

January 12, 2010

The regular meeting of the Council of the City of Martinsville, VA, was held on January 12, 2010, in Council Chambers, Municipal Building, beginning at 7:00 PM, with Mayor Kathy Lawson presiding. Council Members present included: Mayor Kathy Lawson, Vice Mayor Kimble Reynolds, Gene Teague, Mark Stroud, Sr., and Danny Turner. Staff present included: Clarence Monday, City Manager, Leon Towarnicki, Brenda Prillaman, Eric Monday, Wayne Knox, Gary Cody, Ruth Easley, Dennis Bowles, Linda Conover, Cindy Dickerson, Ted Anderson, Kenneth Draper, Andy Powers, and Mike Rogers.

Mayor Lawson called the meeting to order and announced that Council will go into Closed Session before the regular session begins at 7:30 pm.

In accordance with Section 2.1-344 (A) of the Code of Virginia (1950, and as amended) and upon a motion by Gene Teague, seconded by Kimble Reynolds, with the following 4-0 recorded vote: Lawson, aye; Reynolds, aye; Teague, aye; and Turner, aye, Council convened in Closed Session, for the purpose of discussing the following matters: (A) A prospective business or industry or the expansion of an existing business or industry where no previous announcement has been made of the business' or industry's interest in locating or expanding its facilities in the community as authorized by Subsection 5. (B) Appointments to boards and commissions as authorized by Subsection 1; (C) Consultation with legal counsel and briefings by staff members, attorneys or consultants pertaining to actual or probable litigation, or other specific legal matters requiring the provision of legal advice by such counsel, as authorized by Subsection 7. Council Member Stroud was not present for the roll call vote to go into Closed Session, but arrived later to participate in the Closed Session.

Council then reconvened in regular session at 7:30 pm with the invocation given by Vice Mayor Kimble Reynolds and the Pledge to the American flag.

On a motion by Kimble Reynolds, seconded by Mark Stroud, Council approved with a 5-0 vote, the minutes of the November 24, 2009, December 7, 2009 tour, December 7, 2009, and December 8, 2009 meetings.

Youth sports coach, Robby Divers, publically recognized Parks & Recreation Director, Gary Cody, for his efforts in the start-up program for Jr. Tackle Boys 9 & 10 year olds Football League. Mr. Divers noted they had 37 children in the league and the city's team won the championship trophy. Trophies were presented to Mr.

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Cody for display in the Parks & Recreation office. Mr. Cody also publically thanked Mr. Divers for volunteering his time to coach and noted Mr. Divers' skills as a coach should be mirrored by other coaches.

Wayne Knox briefed Council on a recommendation from the Planning Commission for Council to set a public hearing regarding a request for abandonment of an alley between 407 and 411 Starling Avenue, being approximately 2,600 square feet, as shown on City Tax Map 43, Section 2. Mr. Knox reported there was no opposition at the Planning Commission public hearing. On a motion by Gene Teague, seconded by Kimble Reynolds, with a 5-0 vote, Council agreed to set a public hearing for the February 9, 2010 Council meeting.

Dennis Bowles, Superintendent of Electric Operations, reported that a news release was going out regarding the extended billing cycle on this month's utility bills. Due to inclement weather of ice and snow in December, the City meter readers were unable to reach some households to read meters during the normal time. He noted customers may contact the Utility Billing office to set up a payment arrangement if needed. There was brief discussion on possibilities of the city investing in an automated meter reading system and Dennis reported the city is looking at a small demonstration project.

Mr. Bowles then reviewed with Council the timeline for consideration of American Municipal Power project. At the January 26, 2010 Council meeting, Blue Ridge Power, GDS, and staff recommendations will be presented with more details on the projects and the impact on the city. At the February 9, 2010 meeting, there will be further discussion by Council and a public hearing will be held before considering approval of a resolution regarding the projects. Dennis noted the City's goal is to become less dependent on the volatile power market. Other information shared in a powerpoint presentation included:

