

January 26, 2010

The regular meeting of the Council of the City of Martinsville, Virginia, was held on January 26, 2010, in Council Chambers, Municipal Building, at 7:30 PM, with Mayor Kathy Lawson presiding. Council Members present included: Mayor Kathy Lawson, Vice Mayor Kimble Reynolds, Gene Teague, Mark Stroud, Sr., and Danny Turner. Staff present included: Clarence Monday, City Manager, Leon Towarnicki, Brenda Prillaman, Eric Monday, Wayne Knox, Mike Rogers, Linda Conover, and Gary Cody.

Following the invocation by Council Member Mark Stroud and Pledge to the American Flag, Mayor Lawson welcomed everyone to the meeting.

On a motion by Kimble Reynolds, seconded by Danny Turner, Council approved with a 5-0 vote, the minutes of the January 12, 2010 meeting.

On a motion by Gene Teague, seconded by Kimble Reynolds, Council approved with a 5-0 vote, amending the Transportation Safety Commission bylaws as requested: Article V - "Meetings" Section 5.1 The Commission shall meet once each month, except ~~December~~ **July**, at a time and day... Lynn Wehleu, Chairperson for the Commission, explained this is a housekeeping item so the bylaws will reflect correctly what the group is doing.

Leon Towarnicki gave an update on Mustangs baseball reporting there will be baseball played in Martinsville this year. He reviewed with Council the options that have been explored and announced that an agreement has been reached on a contract arrangement with James Taipalus of Hillsdale, Michigan as new manager of the team. The contract runs from February through August. If Council eventually decides to continue the Mustangs in 2011, the city can decide whether to employ Taipalus again under a contract, make him a full-time employee or pursue another management option. This year's season starts May 26 and players have already been recruited. This year's 56-game season will include 28 home games and will begin at 7:05 pm. There was discussion by Council regarding Mustangs' budget. Mayor Lawson requested that all games at Hooker Field be posted on the City calendar on the website.

Leon Towarnicki briefed Council on the PART grant resolution required to apply for funds for continuation of the operation of PART and the application must be filed with DRPT by February 1, 2010. Concurrent with Council's consideration of this issue, Henry County Board of Supervisors will be considering adoption of a similar resolution. The latest budget information provided by RADAR shows an anticipated local match of \$21,112 (split equally between City and County) for the next year of the program. He also noted that bus tokens are now available for purchase due to requests from the public.

January 26, 2010

On a motion by Kimble Reynolds, seconded by Mark Stroud, with a 5-0 vote, Council approved adoption of the following resolution authorizing the City to file an application with the Commonwealth of Virginia Department of Rail and Public Transportation for a grant to help offset costs related to the operation of a City/County public transit system (PART) for the period October 1, 2010 through September 30, 2011:

Resolution Authorizing the Application for State Aid to Public Transportation

BE IT RESOLVED by the Council of the City of Martinsville that the City Manager is hereby authorized, for and on behalf of the City of Martinsville hereafter referred to as the **PUBLIC BODY**, to execute and file an application with the Department of Rail and Public Transportation, Commonwealth of Virginia, hereafter referred to as the **DEPARTMENT**, for a grant of financial assistance in the amount of \$93,888 to defray the costs borne by the **PUBLIC BODY** for public transportation purposes and to accept from the **DEPARTMENT** grants in such amounts as may be awarded, and to authorize the City Manager to furnish to the **DEPARTMENT** such documents and other information as may be required for processing the grant request.

The City of Martinsville certifies that the funds shall be used in accordance with the requirements of Section 58.1-638.A.4 of the Code of Virginia, that the **PUBLIC BODY** will provide funds in the amount of \$10,556 which will be used to match the state funds in the ratio as required in such Act, that the records of receipts of expenditures of funds granted the **PUBLIC BODY** may be subject to audit by the **DEPARTMENT** and by the State Auditor of Public Accounts, and that funds granted to the **PUBLIC BODY** for defraying the expenses of the **PUBLIC BODY** shall be used only for such purposes as authorized in the Code of Virginia. The undersigned duly qualified and acting Mayor of the **PUBLIC BODY** certifies that the foregoing is a true and correct copy of a Resolution, adopted at a legally convened meeting of the Council of the City of Martinsville held on the 26th day of January, 2010.

