

March 25, 2014

The regular meeting of the Council of the City of Martinsville, Virginia, was held on March 25, 2014, in Council Chambers, Municipal Building, at 7:30 PM, Closed Session beginning at 7:00PM, with Mayor Kim Adkins presiding. Council Members present included: Mayor Kim Adkins, Vice Mayor Gene Teague, Sharon Brooks Hodge, Mark Stroud and Danny Turner. Staff present included: Leon Towarnicki, City Manager, Eric Monday, Eddie Cassady, Wayne Knox, Dennis Bowles, Cindy Barbour and Linda Conover.

Mayor Adkins called the meeting to order and advised Council will go into Closed Session. In accordance with Section 2.1-344 (A) of the Code of Virginia (1950, and as amended) and upon a motion by Gene Teague, seconded by Sharon Brooks Hodge, with the following 5-0 recorded vote: Adkins, aye; Teague, aye; Hodge, aye; Stroud, aye; and Turner, aye, Council convened in Closed Session, for the purpose of discussing the following matter: (A) The condition, acquisition, use or disposition of real property as authorized by Subsection 3. At the conclusion of Closed Session, each returning member of Council certified that (1) only public business matters exempt from open meeting requirements were discussed in said Closed Session; and (2) only those business matters identified in the motion convening the Closed Session were heard, discussed, or considered during Session. On a motion by Mark Stroud, seconded by Sharon Brooks Hodge, with the following recorded 5-0 vote: Adkins, aye; Teague, aye; Hodge, aye; Stroud, aye; and Turner, aye, Council returned to Open Session.

Following the invocation by Council Member Stroud and Pledge to the American Flag, the Mayor welcomed everyone to the meeting and announced an agenda change as the update from the Farmers Market is to be rescheduled.

Proclamation-Raymond Carr-Electoral Board: Mayor Adkins presented a proclamation to Raymond Carr in honor of his service on the City Electoral Board.

Proclamation Child Abuse Prevention Month: Mayor Adkins presented a proclamation to the Exchange Club recognizing Child Abuse Prevention Month.

Proclamation Sexual Assault Awareness Month-Mayor Adkins presented a proclamation to Citizens Against Family Violence recognizing Sexual Assault Awareness Month.

Adopt resolution recognizing M-HC Chamber of Commerce: At its March Board meeting, the United States Chamber of Commerce awarded the Martinsville-Henry County Chamber of Commerce with a 5- Star Accreditation for its sound policies, effective organizational procedures, and positive impact on the community. Accreditation with the U.S. Chamber of Commerce is a prestigious honor that distinguishes the high quality, expertise, and strong leadership displayed by accredited state and local chambers of commerce. To receive accreditation, a chamber must demonstrate quality programs, clear organizational procedures, and effective communications by meeting minimum standards in its operations and programs, including areas of governance, government affairs, and technology. The M-HC Chamber was one of nine chambers receiving national accreditation at the meeting, and only one of six receiving the 5-Star designation. Local and regional chambers are rated as "Accredited", or "Accredited with 3, 4, or 5 Stars". The M-HC Chamber is also only one of only five chambers in Virginia to earn this distinction and accredited chambers represent the top 3 percent of all chambers nationally. On a motion by Gene Teague, seconded by Danny Turner, with a 5-0 vote, Council adopted the following resolution recognizing the Chamber of Commerce:

WHEREAS, the Martinsville-Henry County Chamber of Commerce was founded in 1959 and is located at 115 Broad Street in Martinsville, VA to serve Martinsville and Henry County businesses; and

WHEREAS, the Martinsville-Henry County Chamber of Commerce programs are designed to encourage a strong local economy by creating an environment where businesses thrive and community and commerce work together for the future of Martinsville-Henry County; and

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WHEREAS, the Martinsville-Henry County Chamber of Commerce acts as a voice for businesses in the region while also providing opportunities for networking, collaboration, and increased community exposure; and  
WHEREAS, at its March Board meeting, the United States Chamber of Commerce awarded a prestigious 5-Star Accreditation to the Martinsville-Henry County Chamber of Commerce for its sound policies, effective organizational procedures, and positive impact on the community; and  
WHEREAS, this 5-Star Accreditation distinguishes the high quality, expertise, and strong leadership displayed by a chamber of commerce and the Martinsville-Henry County Chamber of Commerce is only one of the only five chambers in VA to earn this distinction and represents the top 3 percent of all chambers nationally;  
NOW, THEREFORE BE IT RESOLVED, on this 25th day of March, 2014, the Martinsville City Council does hereby commend the leadership of the Martinsville-Henry County Chamber of Commerce on this outstanding achievement and commends the diligent work of the Chamber staff and many community volunteers in providing programs benefiting the local economy and positively influencing the entire community.

