

AGENDA CITY COUNCIL MEETING
CITY OF MARTINSVILLE, VIRGINIA
Council Chambers – Municipal Building
7:30 p.m. Regular session
Tuesday, November 9, 2010

Invocation – Council Member Gene Teague
Pledge to the American flag

1. [Consider approval of minutes of City Council meeting of Oct. 12, 2010 and City Council planning session October 15-16, 2010.](#) (2 minutes)
2. [Recognition of 75th Anniversary of Starling Avenue Baptist Church.](#) (2 minutes)
3. [Presentation of proclamation recognizing Recycle Day 2010 in City of Martinsville.](#) (2 minutes)
4. [Continue public hearing and consider approval of ordinance, on second reading, on a recommendation from the Planning Commission to amend the Zoning Ordinance related to electronic game rooms.](#) (15 minutes)
5. [Consider approval, on second reading, the Preliminary Ordinance making initial findings regarding issuance of bonds for the landfill-methane project.](#) (5 minutes)
6. [Consider approval, on first reading, ordinance authorizing issuance of bonds for the landfill-methane project.](#) (10 minutes)
7. [Hear update from Westside Community Center representatives.](#) (15 minutes)
8. [Hear overview of November 8, 2010 Neighborhood meeting.](#) (5 minutes)
9. [Hear the monthly finance report.](#) (10 minutes)
10. [Consider approval of consent agenda.](#) (2 minutes)
 - A. Accept & appropriate budget adjustments FY11
11. [Consider approval of resolution regarding Business, Professional & Occupational License \(BPOL\) Tax and Machinery & Tools Tax.](#) (5 minutes)
12. [Consider approval of City's legislative agenda.](#) (10 minutes)
13. Business from the Floor
This section of the Council meeting provides citizens the opportunity to discuss matters, which are not listed on the printed agenda. In that 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 and state their name and address; (2) state the matter that they wish to discuss and what action they would like for Council to take; (3) limit their remarks to five minutes; and (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 will be asked to leave the podium. Persons who refuse to comply with the direction of the presiding officer may be removed from the chambers.
14. Comments by Members of City Council (5 minutes)
15. Comments by City Manager (5 minutes)
16. 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. 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 City of Martinsville would be adversely affected, as authorized by Subsection 6.



City Council Agenda Summary

Meeting Date: November 9, 2010

Item No: 1.

Department: Clerk of Council

Issue: Consider approval of the minutes of City Council's meeting of October 12, 2010 and Council planning session October 15-16, 2010.

Summary: None

Attachments: [Minutes October 12, 2010](#)
[Minutes October 15-16, 2010](#)

Recommendations: Motion to approve minutes as presented

October 12, 2010

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

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

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

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

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

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

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

October 12, 2010

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

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

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

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

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

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

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

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

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

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

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

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

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

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

October 12, 2010

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

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

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

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

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

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

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

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

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

RE-APPROPRIATIONS FY10 TO FY11

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

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

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

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

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

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

October 12, 2010

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

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

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

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

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

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

Clarence C. Monday
Clerk of Council

Kim E. Adkins
Mayor

October 15-16, 2010

A City Council Strategic Planning Session of the City Council of Martinsville, Virginia, was held October 15 through October 16, 2010 at the Virginia Museum of Natural History, Martinsville, beginning at 5:00 PM on October 15, 2010, with Mayor Kim Adkins presiding. Council Members present at the October 15, 2010 session included: Mayor Akins, Vice Mayor Kimble Reynolds, Jr., Council member Gene Teague and Council Member Mark C. Stroud, Sr. and Council Member Danny Turner. Others present October 15, 2010 included City Manager Clarence C. Monday, Asst. City Manager Leon Towarnicki, Executive Assistant Brenda Prillaman, City Attorney Eric Monday, and Cian Robinson of Robinson Ventures.

The Friday, October 15, session topics included (1) the foundation of success in local government (2) identifying core values (3) revisiting the city's vision statement (4) operating guidelines for City Council and City Staff. At the conclusion at 7:00 PM, Council recessed to reconvene the following morning at 9:00 AM on Saturday, October 16, 2010.

In addition to those present for Friday's session, media representative Mickey Powell of the Martinsville Bulletin was present at the Saturday, October 16, session as well as City Staff members: Mike Rogers, Donna Odell, Kenneth Draper, Betsy Pace, Wayne Knox, Esther Artis, and Dennis Bowles. Topics covered Saturday included reviewing each of the 8 strategic priorities already in place and the addition of two more priorities regarding finance and public safety.

Cian Robinson is to provide Council with all the information collected at the two day session and updated Goals & Initiatives sheets for their review. At the conclusion of Saturday's session at 3:30 PM, Council adjourned the planning session.

Clarence Monday
Clerk of Council

Kim Adkins
Mayor



City Council Agenda Summary

Meeting Date: November 9, 2010

Item No: 2.

Department: Clerk of Council

Issue: Presentation of proclamation honoring the 75th Anniversary of Starling Avenue Baptist Church.

