

June 24, 2014

The regular meeting of the Council of the City of Martinsville, Virginia, was held on June 24, 2014, in Council Chambers, Municipal Building, at 7:30 PM, Council tour of YMCA beginning at 6:30pm, 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, Linda Conover and Sean Dunn.

Following the invocation by Council Member Stroud and Pledge to the American Flag, the Mayor welcomed everyone to the meeting and advised there will be one item added to the agenda regarding Tony Jones and welcoming All Care Family Services to the community.

Minutes: On a motion by Gene Teague, seconded by Mark Stroud, with a 5-0 vote, Council approved the minutes of April 8, 2014 and April 20, 2014 meetings.

Update on National Mayors Maker Challenge: Matt Wade, Patrick Henry Community College Fab Lab Coordinator, updated Council on progress of the Challenge and reported he will be serving as the Maker Challenge coordinator instead of Joe Keiper. Mr. Wade will be submitting a quarterly update report to the City Manager's office for Council information.

VA First Cities: Kelly Harris Braxton of VA First Cities presented information on the organization's programs and encouraged participation. Council Member Stroud expressed interest in serving as the Council appointee to VFC and this will be confirmed at a future meeting.

ICSM Medical School: On a motion by Gene Teague, seconded by Sharon Brooks Hodge, with a 5-0 vote, Council set the public hearing for July 8, 2014 regarding conveyance of property requested by the medical school.

All Care Family Services update: Tony Jones and Marie Foxhall of All Care Family Services updated Council on the organization noting they are looking for office space and expect to have 50 employees by end of the year. More information will be provided to Council as this progression takes place.

Electronic Summons System Court Assessment: City Attorney Eric Monday briefed Council reporting that the 2014 General Assembly passed legislation allowing localities to assess \$5.00 on every criminal and traffic case to fund software, hardware, and associated equipment costs for the implementation and maintenance of an electronic summons system. This assessment has been requested by the Circuit Court Clerk and the Police Department. On a motion by Gene Teague, seconded by Mark Stroud, with the following 4-1 recorded vote: Adkins, aye; Teague, aye; Hodge, nay; Stroud, aye; and Turner, aye, Council approved the electronic summons assessment on first reading and Council will consider this ordinance again at their July 8, 2014 for second reading approval.

VRS Resolution FY15 employer and employee contribution: On a motion by Gene Teague, seconded by Mark Stroud, with a 5-0 vote, Council approved the following VRS required resolution regarding employer and member VRS contributions for FY15:

Member Contributions by Salary Reduction for Counties, Cities, Towns, and Other Political Subdivisions
(In accordance with Chapter 822 of the 2012 Acts of Assembly (SB497))

Resolution

WHEREAS, the City of Martinsville [Political Subdivision Name] 55223 [employer code] employees who are Virginia Retirement System members who commence or recommence employment on or after July 1, 2012, shall be required to contribute five percent of their creditable compensation by salary reduction pursuant to Internal Revenue Code § 414(h) on a pre-tax basis upon commencing or recommencing employment; and

WHEREAS, the City of Martinsville [Political Subdivision Name] employees who are Virginia Retirement System members and in service on June 30, 2012, shall be required to contribute five percent of their creditable compensation by salary reduction pursuant to Internal Revenue Code § 414(h) on a pre-tax basis no later than July 1, 2016; and

WHEREAS, such employees in service on June 30, 2012, shall contribute a minimum of an additional one percent of their creditable compensation beginning on each July 1 of 2012, 2013, 2014, 2015, and 2016, or until the employees' contributions equal five percent of creditable compensation; and

WHEREAS, the City of Martinsville [Political Subdivision Name] may elect to require such employees in service on June 30, 2012, to contribute more than an additional one percent each year, in whole percentages, until the employees' contributions equal five percent of creditable compensation; and

WHEREAS, the second enactment clause of Chapter 822 of the 2012 Acts of Assembly (SB497) requires an increase in total creditable compensation, effective July 1, 2014, to each such employee in service on June 30, 2014, to offset the cost of the member contributions, such increase in total creditable compensation to be equal to the percentage increase of the member contribution paid by such pursuant to this resolution (For example, if the member contribution paid by the employee increases from two to three percent pursuant to this resolution, the employee must receive a one percent increase in creditable compensation.)

