

AGENDA--CITY COUNCIL -- CITY OF MARTINSVILLE, VIRGINIA
Council Chambers – Municipal Building
7:30 pm regular session
Tuesday, February 11, 2014

7:30—Regular Session

Invocation & Pledge to the American Flag-Council Member Mark Stroud

1. Recognition of Donald W. Merricks for representation of the citizens of Martinsville in the Virginia House of Delegates. (5 mins)
2. Conduct public hearing for a special use permit for 1006 Independence Drive on a recommendation from Planning Commission. (5 mins)
3. Conduct a public hearing in regard to the City's intent to file an application for grant funding with the USDA, Rural Development for assistance in the replacement of the emergency generator for the City's Shop/Warehouse Complex located at 300 Fishel Street and consider approval of a required resolution. (5 mins)
4. Hear an update from the M-HC Economic Development Corporation. (20 mins)
5. Consider adoption of the Preliminary Ordinance on second reading for the refunding with Carter Bank. (5 mins)
6. Consider approval of the Authorizing Ordinance on first reading for the refunding with Carter Bank. (5 mins)
7. Hear an update on a proposed Northside Neighborhood Revitalization Project. (10 mins)
8. Hear overview of the February 10, 2014 Northside Council Neighborhood Tour and Meeting. (5 mins)
9. 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 name and address;**
 - (2) state the matter that they wish to discuss and what action they would like for Council to take;**
 - (3) limit remarks to five minutes;**
 - (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.
10. Comments by members of City Council. (5 mins)
11. Comments by City Manager. (5 mins)



City Council Agenda Summary

Meeting Date: February 11, 2014

Item No: 1.

Department: City Council

Issue: Recognition of Donald W. Merricks for representation of the citizens of Martinsville in the VA House of Delegates.

Summary:

City Council will recognize Mr. Merricks at this meeting.

Attachments: none

Recommendations: Presentation only.

Meeting Date: February 11, 2014
Item No: 2.
Department: Community Development

Issue: Conduct a public hearing on a recommendation from the Martinsville Planning Commission for a special use permit for property located at 1006 Independence Drive, also known on the City's Tax Map as parcel 46(06)00/48X.

Summary: The Planning Commission conducted a public hearing on November 21, 2013 on a request from Sharon Martin to approve a special use permit to operate a home child care, caring for up to twelve (12) children, as a home occupation. The Planning Commission voted to recommend to City Council that the special use permit be granted.

Attachments: Letter of Recommendation from the Planning Commission.

Recommendations: City Council conduct a public hearing for consideration of this request and a motion to approve the special use permit.

December 6, 2013



The Honorable Mayor and City Council
City of Martinsville
Martinsville, Virginia

Dear Council Members:

The Planning Commission, at its regular meeting of November 21, 2013, conducted a duly advertised Public Hearing on a request by Sharon Martin, for a special use permit for property located at 1006 Independence Drive, known on the City's Tax Map as 46(06)00/48X and located in the R-6 Residential District.

At the Public Hearing, it was noted that Sharon Martin is applying for a special use permit to operate a home child care business, caring for up to twelve (12) children, as a home occupation at her home at 1006 Independence Drive. Mrs. Martin is doing this in order to come into compliance with the recently amended Martinsville Zoning Ordinance. Mrs. Martin's residence has been inspected by code officials with the Inspections Department and meets the current code requirements. In addition, Mrs. Martin has been cited by the Virginia Star Quality Initiative with a 1st Star rating for her curriculum, teaching methods, cleanliness, and overall positive environment for children.

There were no objections expressed from adjacent property owners on the proposed special use for home child care. Following evidence heard at the public hearing, the Planning Commission voted unanimously (5-0) to recommend to City Council the special use permit be granted. The Planning Commission respectfully submits the above recommendation for Council's further consideration.

Sincerely,

James A. Crigger, Secretary

A handwritten signature in blue ink that reads 'Wayne D. P. Knox'. The signature is written in a cursive style.

Wayne D. P. Knox
Community Development Director

WDPK/tr

cc: Timothy Martin, Chairperson
James A. Crigger, Sr., Secretary

Meeting Date: February 11, 2014

Item No: 3.

Department: City Manager

Issue: Conduct a Public Hearing in regard to the City's intent to file an application for grant funding with USDA, Rural Development for assistance in the replacement of the emergency generator for the City's Shop/Warehouse Complex located at 300 Fishel Street and consider approval of a required resolution.

