee goals?

- Goal – Develop the civic capacity to address identified city challenges and opportunities
- Goal – Ensure open and accountable government that hears and values all voices
- Goal – Bridge the fault line of race and class that inhibit community progress and erode health

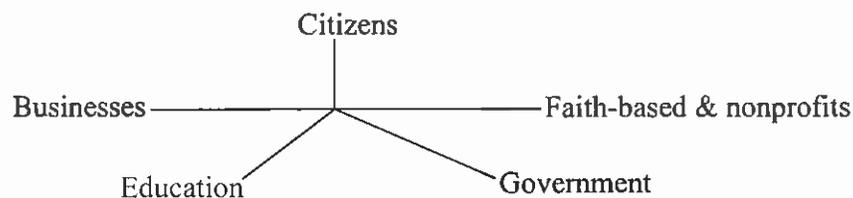
Response: Yes. See pages 11-13 as examples.

Vision – Martinsville will promote a culture of public decision-making and problem-solving that is forward thinking and accountable and inclusive.

- The words underlined may need to be changed to the following:
 - Promote – have, support, create, engage or enable
 - Public – community, open, transparent, citizen or inclusive
 - Forward-thinking – advanced, proactive, progressive or understanding

Mission – To advance strategies in the city that expands opportunity, reduces poverty and builds inclusiveness.

- Proposed network



Support material for vision and mission are on page 14-16.

Identified "values":

- Relationships
- Quality of life
- Pride of city/community
- Inclusion
- Diversity
- Equity
- History as a community
- Communication

Support material is on page 17.

For copies of the evaluation, go to page 18.



Bright Spots

- Neighborhood Parks
- Pride in the Community
cleanliness / Renovation
landscape / personal
property
maintenance
- Landscape Improvements / Buildings
in Commercial areas
- Diversity of Citizens / experiences

- Wealth of history
- Good infrastructure
 - Law enforcement (buildings, Repurposing)
 - Schools
 - LibrariesNeed to think differently
- Resources and people to create an inclusive culture (Citizens / leadership)
- Small community
- ~~Low~~ Increase in use of Resources
- All are experiencing the same thing

Challenges

Neglect
in Southside

landlord
accountability

Lack of jobs
creates low
morale. (Lack of
hope)

small community
(funding issues to
assist change)

Coming together as
one...

lack of exposure

Rental properties
(not maintained as
well as most owned
properties)

Indifference

Rental properties
often not
maintained

Parks
- Locked
- Sated

RESPECT OF
PERSONS
& CULTURES
STEREOTYPES

Sidewalks

Curb & Road
Undeveloped

EVERYONE NEEDS
TO GET INVOLVED
WITH IMPROVING THE
COMMUNITY

graffiti
on
empty Commercial
Buildings

Property ^{lack of}
Maintenance
in certain area

Lack of awareness
of community
issues

rental property
Maintenance

businesses
along
VA
Memorial Ave.

home upkeep
Costs money

dogs on
chains

Housing &
Building
Maintenance
Issues

Human Relations Committee Minutes Page 6

I wish

MEMBERS OF OUR COMMUNITY BECOMING MORE ENGAGED

Volunteerism
Jobs & work
not totally associated to money - (Paid)

NCI-4yr

All parks were Open and inviting

I wish m/HC could prosper like in the past. I am sure that in the future, we will.

I wish
We were more positive about our city's "bright spots" & future possibilities

I wish the citizens learn NON-VIOLENT methods of CONFLICT RESOLUTION

Inclusive Access

RECONCILIATION & HEALING of the Community

Equality

-more folks wanted to save & apprec. historic, even old bldgs & places

decent jobs (not just call centers)

community was not segregated by racial and socio-economic barriers

More people out and about

Belief change can occur
Leadership not indifferent

every street could be safe

We could get all citizens to care more

more home ownership

MORE PEOPLE HAD JOBS

Human Relations Issues

WORKING ON
RACE RELATIONS,
SOCIOECONOMIC
ISSUES

need for more
jobs
+
conversations

Not everyone feels
they have a voice

Misunderstanding

Citizens being
able to share
Values; feelings...

^{NO} Forum / system
to discuss
community issues
concerns

Blindness
Self contained
neighborhoods

'barriers' (social)
between parts
of town

Divided

have and
have nots!

Human Relations Advisory Committee Minutes, Page 10

Goal

Develop the civic
CAPACITY TO Address
IDENTIFIED CITY
Challenges and opportunities

Quality of Life
Struggles in
Neighborhoods that
AOL's have incamsa
in Rental Properties

~~ADD~~
MORE
activities For
senior citizens

Economic Development
for all communities

NEED FOR
DIVERSE ~~ACT~~
ACTIVITIES

Rental
Property
neglect

All parks in
the city were
open (no closed city)

Unmaintained
homes

LACK OF
FACILITIES
FOR YOUTH
(Program)

Goal

ENSURE Open and
accountable government
that hears and values
all VOICES = Invisible Community

People of the area being
unwilling to speak out
about their own issues.
- Share their feelings
and thoughts

Lack of exposure
Awareness

Respect

To serve AT RISK
youth that are
not being
served outside
of school
13-18

Public Calendar
(Central)

Keeping and getting
citizens engaged

Goal

Bridge the fault line
of race AND class
that INHIBIT COMMUNITY
PROGRESS AND erode

Health

More
Knowledge of
Various Communities
within City

Create a Process
Equity for
all

Learn Positive
WAYS OF
HANDLING different
Cultural
Values

Social Barriers
tradition and
history /

Barriers
between
Parts of Town

Xenophobia

At-AM community
institutions not
recog. by rest.