Summary:

Attachments: [Proclamation](#)

Recommendations:



**A PROCLAMATION
HONORING STARLING AVENUE BAPTIST CHURCH**

WHEREAS, Starling Avenue Baptist Church was founded in 1935 and quickly made a commitment to construct its current sanctuary, which graces the entrance to Starling Avenue from Memorial Boulevard; and

WHEREAS, Starling Avenue Baptist Church has for three quarters of a century been a vital part of our community: being a founding member congregation of both Habitat for Humanity and the Grace Network; establishing one of the oldest ministries for the deaf in the Commonwealth of Virginia; maintaining a vibrant tradition of uplifting music and song; and adhering to a philosophy of what it terms the “priesthood of all believers,” wherein each member of the church is encouraged to serve the greater community without regard to creed, color or class; and

WHEREAS, Starling Avenue Baptist Church has been a champion of Virginia’s proud history of religious liberty and has maintained a heritage of theological independence, becoming the first Baptist church in this region to ordain female ministers of the Gospel; and

WHEREAS, the City of Martinsville has been blessed by the presence of this church, and the contributions of its members, to the betterment of our City and the spiritual life of our citizens,

NOW THEREFORE, IT IS DULY PROCLAIMED that the City of Martinsville commends and congratulates **STARLING AVENUE BAPTIST CHURCH** upon the occasion of its seventy-fifth anniversary celebration. The City wishes many more years of vitality and success to this worthy institution, and extends its sincere thanks for the innumerable contributions, both large and small, made by Starling Avenue Baptist Church and its congregation over seventy five years, to the improvement of life in the City of Martinsville.

Given under my hand this ____ day of November, in the year of our Lord two thousand and ten and of the Commonwealth two hundred and thirty four.

Kim E. Adkins
Mayor of the City of Martinsville



City Council Agenda Summary

Meeting Date: November 9, 2010

Item No: 3.

Department: Clerk of Council

Issue: Presentation of proclamation recognizing Recycle Day 2010 in the City of Martinsville.

Summary: Representative of the Green Committee will attend to accept the proclamation.

Attachments: [Proclamation](#)

Recommendations:



PROCLAMATION

WHEREAS, America Recycles Day (ARD), sponsored locally by the Virginia Recycling Association (VRA) and Martinsville City Green Committee, is a national all-volunteer, non-profit event whose goal of their annual campaign is to encourage Americans to recycle and to buy recycled products; and

WHEREAS, since its inception in 1997, the ARD campaign has grown substantially and in 2010 residents in every state of the nation participated in America Recycles Day and pledged to recycle; and

WHEREAS, localities are encouraged to sponsor an annual awareness event to promote the social, environmental, and economic benefits of buying recycled and recycling; and

WHEREAS, nationwide, the rate of recycling is 32%, and last year's rate for Martinsville City was 38%, which reflects a tremendous commitment from our citizens to recycle; now, therefore

I, Kim Adkins, Mayor of the City of Martinsville, Virginia, do hereby call upon all citizens of Martinsville to join City Council and the Virginia Recycling Association in supporting the "13th Annual America Recycles Day" and do hereby proclaim Monday, November 15, 2010, as **CITY OF MARTINSVILLE RECYCLES DAY**.

Kim Adkins
Mayor

Meeting Date: November 9, 2010

Item No: 4.

Department: City Attorney/Community Development

Issue: Continue a public hearing on a recommendation from the Planning Commission to amend the Zoning Ordinance related to electronic game rooms (aka internet café or sweepstake) and consider approval of ordinance, amended as desired, on second reading.

Summary: The legalizing of internet cafés aka internet sweepstakes in the Commonwealth of Virginia, along with the impending ban of the same type of use in the State of North Carolina as of December 2010, has focused attention on our community. The owner/operators are seeking to relocate to our area. Several of the vendors have opened and are conducting business already. At present, the City of Martinsville allows such uses, identified as electronic game rooms, as a use permitted by right. Due to concerns reported by other communities regarding the negative effects of these businesses, the Planning Commission felt that a special use process would safeguard existing and future businesses.

At the initial public hearing, concerns over these establishments were raised. No other localities have banned them, outright; they either place individual restrictions through special use permits, or have held them to be barred under local code. If no additional establishments are desired, no special use permit need be granted, or the proposed ordinance may be amended to delete the special use permit, and to add the current special use restrictions to the definition of “Electronic Game Room.”

Attachments: [Proposed Amendment to the Zoning Ordinance](#)

Recommendations: Continue a public hearing on the proposed amendment to the Zoning Ordinance, amend as desired and approve on second reading.

PROPOSED AMENDMENTS – ZONING ORDINANCE

(Strikethrough indicates deletion; *italicized bold* indicates addition)

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.