Conduct public hearing on Northside Neighborhood Revitalization Project: Wayne Knox briefed Council on the Northside Neighborhood Revitalization Project noting that a requirement of the application process is to conduct a public hearing regarding the proposed neighborhood improvements which were pointed out on maps provided to Council denoting housing characteristics/conditions and estimated costs of the improvements, both CDBG and in-kind. After Council discussion, Mayor Adkins opened the public hearing and hearing no comments, the Mayor closed the public hearing. On a motion by Gene Teague, seconded by Danny Turner, with a 5-0 vote, Council adopted the following resolution authorizing City Administration to submit an application to the Department of Housing & Community Development for a Comprehensive Improvement Grant for the Northside Neighborhood:

WHEREAS, the City of Martinsville has previously participated in the Small Cities Community Development Block Grant (CDBG) program as administered by the Virginia Department of Housing Community Development (DHCD) in order to address the City's priority community development needs; and

WHEREAS, the City is eligible for and wishes to submit a 2014 Community Development Block Grant application for the Northside Neighborhood Revitalization Project for a total of \$943,904 in CDBG funds to VDHCD on or by March 26, 2014; and

WHEREAS, the City of Martinsville has prioritized revitalization of the Northside neighborhood as a continuation of the City's efforts to improve housing conditions for its residents; and

WHEREAS, the City applied for and received a CDBG Planning Grant in the amount of \$30,000 from DHCD to further investigate needs, develop a proposed improvement program and budget, and identify additional funding resources to implement said program; and

WHEREAS, the City conducted public meetings; formed a Project Management Team; completed a physical needs assessment of the Project Area; conducted a Housing Occupancy Survey of the owner-occupants and tenant-occupants within the Northside Neighborhood Project Area; and completed a Preliminary Engineering Report (PER) for improvements to the drainage infrastructure and streets; and

WHEREAS, a Northside Neighborhood Revitalization Project for physical improvements has been developed by the City in cooperation with property owners and related stakeholders pursuant to requirements for funding set forth by DHCD including a report on the estimated housing rehabilitation costs within the final delineated project area; a preliminary Housing Rehabilitation Program Design; and a Preliminary Engineering Report (PER) with cost estimates for improvements to the storm water infrastructure and streets in the Project Area; and

WHEREAS, the Martinsville Redevelopment and Housing Authority will partner with the City on this project and adopt a Conservation Area under Title 36, Code of Virginia, to expedite the acquisition of vacant properties in the Northside Neighborhood; and

WHEREAS, the proposed Housing Rehabilitation Program will provide benefit for ten (10) LMI owner-occupied housing units (totaling eighteen persons) and the proposed Homeownership Creation Program will provide benefit to nine (9) households (totaling an estimated twenty LMI persons) through the acquisition, rehabilitation, and resale of currently vacant units utilizing Neighborhood Stabilization Program (NSP) funds and CDBG funds; and

WHEREAS, infrastructure improvements as identified in the PER will include improving storm drainage along Franklin Street through the installation of drop inlets, curb and gutter, and storm drain piping; improving street surfaces for Dillard Street, Ruffin Street, Franklin Street and Warren Court; and extending paved driveway access to houses along Dillard Street and Franklin Street; and

WHEREAS, the City of Martinsville has properly advertised and conducted public hearings on February 25, 2014 and March 25, 2014 which addressed the CDBG program and the CDBG project application, thereby meeting CDBG citizen participation requirements; and

WHEREAS, the residents and property owners in the Northside Neighborhood Project Area and the Management Team have requested the City to proceed with resolving the problems identified in the Northside Neighborhood Project Area and in securing necessary funding to carry out the Northside Neighborhood Revitalization Project.

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Martinsville, Virginia that:

1. The City of Martinsville wishes to apply for a 2014 CDBG Community Improvement Grant in the amount of \$943,904 for the Northside Neighborhood Revitalization Project; and hereby commits \$233,000 of City funds for the installation of 650 lf of storm drain, five (5) junction manholes, 2,750 lf of curb and gutter, and two (2) drop inlets; and the resurfacing of Franklin Street, Ruffin Street, and Warren Court within the project area boundaries; for a total project cost of \$1,176,904.

2. The City hereby authorizes the City Manager, the City's chief administrative official, to execute and file all appropriate documents necessary for submission of the City of Martinsville's 2014 Community Development Block Grant application on or before March 26, 2014 and to provide such additional information as may be required by the Virginia Department of Housing and Community Development.