VISION

Martinsville

WILL PROMOTE

a culture of public
decision-making and
Problem-solving that
is forward thinking,
accountable, and
inclusive.

Promote

- have
- support
@ create
engage
enable

Public

Community
Open
transparent
Citizen
Inclusive

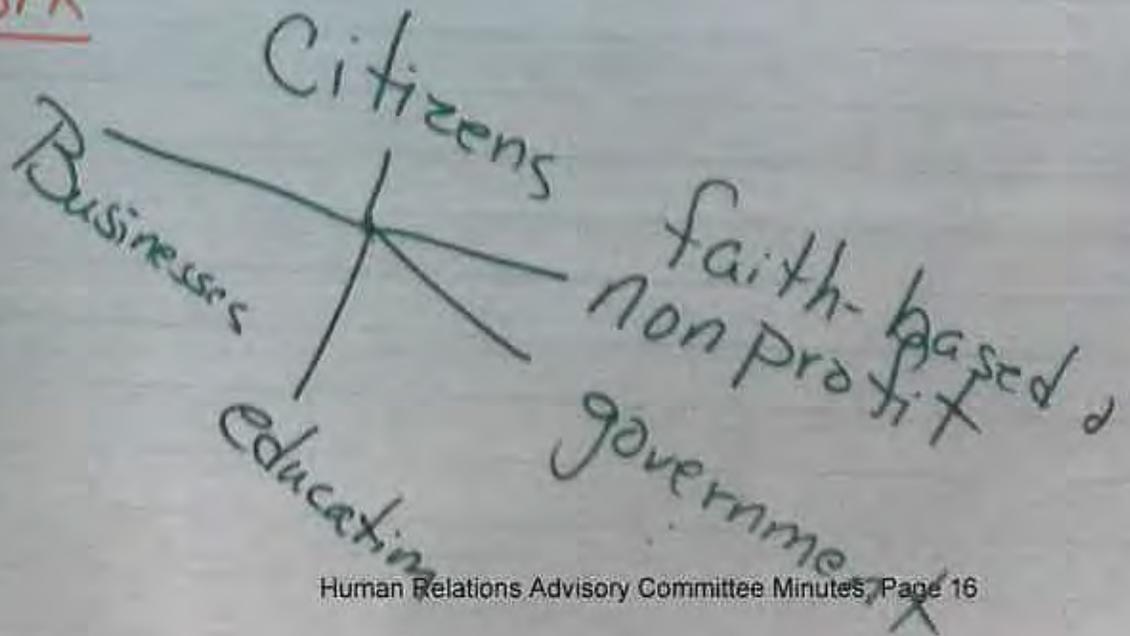
forward thinking

Advanced
Proactive
Progressive

MISSION

To advance strategies
IN the City that
EXPANDS opportunity,
Reduces poverty, and
BUILDS INCLUSIVEness.

The network



Value

- Relationships
- Quality of life
- Pride of city/Community
- Inclusion
- Diversity
- Equity
- History as a Community
- Communication

Human Relations Advisory Committee Meeting
Tuesday, September 20, 2011 • 12 p.m. • Martinsville City Schools Office

MINUTES

PRESENT: Kim Adkins, Rachel Beneke, Marie Craddock, Phyllis Hairston, Ural Harris, Pam Heath, Tony Jones, Sidney Lee, Chad Martin, William Randolph, Kimble Reynolds, Thomas Salyer, Alicia Soloman and Randy Stevens

ABSENT: Barbara Jackman, Veraine Randolph and Bonnylee Witt

GUESTS: John Fisher, Rev. Leonard Jones, Chief of Police Mike Rogers and Crystal Whitener

PRESIDING: Vice Mayor Kimble Reynolds

FACILITATOR: Mayor Kim Adkins

Vice Mayor Kimble Reynolds called the meeting to order. Minutes from September 6, 2011, were approved unanimously.

Vice Mayor Reynolds said he is still trying to coordinate a visit to Charlottesville and he has no success in locating a city of our size that has an established human relations entity, but he will continue to search.

Vice Mayor Reynolds said the purpose of the meeting was to finish the discussion from September 6 where the committee would reaffirm or alter the proposed vision, mission and goals and consider a proposed structure of the committee moving forward. With this purpose in mind, the following occurred:

- The **Vision Statement** was changed from “Martinsville will promote a culture of public decision-making and problem-solving that is forward thinking and accountable and inclusive” to **“Martinsville will advocate for a culture of public decision-making and problem-solving that is accountable and inclusive.”**
- The **Mission Statement** was changed from “To advance strategies in the city that expands opportunity, reduces poverty and builds inclusiveness” to **“To ensure equity and opportunities for all citizens.”**
- The proposed three goals were reaffirmed. It was the consensus of the committee that the goals will help advance the identified vision and mission statements. These goals are:
 - **Develop the civic capacity to address identified city challenges and opportunities.**
 - **Ensure open and accountable government that hears and values all voices.**
 - **Bridge the fault line of race and class that inhibit progress and erode community health.**
- With these goals reaffirmed, there was a brief discussion on what key activities would fall under these goals. Highlights from this discussion are as follows:
 - **Develop the civic capacity to address identified city challenges and opportunities.**
 - Offering education and training and/or community discussion and/or speak series on topics pertaining to equity, inclusiveness, racial reconciliation, poverty reduction.
 - Mediating claims in the city of discrimination.