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.**

C. Uses permitted by special use permit in the C-1 District.

7. **Electronic game rooms, subject to the following conditions:**

- a) **Alcohol is prohibited;**
- b) **Bladed weapons are prohibited;**
- c) **Establishment must be located at least 1000 feet from churches, schools, and playgrounds;**
- d) **Establishment cannot open for business prior to 10 a.m. and must close by midnight;**
- e) **Establishment must abide by all building and zoning codes;**
- f) **Prohibited in any local historic district without regard to zoning classification;**
- g) **Other conditions as deemed appropriate.**

E. **C-1A Intermediate Commercial District.**

F. Uses permitted by right in the C-1A District.

53. ~~Electronic game rooms.~~ **Amusement arcades.**

G. Uses permitted by special use permit in the C-1A District.

7. **Electronic game rooms, subject to the following conditions:**

- a) **Alcohol is prohibited;**
- b) **Bladed weapons are prohibited;**

- c) *Establishment must be located at least 1000 feet from churches, schools, and playgrounds;*
- d) *Establishment cannot open for business prior to 10 a.m. and must close by midnight;*
- e) *Establishment must abide by all building and zoning codes;*
- f) *Prohibited in any local historic district without regard to zoning classification;*
- g) *Other conditions as deemed appropriate.*

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.*

O. Uses permitted by special use permit in the C-3 District.

7. *Electronic game rooms, subject to the following conditions:*

- a) *Alcohol is prohibited;*
- b) *Bladed weapons are prohibited;*
- c) *Establishment must be located at least 1000 feet from churches, schools, and playgrounds;*
- d) *Establishment cannot open for business prior to 10 a.m. and must close by midnight;*
- e) *Establishment must abide by all building and zoning codes;*
- f) *Prohibited in any local historic district without regard to zoning classification;*
- g) *Other conditions as deemed appropriate.*

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.*

G. Uses permitted by special use permit in the M-1 District.

7. *Electronic game rooms, subject to the following conditions:*

- a) *Alcohol is prohibited;*
- b) *Bladed weapons are prohibited;*
- c) *Establishment must be located at least 1000 feet from churches, schools, and playgrounds;*
- d) *Establishment cannot open for business prior to 10 a.m. and must close by midnight;*
- e) *Establishment must abide by all building and zoning codes;*
- f) *Prohibited in any local historic district without regard to zoning classification;*
- g) *Other conditions as deemed appropriate.*

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.

K. Uses permitted by special use permit in the M-2 District.

4. Electronic game rooms, subject to the following conditions:

- a) Alcohol is prohibited;**
- b) Bladed weapons are prohibited;**
- c) Establishment must be located at least 1000 feet from churches, schools, and playgrounds;**
- d) Establishment cannot open for business prior to 10 a.m. and must close by midnight;**
- e) Establishment must abide by all building and zoning codes;**
- f) Prohibited in any local historic district without regard to zoning classification;**
- g) Other conditions as deemed appropriate.**

Meeting Date: November 9, 2010
Item No: 5.
Department: Finance
Issue: Consider adoption of a Preliminary Ordinance, on second reading, for further consideration of Phase II of the Landfill-Methane Project.

Summary: At the October 26, 2010 Council Meeting, an Ordinance was adopted on first reading, serving three primary purposes, as follows:

1. **Setting the purpose of the proposed project** - The City Council proposes to issue bonds for the purpose of assisting in the acquisition, construction, expansion, renovation and equipping of City public works facilities, including landfill improvements, including facilities for electricity generation from landfill gas, and wastewater treatment plant improvements, including an automatic bar screen device, all for municipal purposes.
2. **Setting the maximum amount of the project debt** – The maximum amount of the issuance of general obligation bonds is an original principal amount not to exceed \$1,950,000, to be issued by the City, for the acquisition, construction and equipping of the Project and for certain costs related to issuance of the Bonds.
3. **Setting the maximum length of time the bonds will be outstanding** - The maximum length of time that the Bonds will be outstanding is eleven years from the date of issuance of the Bonds.

This Ordinance still does not commit the City to the issuance of such bonds, but rather achieves the previously identified points. The same Ordinance is before you this evening for second reading and adoption. Also for your consideration this evening is the actual bond Ordinance, as a separate agenda item.

Attachments: [Ordinance.](#)

Recommendations: Adopt the 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.

The Members of the Council voted as follows on the foregoing Ordinance:

Ayes

Nays

Absent

Abstentions

Adopted this 9th day of November, 2010 (second reading).

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 November 9, 2010, 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 ____ day of _____, 2010.

Clerk, City Council of
City of Martinsville, Virginia

Meeting Date: November 9, 2010
Item No: 6.
Department: Finance
Issue: Consider adoption of a Bond Ordinance, on first reading, for the construction and implementation of Phase II of the Landfill-Methane Project.

Summary: 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, November 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.

During the meeting, the Assistant City Manager will publicly give a general overview of various project options. 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 your November 23 Council 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.

Attachments: [Ordinance.](#)

Recommendations: Adopt the Ordinance on first reading.

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:
_____ **BANK**

Maturity Date: July 15, 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.

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.

The Members of the Council voted as follows:

Ayes

Nays

Absent

Abstentions

Adopted this ____ day of November, 2010.

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 _____, 2010, 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 ___ day of _____, 2010.

Clerk, City Council of
City of Martinsville, Virginia

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Meeting Date: November 9, 2010

Item No: 7.

Department: City Council

Issue: Hear an update regarding development of a Westside Community Center.