BE IT THEREFORE RESOLVED, that the City of Martinsville [Political Subdivision Name] does hereby certify to the Virginia Retirement System Board of Trustees that it shall effect the implementation of the member contribution requirements of Chapter 822 of the 2012 Acts of Assembly (SB497) according to the following schedule for the fiscal year beginning July 1, 2014:

PLAN 1	Percent	PLAN 2	Percent
Employer Paid Member Contribution	2 %	Employer Paid Member Contribution	2 %
Employee Paid Member Contribution	3 %	Employee Paid Member Contribution	3 %
Total	5%	Total	5%

(Note: Each column must add up to 5 percent.); and

BE IT FURTHER RESOLVED, that such contributions, although designated as member contributions, are to be made by the City of Martinsville [Political Subdivision Name] in lieu of member contributions; and

BE IT FURTHER RESOLVED, that pick up member contributions shall be paid from the same source of funds as used in paying the wages to affected employees; and

BE IT FURTHER RESOLVED, that member contributions made by the City of Martinsville [Political Subdivision Name] under the pick up arrangement shall be treated for all purposes other than income taxation, including but not limited to VRS benefits, in the same manner and to the same extent as member contributions made prior to the pick up arrangement; and

BE IT FURTHER RESOLVED, that nothing herein shall be construed so as to permit or extend an option to VRS members to receive the pick up contributions made by the City of Martinsville [Political Subdivision Name] directly instead of having them paid to VRS; and

BE IT FURTHER RESOLVED, that notwithstanding any contractual or other provisions, the wages of each member of VRS who is an employee of the City of Martinsville [Political Subdivision Name] shall be reduced by the amount of member contributions picked up by the City of Martinsville [Political Subdivision Name] on behalf of such employee pursuant to the foregoing resolutions; and

BE IT FURTHER RESOLVED, that no salary increases provided solely to offset the cost of required member contributions to the Virginia Retirement System under § 51.1-144 of the Code of Virginia will be used to certify that any salary increases required by the Appropriation Act have been provided.

NOW, THEREFORE, the officers are hereby authorized and directed in the name of the City of Martinsville [Political Subdivision Name] to carry out the provisions of this resolution, and said officers are authorized and directed to pay over to the Treasurer of Virginia from time to time such sums as are due to be paid by the City of Martinsville [Political Subdivision Name] for this purpose.

[Signature]
Governing Body Chairman

CERTIFICATE

I, Brenda Prillaman, [Title, e.g. Clerk, Secretary] of the City of Martinsville [Political Subdivision Name], certify that the foregoing is a true and correct copy of a resolution passed at a lawfully organized meeting of the City of Martinsville [Political Subdivision Name] held at Martinsville, Virginia at 7:30 o'clock on June 24, 2014. Given under my hand and seal of the City of Martinsville [Political Subdivision Name] this 24 day of June, 2014.

[Signature]
Clerk

This resolution must be passed prior to July 1, 2014 and received by VRS no later than July 10, 2014.

VRS Resolution FY15 regarding the City's election of their employer contribution rate for employer contribution rate beginning July 1, 2014: On a motion by Gene Teague, seconded by Mark Stroud, with a 5-0 vote, Council approved the following resolution:

Employer Contribution Rates for Counties, Cities, Towns, School Divisions and Other Political Subdivisions
(In accordance with the 2014 Appropriation Act Item 467(I))

Resolution

BE IT RESOLVED, that the CITY OF MARTINSVILLE - 55223 does hereby acknowledge that its contribution rates effective July 1, 2014 shall be based on the higher of a) the contribution rate in effect for FY 2012, or b) eighty percent of the results of the June 30, 2013 actuarial valuation of assets and liabilities as approved by the Virginia Retirement System Board of Trustees for the 2014-16 biennium (the "Alternate Rate") provided that, at its option, the contribution rate may be based on the employer contribution rates certified by the Virginia Retirement System Board of Trustees pursuant to Virginia Code § 51.1-145(I) resulting from the June 30, 2013 actuarial value of assets and liabilities (the "Certified Rate"); and