- **Ensure open and accountable government that hears and values all voices.**
 - Offering activities to building inclusiveness.
 - Advocating for community strategies geared to poverty reduction (reducing barriers toward prosperity).

- **Bridge the fault line of race and class that inhibit progress and erode community health.**
 - Eradicating discrimination.

Regarding the structure of the committee, it was the consensus of the group that in order for this committee to be successful, the following must occur:

- Two-way communications
- Fair representation by all areas of the city
- Certain disciplines/expertise on the committee (i.e., representation from education, nonprofit, business, faith-based)
- Term limits

To continue the discussion on structure, Kim Adkins agreed to research the difference between being a committee versus a commission. She also agreed to confirm next meeting dates.

With no further business, the meeting adjourned at 1:15 p.m.

Human Relations Advisory Committee Meeting
Tuesday, October 11, 2011 • 12 p.m. • Martinsville City Schools Office

MINUTES

PRESENT: Kim Adkins, Marie Craddock, Phyllis Hairston, Ural Harris, Pam Heath, Barbara Jackman, Tony Jones, Chad Martin, Veraine Randolph, Kimble Reynolds, Alicia Soloman, Randy Stevens and Bonnylee Witt

ABSENT: Rachel Beneke, Sidney Lee, William Randolph and Thomas Salyer

GUESTS: Rev. Leonard Jones, John Martin, City Attorney Eric Monday and Chief of Police Mike Rogers

PRESIDING: Vice Mayor Kimble Reynolds

FACILITATOR: Mayor Kim Adkins

The meeting was called to order. Upon a motion by Marie Craddock and a second by Randy Stevens, the minutes from September 20, 2011, were approved unanimously.

The purpose of the meeting was to continue the discussion of “structure” of this advisory committee. City Attorney Eric Monday was asked to be in attendance to help differentiate between committee and commission. While both would be considered “advisory” to city council, a commission is more formalized where bylaws are drafted and subject to approval and amendment by city council. A commission would have a “defined purpose or specified function,” Mr. Monday said.

It was the consensus of the committee to review the vision, mission, goals and identified key activities once again to see what made logical sense for this entity to become.

- Vision – Martinsville will advocate for a culture of public decision-making and problem-solving that is accountable and inclusive.
- Mission – To ensure equity and opportunities for all citizens.
- Goals with identified key actions
 1. Develop the civic capacity to address identified city challenges and opportunities.
 - Offering education and training and/or community discussion and/or speaker series on topics pertaining to equity, inclusiveness, racial reconciliation and poverty reduction.
 - Mediating claims in the city of discrimination.
 2. Ensure open and accountable government that hears and values all voices.
 - Offering activities to building inclusiveness.
 - Advocating for community strategies geared to poverty reduction (reducing barriers toward prosperity).
 3. Bridge the fault line of race and class that inhibit progress and erode community health.
 - Eradicating discrimination

Vision, mission, goals and identified key activities were reaffirmed. Upon hearing this discussion, Mr. Monday shared with the committee that the Code of Virginia allows for locales to adopt a Human Rights ordinance to form a Human Rights Commission (VA code 2.2-3900, Virginia Human Rights Act), which would give a defined framework for this advisory committee to consider. In Virginia, Mr. Monday has knowledge that Alexandria adopted a human rights ordinance to create a Human Rights Commission, which investigates claims of discrimination and gives recommendations to city council and the city

manager. There is no power of subpoena, but with this Human Rights ordinance in place, a Human Rights Commission would have “more authority to speak on issues.” Mr. Monday said, adding the power to mediate “stops at the city” and would not include residents and/or businesses outside of the city limits.

While the majority of the committee members supported the idea of asking city council to consider forming a “Human Rights and Relations Commission,” in order to advance the established vision, mission, goals and identified key activities, there was a concern that if the newly formed commission isn’t managed properly and/or appropriately staffed with the needed expertise, the “legitimacy” of the commission could be “drained,” as the commission could become a “depository” of frivolous claims.

It was further agreed upon if a Human Rights and Relations Commission is declined by city council due to a concern just mentioned and possibly others that may arise (such as but not limited to lack of funds to support with staff), we could “default” to committee and ask that the committee “evolve” into the preferred commission overtime.

Agreed upon next steps: Mr. Monday will draft bylaws on the committee’s behalf and a subcommittee will review and vet prior to the next full committee meeting. The next committee meeting was not confirmed. Ms. Adkins will send out a date and time soon for the committee to consider.

With no other business, the meeting adjourned at 1:30 p.m.

Human Relations Advisory Committee Meeting
Tuesday, November 1, 2011 • 12 p.m. • West Piedmont Workforce Investment Board Office

MINUTES

PRESENT: Kim Adkins, Rachel Beneke, Marie Craddock, Ural Harris, Barbara Jackman, Tony Jones, Sidney Lee, Veraine Randolph, William Randolph, Kimble Reynolds, Thomas Salyer, Alicia Solomon and Bonnylee Witt

ABSENT: Phyllis Hairston, Pam Heath, Chad Martin and Randy Stevens

GUEST: Eric Monday, City Attorney

PRESIDING: Vice Mayor Kimble Reynolds

FACILITATOR: Mayor Kim Adkins

Vice Mayor Kimble Reynolds called the meeting to order. Upon a motion by Barbara Jackman and a second by Marie Craddock, the minutes from October 11, 2011, were approved unanimously.