Summary: Representatives of the committee have been invited by Council to give an update on their efforts. Citizens, Sharon Brooks-Hodge, Tony Jones, Phyllis Page, and others have been exploring the concept of assessing community interest for a community center in the Westside area of the City. The group made a presentation to the Council on September 14, 2010 regarding public interest that has been expressed, possible sites for consideration, and how a plan could be developed for a public-private partnership.

Attachments:

Recommendations:



City Council Agenda Summary

Meeting Date: November 9, 2010

Item No: 8.

Department: City Council

Issue: Hear an overview of November 8, 2010 Council Neighborhood Meeting.

Summary: Mayor Kim Adkins will give an overview of citizen input received at the November 8, 2010 Southside Neighborhood Meeting.

Attachments:

Recommendations:

Meeting Date: November 9, 2010
Item No: 9.
Department: Finance
Issue: Hear the financial report

Summary:

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.

Attachments: [FY10 Combined balance sheet 10-29](#)
[FY10 Projected Fund Balance](#)
[FY10 Revenue-expense](#)
[FY11 Combined balance sheet 10-29](#)
[FY11 Projected Fund Balance](#)
[FY11 Revenue-expense](#)

Recommendations: Motion to approve financial report

**City of Martinsville
 Combined Balance Sheet
 Operating
 06/30/2010 (Oct. 29, 2010)
 FY2010**

FUND	TOTAL ASSETS*	LIABILITIES &RESERVES	CURRENT FUND BALANCE	per auditors		DIFFERENCE FROM FY09 FB	Reappropriations from FY09	FY09 Amended FUND BALANCE	DIFFERENCE + or (-)
				June 30, 2009 FUND BALANCE					
GENERAL FUND	\$ 5,723,264	\$ (3,479,027)	\$ 2,244,237	\$ 3,113,308	\$ (869,071)	\$ (281,346)	\$ 2,831,962	\$ (587,725)	
MEALS TAX	\$ 659,947	\$ (1,289)	\$ 658,658	\$ 731,399	\$ (72,741)	\$ -	\$ 731,399	\$ (72,741)	
SCHOOL CAFETERIA	\$ 703,334	\$ (48,521)	\$ 654,814	\$ 569,160	\$ 85,653	\$ -	\$ 569,160	\$ 85,653	
REFUSE COLLECTION FUND	\$ 7,624,900	\$ (6,200,466)	\$ 1,424,434	\$ 1,127,035	\$ 297,399	\$ (770,067)	\$ 356,968	\$ 1,067,466	
WATER FUND	\$ 500,162	\$ (251,464)	\$ 248,698	\$ 89,694	\$ 159,004	\$ (12,000)	\$ 77,694	\$ 171,004	
SEWER FUND	\$ 978,858	\$ (768,173)	\$ 210,685	\$ 30,875	\$ 179,810	\$ (40,000)	\$ (9,125)	\$ 219,810	
ELECTRIC FUND	\$ 6,753,722	\$ (1,434,990)	\$ 5,318,732	\$ 5,205,312	\$ 113,420	\$ (491,918)	\$ 4,713,394	\$ 605,338	
CAPITAL RESERVE FUND	\$ 578,575	\$ (65,713)	\$ 512,862	\$ 446,308	\$ 66,554	\$ (58,965)	\$ 387,343	\$ 125,519	
SCHOOL FUND	\$ 3,612,362	\$ (1,548,551)	\$ 2,063,812	\$ 2,180,255	\$ (116,443)	\$ (93,561)	\$ 2,086,694	\$ (22,882)	
SCHOOL FEDERAL PROGRAMS	\$ 139,997	\$ (112,263)	\$ 27,734	\$ (27,208)	\$ 54,942	\$ -	\$ (27,208)	\$ 54,942	
CDBG FUND	\$ (329,926)	\$ (105,647)	\$ (435,573)	\$ (264,803)	\$ (170,770)	\$ (357,156)	\$ (621,959)	\$ 186,386	
HOUSING CHOICE	\$ 209,501	\$ (4,911)	\$ 204,590	\$ 381,622	\$ (177,032)	\$ (16,329)	\$ 365,293	\$ (160,703)	
TOTAL	\$ 27,154,697	\$ (14,021,014)	\$ 13,133,683	\$ 13,582,957	\$ (449,274)	\$ (2,121,342)	\$ 11,461,615	\$ 1,672,068	

RESERVED FUND

INSURANCE HOLDING FUND	\$ 336,110	\$ -	\$ 336,110	\$ 545,054	\$ (208,943)
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*Does not include fixed assets.

Totals may not crossfoot due to rounding.