Summary: After a review of recent mechanical problems with the emergency power generator at the City Shop/Warehouse complex, it has been determined that the best option for the City is to consider replacing the unit with a new larger, natural gas-powered unit. Total cost of the generator and related equipment for connection to the Shop/Warehouse complex is estimated to be \$55,000. The generator powers the entire Shop/Warehouse complex during outages and is essential to the ability to provide reliable emergency services for the citizens of Martinsville.

There is an opportunity to apply for partial grant funding of the project through the United States Department of Agriculture Rural Development and a public hearing is a required component of the application process. Any funding needed in addition to the grant will be covered by City Electric and/or the City's Capital budget.

Attachments: Resolution

Recommendations: Conduct the Public Hearing and consider a motion to approve the required resolution authorizing city staff to proceed with grant application process.



**RESOLUTION OF THE GOVERNING BODY OF
MARTINSVILLE VA**

The Council of the City of Martinsville consisting of five members, in a duly called meeting held on the 11th day of February, 2014 at which a quorum was present, RESOLVED as follows:

BE IT HEREBY RESOLVED THAT in order to facilitate obtaining financial assistance from the United States of America, acting by and through the Rural Housing Service, an agency of the United States Department of Agriculture, (the Government) in the development of replacement emergency generator purchases to serve the community, the governing body does hereby adopt and abide by the covenants contained in the agreements, documents, and forms required by the Government to be executed.

BE IT FURTHER RESOLVED, that the City Manager of the City of Martinsville is authorized to execute on behalf of the City of Martinsville the above-referenced agreements and to execute such other documents including, but not limited to, debt instruments and security instruments as may be required in obtaining the said financial assistance.

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

City of Martinsville, VA

Attest:

_____ By _____

CERTIFICATION

I hereby certify that the above resolution was duly adopted by the City Council of the City of Martinsville in a duly assembled meeting on the 11th day of February, 2014.

Clerk of Council



City Council Agenda Summary

Meeting Date: February 11, 2014

Item No: 4.

Department: City Council

Issue: Hear an update from Martinsville-Henry County Economic Development Corporation.

Summary: Mark Heath will be present to give this update.

Attachments: none

Recommendations: for information only.

Meeting Date: February 11, 2014

Item No: 5.

Department: Finance

Issue: Consider adoption of the Preliminary Ordinance, on second reading, for the Refunding with Carter Bank

Summary: At the January 29th meeting, Council approved on first reading the Preliminary Ordinance for the potential issuance of refunding bonds.

The next step in this process is to adopt the Preliminary Ordinance on second reading that serves the following purposes:

1. Reciting the expediency of the issuance of up to \$2,650,000 of Principal Amount of General Obligation Bonds (expediency does not mean that the Council declares this as a matter of emergency). Instead, expediency means that the most efficient, effective, and expedient way to provide for such acquisition is by the issuance of Refunding General Obligation Bonds.
2. The intended use of the Bonds is for municipal purposes.
3. Issuance of the Bonds is within the power of the City.
4. The issuance of the bonds is in the best interest of the City and its citizens.

Three of the City's outstanding bond obligations, with interest rates somewhat higher than current markets, could be refinanced, saving over \$100,000 over the life of the loans. After speaking with the current holder of these particular loans, it was determined that they were willing to reduce the current rates being charged, producing savings to the City without extending the life of the loans. This ordinance authorizes staff to participate in the refunding process.

Tentative project timeline:

1. January 29, 2014 – Adoption of Resolution to set public hearing, and of Preliminary Ordinance on first reading.
2. February 11, 2014 – Adoption of Preliminary Ordinance on second reading, and of Authorizing Ordinance on first reading.
3. February 25, 2014 – Public hearing on bonds, adoption of Authorizing Ordinance on second reading.
4. February 28, 2014 - Closing

Attachments: Ordinance

Recommendations: Staff recommends adoption of the Preliminary Ordinance on second reading. A roll call vote is required.