Vice Mayor Reynolds reported that a subcommittee met on October 27th to review the draft Human Rights and Relations Commission bylaws as prepared by City Attorney Eric Monday and Vice Mayor Reynolds. The draft bylaws reflect the subcommittee's recommendations for the committee to consider.

These draft bylaws immediately follow these minutes on pages 2-6.

The committee vetted each section. Changes were noted by Mr. Monday. He will incorporate the agreed upon changes. (These changes will be redlined and sent out to the committee prior to the next meeting.)

After a lengthy discussion, it was determined that another meeting was needed to review the revised bylaws and to agree formally on the request to City Council.

The next meeting will be on Monday, November 7, at 12 p.m. the West Piedmont Workforce Investment Board Office.

**BYLAWS
OF THE
MARTINSVILLE
HUMAN RIGHTS AND RELATIONS COMMISSION**

**ARTICLE I
CREATION**

Section 1.1 The Human Rights and Relations Commission was created by action of City Council pursuant to powers granted in Chapter 2, Section 5 of the Code of the City of Martinsville, Virginia and Section 15.2-965 and Chapter 39 of Title 2.2 of the Code of Virginia, 1950, as amended. The Commission was created with the vision that "Martinsville will advocate for a culture of public decision-making and problem-solving that is accountable and inclusive" and to advise the City Administration and City Council in matters that will fulfill the mission "To ensure equity and opportunities for all citizens."

**ARTICLE II
MEMBERSHIP**

Section 2.1 The Commission shall consist of up to eleven regular members, two of which shall be representatives from the student body of Martinsville High School. All members shall be appointed by the City Council.

Section 2.2 One member shall be appointed from each voting precinct in the City. The City Council shall make every effort to ensure that its appointments to the Commission result in a diversity of membership reflecting race, gender, economic class and cultural background. City Council shall also seek to appoint at least one member with experience in the respective fields of education, health care, and human resources or employment. The City Attorney shall be an *ex-officio*, nonvoting member.

Section 2.3 The Commission shall receive staff support from the City Administration, by the City's Equal Opportunity Employment Officer. This support shall include furnishing information that may be of assistance to the Commission in carrying out its mission.

Section 2.4 Each member shall, prior to being vested with voting privileges, complete an appropriate training course in human rights and relations, as determined by the Chairman and the City's Equal Opportunity Employment Officer. Initial appointees to the Commission, may however,

vote upon election of officers and organization of the Commission prior to such training. No member who has a personal interest in any matter before the Commission shall participate in discussion or voting upon that matter. "Personal interest" shall be defined as a relationship to or knowledge of the matter such that an impartial evaluation of the matter is not possible. In the event that a personal interest is suggested to exist in any member, such member may, if the member affirms it to be true under oath, execute a disclosure acknowledging the interest but affirming the member's impartiality. Such disclosure shall permit that member to participate in discussion of the matter but not to vote upon it.

ARTICLE III **TERMS OF MEMBERS AND VACANCIES**

- Section 3.1 Terms of the nine regular members shall be four years, but initial appointment shall be staggered whereby five members shall be appointed for an initial term of four years, and four members shall be appointed for a term of three years. Representatives from the student body of Martinsville High School shall be appointed annually and serve on the Commission during the school year.
- Section 3.2 All regular members shall be eligible to serve two successive terms provided they continue to satisfy the basic and respective criteria upon which they were originally appointed. They will be ineligible for reappointment for a period of one year, unless there are an insufficient number of qualified applicants to fill all vacancies.
- Section 3.3 Should mid-term vacancies occur among regular member positions, or when terms expire as provided herein, the Commission as a whole and/or as individuals shall be entitled to submit nominations for City Council's consideration in appointing replacements.

ARTICLE IV **OFFICERS**

- Section 4.1 The officers shall be the Chairperson and the Vice Chairperson. The Chairperson and Vice Chairperson shall be elected for a two-year period. The Chairperson shall serve not more than two consecutive terms. In the event of a vacancy in either office, an election to fill the vacancy shall be held at the next meeting of the Commission or as soon thereafter as practicable.
- Section 4.2 The Chairperson shall cause an agenda to be prepared for each meeting and shall preside thereat. The Chairperson shall sign correspondence, reports and recommendations on the part of the Commission and shall

otherwise represent the Commission in its proper relationships with the City Council, the City Administrators, State and Federal agencies, and the public.

Section 4.3 The Vice Chairperson shall serve in the absence of the Chairperson.

Section 4.4 A Recording Secretary shall be elected by the Commission membership to assist the Chairperson in development and dissemination of the agenda and in recording accurate minutes of all meetings. Minutes of each meeting shall be forwarded to Commission members with the next regularly scheduled Commission meeting agenda and to members of City Council with the next regularly scheduled Council agenda following the monthly meeting of the Commission. With the exception of records pertaining to investigation or conciliation of allegations of discrimination, all records of the Commission shall be subject to the Virginia Freedom of Information Act; the Recording Secretary shall be the records custodian.

ARTICLE V MEETINGS

Section 5.1 The Commission shall meet once each month, except December, at a time and day agreed on in advance by the Commission, or at the call of the Chairperson. The Chairperson may cancel any monthly meeting when it is deemed appropriate.

Section 5.2 Meetings shall convene at the appointed time, except when members are specifically notified otherwise.