CITY OF MARTINSVILLE FUND BALANCE 06/30/2010

	<u>Audited Fund</u> <u>Balance</u> <u>06/30/09</u>	<u>Revenues</u> <u>FY10</u>	<u>Expenditures</u> <u>FY10</u>	<u>Depreciation</u>	<u>Fund</u> <u>Balance</u> <u>06/30/10</u>	<u>Net (Decrease)</u> <u>Increase</u>
GENERAL	3,113,308	28,324,287	29,193,354		2,244,242	(869,066)
MEALS TAX	731,399	1,390,906	1,463,648		658,657	(72,742)
CAPITAL RESERVE	446,308	1,549,400	1,482,848		512,860	66,552
TOTAL CAPITAL FUNDS	1,177,707	2,940,306	2,946,496		1,171,517	(6,190)
REFUSE	1,127,035	1,709,913	1,477,175	64,661	1,424,434	297,399
WATER	89,694	2,912,963	2,824,086	70,126	248,698	159,004
SEWER	30,875	3,763,655	3,933,132	349,287	210,685	179,810
ELECTRIC	5,205,312	16,627,146	17,010,620	496,894	5,318,732	113,420
TOTAL UTILITY FUNDS	6,452,916	25,013,678	25,245,013	980,968	7,202,549	749,633
SCHOOLS	2,180,255	22,910,017	23,026,462		2,063,809	(116,446)
CAFETERIA	569,160	1,473,463	1,387,809		654,813	85,653
SCHOOL GRANTS	(27,208)	2,082,811	2,027,868		27,736	54,944
TOTAL SCHOOL FUNDS	2,722,207	26,466,291	26,442,139		2,746,359	24,152
CDBG	(264,803)	276,876	447,646		(435,573)	(170,770)
HOUSING CHOICE	381,622	2,411,561	2,588,593		204,590	(177,032)
TOTAL SP REV FUNDS	116,819	2,688,437	3,036,239		(230,983)	(347,802)
TOTAL ALL FUNDS	13,582,957	85,432,999	86,863,241	980,968	13,133,683	(449,274)

Notes

- (1) Revenues and Expenditures do not contain contributions to or from Fund Balance
- (2) Expenses in Enterprise Funds contain Capitalized Expenses and Depreciation

11/4/2010 11:04

COMPARISON OF REVENUES & EXPENDITURES

06/30/2010 (Oct. 29, 2010)

FY 10

	REVENUES						EXPENDITURES/ENCUMBRANCES					
	Budget	ANTICIPATED		ACTUAL		Variance	Budget	ANTICIPATED		ACTUAL		Variance
		YTD	Percent	YTD	Percent			YTD	Percent			
General Fund	33,697,662 *	28,884,308	85.7%	28,324,287	84.1%	(560,021)	33,697,662	28,900,056	85.8%	29,193,354	86.6%	(293,297)
Meals Tax Fund	1,463,650 *	1,463,650	100.0%	1,390,906	95.0%	(72,744)	1,463,650	1,463,650	100.0%	1,463,648	100.0%	2
Refuse Fund	3,599,067 *	1,729,000	48.0%	1,709,913	47.5%	(19,087)	3,599,067	1,912,000	53.1%	1,477,175	41.0%	434,825
Water Fund	3,264,740 *	3,002,740	92.0%	2,912,963	89.2%	(89,777)	3,264,740	3,264,740	100.0%	2,824,086	86.5%	440,654
Sewer Fund	4,050,012 *	3,490,012	86.2%	3,763,655	92.9%	273,643	4,050,012	4,020,857	99.3%	3,695,070	91.2%	325,787
Electric Fund	19,300,846 *	17,802,247	92.2%	16,627,146	86.1%	(1,175,101)	19,300,846	18,794,165	97.4%	17,010,620	88.1%	1,783,545
Capital Reserve Fund	1,608,365 *	1,608,365	100.0%	1,549,400	96.3%	(58,965)	1,608,365	1,608,365	100.0%	1,482,848	92.2%	125,517
School Fund **	24,346,888 *	23,379,675	96.0%	22,910,017	94.1%	(469,658)	24,346,888	22,994,000	94.4%	23,026,462	94.6%	(32,462)
TOTAL	91,331,230	81,359,997	89.1%	79,188,288	86.7%	(2,171,709)	91,331,230	82,957,833	90.8%	80,173,263	87.8%	2,784,571

SUMMARY: Actual revenues and expenditures for FY10 were both less than anticipated.

Local Sales/Use Taxes 2,154,000 2,154,000 100.0% 1,759,239 81.7% (394,761)

*These figures include the "Contributions from Fund Balance (Retained Earnings)" required to balance the budget.

** The "anticipated" figures in the School Fund have been provided by school personnel.

NOTE: YTD figures in revenues do not reflect any actual contribution **FROM** Fund Balance.

NOTE: YTD figures in expenses do not reflect capitalized expenses, but do incorporate expensed depreciation.

Anticipated = Budget - contributions from FB * percentage of YTD.