City Council recessed and reconvened as Martinsville Redevelopment & Housing Authority to conduct public comment period on possible transfer of Housing Choice Program: Wayne Knox briefed Council on the

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possible transfer of the administration of the Housing Choice Voucher Program. The Housing Choice Voucher Program, aka Section 8 Rental Assistance, dates back to 1970's and has always fulfilled a great need in Martinsville-Henry County and at one time covered Patrick County. The program began as a conduit of federal funds through the Virginia Housing Development Authority and around 2003 started going directly to HUD. As time moved on and regulations changed, the cost of administering the program has increased and varying funding formulas followed causing an operating deficit or at times, just barely breaking even. As one of the cost-cutting actions, we have reached out to a neighboring public housing authority, Danville Redevelopment & Housing Authority, for help. As per HUD regulations, the transferring of program administration can only be accomplished with another public housing authority. The closest one adjacent to us is DRHA. With the approval of City Council sitting as the Martinsville Redevelopment and Housing Authority, the first step in the approval process from HUD will begin. The board of directors for the Danville Redevelopment & Housing Authority must also officially approve such a transfer. After discussion period, Housing Authority Chairman Adkins opened the public comment period. No public comments were made and the comment period was closed. On a motion by Gene Teague, seconded by Mark Stroud, with the following recorded vote Adkins, aye; Teague, aye; Hodge, aye; Stroud, aye; and Turner, aye, the Authority approved the following resolution authorizing staff to submit the necessary document, along with Danville Redevelopment & Housing Authority's paperwork to HUD for transferring the administration of the Housing Choice Voucher Program to DRHA:

**RESOLUTION OF THE GOVERNING BODY OF  
THE MARTINSVILLE REDEVELOPMENT & HOUSING AUTHORITY**

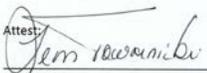
The Board of Commissioners of the Martinsville Redevelopment and Housing Authority consisting of five members, in a duly called meeting held on the 25<sup>th</sup> day of March, 2014 at which a quorum was present, **RESOLVED** as follows:

**BE IT RESOLVED THAT** in order to facilitate obtaining approval from the United States of America, acting by and through the United States Department of Housing and Urban Development (HUD), in the transfer of administration of the Section 8 Housing Choice Voucher Program, in the City of Martinsville and the County of Henry, the governing body does hereby adopt and abide the covenants contained in the agreements, documents, and forms required by the Department of Housing and Urban development (HUD) to be executed.

**BE IT FURTHER RESOLVED** that the City Manager of the City of Martinsville, acting as the Executive Director of the Martinsville Redevelopment & Housing Authority is authorized to execute on behalf of the Martinsville Redevelopment and Housing Authority the above - referenced agreements and to execute instruments as may be required in obtaining the said administrative transfer.

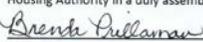
**THIS RESOLUTION**, along with a copy of the above - referenced documents, is hereby entered into the permanent minutes of this meeting of this Authority.

Martinsville Redevelopment & Housing Authority

Attest:  By 

**CERTIFICATION**

I hereby certify that the above resolution was duly adopted by the Martinsville Redevelopment & Housing Authority in a duly assembled meeting on the 25 day of March, 2014.

  
Clerk of Council

Martinsville Redevelopment & Housing Authority adjourned and Martinsville City Council re-convened.

Presentation on impact of seasonal power costs: Dennis Bowles presented information to Council regarding the City's purchased power bill which includes all power customers' usage.

Residential Rate Analysis							
kWh usage	Present Bill Amount			PCA	Proposed Increase		
	Cust. Chg.	first 900	over 900		Present Bill	New PCA	% increase
	\$9.74	\$0.09075	\$0.07387	0.0068		0.01215	
0		0	0	\$9.74	\$9.74	0.00%	
50		50	0	\$14.62	\$14.89	1.83%	
100		100	0	\$19.50	\$20.03	2.74%	
200		200	0	\$29.25	\$30.32	3.66%	
300		300	0	\$39.01	\$40.61	4.11%	
400		400	0	\$48.76	\$50.90	4.39%	
500		500	0	\$58.52	\$61.19	4.57%	
600		600	0	\$68.27	\$71.48	4.70%	
700		700	0	\$78.03	\$81.77	4.80%	
800		800	0	\$87.78	\$92.06	4.88%	
900		900	0	\$97.54	\$102.35	4.94%	
1000		900	100	\$105.60	\$110.95	5.07%	
1100		900	200	\$113.67	\$119.55	5.18%	
1250		900	350	\$125.77	\$132.46	5.32%	
1500		900	600	\$145.94	\$153.96	5.50%	
1750		900	850	\$166.10	\$175.47	5.64%	
2000		900	1100	\$186.27	\$196.97	5.74%	
2500		900	1600	\$226.61	\$239.98	5.90%	
3000		900	2100	\$266.94	\$282.99	6.01%	
3500		900	2600	\$307.28	\$326.00	6.09%	
4000		900	3100	\$347.61	\$369.01	6.16%	
Proposed PCA		0.01215					