ARTICLE VI QUORUM AND ATTENDANCE

Section 6.1 No business of the Commission can be conducted at any meeting thereof without the presence of a quorum, consisting of at least four regular members.

Section 6.2 Members are expected to attend all regularly scheduled meetings. Any member having missed five regularly scheduled meetings in a calendar year shall be so notified in writing by the Chairperson. In the event the Chairperson has not deemed such absences to be excused, such member shall be presumed to have resigned from the Commission and City Council shall appoint a replacement.

ARTICLE VII
GOALS, FUNCTIONS AND COMMITTEES

Section 7.1 The goals of the Commission shall be as follows:

- a) Develop community capacity to address challenges and opportunities, identified by the Commission, in the areas of race, class, government accountability and responsiveness, and conflicts arising from cultural differences.
- b) Ensure open and accountable government that hears and values all voices.
- c) Bridge the fault line of race and class that inhibit progress and erode community health.

Section 7.2 The Committee shall have three standing action subcommittees.

The Chairperson shall appoint members to each action subcommittee from the membership of the Committee. The Chairperson shall also appoint such *ad hoc* committees as deemed necessary. The Chairperson shall require approval by a quorum of the Committee to establish the duration of an *ad hoc* committee and the individual members appointed to the ad hoc committee.

Equity Committee

Goal: Develop community capacity to address challenges and opportunities, identified by the Commission, in the areas of race, class, government accountability and responsiveness, and conflicts arising from cultural differences.

1. Offering education and training and/or community discussion and/or speak series on topics pertaining to equity, inclusiveness, racial reconciliation, poverty reduction.
2. Improving relations and fostering dialogue among various sections of the City.
3. Identifying and dispelling misconceptions and falsehoods among communities within the City.

Inclusion Committee

Goal: Ensure open and accountable government that hears and values all voices.

1. Offering and supporting activities that build inclusiveness.
2. Advocating for community strategies geared to poverty reduction (reducing barriers toward prosperity).
3. Educating both government employees and citizens on laws and policies fostering greater transparency in government.

Resolution Committee

Goal: Bridge the fault line of race and class that inhibit progress and erode community health.

1. Eradicating discrimination.
2. Providing oversight for mediating claims of discrimination in the City.

This Committee shall respond to charges of discrimination levied against entities within the City. Such charges shall be addressed in the manner prescribed by the Virginia Process Act, Code of Virginia Section 2.2-4000 *et seq.*, and shall also be guided by EEOC policies and procedures. After an initial inquiry to determine if such charges have merit, the Committee may offer voluntary and confidential mediation services for charges deemed to have merit. The Committee may also recommend to the Commission that unresolved charges be referred to the EEOC, and upon the vote of a majority the Commission, such a referral may be made. Neither this Committee nor the Commission shall have the power of subpoena or to compel testimony.

ARTICLE VIII AMENDMENTS

Section 8.1 These Bylaws shall become effective when ratified by City Council, and may be amended by a two-thirds vote of the Commission in attendance, provided that a quorum is present and further provided that written notice of proposed amendments are first given to each member not less than ten days prior to the regular or called meeting at which such amendments are to be considered.

Section 8.2 Amendments so adopted shall not become effective until duly ratified by City Council.

Human Relations Advisory Committee Meeting
Monday, November 7, 2011 • 12 p.m. • West Piedmont Workforce Investment Board Office

MINUTES

PRESENT: Kim Adkins, Rachel Beneke, Marie Craddock, Ural Harris, Barbara Jackman, Tony Jones, Sidney Lee, Veraine Randolph, William Randolph and Bonnylee Witt

ABSENT: Phyllis Hairston, Pam Heath, Chad Martin, Thomas Salyer, Alicia Solomon and Randy Stevens

GUEST: Eric Monday, City Attorney

PRESIDING: Vice Mayor Kimble Reynolds

FACILIATING: Mayor Kim Adkins

Vice Mayor Kimble Reynolds called the meeting to order. He asked for a motion to approve the minutes from November 1, 2011, as presented. It was noted that William Randolph was left off as being present. Minutes were corrected. Upon a motion by Veraine Randolph and a second by William Randolph, the minutes were approved with correction unanimously.

The committee reviewed the revised bylaws. Additional changes were noted and the revised bylaws immediately follow these minutes on pages 2-7. After a lengthy discussion, Veraine Randolph moved to adopt the bylaws with proposed changes as a recommendation to City Council. Marie Craddock seconded. The motion carried unanimously.

The committee also vetted how a complaint would be filed to the proposed Human Rights and Relations Commission. On page 8 is the agreed upon proposed process. On page 9-14 is a proposed Discrimination Complain Form. Minor changes were made to the form.

Prior to concluding the meeting, the committee discussed how best to present the recommendation to City Council and the community. Portions of a PowerPoint presentation were reviewed and discussed. All agreed to send Kim Adkins brief comments on why they feel it is important for the City Council to approve forming a Human Rights and Relations Commission. Some members of the committee will be asked to make the formal presentation; volunteers were asked to contact Mayor Adkins. Date of the presentation to City Council was not determined. Vice Mayor Reynolds and Mayor Adkins wanted to discuss with the City Manager on a preferred date (November 22 or December 13).

Mayor Adkins agreed to follow up with everyone once the meeting is confirmed.

With no other business, the meeting was adjourned at 1:30 p.m.