**City of Martinsville
Combined Balance Sheet
Operating
09/30/2010
FY2011**

FUND	TOTAL ASSETS*	LIABILITIES & RESERVES	CURRENT FUND BALANCE	June 30, 2010 FUND BALANCE	DIFFERENCE FROM FY10 FB	Reappropriations from FY10	FY10 Amended FUND BALANCE	DIFFERENCE + or (-)
GENERAL FUND	\$ 10,501,806	\$ (12,318,506)	\$ (1,816,699)	\$ 2,244,242	\$ (4,060,941)	\$ -	\$ 2,244,242	\$ (4,060,941)
MEALS TAX	\$ 197,678	\$ (1,289)	\$ 196,390	\$ 658,657	\$ (462,267)	\$ -	\$ 658,657	\$ (462,267)
SCHOOL CAFETERIA	\$ 416,115	\$ (26,751)	\$ 389,364	\$ 654,813	\$ (265,449)	\$ -	\$ 654,813	\$ (265,449)
REFUSE COLLECTION FUND	\$ 7,247,439	\$ (6,198,179)	\$ 1,049,260	\$ 1,424,434	\$ (375,174)	\$ -	\$ 1,424,434	\$ (375,174)
WATER FUND	\$ 603,724	\$ (246,890)	\$ 356,835	\$ 248,698	\$ 108,137	\$ -	\$ 248,698	\$ 108,137
SEWER FUND	\$ 947,294	\$ (712,236)	\$ 235,058	\$ 210,685	\$ 24,373	\$ -	\$ 210,685	\$ 24,373
ELECTRIC FUND	\$ 5,238,617	\$ (1,436,037)	\$ 3,802,580	\$ 5,318,732	\$ (1,516,152)	\$ -	\$ 5,318,732	\$ (1,516,152)
CAPITAL RESERVE FUND	\$ 499,834	\$ (36,384)	\$ 463,450	\$ 512,860	\$ (49,410)	\$ -	\$ 512,860	\$ (49,410)
SCHOOL FUND	\$ 2,417,527	\$ (533,248)	\$ 1,884,279	\$ 2,063,809	\$ (179,530)	\$ -	\$ 2,063,809	\$ (179,530)
SCHOOL FEDERAL PROGRAMS	\$ (205,558)	\$ (9,764)	\$ (215,322)	\$ 27,736	\$ (243,058)	\$ -	\$ 27,736	\$ (243,058)
CDBG FUND	\$ (401,424)	\$ (116,614)	\$ (518,038)	\$ (435,573)	\$ (82,465)	\$ -	\$ (435,573)	\$ (82,465)
HOUSING CHOICE	\$ 210,698	\$ (4,351)	\$ 206,346	\$ 204,590	\$ 1,756	\$ -	\$ 204,590	\$ 1,756
TOTAL	\$ 27,673,750	\$ (21,640,248)	\$ 6,033,502	\$ 13,133,683	\$ (7,100,181)	\$ -	\$ 13,133,683	\$ (7,100,181)

RESERVED FUND

INSURANCE HOLDING FUND	\$ 145,782	\$ -	\$ 145,782	\$ 545,054	\$ (399,272)
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*Does not include fixed assets.

Totals may not crossfoot due to rounding.

CITY OF MARTINSVILLE

PROJECTED FUND BALANCE 06/30/2011

(for 11/9/10)

	<u>Audited Fund Balance 06/30/10</u>	<u>Projected Revenues FY11</u>	<u>Projected Expenditures FY10</u>	<u>Projected Depreciation</u>	<u>Projected Fund Balance 06/30/11</u>	<u>Net (Decrease) Increase</u>
GENERAL	2,244,242	27,585,323	28,644,080		1,185,485	(1,058,757)
MEALS TAX	658,657	1,342,260	1,342,260		658,657	0
CAPITAL RESERVE	512,860	742,472	742,472		512,860	0
TOTAL CAPITAL FUNDS	1,171,517	2,084,732	2,084,732		1,171,517	0
REFUSE	1,424,434	2,002,000	2,103,444	100,000	1,422,990	(1,444)
WATER	248,698	3,121,495	3,508,967	265,000	126,226	(122,472)
SEWER	210,685	3,804,512	4,343,008	530,000	202,189	(8,496)
ELECTRIC	5,318,732	17,527,693	18,057,231	525,000	5,314,194	(4,538)
TOTAL UTILITY FUNDS	7,202,549	26,455,700	28,012,650	1,420,000	7,065,599	(136,950)
CAFETERIA	654,813	1,297,806	1,297,806		654,813	0
SCHOOLS	2,063,809	20,190,378	20,190,378		2,063,809	0
SCHOOL GRANTS	27,736	0	0		27,736	0
TOTAL SCHOOL FUNDS	2,746,358	21,488,184	21,488,184		2,746,358	0
CDBG	(435,573)	87,823	87,823		(435,573)	0
HOUSING CHOICE	204,590	2,245,794	2,245,794		204,590	0
TOTAL SP REV FUNDS	(230,983)	2,333,617	2,333,617		(230,983)	0
TOTAL ALL FUNDS	13,133,683	79,947,556	82,563,263	1,420,000	11,937,976	(1,195,707)

Notes

- (1) Revenues and Expenditures do not contain contributions to or from Fund Balance
- (2) Expenses in Enterprise Funds contain Capitalized Expenses and Depreciation

11/4/2010 11:04

City of Martinsville
Consolidated Revenues and Expenditures
FY11 - September 30, 2010

	<i>Budget</i>	<i>Anticipated</i>	<i>Actual YTD</i>	<i>Actual MTD</i>	<i>Remaining Balance</i>	<i>Percent Utilized</i>
General Fund						
Revenues	\$ 28,644,080	\$ 3,344,632	\$ 3,564,126	\$ 2,454,595	\$ 25,079,954	12.4%
Expenditures	<u>28,644,080</u>	<u>7,143,599</u>	<u>6,827,170</u>	<u>3,024,007</u>	<u>21,816,910</u>	23.8%
Excess (deficiency) of revenues over expenditures	\$ <u>-</u>	\$ <u>(3,798,967)</u>	\$ <u>(3,263,045)</u>	\$ <u>(569,412)</u>	\$ <u>3,263,045</u>	

