

May 13, 2014

The regular meeting of the Council of the City of Martinsville, Virginia, was held on May 13, 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 (Mr. Teague arrived a minute after closed session vote and closed session commenced), Sharon Brooks Hodge, Mark Stroud and Danny Turner. Staff present included: Leon Towarnicki, City Manager, Eric Monday, Brenda Prillaman, Linda Conover, Wayne Knox, Dennis Bowles, Sean Dunn, Steve Draper, Mary Prillaman and Danny Wimmer.

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 Sharon Brooks Hodge, seconded by Mark Stroud, with the following 4-0 recorded vote: Adkins, aye; Hodge, 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. 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 Danny Turner, 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 Mark Stroud and Pledge to the American Flag, the Mayor welcomed everyone to the meeting and announced an addendum to the agenda regarding a proclamation.

Board actions taken: On a motion by Mark Stroud, seconded by Gene Teague, with a 5-0 vote, Council appointed Lisa Smith, 803 Banks Rd. to a 3 year term ending 4/13/17 on Dan River ASAP Board. On a motion by Danny Turner, seconded by Gene Teague, Council appointed Joseph Martin, 27 E. Church St., to a 4 year term ending 6/30/18 on the Planning Commission.

Minutes: On a motion by Gene Teague, seconded by Sharon Brooks Hodge, with a 5-0 vote, Council approved the minutes of February 11, 2014 and February 25, 2014 meetings.

Proclamation-National Police Week 2014 and Peace Officers' Memorial Day-Mayor Adkins read and presented a proclamation recognizing employees of the Police Department and Sheriff's Department.

Public hearing on FY15 budget and approval of budget ordinance on first reading:

Vice Mayor Teague made a motion to increase the city school funding with an additional \$225,000 for a total of \$375,000. Sharon Brooks Hodge seconded the motion and the motion passed with a 5-0 vote.

Council Member Turner made a motion seconded by Council Member Hodge to re-vote again regarding the Dental Clinic and The Launch Place funding without those with conflicts. A substitute motion was made by Gene Teague, seconded by Mark Stroud to table the current motion on the floor. Motion to table failed with a 2-2 vote (Adkins-abstain; Teague-nay; Stroud-nay; Turner-aye, Hodge-aye). The original motion failed with a 2-2 vote (Adkins-abstain; Teague-nay; Stroud-nay; Turner-aye, Hodge-aye).

Mayor Adkins opened the public hearing. Ural Harris-217 Stuart St.-concerns with Minet budget and outside agency funding; Pam Heath-expressed appreciation to City Council for school funding; Mark Stroud-apologized for raising his voice; Sharon Brooks Hodge-the budget concerns use of taxpayer's money and the people should be able to ask questions; Kim Adkins-citizen questions are welcomed; Rives Coleman-Mulberry-thanked Council for school support. Mayor Adkins closed the public hearing.

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food, or beverages which conform to federal, state and local environmental performance standards (with no outdoor storage, loading, or displays, and further, excepting those uses which are specifically prohibited by this section or those uses which require a special use permit).

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

8. Establishments (exceeding a ground floor footprint of 10,000 square feet gross floor area) for manufacturing, production, processing, assembly, compounding, cleaning, servicing, storage, testing, repair, distribution and sale of materials, goods, products, food, or beverages which conform to federal, state and local environmental standards (with limited outdoor storage, loading, or displays as determined by special use conditions, and, further, except those uses which are specifically prohibited by this ordinance).

J. Uses permitted by right in the C-2 District.

72. Establishments (not to exceed a ground floor footprint of 10,000 square feet gross floor area) for manufacturing, production, processing, assembly, compounding, cleaning, servicing, storage, testing, repair, distribution and sale of materials, goods, products, food, or beverages which conform to federal, state and local environmental performance standards (with no outdoor storage, loading, or displays, and further, excepting those uses which are specifically prohibited by this section or those uses which require a special use permit).

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

8. Establishments (exceeding a ground floor footprint of 10,000 square feet gross floor area) for manufacturing, production, processing, assembly, compounding, cleaning, servicing, storage, testing, repair, distribution and sale of materials, goods, products, food, or beverages which conform to federal, state and local environmental standards (with limited outdoor storage, loading, or displays as determined by special use conditions, and, further, except those uses which are specifically prohibited by this ordinance).

N. Uses permitted by right in the C-3 District.

83. Establishments (not to exceed a ground floor footprint of 10,000 square feet gross floor area) for manufacturing, production, processing, assembly, compounding, cleaning, servicing, storage, testing, repair, distribution and sale of materials, goods, products, food, or beverages which conform to federal, state and local environmental performance standards (with no outdoor storage, loading, or displays, and further, excepting those uses which are specifically prohibited by this section or those uses which require a special use permit).