**BYLAWS
OF THE
MARTINSVILLE
HUMAN RIGHTS and RELATIONS COMMISSION**

**ARTICLE I
CREATION**

Section 1.1 The Human Rights Commission was created by action of City Council pursuant to powers granted in Chapter 2, Section 5 of the Code of the City of Martinsville, Virginia and Section 15.2-965 and Chapter 39 of Title 2.2 of the Code of Virginia, 1950, as amended. The Commission was created with the vision that "Martinsville will advocate for a culture of public decision-making and problem-solving that is accountable and inclusive" and to advise the City Administration and City Council in matters that will fulfill the mission "To ensure equity and opportunities for all citizens."

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MEMBERSHIP**

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Section 2.3 The Commission shall receive staff support from the City Administration, by the City's Equal Opportunity Employment Officer. This support shall include furnishing information that may be of assistance to the Commission in carrying out its mission.

Section 2.4 Each member shall, prior to being vested with voting privileges, complete an appropriate training course in human rights and relations, as determined by the Chairman and the City's Equal Opportunity Employment Officer. Initial appointees to the Commission, may however,

vote upon election of officers and organization of the Commission prior to such training. No member who has a personal interest in any matter before the Commission shall participate in discussion or voting upon that matter. "Personal interest" shall be defined as a relationship to or knowledge of the matter such that an impartial evaluation of the matter is not possible. In the event that a personal interest is suggested to exist in any member, such member may, if the member affirms it to be true under oath, execute a disclosure acknowledging the interest but affirming the member's impartiality. Such disclosure shall permit that member to participate in discussion of the matter but not to vote upon it.

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- Section 3.2 All regular members shall be eligible to serve two successive terms provided they continue to satisfy the basic and respective criteria upon which they were originally appointed. They will be ineligible for reappointment to an additional term for a period of one year, unless there are an insufficient number of qualified applicants to fill all vacancies.
- Section 3.3 Should mid-term vacancies occur among regular member positions, or when terms expire as provided herein, the Commission as a whole and/or as individuals shall be entitled to submit nominations for City Council's consideration in appointing replacements.

ARTICLE IV **OFFICERS**

- Section 4.1 The officers shall be the Chairperson, the Vice Chairperson and the Recording Secretary. The officers shall be elected for a two-year period. The Chairperson shall serve not more than two consecutive terms. In the event of a vacancy in either office, an election to fill the vacancy shall be held at the next meeting of the Commission or as soon thereafter as practicable.
- Section 4.2 The Chairperson shall cause an agenda to be prepared for each meeting and shall preside thereat. The Chairperson shall sign correspondence, reports and recommendations on the part of the Commission and shall

otherwise represent the Commission in its proper relationships with the City Council, the City Administrators, State and Federal agencies, and the public.

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Section 5.1 The Commission shall meet once each month, except December, at a time and day agreed on in advance by the Commission, or at the call of the Chairperson. The Chairperson may cancel any monthly meeting when it is deemed appropriate.

Section 5.2 Meetings shall convene at an appointed time, except when members are specifically notified otherwise.

ARTICLE VI QUORUM AND ATTENDANCE

Section 6.1 No business of the Commission can be conducted at any meeting thereof without the presence of a quorum, consisting of at least four regular members.

Section 6.2 Members are expected to attend all regularly scheduled meetings. Any member having missed five regularly scheduled meetings in a calendar year shall be so notified in writing by the Chairperson. In the event the Officers have not deemed such absences to be excused, such member shall be presumed to have resigned from the Commission and City Council shall appoint a replacement.

ARTICLE VII
GOALS, FUNCTIONS AND COMMITTEES

Section 7.1 The goals of the Commission shall be as follows:

- a) Develop community capacity to address challenges and opportunities, identified by the Commission, in the areas of race, class, government accountability and responsiveness, and conflicts arising from cultural differences.
- b) Ensure open and accountable government that hears and values all voices.
- c) Bridge the fault line of race and class that inhibit progress and erode community health.

Section 7.2 The Committee shall have three standing action subcommittees.

The Chairperson shall appoint members to each action subcommittee from the membership of the Commission. The Chairperson shall also appoint such *ad hoc* committees as deemed necessary. The Chairperson shall require approval by a quorum of the Commission to establish the duration of an *ad hoc* committee and the individual members appointed to the *ad hoc* committee.

A. Equity Committee

Goal: Develop community capacity to address challenges and opportunities, identified by the Commission, in the areas of race, class, government accountability and responsiveness, and conflicts arising from cultural differences.

- 1. Offering education and training and/or community discussion and/or speak series on topics pertaining to equity, inclusiveness, racial reconciliation, poverty reduction.
- 2. Improving relations and fostering dialogue among various sections of the City.
- 3. Identifying and dispelling misconceptions and falsehoods among communities within the City.

B. Inclusion Committee

Goal: Ensure open and accountable government that hears and values all voices.

1. Offering and supporting activities that build inclusiveness.
2. Advocating for community strategies geared to poverty reduction (reducing barriers toward prosperity).
3. Educating both government employees and citizens on laws and policies fostering greater transparency in government.

C. Resolution Committee

Goal: Bridge the fault line of race and class that inhibit progress and erode community health.

1. Advocate a “zero tolerance” policy against discrimination, with the ultimate goal of eradicating discrimination within the City of Martinsville.
2. Providing oversight for mediating claims of discrimination in the City.