Martinsville Revised Power Cost Adjustment (PCA) Calculation		
1	Billing Units April '14 - Jun '15	
2	KWH purchased (Projected)	215,052,000
3	Line Loss in % converted to decimal	0.05
4	Line Loss total	10,752,600
5		
6	KWH Sold (Projected)	204,299,400
7	Outdoor Lighting kWh	712,500
8	kWh Sold s.t. PCA for 15 Months (Projected)	203,586,900
9		
10		
11		
12		
13		
14	Wholesale power cost Apr '14 - Jun '15 (Projected)	\$16,790,349
15		
16	Power cost Recovered in base rates	
17	kWh purchased (Projected)	215,052,000
18	Rate Schedule Base (no PCA)	\$0.07006
19	Power cost in base rates	\$15,066,543
20		
21	Power Cost Above Base Rates Apr '14 - Jun '15	\$1,723,806
22	January '14 Market Energy Purchases = \$631,325 - (\$551,882)	\$79,443
23	PJM/Misc. Cost	\$470,816
24	AMPGS Sunk Cost	\$200,000
25	Total cost to be recovered	\$2,474,065
26		
27	kWh Sold s.t. PCA for 15 months	203,586,900
28	Cost to be recovered per kWh	\$0.01215
29	Current PCA factor	\$0.00680
30	PCA factor increase	\$0.00535
31		
32	Revised PCA Factor	\$0.01215