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

8. Establishments (exceeding a ground floor footprint of 10,000 square feet gross floor area) for manufacturing, production, processing, assembly, compounding, cleaning, servicing, storage, testing, repair, distribution and sale of materials, goods, products, food, or beverages which conform to federal, state and local environmental standards (with limited outdoor storage, loading, or displays as determined by special use conditions, and, further, except those uses which are specifically prohibited by this ordinance)

SECTION XIII: BUSINESS AND MANUFACTURING DISTRICTS

B. Uses permitted by right in the B-1 District.

12. Establishments (not to exceed a ground floor footprint of 10,000 square feet gross floor area) for manufacturing, production, processing, assembly, compounding, cleaning, servicing, storage, testing, repair, distribution and sale of materials, goods, products, food, or beverages which conform to federal, state and local environmental performance standards (with no outdoor storage, loading, or displays, and further, excepting those uses which are specifically prohibited by this section or those uses which require a special use permit).

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

4. Establishments (exceeding a ground floor footprint of 10,000 square feet gross floor area) for manufacturing, production, processing, assembly, compounding, cleaning, servicing, storage, testing, repair, distribution and sale of materials, goods, products, food, or beverages which conform to federal, state and local environmental standards (with limited outdoor storage, loading, or displays as determined by special use conditions, and, further, except those uses which are specifically prohibited by this ordinance)

Review and recommendations regarding AMPGS project costs: Dennis Bowles briefed Council. As of

March 31, 2014, the City's total stranded costs are \$903,391 inclusive of litigation and interest charges up to this date. AMP is holding the AMPGS site (land, site developments and power plant siting permits) as a potential site for future development and offering a credit of \$364,467 leaving a balance due of \$538,924. The plant held for future use liability of \$364,467 is still a potential liability for the City if AMP is unable to develop the site or sell the site for future development. He provided an overview of options available for repayment of AMPGS stranded costs. After lengthy discussion, a motion was made by Gene Teague, seconded by Mark Stroud, with a 4-1 vote (Turner-nay) to accept the staff recommendation of Option C for repayment.

Following is letter dated April 16, 2014 received from AMP:

The purpose of this memo is to inform you, as a participant in the AMPGS project, the City of Martinsville's net AMPGS liability for stranded costs currently held on AMP's revolving line of credit facility (LOC) at March 31, 2014, including any payments made by the City, is \$538,924.00 (please see Attachment A). Stranded costs are subject to change, including future borrowings costs on the LOC. That amount does not include allocation of the \$34,881,074 Plant Held for Future Use potential liability.

Subject to the continued renewal of the LOC, AMP is prepared to assist the City with a payment plan of your choosing for a payback period of up to 15 years. The City may choose to include these payments as part of their monthly power invoice from AMP or pay their respective AMPGS liability in one or several lump sum payments. AMP prefers that these amounts would be invoiced to your municipality through the AMP monthly power supply invoices in order for these costs be recovered through your power cost adjustment. Please utilize Attachment B to this memo to make your selection, being sure an authorized signatory executes the document and returning Attachment B to the attention of Marty Engelman (mengelman@amppartners.org, 614-540-0851) at AMP headquarters, 1111 Schrock Rd, Columbus, OH 43229 by June 1, 2014.

AMP would like to emphasize the expectation that whatever payment option is chosen, the payment option should not cause the Electric Fund to exhibit an annual operating loss at any time during the payment period or cause the municipality to fail any covenants for its own debt service, AMP Joint Venture (JV) debt service if a participant in a JV, or reflect unfavorably on the municipal's AMP project participation.

As you have questions in deciding your payment options or would like assistance in determining the potential effects on your Electric Fund of a particular payment option under consideration, please contact Chris Deeter (cdeeter@amppartners.org, 614-540-0848) at AMP.