	<i>Budget</i>	<i>Anticipated</i>	<i>Actual YTD</i>	<i>Actual MTD</i>	<i>Remaining Balance</i>	<i>Percent Utilized</i>
Capital Funds						
Meals Tax						
Revenues	\$ 1,342,260	\$ 335,565	\$ 356,049	\$ 115,463	\$ 115,463	26.5%
Expenditures	<u>1,342,260</u>	<u>816,238</u>	<u>817,029</u>	<u>52,816</u>	<u>525,231</u>	60.9%
Excess (deficiency) of revenues over expenditures	\$ <u>-</u>	\$ <u>(480,673)</u>	\$ <u>(460,980)</u>	\$ <u>62,646</u>	\$ <u>(409,769)</u>	
Capital Reserve						
Revenues	\$ 742,472	\$ 180,618	\$ 180,618	\$ 180,618	\$ 561,854	24.3%
Expenditures	<u>742,472</u>	<u>278,743</u>	<u>243,277</u>	<u>33,291</u>	<u>499,195</u>	32.8%
Excess (deficiency) of revenues over expenditures	\$ <u>-</u>	\$ <u>(98,125)</u>	\$ <u>(62,659)</u>	\$ <u>147,327</u>	\$ <u>62,659</u>	
TOTAL CAPITAL FUNDS:	\$ -	\$ (578,798)	\$ (523,639)	\$	\$ (347,110)	

	<i>Budget</i>	<i>Anticipated</i>	<i>Actual YTD</i>	<i>Actual MTD</i>	<i>Remaining Balance</i>	<i>Percent Utilized</i>
Refuse Fund						
Revenues	\$ 2,103,444	\$ 395,000	\$ 393,888	\$ 199,420	\$ 1,709,556	18.7%
Expenditures	<u>2,103,444</u>	<u>739,458</u>	<u>694,392</u>	<u>251,932</u>	<u>1,409,052</u>	33.0%
Excess (deficiency) of revenues over expenditures	\$ <u>-</u>	\$ <u>(344,458)</u>	\$ <u>(300,504)</u>	\$ <u>(52,512)</u>	\$ <u>300,504</u>	
Water Fund						
Revenues	\$ 3,508,967	\$ 780,404	\$ 813,733	\$ 420,115	\$ 2,695,234	23.2%
Expenditures	<u>3,508,967</u>	<u>860,667</u>	<u>705,329</u>	<u>456,125</u>	<u>2,803,638</u>	20.1%
Excess (deficiency) of revenues over expenditures	\$ <u>-</u>	\$ <u>(80,263)</u>	\$ <u>108,403</u>	\$ <u>(36,010)</u>	\$ <u>(108,403)</u>	
Sewer Fund						
Revenues	\$ 4,343,008	\$ 894,128	\$ 961,725	\$ 455,461	\$ 3,381,283	22.1%
Expenditures	<u>4,343,008</u>	<u>1,031,672</u>	<u>900,184</u>	<u>445,410</u>	<u>3,442,824</u>	20.7%
Excess (deficiency) of revenues over expenditures	\$ <u>-</u>	\$ <u>(137,544)</u>	\$ <u>61,540</u>	\$ <u>10,051</u>	\$ <u>(61,540)</u>	
Electric Fund						
Revenues	\$ 18,057,231	\$ 4,421,573	\$ 5,106,337	\$ 2,762,369	\$ 12,950,894	28.3%
Expenditures	<u>18,057,231</u>	<u>4,526,892</u>	<u>5,130,802</u>	<u>1,708,768</u>	<u>12,926,429</u>	28.4%
Excess (deficiency) of revenues over expenditures	\$ <u>-</u>	\$ <u>(105,319)</u>	\$ <u>(24,465)</u>	\$ <u>1,053,601</u>	\$ <u>24,465</u>	
TOTAL UTILITY FUNDS:	\$ -	\$ (667,584)	\$ (155,025)	\$ 975,130	\$ 155,025	