CITY OF MARTINSVILLE, VIRGINIA

AN ORDINANCE RECITING THE EXPEDIENCY OF THE ISSUANCE OF UP TO \$2,650,000 PRINCIPAL AMOUNT OF GENERAL OBLIGATION REFUNDING 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 February 11, 2014
(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 refunding all or some of the outstanding balances of the City's General Obligation Bond (Capital Project), Series 2009A (**the "2009A Bond"**), General Obligation Bond (Capital Project), Series 2009B (**the "2009B Bond"**) and General Obligation Refunding Bond, Series 2009A (**the "2009A Refunding Bond, and together with the 2009A Bond and 2009B Bond, the "2009 Bonds"**), all for municipal purposes, specifically for the original purposes of the 2009 Bonds described herein and for debt service savings. The 2009A Bond financed the costs of the acquisition and equipping of an electric utility truck, the 2009B Bond financed certain City landfill improvements and the 2009A Refunding Bond refinanced school and redevelopment projects in the City. The City Council hereby finds and determines that: (i) the City is in need of funds to be used by the City for the refunding of the 2009 Bonds and for costs of issuance of the Bonds (defined below); (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 the City's buildings, facilities and equipment used for 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 refunding bonds in an original principal amount not to exceed \$2,650,000 to be issued by the City as further described herein (**the "Bonds"**) to be used for the refunding of the 2009 Bonds 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, (v) 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 refunding of the 2009A Bond in a maximum principal amount of \$118,250, the refunding of the 2009B Bond in a maximum principal amount of \$706,250 and the refunding of the 2009A Refunding Bond in a maximum principal amount of \$1,825,500. The maximum length of time that the Bonds will be outstanding is seventeen 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 \$2,650,000 PRINCIPAL AMOUNT OF GENERAL OBLIGATION REFUNDING 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 final passage following a public hearing on the issuance of the Bonds.

Section 3 - Further Actions Authorized

The City Manager, City Finance Director, Clerk of the Council, City Treasurer, City Attorney, Sands Anderson PC as bond counsel to the City, 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, including but not limited to the publication and broadcasting of a notice of public hearing to be held prior to final authorization by the City Council of the issuance of the Bonds. All actions of the City Manager, City Finance Director, Clerk of the Council, City Treasurer, City Attorney, bond counsel to the City, 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 refunding of the 2009 Bonds 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 11th day of February, 2014 (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 February 11, 2014, 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 _____, 2014.

Clerk, City Council of
City of Martinsville, Virginia

Meeting Date: February 11, 2014

Item No: 6.

Department: Finance

Issue: Consider approval of the Authorizing Ordinance, on first reading, for the Refunding with Carter Bank

Summary: At the January 29th meeting, Council approved on first reading the Preliminary Ordinance for the potential issuance of refunding bonds. If adopted on second reading tonight, then the Authorizing Ordinance may be approved on first reading tonight.

Approval of the Authorizing Ordinance authorizes the issuance of up to \$2,630,000 principal amount of General Obligation Refunding Bonds. Second reading of the same Ordinance will occur on February 25, 2014.

Three of the City's outstanding bond obligations, with interest rates somewhat higher than current markets, will be refinanced, saving over \$100,000 over the life of the loans. After speaking with the current holder of these particular loans, it was determined that they were willing to reduce the current rates being charged, producing savings to the City without extending the life of the loans. This ordinance authorizes staff to participate in the refunding process.

Tentative project timeline:

1. January 29, 2014 – Adoption of Resolution to set public hearing, and of Preliminary Ordinance on first reading.
2. February 11, 2014 – Adoption of Preliminary Ordinance on second reading, and of Authorizing Ordinance on first reading.
3. February 25, 2014 – Public hearing on bonds, adoption of Authorizing Ordinance on second reading.
4. February 28, 2014 - Closing

Attachments: Ordinance

Recommendations: Staff recommends approval of the Authorizing Ordinance on first reading. A roll call vote is required.

CITY OF MARTINSVILLE, VIRGINIA

**AN ORDINANCE AUTHORIZING THE ISSUANCE OF UP TO \$2,630,000 PRINCIPAL
AMOUNT OF GENERAL OBLIGATION REFUNDING BONDS OF THE CITY OF
MARTINSVILLE, VIRGINIA AND PROVIDING FOR THE FORM, DETAILS AND
PAYMENT THEREOF**

Adopted on February 11, 2014 (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 Carter Bank & Trust, Martinsville, Virginia.

"Bonds" shall mean the Series 2014A Bond and the Series 2014B Bond, in the aggregate principal amount of up to \$2,630,000, authorized to be issued hereunder.

"Bondholder" or **"Bondholders"** shall mean the registered holder or holders of the Bond.

"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 Payment Date" shall mean the 15th day of each January and July, beginning July 15, 2014, up to and including the Series 2014A Bond Maturity Date or the Series 2014B Bond Maturity Date, as applicable.

"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.

"Series 2014A Bond" shall mean the City's General Obligation Refunding Bond, Series 2014A, in the aggregate principal amount of \$1,865,000, authorized to be issued hereunder.

"Series 2014B Bond" shall mean the City's General Obligation Refunding Bond, Series 2014B, in the aggregate principal amount of \$679,000, authorized to be issued hereunder.