City of Martinsville	Power Cost Projection													
	Mwhs	Actuals						Projected (January 2014)						Total
		Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	
<b>Energy Forecast</b>														
Monthly Energy (@ Meter)	(MWh)	16,282	15,405	12,974	12,313	14,217	16,070	19,859	15,028	15,360	11,955	13,026	14,549	177,035
<b>Purchased Energy</b>														
Block Energy	(MWh)	32,665	11,929	10,256	9,549	9,872	10,486	9,675	9,578	7,898	8,990	7,387	10,541	139,165
Block Cost	(\$)	\$ 673,626	\$ 640,902	\$ 567,491	\$ 556,232	\$ 550,422	\$ 581,349	\$ 485,566	\$ 472,001	\$ 414,474	\$ 452,894	\$ 394,150	\$ 516,676	\$ 6,307,992
Prairie State Energy	(MWh)	2,134	3,480	5,129	2,001	1,399	3,711	4,036	2,940	1,733	2,873	3,741	3,858	34,835
Prairie State Demand Cost	(\$)	\$ 178,273	\$ 178,273	\$ 178,273	\$ 178,273	\$ 178,273	\$ 178,273	\$ 188,655	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,258,391
Prairie State Energy Cost	(\$)	\$ (9,204)	\$ 85,767	\$ 61,974	\$ (23,451)	\$ (84,697)	\$ 111,726	\$ 276,353	\$ 237,776	\$ 140,105	\$ 232,289	\$ 302,525	\$ 311,942	\$ 1,643,303
Prairie State Cost	(\$)	\$ 169,069	\$ 264,040	\$ 240,247	\$ 154,821	\$ 93,775	\$ 289,998	\$ 465,008	\$ 237,776	\$ 140,105	\$ 232,289	\$ 302,525	\$ 311,942	\$ 2,901,595
Fremont Energy	(MWh)	2,754	2,692	695	1,299	1,841	1,210	1,889	1,683	1,738	997	1,628	1,643	30,068
Fremont Demand Cost	(\$)	\$ 49,428	\$ 49,426	\$ 49,426	\$ 49,426	\$ 49,426	\$ 49,426	\$ 51,946	\$ 51,902	\$ 51,922	\$ 51,922	\$ 51,922	\$ 51,922	\$ 608,117
Fremont Energy Cost	(\$)	\$ 74,364	\$ 80,800	\$ 32,892	\$ 22,152	\$ 57,052	\$ 41,578	\$ 126,929	\$ 65,177	\$ 67,338	\$ 38,612	\$ 63,043	\$ 63,632	\$ 724,546
Fremont Cost	(\$)	\$ 123,793	\$ 130,227	\$ 72,318	\$ 71,559	\$ 106,478	\$ 91,001	\$ 178,875	\$ 137,099	\$ 119,260	\$ 90,535	\$ 114,965	\$ 115,554	\$ 1,332,664
SEPA Energy	(MWh)	160	154	113	89	82	87	89	97	107	102	107	170	1,355
SEPA Demand Cost	(\$)	\$ 9,104	\$ 7,600	\$ 7,248	\$ 7,504	\$ 7,520	\$ 7,776	\$ 14,768	\$ 5,534	\$ 5,534	\$ 6,116	\$ 6,116	\$ 6,116	\$ 90,395
SEPA Energy Cost	(\$)	\$ 2,886	\$ 2,598	\$ 1,300	\$ 1,408	\$ 1,465	\$ 1,506	\$ 1,838	\$ 2,353	\$ 2,589	\$ 1,491	\$ 1,562	\$ 2,485	\$ 23,682
SEPA Cost	(\$)	\$ 11,990	\$ 10,198	\$ 8,548	\$ 9,112	\$ 8,985	\$ 9,282	\$ 16,606	\$ 7,887	\$ 8,122	\$ 7,607	\$ 7,678	\$ 8,601	\$ 134,617
Landsfill Gas Energy	(MWh)	-	-	-	-	-	-	-	354	392	378	392	379	1,896
Landsfill Gas Demand Cost	(\$)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Landsfill Gas Energy Cost	(\$)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Landsfill Gas Cost	(\$)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
AMP Hydro Energy	(MWh)	-	-	-	-	-	-	-	-	-	-	-	-	-
AMP Hydro Demand Cost	(\$)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
AMP Hydro Energy Cost	(\$)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
AMP Hydro Cost	(\$)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Market Energy</b>														
Net Market Purchases/Sales	(MWh)	(1,477)	(2,738)	(1,128)	(939)	1,331	632	4,170	376	3,493	(1,328)	(229)	(2,042)	122
Market Cost/(Credit)	(\$)	\$ (48,026)	\$ (82,934)	\$ (29,217)	\$ (36,429)	\$ 36,587	\$ 25,225	\$ 631,325	\$ 8,993	\$ 115,827	\$ (47,834)	\$ (11,412)	\$ (89,821)	\$ 472,262
<b>PJM Charges/Miscellaneous Costs</b>														
NETL	(MWh)	38,300	38,300	38,300	38,300	38,300	38,300	34,600	34,600	34,600	34,600	34,600	34,600	34,600
NITS Cost	(\$)	\$ 104,207	\$ 104,207	\$ 100,845	\$ 104,207	\$ 100,845	\$ 104,207	\$ 94,140	\$ 85,029	\$ 94,140	\$ 91,105	\$ 94,140	\$ 91,105	\$ 1,168,173
RPM Cost	(\$)	\$ 37,161	\$ 37,161	\$ 35,962	\$ 37,161	\$ 35,962	\$ 37,161	\$ 37,161	\$ 33,565	\$ 37,161	\$ 35,962	\$ 37,161	\$ 35,962	\$ 557,958
RPM Credits	(\$)	\$ (12,201)	\$ (12,169)	\$ (11,869)	\$ (12,169)	\$ (11,869)	\$ (12,169)	\$ (12,169)	\$ (10,991)	\$ (12,169)	\$ (11,869)	\$ (12,169)	\$ (12,169)	\$ (188,800)
Ancillary Cost	(\$)	\$ 56,835	\$ 35,846	\$ 40,580	\$ 43,768	\$ 53,359	\$ 39,988	\$ 323,426	\$ 67,071	\$ 65,025	\$ 54,499	\$ 58,209	\$ 42,106	\$ 675,371
ARR/ETR Revenue	(\$)	\$ (20,569)	\$ (20,569)	\$ (19,906)	\$ (20,569)	\$ (19,906)	\$ (20,569)	\$ (20,569)	\$ (18,579)	\$ (20,569)	\$ (19,906)	\$ (20,569)	\$ -	\$ (222,279)
Block Congestion Cost/(Credit)	(\$)	\$ 572	\$ 4,447	\$ 2,884	\$ 4,500	\$ 11,368	\$ 13,930	\$ 216,837	\$ 22,848	\$ 14,225	\$ 1,317	\$ 7,005	\$ 24,604	\$ 324,537
AMP Service/Dispatch Fees	(\$)	\$ 14,622	\$ 14,107	\$ 13,013	\$ 14,369	\$ 14,155	\$ 16,637	\$ 18,373	\$ 14,704	\$ 14,766	\$ 11,473	\$ 11,995	\$ 13,644	\$ 171,885
Taxes	(\$)	\$ 32,098	\$ 32,774	\$ 11,813	\$ 9,869	\$ 9,224	\$ 11,851	\$ 13,617	\$ 12,045	\$ 12,312	\$ 9,580	\$ 10,441	\$ 11,661	\$ 137,285
<b>Summary</b>														
Purchased Power Cost	(\$)	\$ 978,477	\$ 1,045,366	\$ 888,609	\$ 793,724	\$ 750,661	\$ 972,800	\$ 1,146,056	\$ 834,764	\$ 881,961	\$ 788,325	\$ 819,328	\$ 952,775	\$ 10,656,868
Market Cost	(\$)	\$ (48,026)	\$ (82,934)	\$ (29,217)	\$ (36,429)	\$ 36,587	\$ 25,225	\$ 631,325	\$ 8,993	\$ 115,827	\$ (47,834)	\$ (11,412)	\$ (89,821)	\$ 472,262
PJM/Miscellaneous Costs	(\$)	\$ 192,725	\$ 175,802	\$ 173,422	\$ 180,635	\$ 193,139	\$ 191,036	\$ 470,816	\$ 200,722	\$ 204,889	\$ 172,159	\$ 186,272	\$ 287,493	\$ 2,629,111
<b>Total Cost</b>	(\$)	\$ 1,123,176	\$ 1,138,235	\$ 1,032,789	\$ 937,930	\$ 989,386	\$ 1,189,089	\$ 2,248,197	\$ 1,044,478	\$ 1,002,677	\$ 907,650	\$ 994,187	\$ 1,150,445	\$ 13,758,240
<b>Total Energy</b>	(MWh)	16,282	15,405	12,974	12,313	14,217	16,070	19,859	15,028	15,360	11,953	13,026	14,549	177,035
<b>Monthly All In Rate</b>	(\$/MWh)	\$ 68.98	\$ 73.89	\$ 79.61	\$ 76.18	\$ 69.59	\$ 73.99	\$ 113.21	\$ 69.50	\$ 65.28	\$ 75.94	\$ 76.32	\$ 79.07	\$ 77.71

\*Assumptions outlined in attached document, see pages 2-3 of 5  
GOS Associates, Inc.