On a motion by Danny Turner, seconded by Kimble Reynolds, with a 5-0 vote, Council approved the updated list of local projects to be included in the Year 2010 Regional Comprehensive Economic Development Strategy and authorized the City Manager to provide this information to the U. S. Department of Commerce Economic Development Administration. The local prioritized list includes:

COMPREHENSIVE ECONOMIC DEVELOP. STRATEGY Priority Projects July 1, 2010—June 30, 2011

PROJECT	PRIORITY	DESCRIPTION	FUNDING			ENVIRON- MENTAL IMPACT	NO. OF JOBS
			SOURCE	AMOUNT	TOTAL		
Revitalization of Uptown Business District--City of Martinsville	1	Incentivize small businesses (interior makeover/elevator)	EDA	\$900,000	\$900,000	Positive	80
Revitalization of Uptown Business District--City of Mville	1	Rental Voucher Program	EDA/HUD	\$300,000	\$300,000	NA	Indirect
Revitalization of Uptown Business District--City of Mville ville	1	Construct/retrofit condo units in Uptown	EDA	\$1,000,000	\$2,000,000	Positive	15
			DHCD	\$300,000			
			VHDA City	\$500,000 \$200,000			
Community Development Projects - Martinsville Area & Central Business District--City	1	Purchase blighted properties, prepare sites for developers	Brownfield	\$400,000	\$825,000	unknown	100/indirect
		(Draper/Holt Building/600 W. Church Street)	EDA	\$325,000			
			City	\$100,000			
Community Development	1	Purchase and prepare land in arena area for develop-	EDA	\$1,500,000	\$2,000,000	Positive	200

January 26, 2010

**Projects -
Martinsville
Area &
Central
Business
District--City**

**Community
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**Clean Energy
Encouragement
Uptown
Martinsville--
City of
Martinsville**

**Clean Energy
Encouragement
Uptown
Martinsville--
City of Mville**

**Clean Energy
Encouragement
Uptown
Martinsville--
City of
Martinsville**

**Broadband
Planning Grant-
City of
Martinsville**

**Regional
Industrial Park-
City
of Martinsville and Henry County**

		ment on the Moss/Market Street/Church Street lot	CDBG	\$500,000			
1		Rives Road - Supporting residential development of former factory	CDBG	\$300,000	\$300,000	Positive	100/indirect
1		Rives Road Site Development - full site development including A&E and site grading	EDA	\$1,400,000	\$1,400,000	Positive	400
1		Further develop 12-acre lot at Clearview Business Park to prepare for companies	EDA	\$750,000	\$750,000	Positive	200+
1		Recruit manufacturers of Clean Energy Components to Martinsville area and Enterprise Zone	EDA	\$100,000	\$100,000	Positive	Indirect
1		Retrofit City Hall and schools to accommodate energy efficient products	EDA	\$750,000	\$750,000	Positive	Indirect
1		Extract methane to produce electricity - former landfill	EDA	\$600,000	\$600,000	Positive	50/Indirect
1		Study feasibility of broadband planning for economic growth and add to tourism and business components of area	DHCD	\$25,000	\$25,000	Positive	Indirect
1		Establishment of new 740-acre regional industrial park and Enterprise Zone in the Route 220 South corridor on the ROMA property. Park to be developed by City of Martinsville and Henry County	EPA	\$2,000,000	\$13,000,000	NA	500-1000
	EDA		\$2,000,000				
	Local		\$2,000,000				
	Other		\$7,000,000				