"Series 2014A Bond Maturity Date" shall mean July 15, 2019.

"Series 2014B Bond Maturity Date" shall mean July 15, 2029.

Section 2 Findings and Determinations

The Council hereby finds and determines that (i) the City is in need of funds to be used for refunding all or some of the outstanding balances of the City's General Obligation Bond (Capital Project), Series 2009A (**the "2009A Bond"**), General Obligation Bond (Capital Project), Series 2009B (**the "2009B Bond"**) and General Obligation Refunding Bond, Series 2009A (**the "2009A Refunding Bond, and together with the 2009A Bond and 2009B Bond, the "2009 Bonds"**), all for municipal purposes, specifically for the original purposes of the 2009 Bonds described herein and for debt service savings; (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, in an aggregate original principal amount not to exceed \$2,630,000 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 (as defined herein); (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 2009A Bond financed the costs of the acquisition and equipping of an electric utility truck (**the "Utility Project"**), the 2009B Bond financed certain City landfill improvements (**the "Landfill Project"**) and the 2009A Refunding Bond refinanced school and redevelopment projects in the City (**the "School and Redevelopment Project"**). The Council hereby finds and determines that the probable useful life of the Utility Project and the School and Redevelopment Project, and any and all portions of the Utility Project and the School and Redevelopment Project, exceed five and one half years from the date of adoption of this Ordinance and that the Series 2014A Bond is payable and shall mature within the probable useful life of the Utility Project and the School and Redevelopment Project and the probable useful life of any and all portions of the Utility Project and the School and Redevelopment Project (whether considered alone or as an average useful life of such portions). The Council hereby finds and determines

that the probable useful life of the Landfill Project, and any and all portions of the Landfill Project, exceed fifteen and one half years from the date of adoption of this Ordinance and that the Series 2014B Bond is payable and shall mature within the probable useful life of the Landfill Project and the probable useful life of any and all portions of the Landfill Project (whether considered alone or as an average useful life of such portions).

Section 3 Authorization, Form and Details of the Bonds

(a) There is hereby authorized to be issued a general obligation refunding bond of the City in the aggregate principal amount of \$1,865,000 for municipal purposes, specifically to accomplish the refunding of the 2009A Bond and the 2009A Refunding Bond, which shall be designated "General Obligation Refunding Bond, Series 2014A." The Series 2014A Bond shall be issued in the principal amount of \$1,865,000 as a fully registered bond, without coupons, shall be dated the Closing Date, shall be numbered RA-1, shall bear interest payable on the Bond Payment Dates at a rate of 2.00% per annum. The Series 2014A Bond shall mature on the Series 2014A Bond Maturity Date. Commencing on July 15, 2014, and continuing on each January 15 and July 15 thereafter, interest on the outstanding principal amount of the Series 2014A Bond shall be due and payable as set forth above, and commencing on July 15, 2014, and continuing on each July 15 thereafter, principal amounts of the Series 2014A Bond shall be due, up to and including the Series 2014A Bond Maturity Date. The Series 2014A Bond is 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 Series 2014A Bond to be redeemed, plus interest accrued to the redemption date.

(b) There is hereby authorized to be issued a general obligation refunding bond of the City in the aggregate principal amount of \$679,000 for municipal purposes, specifically to accomplish the refunding of the 2009B Bond, which shall be designated "General Obligation Refunding Bond, Series 2014B." The Series 2014B Bond shall be issued in the principal amount of \$679,000 as a fully registered bond, without coupons, shall be dated the Closing Date, shall be numbered RB-1, shall bear interest payable on the Bond Payment Dates at a rate of 2.75% per annum. The Series 2014B Bond shall mature on the Series 2014B Bond Maturity Date. Commencing on July 15, 2014, and continuing on each January 15 and July 15 thereafter, interest on the outstanding principal amount of the Series 2014B Bond shall be due and payable as set forth above, and commencing on July 15, 2014, and continuing on each July 15 thereafter, principal amounts of the Series 2014B Bond shall be due, up to and including the Series 2014B Bond Maturity Date. The Series 2014B Bond is 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 Series 2014B Bond to be redeemed, plus interest accrued to the redemption date.