City of Martinsville												Power Cost Projection July 2014-June 2015		
Units	Projected (January 2014)											Total		
	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15		Jun-15	
<b>Energy Forecast</b>														
Monthly Energy (kWh Meter)	(MWH)	38,343	36,450	32,908	32,097	34,337	35,072	36,401	35,028	35,360	33,953	33,026	34,549	175,524
<b>Purchased Energy</b>														
Block/Load Following Energy	(MWH)	33,014	31,700	28,400	27,708	29,509	30,229	31,206	29,720	29,246	27,888	26,928	28,499	136,389
Block/Load Following Cost	(\$)	638,467	586,159	491,472	407,616	395,314	447,930	363,294	339,650	327,721	223,739	248,759	278,545	4,646,430
Prairie State Energy	(MWH)	4,007	4,030	3,608	2,656	3,189	3,890	4,343	2,875	2,197	2,286	2,143	2,143	41,862
Prairie State Demand Cost	(\$)	-	-	-	-	-	-	188,886	188,886	188,886	188,886	188,886	188,886	1,133,314
Prairie State Energy Cost	(\$)	324,056	324,274	291,717	214,809	257,874	314,576	99,195	68,221	52,509	78,676	90,193	92,316	2,218,214
Prairie State Cost	(\$)	324,056	324,274	291,717	214,809	257,874	314,576	288,079	257,707	141,484	267,562	289,079	281,202	3,951,418
Fremont Energy	(MWH)	1,940	1,885	935	1,740	1,718	1,682	2,235	1,861	970	1,803	1,487	1,737	39,993
Fremont Demand Cost	(\$)	51,922	51,922	51,922	51,922	51,922	51,922	53,855	53,855	53,855	53,855	53,855	53,855	634,665
Fremont Energy Cost	(\$)	75,146	73,001	36,202	67,388	66,564	65,161	87,888	73,183	38,126	70,893	58,463	68,284	780,506
Fremont Cost	(\$)	127,069	124,924	88,134	119,310	118,486	117,083	141,743	127,038	91,981	124,748	112,319	122,399	1,414,564
SEPA Energy	(MWH)	170	185	92	112	102	97	102	97	107	102	107	107	1,463
SEPA Demand Cost	(\$)	6,116	6,116	6,116	6,116	6,116	6,116	6,116	6,116	6,116	6,116	6,116	6,116	73,392
SEPA Energy Cost	(\$)	2,485	2,222	1,340	1,033	1,493	1,420	1,481	1,431	1,562	1,491	1,562	2,485	21,115
SEPA Cost	(\$)	8,602	8,338	7,456	7,149	7,609	7,536	7,607	7,546	7,678	7,607	7,678	8,602	94,507
Landfill Gas Energy	(MWH)	392	392	379	392	379	392	392	354	299	392	379	392	379
Landfill Gas Demand Cost	(\$)	-	-	-	-	-	-	-	-	-	-	-	-	-
Landfill Gas Energy Cost	(\$)	-	-	-	-	-	-	-	-	-	-	-	-	-
Landfill Gas Cost	(\$)	-	-	-	-	-	-	-	-	-	-	-	-	-
AMP Hydro Energy	(MWH)	-	-	-	-	-	-	499	490	299	392	355	1,813	3,982
AMP Hydro Demand Cost	(\$)	-	-	-	-	-	-	78,190	78,190	78,190	78,190	78,190	185,735	576,676
AMP Hydro Energy Cost	(\$)	-	-	-	-	-	-	2,508	2,285	1,524	2,887	2,887	9,434	20,717
AMP Hydro Cost	(\$)	-	-	-	-	-	-	80,798	80,475	79,714	80,230	81,077	195,169	597,393
<b>Market Energy</b>														
Net Market Purchases/(Sales)	(MWH)	(1,183)	(3,732)	(505)	(510)	1,440	281	923	3,891	4,156	1,202	974	501	7,839
Market Cost/(Credit)	(\$)	(59,745)	(79,401)	(27,219)	(26,094)	32,092	(8,613)	40,923	76,325	159,351	44,336	36,532	19,826	211,309
<b>PJM Charges/Miscellaneous Costs</b>														
NRG	(\$)	34,600	34,600	34,600	34,600	34,600	34,600	38,900	38,300	38,300	38,300	38,300	38,300	38,300
NRG Cost	(\$)	97,670	97,670	94,519	97,670	94,519	97,670	108,134	97,482	108,134	104,627	108,134	104,627	1,210,968
RPM Cost	(\$)	161,593	161,593	156,381	161,593	156,381	161,593	161,593	145,965	161,593	154,381	161,593	164,167	1,910,416
RPM Credits	(\$)	(53,739)	(53,739)	(52,000)	(53,739)	(52,000)	(53,739)	(53,739)	(48,539)	(53,739)	(52,000)	(53,739)	(48,510)	(667,840)
Ancillary Cost	(\$)	53,086	47,608	87,308	35,011	41,493	43,620	47,466	43,492	44,455	34,593	37,699	42,106	507,986
ARR/FTB Revenue	(\$)	-	-	-	-	-	-	-	-	-	-	-	-	-
Block Competition Cost/(Credit)	(\$)	24,833	29,164	7,731	(1,398)	7,193	19,943	19,979	14,911	10,077	4,820	7,350	13,095	154,561
AMP Service/Dispatch Fees	(\$)	16,336	15,394	12,594	11,739	12,888	15,502	15,137	14,303	14,822	10,675	11,825	13,140	164,770
Taxes	(\$)	14,702	13,185	10,346	9,696	11,491	12,080	13,145	12,945	12,312	9,580	10,441	11,661	140,685
<b>Summary</b>														
Purchased Power Cost	(\$)	1,078,192	1,024,195	838,778	789,484	779,282	887,096	882,002	809,662	748,579	703,896	737,911	885,646	10,104,713
Market Cost	(\$)	(59,745)	(79,401)	(27,219)	(26,094)	32,092	(8,613)	40,923	76,325	159,351	44,336	36,532	19,826	211,309
PJM/Miscellaneous Costs	(\$)	314,481	311,075	266,923	260,591	271,900	296,669	309,096	279,119	297,633	268,430	283,283	262,189	3,422,045
<b>Total Cost</b>	(\$)	<b>1,332,929</b>	<b>1,255,869</b>	<b>1,078,482</b>	<b>981,982</b>	<b>1,083,334</b>	<b>1,180,151</b>	<b>1,232,619</b>	<b>1,165,196</b>	<b>1,205,563</b>	<b>1,016,652</b>	<b>1,057,725</b>	<b>1,147,658</b>	<b>13,794,067</b>
<b>Total Energy</b>	(MWh)	<b>18,343</b>	<b>16,450</b>	<b>12,908</b>	<b>12,097</b>	<b>14,337</b>	<b>15,072</b>	<b>16,401</b>	<b>15,028</b>	<b>15,360</b>	<b>13,953</b>	<b>13,026</b>	<b>14,549</b>	<b>175,524</b>
<b>Monthly All in Rate</b>	(\$/MWh)	<b>72.67</b>	<b>76.34</b>	<b>82.00</b>	<b>81.17</b>	<b>75.26</b>	<b>77.33</b>	<b>75.10</b>	<b>77.53</b>	<b>78.48</b>	<b>69.06</b>	<b>81.20</b>	<b>80.36</b>	<b>78.27</b>