This Committee shall respond to charges of discrimination levied against entities within the City. The Committee shall adopt such procedures and forms as is deemed necessary for the processing of charges, subject to the requirements of the Virginia Administrative Process Act, Code of Virginia Section 2.2-4000 *et seq.*, and the guidance of the policies and procedures of the Equal Employment Opportunity Commission, the Virginia Human Rights Council, or other appropriate agencies. The Committee may inquire into any charge of discrimination brought before it, may investigate the facts underlying such charges, and take into consideration the cooperation of the parties involved. If the charges are deemed to have merit, the Committee may recommend mediation services, conducted by an impartial third party. Such mediation services shall be voluntary and confidential. The Committee may also recommend to the Commission that unresolved charges, deemed to have merit, be referred to the Equal Employment Opportunity Commission, to the Virginia Human Rights Council, or to other appropriate agencies, and upon the vote of a majority the Commission, such a referral may be made.

In accordance with then Code of Virginia, neither this Committee nor the Commission shall have the power of subpoena or to compel testimony. This process shall not be available to employees of the City of Martinsville who have pursued grievances under the City Employee Grievance Process or who are within the prescribed time limitations for initiating such a grievance.

ARTICLE VIII **AMENDMENTS**

Section 8.1 These Bylaws shall become effective when ratified by City Council, and may be amended by a two-thirds vote of the Commission in attendance, provided that a quorum is present and further provided that written notice of proposed amendments are first given to each member not less than ten days prior to the regular or called meeting at which such amendments are to be considered.

Section 8.2 Amendments so adopted shall not become effective until duly ratified by City Council.

**Proposed Human Rights and Relations Commission
Filing a Complaint Process**

Filing a Complaint

Individuals, who believe they have been subjected to discrimination with the City of Martinsville, may contact the City's Equal Opportunities (EO) Officer. The EO Officer will determine if the Human Rights and Relations Commission is the right entity to process the complaint. If determined that it is, the complainant will be asked to fill out the City's Human Rights and Relations Commission's Discrimination Complaint Form.

Upon receipt of this form, the EO Officer will adhere to Virginia Administrative Process Act, Code of Virginia Section 2.2-4000 and Equal Employment Opportunities Commission (EEOC) policies and procedures regarding next steps and timelines.

The EO Officer will take the complaint to the Commission's Resolution Committee. The Committee may inquire into the any charge of discrimination brought before it, may investigate the facts underlying such charges and take into consideration the cooperation of the parties involved.

Formal complaints are exempt from the Virginia Freedom of Information Act (FOIA); and all claims may go before the Commission's Resolution Committee in closed session for a ruling.

If the Resolution Committee determines the charges have merit, it may recommend mediation services, conducted by an impartial third party. Such mediation services shall be voluntary and confidential. While the Commission will coordinate these services on behalf of the parties, any costs for a mediator will be between the parties and will not be at the expense of the City.

The Committee also may recommend to the Commission that unresolved charges, deemed to have merit, be referred to the EEOC, Virginia Human Rights Council or other appropriate agencies, and upon the vote of the majority the Commission, such referral may be made.

Once the discrimination complaint is filed with EEOC, Virginia Human Rights Council or other appropriate agencies, the complainant's claim may be public and subject to the Federal FOIA.

Regardless of the ruling, individuals do not have to go through the City's Human Rights and Relations Commission to file a discriminatory claim to the EEOC, Virginia Human Rights Council or other appropriate agencies.

As described in Chapter 39 of Title 2.2 of the Code of Virginia, there is no other action that the City's Human Rights and Relations Commission can do to assist individuals with claims of discrimination.

City of Martinsville
Human Rights and Relations Commission
Discrimination Complaint Form

1. Complainant Information:

Name: _____ Home Phone: (____) _____
Address: _____ Work Phone: (____) _____
_____ Cell Phone: (____) _____

2. Respondent Information:

Name of Entity or Agency Involved: _____
Address: _____ Phone: (____) _____

Name(s) of Any Individual(s) Involved: _____

3. What is the most convenient time and place for us to contact you about this complaint?

4. To your best recollection on what date(s) did the discrimination take place?

Date of first occurrence: _____
Date of most recent occurrence: _____

[CONTINUED ON NEXT PAGE]

FOR CITY OF MARTINSVILLE USE ONLY:

Date Received by WPWIB: _____ Case No.: _____
By: _____ Date: _____

5. Description of Your Allegations.

Explain as briefly and clearly as possible what happened and how you were discriminated against. Indicate who was involved. Be sure to include how other persons were treated differently from you. Also attach any written material pertaining to your case. Use additional pages, if necessary.

6. Basis of Complaint: Which of the following best describes why you believe you were discriminated against: (Check)

- Race: Specify: _____
- Color: Specify: _____
- Religion: Specify: _____
- National Origin: Specify: _____
- Sex: Specify (check one): Male Female
- Age: Specify Date of Birth: _____
- Disability: Specify: _____
- Political Affiliation: Specify: _____
- Citizenship: Specify: _____
- Reprisal/Retaliation: Specify: _____
- Other: Specify: _____

[CONTINUED ON NEXT PAGE]

7. Do you think the discrimination against you involved:

Check One:

Your job or seeking employment?

or

Your using facilities or someone providing/not providing you with services or benefits?