Martinsville joined AMP in 2006; Blocks of power are purchased on the wholesale market at wholesale prices; The City's philosophy is to diversify its power portfolio to control cost and minimize risk over the long-term; We will continuously monitor and adjust this strategy to maximize value for our customers; 2008- Successfully negotiated contracts for participation in 5 projects securing 57% of future power needs; 4 of these projects are being developed on schedule; which will supply approx. 32% of future power needs; The following projects are initial steps toward this goal: PRAIRIE STATE---Coal-fired plant currently under construction--"Mine-mouth" meaning that coal used for power generation is on-site--Unit 1 expected to be online in mid- 2011; Unit 2 mid-2012--City will receive approximately 5772 kilowatts (kW) from this project. AMP-GS---Coal-fired plant termination November 2009; Site conversion under study; Possible natural gas-fired and/or biomass facility under consideration; Due to ongoing litigation by AMP related to project termination further details are unavailable at this time; City of Martinsville is considering alternative sources to replace the power we would have received from this asset. HYDRO PROJECTS---The following hydro projects currently under consideration by the City are wholly separate projects, which have no connection to AMP-GS or any

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other present AMP project. Any decision related to these hydro projects will be considered under a separate, fully independent contract not associated with AMP-GS. Cannelton, Willow Island, Smithland---City will receive approx. 4200 kilowatts (kW) , City is very familiar with hydro power having owned and operated our own plants since 1905; HYDRO PROJECTS FOR CONSIDERATION---Meldahl- 105 Megawatt (MW) to be built on the Ohio River by AMP and the City of Hamilton, OH--City of Martinsville- allocation approximately 984 kilowatts (kW) ; Greenup- 70 Megawatt (MW) facility constructed on Ohio River in 1982; Owned by City of Hamilton, OH with AMP to purchase 48.6% for allocation to member cities--City of Martinsville-Allocation approximately 656 kilowatts (kW). FUTURE PROJECTS-- --Landfill methane recovery and generation; Solar power installation(s); Combined cycle natural gas-fired plant(s); Biomass or other advanced energy technologies; Our current contract with AMP allows for consideration of diverse resources now and in the future.

Discussion comments included: whether projects are take or pay; an accounting from AMP should be given of the AMP-GS project; litigation is ongoing; Smith River Hydro needs to be added to list of future projects; stimulus funds have been applied for on the Smith River Hydro; Front Royal, VA is the AMP Board member representing Virginia.

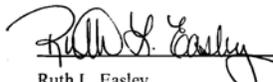
Commissioner of Revenue Ruth Easley briefed Council on the refund resulting from an Appeal Audit of BPOL for License Years 2006, 2007, 2008 and 2009. On a motion by Kimble Reynolds, seconded by Danny Turner, with the following 5-0 recorded vote: Lawson, aye; Reynolds, aye; Stroud, aye; Teague, aye; and Turner, aye, Council authorized the City Treasurer to issue the refund of \$13,541.11 effective January 12, 2010, with calculated interest. Following is the signed Certificate:

***Certificate of Erroneous Overpayment of Tax***

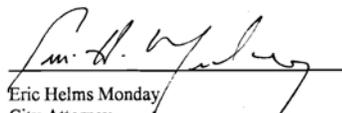
Re: SOLO Company, Inc.  
Tax Type: BPOL License  
Tax Year: 2006, 2007, 2008 and 2009

Based on an audit that was conducted upon an appeal for reclassification of BPOL licenses for tax years 2006, 2007, 2008 and 2009 I certify that SOLO Company, Inc. has satisfactorily provided evidence that the business was erroneously taxed and that the assessment has subsequently been corrected by means of abatement numbers 13116, 13301, 13302, 13303 and 13304. Copies of such corrections were provided to the City Treasurer on December 29, 2009 and January 6, 2010.

According to payment records of the City Treasurer, the taxpayer paid the original assessed tax and the corrected assessments resulted in an erroneous overpayment of \$ 13,541.11 which includes calculated interest based on a refund date of January 12, 2010.