Mr. Bowles pointed out power costs are more than current rates will cover and were primarily driven by the January power bill and the last three months outdoor temperatures. There was lengthy Council discussion on power rates and having a diversified strategy. Staff recommended a power cost adjustment increase from the current .0068 cents to .01215 cents per kWh effective April 1, 2014. A motion was made by Council Member Turner to join with Danville and Bedford in requesting an itemized bill and a complete AMP audit through the Attorney General. The motion died for lack of a second.

A motion was made by Gene Teague, seconded by Sharon Brooks Hodge, with a 4-1 vote (Council Member Turner-nay), to approve the PCA (power cost adjustment) of 5.07% for 1,000 kWh to be reflected on bills rendered on or after May 1, 2014. The present PCA will increase from .0068 cents to .01215 cents per kWh, effective May 1, 2014. Mr. Bowles also pointed out that the rate stabilization fund needs future Council action by a resolution to terminate the fund.

Set public hearing regarding Zoning Ordinance: Wayne Knox briefed Council on zoning ordinance amendments. Community Development has received inquiries from potential business owners regarding newer uses of land than the City's Zoning Ordinance currently allows. One example is potentially operating a hydroponic facility within the City. At present, the City of Martinsville's Zoning Ordinance is a permissive ordinance, meaning if a specific land use is not explicitly listed as permitted by right or by special use permit in the individual district, then it is not allowed. The Zoning Ordinance is currently being reviewed in its entirety as part of the update budgeted for FY14 and FY15. A major goal of the update is to be more flexible with new businesses and new land uses. Staff submits the proposed amendment as a reasonable way to accommodate new hybrid light/industrial commercial development in the interim prior to the adoption of the new ordinance. The Planning Commission held a duly advertised public hearing on March 4, 2014. No one spoke for or against the amendment during the public hearing and the Planning Commission voted unanimously (7-0) to send this amendment to City Council for consideration. On a motion by Gene Teague,

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seconded by Sharon Brooks Hodge, with a 5-0 vote, Council agreed to set the public hearing for April 22, 2014 regarding the proposed amendments to the Zoning Ordinance.