January 26, 2010

Revitalization of Uptown Business District--City of ville	2	Purchase and prepare land, build hotel and parking deck around proposed arena site uptown	EDA	\$7,000,000	\$9,000,000	Positive	200
			CDBG	\$2,000,000			
Community Development Projects--City-	2	Upgrade electrical capacity at Clearview Business Park	EDA	\$2,000,000	\$2,000,000	Positive	25
Community Development Pro-jects--City of Martinsville	2	Complete brownfield site-- Sara Lee/American Furniture A&E, grading, make build-ready	EDA	\$3,000,000	\$3,500,000	Positive	300
			Brownfield	\$500,000			
Clean Energy Encouragement Uptown Martinsville--City of Mville	2	Complete construction of rail trail for walking/biking	ARC	\$50,000	\$75,000	Positive	Indirect
			Local	\$25,000			
Teleworks Center--City of Martinsville	2	Rehabilitation of closed building once used by textile/tobacco industry to serve as multi-employer telecommunications center accommodating employees of businesses and state govt agencies based in northern and eastern VA/ Sara Lee and American Furniture buildings	EDA	\$1,500,000	\$2,450,000	Positive	250
			Local	\$250,000			
			CDBG	\$700,000			
Broadband Planning Grant--City of Martinsville	2	Installation of broadband	EDA	\$100,000	\$100,000	Positive	Indirect
Community Development Projects Martinsville Area and Central Business District--City	3	Forgivable loan for historic property for rehab and reuse of Orange & White Building in Central Business District	EDA	\$500,000	\$500,000	NA	50

Linda Conover presented the monthly finance report as follows:

Comparison of Revenues & Expenditures

Through the end of December, first half of the Fiscal Year 2010, the total revenues are \$37,038,774, representing 43.4% of the budget, and are less than anticipated. Due December 5th, Real Estate and Personal Property taxes were collected at rates of 47.3% and 68.5% respectively. The total expenditures through December are \$39,078,559 which is 45.7% of the budget, and are also less than anticipated.

Combined Balance Sheet

As of December 31, the combined fund balance for FY10 is \$12,277,408.

Forecast

Taking into consideration that local revenues are down approximately \$420,000. Other revenues, conservative spending, budget reductions from September 2009, and recent personnel restructuring may offset a majority of this decline by as much as \$260,000, leaving a potential short-fall of \$160,000 for FY10. Further adjustments, such as the reorganization of the Mustangs and revenues received from methane recovery, could possibly reduce this figure to \$67,500. Additional savings can be realized through expenditure controls. Staff will continue to monitor the current budget closely, especially in light of the potential impact on state revenues due to the "Caboose Budget" recently introduced to the General Assembly.

City Manager/Finance Director, Clarence Monday, also pointed out the "caboose bill" has a \$388,000 potential impact on this year's budget and noted city staff and constitutional offices are being frugal. Council Member Teague suggested we go ahead

January 26, 2010

and plan on the reduction and not wait. The City Manager asked for Council's recommendations on how they wanted to see the city's budget reduced. Also, input is being sought from citizens. On a motion by Gene Teague, seconded by Mark Stroud, with a 5-0 vote, Council approved the monthly finance report.

There were no comments during business from the floor. Comments by Council: Teague—noted VML is keeping a close watch on bills in General Assembly alerting the city when actions are needed; he asked that the city send a letter to our local legislators asking that they hold off on action on all legislation having a fiscal impact on the localities until an overall budget strategy is developed—Council directed the city manager to send the letter along with a listing of proposed bills. Turner—encouraged consultants working on Uptown revitalization efforts to work quickly. Stroud—would like to see city moving forward and pointed out budget cuts will affect all of us. Reynolds—complimented City Manager Clarence Monday for his work on the landfill project securing the stimulus funds and for looking ahead and noted it is much appreciated. Lawson—asked that the Crabtrees be followed up with regarding the public hearing on the alley abandonment; reported there will be a report on inmate labor at the Feb. 23 Council meeting; reported an essay contest to be held again this year at Middle School and will also be doing the scholarship application again this year to engage our young people in local government.

Comments by City Manager: (1) Clarence Monday reported a March 2010 worksession will be scheduled to discuss business incentives for Uptown development and updates on goals & initiatives and he asked for Council feedback as to goals to cover. (2) He discussed the AMP hydro projects explaining this issue was not on the agenda as all the information was not quite ready to bring before Council. (3) He reported that a letter has been drafted to legislators asking for their assistance in moving the process forward for the EDA grant money for Commonwealth Crossing. Council agreed to send the letter jointly with Henry County with Council Member Turner objecting. Vice Mayor Reynolds will speak with Congressman Perriello for an accurate clarification of the problem between the agencies involved.

There being no further business, Mayor Lawson adjourned the meeting at 8:30 PM.

Clarence C. Monday
Clerk of Council

Kathy C. Lawson
Mayor