  
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Ruth L. Easley  
Commissioner of the Revenue

Consented to by City Attorney on 1/12/10

  
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Eric Helms Monday  
City Attorney

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

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BUDGET ADDITIONS FOR 01/12/10

ORG	OBJECT	DESCRIPTION	DEBIT	CREDIT
<b>FY10</b>				
<b>GENERAL FUND</b>				
01102925	436103	Non-Categorical Federal - Police/Byrne/JAG		3,000
01311085	506082	Police Department - Byrne/JAG Program Expenses FALCON Funds - U.S. Marshalls	3,000	
01102926	436406	Categorical Federal - VIPER Overtime		3,452
01311085	501209	Police Department - O/T - Viper Task Force	3,452	
01102926	436415	Categorical Federal - DMV Police		18,890
01311085	501206	Police Department - O/T - DMV Overtime funds from Federal Government	18,890	
01100909	490104	Advance/Recovered Costs		2,500
01211070	503127	Circuit Court - General Professional Services (per donation agreement with Judge Greer)	2,500	
01100909	490104	Advance/Recovered Costs		1,077
01713211	506008	Park Maintenance - Vehicle Equip & Maint insurance for repair of truck	1,077	
01100904	442401	Fines/Forfeitures - Local Confiscated Assets/Police		93
01311085	506118	Police Department - Local Confiscated Assets	93	
01100904	442402	Fines/Forfeitures - Local Confiscated Assets/Comm Atty		93
01221082	506118	Commonwealth's Attorney - Local Confiscated Assets local confiscated assets	93	
01101918	443151	State Grants - DHS/OEMS Toughbook Grant		10,455
01322105	506104	EMS - Non-Capital Equipment purchase of computers for EMS	10,455	
<b>Total General Fund:</b>			<b>39,560</b>	<b>39,560</b>

Business from the floor: Fire Chief Kenneth Draper updated Council on the personnel changes in the Inspections Division of the Fire Department. Due to loss of an inspector, Andy Powers will be transferred to the Inspections Division and will now be handling property maintenance duties. Building Official Ted Anderson asked for the patience of the public. Gene Teague and Mayor Lawson both complimented the Inspections Department on the good job they are doing and their willingness to work cooperatively in these lean times with staff members doing multiple jobs.

Comments by Council members: Teague-commended retiring Board of Supervisors member Paula Burnette for being a good friend of the city and the entire community. Turner—also commended Paula Burnette and pointed out the new governor will be sworn in this Saturday. Stroud—also commended Paula Burnette; emphasized importance of citizens understanding the tight budget situation; asked that Public Works look into putting street lights on Spruce St. Ext. and he advised a citizen petition is being formulated; wants city to discuss naming

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the fire station; the city manager advised this issue is being worked on at present. Reynolds—commended Paula Burnette; he has heard lots of compliments as to what a beautiful city we have. Lawson—also commended Paula Burnette; by next month she hopes to have a report from inmate labor and the crushing cans project which is saving the city money because it is not going into a landfill; complimented Public Works on excellent job done on snow removal.

Comments by City Manager: The City Manager reported: (1) regarding the Uptown Master Plan—Council has already approved the concept and the Management Team unanimously approved it today; next steps are: formation of Steering Committee for CDC and remainder of Board, CDC Executive Director search, using information from the Plan to develop steps for implementation, working on CDBG March 2010 application for Fayette & Courthouse area, plans are for Council to hear recommendations on incentive packages at a March Council meeting. (2) former Social Services building Uptown is now vacant and being winterized and he urges citizens to come forward with their ideas. (3) Budget—real estate revenue collected so far is at 93% (\$239,871); personal property revenue budgeted \$705,000 and have collected 69% (\$216,413); other December taxes down \$419,326; adjustments made to workforce last week; finance report will be examined carefully now that we are ½ of budget year and adjustments will be made if necessary; reviewed budget FY11 timeline; \$1 million state reductions proposed FY11; appears to be at the moment to be \$1.8 million less total revenue and city will have to set priorities, fund accordingly and cut expenses.

Council then reconvened into Closed session to handle the items previously mentioned at the beginning of the meeting.

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

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vote, Kris Shrader, 65 W. Church St., was re-appointed to a 3-year term ending 1/31/2013 on the Western VA EMS Council. On a motion by Danny Turner, seconded by Mark Stroud, with a 5-0 vote, Austin Shumate, P. O. Box 88, Martinsville, was appointed as student representative on the Transportation Safety Commission with term expiring 6/30/2010.

There being no further business, Mayor Lawson adjourned the meeting at 10:23 PM.

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Clarence C. Monday  
Clerk of Council

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Kathy C. Lawson  
Mayor