Hear Finance Report: Linda Conover, Finance Director, briefed Council with the following information: FY14 – Revenues & Expenditures through Feb. 28, 2014; Combined Balance Sheet; Projected Fund Balance Exclusive of School and Special Revenue funds, actual revenues were \$38,058,521, representing 103.9% of the anticipated \$36,621,311 through the second quarter, ending February 28th. Receiving seven months proceeds, Local Sales/Use Taxes collected through February 28th are ahead of anticipated by \$20,925, for total receipts of \$1,129,385. Utility revenues were mixed with Refuse and Electric Funds’ receipts being greater than anticipated, and MINet/Fiber Optic, Water, and Sewer Funds’ receipts being a little less than anticipated. Actual expenditures were \$42,382,816, which is greater than the anticipated amount by \$634,017. The “actual” figures include all outstanding encumbrances of \$1,105,294. As of February 28th, the current total combined Fund Balance and Net Position is \$16,091,103, a decrease from FY13 of \$5,035,174. Available cash-on-hand February 28th for City Funds was \$11,683,238. If all budgeted and re-appropriated funds for FY14 are realized and expended, the year-end Fund Balance and Net Position is projected to be \$14,616,551 – a decrease from FY13 year-end of \$6,509,726. Exclusive of Utility Funds and based upon this projection, the unassigned Fund Balance would be \$3,037,625, 9.4% of the budgeted General Fund expenditures for FY14.

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

<b>BUDGET ADDITIONS FOR 3/25/2014</b>				
<b>ORG</b>	<b>OBJECT</b>	<b>DESCRIPTION</b>	<b>DEBIT</b>	<b>CREDIT</b>
<b>FY14</b>				
<b>General Fund:</b>				
01100909	490104	Advanced/Recovered Costs		501
01125046	503600	Finance Director - Advertising	501	
		Recovered Costs for Refunding Series advertising		
01100909	490104	Advanced/Recovered Costs		500
01321102	501200	Fire Department - Overtime Wages	464	
01321102	502100	Fire Department - Social Security	29	
01321102	502110	Fire Department - Medicare	7	
		Reimbursement - Stuart Fire Dept.		
01100909	490104	Advanced/Recovered Costs		50
01100908	480410	Donations - Fire Department		200
01321102	505500	Fire Department - Travel & Training	250	
		Reimbursement/Donation for Travel/Training		
<b>Total General Fund:</b>			<b>1,251</b>	<b>1,251</b>
<b>Refuse Fund:</b>				
09100908	482806	Miscellaneous - Renewable Energy Credits		80,628
09425302	508220	Landfill - Physical Plant Expansion	80,628	
		Funds realized from the production of power		
<b>Total Refuse Fund:</b>			<b>80,628</b>	<b>80,628</b>
<b>CDBG Fund:</b>				
47102926	447061	Categorical Federal - NCI Community Improvement Grant		485,962
47833380	503140	NCI - CIG - Prof. Service - Eng. & Arch.	10,000	
47833380	503191	NIC - CIG - Contractors	475,962	
		Pass-through funding for New College		
47103919	443136	Grant - Private - Phoenix Façade Grants		8,578
47823521	506325	Uptown - Phoenix Façade Program	8,578	
		Pass-through funding for Façade Program		
47103919	443138	Grant - Private - Phoenix Paradise Planning Grant		387
47824284	503130	Paradise Planning Grant - Prof. Services-Mngmt Consult	387	
		Shared cost for Planning Grant		
<b>Total CDBG Fund:</b>			<b>494,927</b>	<b>494,927</b>

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Review outside agency semi annual reports: Copies of semi-annual reports submitted from outside agencies that received FY14 funding were provided to Council for review and information.

Business from floor: Ural Harris, 217 Stuart St.-comments on electric rates and AMP costs. City Employee Richard Young of Cascade asked that Council investigate his constitutional rights regarding religious liberty. City Attorney Eric Monday responded this is a personnel matter and Council would be provided a confidential memo response. Five people present at the meeting spoke in support of Richard Young.

Council comments: Turner-expressed condolences on passing of Doug Chappell and commended Checkered Pig for their award; Stroud-comments on ACC scores and appreciated Mr. Young's friends speaking up for him; Hodge-Council has no control over personnel matter and commends Mr. Young for publically acknowledging his faith; Adkins-publically commended MHS basketball team for their achievements and kudos to Jeff Adkins.

City Manager comments: (1)announced Neighborhood Tour of Westside at 5:30 and Westside Neighborhood meeting at 7:30 at Housing Office on April 7, 2014 (2)asked for Council input on format of budget worksessions-Hodge asked any agency with increased funding make a presentation and Teague asked for information on MINET and Electric and Water/Sewer. (3)staff is continuing to work on scheduling a Council tour of the NCI facility.

There being no further business, the meeting adjourned at 10:35pm.

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Brenda Prillaman  
Clerk of Council

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Kim Adkins  
Mayor