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Following is letter to AMP outlining repayment option chosen:

May 20, 2014
 Ms. Marty Engelman
 American Municipal Power
 1111 Schrock Rd
 Columbus, OH 43229
 RE: AMPGS Stranded Cost Payment – City of Martinsville, VA
 Dear Ms. Engelman:
 In response to the letter dated April 16, 2014 from Mark Gerken regarding payment options for AMPGS stranded costs for the City of Martinsville, VA in the amount of \$538,924, Martinsville City Council considered the matter at their recent May 13, 2014 meeting and selected Option C – Multiple Lump Sum Payments. Specifically, it is the City’s desire to cover its share of stranded costs in three (3) such payments - \$200,000 in 2014 (from the fiscal year 2015 budget); \$200,000 in 2015 (from the fiscal year 2016 budget); and the balance of \$138,924 plus accrued interest in 2016 (from the fiscal year 2017 budget) since it is our understanding AMP will carry this cost on its line of credit and interest will be accrued at AMP’s line of credit rate.
 Given the City operates on a July 1 – June 30 fiscal year, in accordance with City Council’s approved payment schedule, could you please send a separate invoice after July 1 of each year for the amounts noted.

Set public hearing for school board appointments: On a motion by Gene Teague, seconded by Danny Turner with a 5-0 vote, Council set the public hearing for May 27, 2014 for the purpose of receiving/interviewing citizens interested in appointments for two 3-year positions beginning July 2014 and ending June 30, 2017 to the City’s School Board.

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

BUDGET ADDITIONS FOR 5/13/2014				
ORG	OBJECT	DESCRIPTION	DEBIT	CREDIT
FY14				
General Fund:				
01100909	490104	Advance/Recovered Costs		1,483
01331108	501300	Sheriff/Corrections - Part-time & Temporary Wages	1,080	
01331108	502100	Sheriff/Corrections - Social Security	67	
01331108	502110	Sheriff/Corrections - Medicare	16	
01331108	506008	Sheriff/Corrections - Vehicle Equipment & Maint.	216	
01331110	506200	Sheriff/Annex - Prisoner Allowance	104	
		Reimbursement from Henry County for litter pickup for March 2014		
01100909	490137	Recovered Costs - Public Safety		44,468
01311085	501200	Police Dept - Overtime	24,661	
01311085	502100	Police Dept - Social Security	1,529	
01311085	502110	Police Dept - Medicare	358	
01217078	501200	Sheriff - Courts - Overtime	2,996	
01217078	502100	Sheriff - Courts - Social Security	186	
01217078	502110	Sheriff - Courts - Medicare	43	
01331108	501200	Sheriff - Corrections - Overtime	13,651	
01331108	502100	Sheriff - Corrections - Social Security	846	
01331108	502110	Sheriff - Corrections - Medicare	198	
		Reimbursements for use of officers/deputies		
Total General Fund:			45,951	45,951
CDBG Fund:				
47101917	447062	Categorical Other - State - Northside Neighborhood Improv.		30,000
47835525	503130	Northside Neighborhood Improvement - PS Consultant	30,000	
		Establish the Northside Neighborhood Planning Grant Program		
Total CDBG Fund:			30,000	30,000
School Fund:				
18102926	418297	Categorical Federal - NASA Program		25,150
61101100	561620	MSS - SEMAA - Supplemental S&W	4,000	
61101100	562100	MSS - SEMAA - Social Security	248	
61101100	562150	MSS - SEMAA - Medicare	58	

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61101100	565504	MSS - SEMAA - Student Competitions	700	
61101100	565800	MSS - SEMAA - Miscellaneous Expense	5,200	
61101100	566000	MSS - SEMAA - Materials & Supplies	420	
66501100	561120	MSS - Summer SEMAA - Instructional S&W	3,000	
66501100	561151	MSS - Summer SEMAA - Instructional Aide S&W	5,000	
66501100	562100	MSS - Summer SEMAA - Social Security	496	
66501100	562150	MSS - Summer SEMAA - Medicare	115	
66501100	566013	MSS - Summer SEMAA - Instructional Materials	5,913	
Total CDBG Fund:			25,150	25,150

Business from floor: Ural Harris-217 Stuart St.-requested that Council contact Attorney General and legislators regarding AMP.

Council comments: Stroud-comments on UVA baseball team; Turner-congratulations to NCI on grants and Dr. Boaz on the clinic.

City Manager comments: (1) reported that salary of MINET position had to be a market place industry salary relative to skills and abilities (2) Henry Hotel closing date around late June (3) Housing office transfer likely will not occur before January 1, 2015. (4) siren warning system vendor soon to be selected (5) gave paving schedule update and noted city will be using slurry due to asphalt costs. (6) recognized new Police Chief Sean Dunn (7) Mustangs season begins next Friday. Vice Mayor Gene Teague complimented the city staff on hard work done on this year's budget and Mr. Towarnicki suggested the process with the school board budget should be looked at an early worksession before the city's budget process.

There being no further business, the meeting adjourned at 9:00 pm.

Brenda Prillaman
Clerk of Council

Kim Adkins
Mayor