BE IT ALSO RESOLVED, that the CITY OF MARTINSVILLE - 55223 does hereby certify to the Virginia Retirement System Board of Trustees that it elects to pay the following contribution rate effective July 1, 2014:

(Check only one box)

The Certified Rate of 18.87% The Alternate Rate of %; and

BE IT ALSO RESOLVED, that the CITY OF MARTINSVILLE - 55223 does hereby certify to the Virginia Retirement System Board of Trustees that it has reviewed and understands the information provided by the Virginia Retirement System outlining the potential future fiscal implications of any election made under the provisions of this resolution; and

NOW, THEREFORE, the officers of the CITY OF MARTINSVILLE - 55223 are hereby authorized and directed in the name of the CITY OF MARTINSVILLE to carry out the provisions of this resolution, and said officers of the CITY OF MARTINSVILLE are authorized and directed to pay over to the Treasurer of Virginia from time to time such sums as are due to be paid by the CITY OF MARTINSVILLE for this purpose.

[Signature]
Governing Body Chairman

CERTIFICATE

I, Brenda Prillaman, Clerk of the City of Martinsville, certify that the foregoing is a true and correct copy of a resolution passed at a lawfully organized meeting of the City of Martinsville held at Martinsville, Virginia at 7:30pm o'clock on June 24, 2014. Given under my hand and seal of the City of Martinsville this 24 day of June, 2014.

[Signature]
Clerk

This resolution must be passed prior to July 1, 2014 and received by VRS no later than July 10, 2014.

VRS Resolution FY15 City Schools employer contribution rate: On a motion by Gene Teague, seconded by Sharon Brooks Hodge, with a 5-0 vote, Council approved the following resolution regarding Martinsville City Public Schools election of their employer contribution for VRS beginning July 1, 2014:

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Local Governing Body Concurrence with School Division Electing to Pay the VRS Board-Certified Rate
(In accordance with the 2014 Appropriation Act Item 468(H))

RESOLUTION

BE IT RESOLVED, that the City of Martinsville - 55223 does hereby acknowledge that the Martinsville City Public Schools has made the election for its contribution rate to be based on the employer contribution rates certified by the Virginia Retirement System Board of Trustees pursuant to Virginia Code § 51.1-145(l) resulting from the June 30, 2013 actuarial value of assets and liabilities (the "Certified Rate"); and

BE IT ALSO RESOLVED, that the City of Martinsville - 55223 does hereby certify to the Virginia Retirement System Board of Trustees that it concurs with the election of the Martinsville City Public Schools to pay the Certified Rate, as required by Item 468(H) of the 2014 Appropriation Act; and

NOW, THEREFORE, the officers of the City of Martinsville - 55223 are hereby authorized and directed in the name of the City of Martinsville to execute any required contract to carry out the provisions of this resolution. In execution of any such contract which may be required, the seal of the City of Martinsville, as appropriate, shall be affixed and attested by the clerk.


Governing Body Chairman

CERTIFICATE

I, Brenda Prillaman, Clerk of the City of Martinsville, certify that the foregoing is a true and correct copy of a resolution passed by the City of Martinsville and ratified by the City of Martinsville at a lawfully organized meeting of the City of Martinsville held at Martinsville, Virginia at 7:30 o'clock on June 23 2014. Given under my hand and seal of the City of Martinsville this 24 day of June, 2014.