**Consolidated Revenues and Expenditures
FY11 - September 30, 2010**

	<i>Budget</i>	<i>Anticipated</i>	<i>Actual YTD</i>	<i>Actual MTD</i>	<i>Remaining Balance</i>	<i>Percent Utilized</i>
Cafeteria						
Revenues	\$ 1,297,806	\$	\$ 70,426	\$ 22,426	\$ 1,227,380	5.4%
Expenditures	<u>1,297,806</u>		<u>309,125</u>	<u>116,864</u>	<u>988,681</u>	23.8%
Excess (deficiency) of revenues over expenditures	\$ <u>-</u>	\$	\$ <u>(238,699)</u>	\$ <u>(94,439)</u>	\$ <u>238,699</u>	
Schools						
Revenues	\$ 20,190,378	\$ 4,286,417	\$ 4,312,180	\$ 2,672,500	\$ 15,878,198	21.4%
Expenditures	<u>20,190,378</u>	<u>4,508,511</u>	<u>4,260,796</u>	<u>1,583,473</u>	<u>15,929,582</u>	21.1%
Excess (deficiency) of revenues over expenditures	\$ <u>-</u>	\$ <u>(222,094)</u>	\$ <u>51,383</u>	\$ <u>1,089,027</u>	\$ <u>(51,383)</u>	
Federal Programs						
Revenues	\$ -	\$	\$ 151,403	\$ 151,403	\$ (151,403)	#DIV/0!
Expenditures	<u>-</u>		<u>386,446</u>	<u>190,448</u>	<u>(386,446)</u>	#DIV/0!
Excess (deficiency) of revenues over expenditures	\$ <u>-</u>	\$	\$ <u>(235,043)</u>	\$ <u>(39,045)</u>	\$ <u>(537,849)</u>	
TOTAL SCHOOL FUNDS:	\$ -	\$ (222,094)	\$ (422,359)	\$ 955,544	\$ (350,533)	

	<i>Budget</i>		<i>Actual YTD</i>	<i>Actual MTD</i>	<i>Remaining Balance</i>	<i>Percent Utilized</i>
Special Revenue Funds						
CDBG Fund						
Revenues	\$ 87,823		\$ 8,188	\$ 8,188	\$ 79,635	9.3%
Expenditures	<u>87,823</u>		<u>78,062</u>	<u>31,986</u>	<u>9,761</u>	88.9%
Excess (deficiency) of revenues over expenditures	\$ <u>-</u>		\$ <u>(69,873)</u>	\$ <u>(23,798)</u>	\$ <u>69,873</u>	
Housing Choice Fund						
Revenues	\$ 2,245,794		\$ 531,141	\$ 177,825	\$ 1,714,653	23.7%
Expenditures	<u>2,245,794</u>		<u>525,815</u>	<u>177,007</u>	<u>1,719,979</u>	23.4%
Excess (deficiency) of revenues over expenditures	\$ <u>-</u>		\$ <u>5,326</u>	\$ <u>817</u>	\$ <u>(5,326)</u>	
TOTAL SPECIAL REVENUE FUNDS:	\$ -		\$ (64,548)	\$ (22,981)	\$ 64,548	

	<i>Budget</i>	<i>Anticipated</i>	<i>Actual YTD</i>	<i>Actual MTD</i>	<i>Remaining Balance</i>	<i>Percent Utilized</i>
GRAND TOTALS:						
Revenues:	\$ 82,563,263	14,638,337	\$ 16,449,813	\$ 9,620,383	\$ 66,113,450	19.9%
Expenditures	<u>82,563,263</u>	<u>19,905,780</u>	<u>20,878,427</u>	<u>8,072,128</u>	<u>61,684,836</u>	25.3%
Excess (deficiency) of revenues over expenditures	\$ <u>-</u>	\$ <u>(5,267,443)</u>	\$ <u>(4,428,615)</u>	\$ <u>1,548,255</u>	\$ <u>4,428,615</u>	

Local Sales/Use Taxes \$ 1,900,000 \$ 316,730 \$ 304,237 \$ 150,714 \$ 1,595,763 16.0%

SUMMARY: As of the 1st quarter, expenditures were expected to be \$5,267,443 greater than revenues. However, the actual difference was \$4,428,615, which is typical for this time period.

Notes: The Budget amount includes the Contribution from Fund Balance, which is required in order to balance the budget; however the Revenue amount does not reflect any actual Fund Balance contribution.



City Council Agenda Summary

Meeting Date: November 9, 2010
Item No: 10.
Department: Finance
Issue: Consider approval of consent agenda.

Summary:

The attachments amend the FY11 Budget with appropriations in the following funds:

FY11:

General Fund: \$21,870 – donations, recovered costs, and reimbursements.

Attachments: [Spreadsheet](#)

Recommendations: Approve

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 Council Agenda Summary

Date: November 9, 2010

Item No: 11.

Department: City Attorney

Issue: Consider approval of resolution regarding Business, Professional & occupational License (BPOL) Tax and Machinery & Tools Tax.

Summary: The attached resolution opposed alteration to the Business, Professional and Occupational licensing tax and to the Machinery and Tools tax. Henry County passed the resolution at its last meeting.

Attachments: [Resolution](#)

Recommended Action: Motion to adopt resolution



**RESOLUTION
CONCERNING THE NECESSITY OF MAINTAINING
REVENUE STREAMS FOR VIRGINIA'S LOCALITIES**

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.

Kim E. Adkins
Mayor, City of Martinsville

Date: November 9, 2010

Item No: 12.

Department: City Attorney

Issue: Consider approval of City's 2011 legislative agenda

Summary: The City annually determines its legislative priorities. Attached is 2011's tentative legislative agenda for adoption. Current numbering does NOT reflect priority. NCI was consulted for their entry (Education #3). City and County Schools, Chamber of Commerce, and West Piedmont Planning District Commission have not yet adopted their agendas.

Attachments: [Proposed 2011 Legislative Agenda](#)

Recommendations: Approve.



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. 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..

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, 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.

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 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