(c) 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 are 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 any Bonds issued hereunder shall be conclusive evidence that such Bond has 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 Bond, 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 Bond, 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 Bond 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 Bond, but such numbers shall not be deemed to be a part of the Bond 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 BONDS"

No. R-__

**UNITED STATES OF AMERICA
COMMONWEALTH OF VIRGINIA, CITY OF MARTINSVILLE**

**GENERAL OBLIGATION BOND,
SERIES 2014__**

Dated: _____, 2014

Registered Holder:
CARTER BANK & TRUST

Maturity Date: _____, 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 February 11, 2014 and February 25, 2014 (**together, the "Ordinance"**) and the Financing Agreement between the City and Carter Bank & Trust dated as of January 1, 2014 (**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 the 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 Refunding Bond, Series 2014."

Section 5 Payments into Proceeds Fund

(a) All funds received from the proceeds of the sale of the 2014A Bond after payment of certain costs of issuance of the 2014A Bond shall be deposited into the Proceeds Fund or transferred by internal transfer at the Bank to prepay, redeem and refund the 2009A Bond and the 2009A Refunding Bond in accordance with the Financing Agreement and applicable law. All funds received from the proceeds of the sale of the 2014B Bond after payment of certain costs of issuance of the 2014B Bond shall be deposited into the Proceeds Fund or transferred by internal transfer at the Bank to prepay, redeem and refund the 2009B Bond 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 Bond, Series 2014" 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 Bond 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 Bonds 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 monies, if any, 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.

(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 Bond and the Bond shall no longer be deemed to be Outstanding thereunder when the Bond shall have been purchased by the City and canceled or destroyed, when the payment of principal of the Bond, 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 Bond, 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 Bond, 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.

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.

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 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.

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 NonArbitrage Certificate and Tax Covenants document, to comply with such requirements and covenants therein that it will not breach the terms thereof.

The Council, on behalf of the City, hereby designates the 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 \$10,000,000 in "qualified tax-exempt obligations" during the calendar year 2014 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 2014 which would cause the \$10,000,000 limitation of Section 265(b)(3)(D) of the Code to be violated. Additionally, the Council on behalf of the City designates the Bonds as eligible for the "small issuer exception" to the rebate requirements of Section 148(f)(2) and (3) of the Code pursuant to Section 148(f)(D)(vii) of the Code, as the City is a governmental unit with general taxing powers, no bond which is a part of the Bonds will be a private activity bond, 95% or more of the net proceeds of the Bonds are to be used for local governmental activities of the City, and the aggregate face amount of all tax-exempt bonds, excluding private activity bonds to be issued by the City during the calendar year 2014 is not reasonably expected to exceed \$5,000,000 increased by the lesser of \$10,000,000 or so much of the aggregate face amount of bonds as are attributable to financing the construction of public school facilities within the meaning of Section 148(f)(D)(vii).

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 form 8038-G as determined necessary by bond counsel and a Non-Arbitrage Certificate and Tax Covenants document 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. 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 February, 2014.

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 February __, 2014, 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 _____, 2014.

Clerk, City Council of
City of Martinsville, Virginia

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Meeting Date: February 11, 2014
Item No: 7.
Department: Community Development

Issue: Hear an update on a proposed Northside Neighborhood Revitalization Project.

Summary: On September 6, 2013, the City of Martinsville was awarded a planning grant by the Department of Housing & Community Development in the amount of \$30,000. Since then, a public meeting has been conducted, in addition to three (3) management team meetings. Neighborhood surveys and infrastructure assessments have also been conducted. Thus, we are now in position to go forward with an application for a neighborhood comprehensive grant. Deadline for this is March 26, 2014.

Attachments: Chronology of required Community Improvement Grant Pre-application activities

Recommendations: Motion to set required public hearing for February 25, 2014 and a motion to set a second required public hearing for March 11, 2014.

Work Tasks – Planning Grant through the Community Improvement Grant Application

1. Phase 1 – Completion of the Initial Planning Grant Application
2. Phase 2 – Complete Management Plan & Budget and Submit to DHCD
3. Phase 3 - Complete Neighborhood Surveys and Base Mapping
Conduct Neighborhood Meeting and Management Team meeting
4. Phase 4 -Neighborhood Improvement Planning
Conduct housing inspections with write – ups and cost estimates
Complete infrastructure work tasks with estimates
Conduct Neighborhood meeting and management team meeting
5. Phase 5 – Initiate Section 106 Procedures
Project review by Department of Historical Resources
Conduct two (2) public hearings
Complete and Submit CIG Application
6. Phase 6 – Complete Pre – Contract Activities



City Council Agenda Summary

Meeting Date: February 11, 2014

Item No: 8.

Department: City Council

Issue: Hear an overview of the Northside Neighborhood Tour and Meeting.

Summary: Mayor Adkins will give this update.

Attachments: None

Recommendations: No action required