Clerk

Finance Report: Finance Director Linda Conover presented the following information: FY14 Revenues & Expenditures through May 31, 2014; Combined Balance Sheet; Projected Fund Balance--Exclusive of School and Special Revenue funds, actual revenues were \$53,296,968, representing 104.5% of the anticipated \$51,014,853 through the month ending May 31st. Receiving ten months proceeds, Local Sales/Use Taxes collected through May 31st are ahead of anticipated by \$52,202, for total receipts of \$1,648,202. Utility revenues were mixed with Refuse Fund's receipts being greater than anticipated, and Water, Sewer, and Electric Funds' receipts being a slightly less than anticipated. MINet/Fiber Optic Fund's revenues were better than expected, which includes three quarters of transfers from other funds. Actual expenditures were \$56,519,371, which is greater than the anticipated amount by \$109.4%. The "actual" figures include all outstanding encumbrances of \$1,265,585. As of May 31st, the current total combined Fund Balance and Net Position is \$17,998,598, a decrease from FY13 of \$3,127,679. Available cash-on-hand May 31st for City Funds was \$13,846,159. As presented during the FY15 budget process, the year-end Fund Balance and Net Position is projected to be \$17,972,217 – a decrease from FY13 year-end of \$3,154,060. Exclusive of Utility Funds and based upon this projection, the unassigned Fund Balance would be \$4,734,574, 14.27% of the budgeted General Fund expenditures for FY14. On a motion by Mark Stroud, seconded by Sharon Brooks Hodge, with a 5-0 vote, Council approved the finance report.

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:

BUDGET ADDITIONS FOR 6/24/2014				
ORG	OBJECT	DESCRIPTION	DEBIT	CREDIT
FY14				
General Fund:				
01100908	480410	Miscellaneous Revenue - Donations/Fire Dept.		100
01322105	505500	EMS - Travel/Training	100	
		Donation		
01100909	490104	Advanced/Recovered Costs		100
01321102	506130	Fire Dept - Repair/Maint - Burn Building	100	
		Reimbursements for training/use of facility		
01100909	490104	Advance/Recovered Costs		6,000
01221082	501300	Commonwealth's Attorney - Part-time/Temporary Wages	3,000	

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01123035	501300	Comm. of Revenue - Part-time/Temporary Wages	3,000	
		Funds from NCI for summer interns		
01100908	480420	Misc. Revenue - Donations-Sr. Citizens		50
01714212	506016	Senior Citizens - Program Supplies	50	
		Donations - Sponsors of Health Fair & Craft Show		
01100909	490801	Recovered Costs - Senior Citizens		3,391
01714212	506016	Senior Citizens - Program Supplies	1,210	
01714212	501300	Senior Citizens - Part-time Wages	1,387	
01714212	502100	Senior Citizens - Social Security	86	
01714212	502110	Senior Citizens - Medicare	20	
01714212	506049	Senior Citizens - Vehicle Fuels	688	
		Bingo & Trip receipts; Transportation Grant - March, April, May 2014		
Total General Fund:			9,641	9,641

Chatham Road name change discussion: Staff was recently made aware of occasional difficulty and confusion regarding efforts to physically locate property for mail delivery and 911 services arising from the fact that the street/road name of Chatham Road is used for new Route 57 in the County and Route 457 (old or original Chatham Road) in the City. Information available in the City's engineering office indicates the in-City section of Chatham Road (now designated as Route 457, but previously Route 57) has historically been named Chatham Road. When Route 57 was reconstructed to its present location, the Chatham Road name was also assigned to the new location as well. The original section of what is now Route 457 in the County is designated as Old Chatham Road. Council agreed to refer this issue to the Planning Commission for their recommendation.

Business from floor: none

Council comments: Stroud-pointed out how nice the landscaping around the municipal building looked; Teague-acknowledged passing of Rev. Shackelford and the contribution he made during his lifetime to the City and the City School Board and the community; Hodge-noted the next meeting of West End Advisory groups is June 26 at the Sportsman's Club at 6pm; Adkins-congratulated Martinsville High School Boys Soccer Team for advancing in state playoffs.

City Manager comments: Towarnicki-reported signal coordination has been completed on E. Church St. between Brookdale/Watt/Hooker Streets and traffic counts are completed on Liberty/Greyson and a report will be coming to Council at a later date.

There being no further business, the meeting adjourned at 9:10pm.

Brenda Prillaman
Clerk of Council

Kim Adkins
Mayor