If so, which of the following are involved? (check one or more)

- | | |
|--|--|
| <input type="checkbox"/> Hiring | <input type="checkbox"/> Harassment |
| <input type="checkbox"/> Transition | <input type="checkbox"/> Access/Accommodation |
| <input type="checkbox"/> Wages | <input type="checkbox"/> Union Representation |
| <input type="checkbox"/> Job Classification | <input type="checkbox"/> Union Activity |
| <input type="checkbox"/> Discharge/Termination | <input type="checkbox"/> Application |
| <input type="checkbox"/> Promotion | <input type="checkbox"/> Enrollment |
| <input type="checkbox"/> Training | <input type="checkbox"/> Referral |
| <input type="checkbox"/> Transfer | <input type="checkbox"/> Exclusion |
| <input type="checkbox"/> Qualification/Testing | <input type="checkbox"/> Placement |
| <input type="checkbox"/> Grievance Procedure | <input type="checkbox"/> Benefits |
| <input type="checkbox"/> Layoff/Furlough | <input type="checkbox"/> Performance Appraisal |
| <input type="checkbox"/> Recall (From Layoff-Furlough) | <input type="checkbox"/> Discipline/Reprimand |
| <input type="checkbox"/> Seniority | <input type="checkbox"/> Intimidation/Reprisal |
| <input type="checkbox"/> Other: Specify: _____ | |

8. Why do you believe these events occurred?

[CONTINUED ON NEXT PAGE]

9. What other information do you think is relevant to our investigation?

10. If this complaint is resolved to your satisfaction, what remedies do you seek?

[CONTINUED ON NEXT PAGE]

11. Please list below any persons (witnesses, fellow employees, supervisors, or others) that we may contact for additional information to support or clarify your complaint:

Name: _____	Home Phone: (____) _____
Address: _____	Work Phone: (____) _____
_____	Cell Phone: (____) _____

Name: _____	Home Phone: (____) _____
Address: _____	Work Phone: (____) _____
_____	Cell Phone: (____) _____

Name: _____	Home Phone: (____) _____
Address: _____	Work Phone: (____) _____
_____	Cell Phone: (____) _____

Name: _____	Home Phone: (____) _____
Address: _____	Work Phone: (____) _____
_____	Cell Phone: (____) _____

[CONTINUED ON NEXT PAGE]

12. Do you have an attorney?

Check One: No Yes. If yes, please provide:

Name: _____ Home Phone: (____) _____

Address: _____ Work Phone: (____) _____

_____ Cell Phone: (____) _____

13. Do you request assistance from the Human Rights and Relations Commission to file a case or complaint with any of the following?

- U S Equal Employment Opportunity Commission
- Virginia Human Rights Council
- Other _____

14. Are additional pages attached to this Complaint form?

Check One: No Yes. If yes, how many pages? _____

15. Sign (Complaint NOT VALID unless signed)

Signature: _____ Date: (____) _____

Printed Name: _____

[END OF COMPLAINT FORM]



City Council Agenda Summary

Meeting Date: January 10, 2012

Item No: 5.

Department: Finance

Issue: Consider approval of Consent Agenda—accept and appropriate budget adjustments.

Summary:

The attachments amend the FY12 Budgets with appropriations in the following funds:

FY12:

General Fund: \$109,605 – reimbursement for Liberty St-Phase II; donation – Sheriff Dept. & Circuit Court; Federal Asset Forfeitures.

Refuse Fund: \$495,237 – Reimbursement for Landfill Methane Energy Project

Electric Fund: \$84,741 – Reimbursement for Hydro Plant Energy Efficiency Project

School Fund: \$70,000 – Harvest Foundation Grant

Attachments: [Spreadsheet](#)

Recommendations: Approve

BUDGET ADDITIONS FOR 1/10/12

ORG	OBJECT	DESCRIPTION	DEBIT	CREDIT
<u>FY12</u>				
<u>GENERAL FUND</u>				
01100909	490104	Advance/Recovered Costs		200
01331108	501300	Sheriff-Corrections - Part-time wages donation	200	
01100909	490104	Advance/Recovered Costs		1,500
01211070	503127	Circuit Court - General Professional Services donation agreement with Judge Greer	1,500	
01102926	436401	Categorical Federal - Confiscated Assets		1,401
01311085	506078	Police Dept - Federal Asset Forfeitures City's share of Federal Asset Forfeiture	1,401	
01101917	442810	Categorical Other State - Highway Projects		106,504
01413151	503140	Thoroughfare Constr - Prof. Services - Eng & Arch Liberty Street Reimbursement	106,504	
Total General Fund:			109,605	109,605
<u>Refuse Fund:</u>				
09102926	436442	Federal Grant - ARRA - Biomass Energy Grant		495,237
09425302	508220	Landfill - Physical Plant Expansion Landfill Methane Energy Project Reimbursement	495,237	
Total Refuse Fund:			495,237	495,237
<u>Electric Fund</u>				
14102926	436440	Federal Grant - ARRA - Energy Efficiency Grant		84,741
14565340	503140	Electric - General Exp. - Prof. Serv.-Eng & Arch Hydro Plant Efficiency Grant Reimbursement	84,741	
Total Electric Fund:			84,741	84,741
<u>SCHOOL FUND</u>				
18103919	443130	Harvest Foundation Grant		70,000
81621310	561120	Instructional S&W	4,695	
81621310	562100	Social Security	314	
81621310	562150	Medicare	91	
81621310	563000	Purchased Services	35,250	
81621310	565503	Travel	900	
81621310	565800	Misc	750	
81631310	561120	Instructional S&W	3,130	
81631310	562100	Social Security	209	
81631310	562150	Medicare	61	
81631310	563000	Purchased Services	23,500	
81631310	565503	Travel	600	
81631310	565800	Misc	500	
Total School Fund:			70,000	70,000