

February 14, 2012

The regular meeting of the Council of the City of Martinsville, Virginia, was held on February 14, 2012, 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 Kimble Reynolds, Gene Teague, Mark Stroud and Danny Turner. Staff present included: Leon Towarnicki, Interim City Manager, Brenda Prillaman, Eric Monday, Linda Conover, Wayne Knox, Donna Odell and Mike Rogers.

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 Danny Turner, seconded by Gene Teague, with the following 5-0 recorded vote: Adkins, aye; Teague, aye; Reynolds, aye; Stroud, aye; and Turner, aye, Council convened in Closed Session, for the purpose of discussing the following matters: (A) A prospective business or industry or the expansion of an existing business or industry where no previous announcement has been made of the business' or industry's interest in locating or expanding its facilities in the community as authorized by subsection 5. (B) A personnel matter as authorized by Subsection 1. (C) Discussion of the award of a public contract involving the expenditure of public funds, including interviews of bidders or offerors, and discussion of the terms or scope of such contract, where discussion in an open session would adversely affect the bargaining position or negotiating strategy of the public body. (D) 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 Gene Teague, seconded by Mark Stroud, with the following recorded 5-0 vote: Adkins, aye; Reynolds, aye; Teague, aye; Stroud, aye; and Turner, aye, Council returned to Open Session. Action taken: Mayor Adkins reported that Council will move forward with hiring of city manager by selection of a firm and will be setting up interviews.

Following the invocation by Mayor Kim Adkins and Pledge to the American Flag, the Mayor welcomed everyone to the meeting.

Minutes: On a motion by Mark Stroud, seconded by Gene Teague, Council approved the minutes of the January 10, 2012 meeting.

Recognitions: Mayor Adkins read and presented a proclamation recognizing Dick Hensley.

Modification of Section 125 Cafeteria Plan: Donna Odell briefed Council on the modification to the Section 125 Cafeteria Plan document. On January 1, 1988, and last amended May 26, 2009, the City implemented a Section 125 Cafeteria Plan which allowed City and School employees to pay their portion of health care premiums with pre-tax dollars, thereby reducing their taxable income. Subsequent amendments permitted employees to pay for additional voluntary benefits of dental, vision, flexible spending accounts, cancer and intensive care premiums accordingly. Effective February 14, 2012, the employee benefits package will be expanded to include accident and critical illness voluntary benefits. In order for employees to elect to pay these premiums on the same pre-tax basis, the City's

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Section 125 Cafeteria Plan Document must be modified to include these provisions. Pam Heath pointed out that the school system is working to streamline the school employee benefits to be consistent with the city's benefits. On a motion by Kimble Reynolds, seconded, by Gene Teague, with a 5-0 vote, Council approved the City of Martinsville and Martinsville City Schools Cafeteria Plan Amended and Restated February 14, 2012.

Northside Neighborhood meeting overview: Mayor Adkins gave an overview of the February 13, 2012 Council Neighborhood tour and the Neighborhood meeting held at Clearview Wesleyan Church.

Update from Ray Gibbs on the CDC and Henry Hotel: The Phoenix Community Development Corp. needs to secure about \$4.2 million before the redevelopment of the former Henry Hotel; multiple funding sources will be needed; Phoenix has engaged the Reznick Group CPA firm who are experts at tax credit work; hopes to get funding for Henry Hotel by end of calendar year, but in the meantime, Phoenix will move to proceed in getting design plans developed so when funds are found, the project can move forward quickly; Council urged Mr. Gibbs to interact more with Uptown merchants.

Update from Mark Heath: Mark Heath updated Council on activities and programs of each division of the Economic Development Corporation.

Auditor's report: J. Wesley Clark, CPA, AFE, with Robinson, Farmer, Cox Associates presented information on the FY11 Audit noting it was a clean audit with a clean opinion. A copy of the audit is to be posted on the city website.

Monthly finance report: Finance Director, Linda Conover, presented the following information:

**FY11 – Combined Balance Sheet, Fund Balance**

The annual audit has been completed. Anticipate review with Council in early February. The combined fund balance increased by \$1,125,000 over year-end FY10.

- \$523,000 less depreciation than budgeted
- Incomplete projects (funds re-appropriated in FY12)
- FY11 Real Estate taxes – received 97.92% of budget
- FY11 Pers Prop, M&T, Bus Equip taxes – received 105% of budget
- Infusion of grant funding, i.e. Harvest Foundation
- Conservative efforts throughout all City Departments

**FY12 – Revenues & Expenditures, Combined Balance Sheet**

With the first half of FY12 now complete, the current combined fund balance as of December 31, 2011 is \$13,926,269, a decrease of \$728,374 from year-end FY11. Exclusive of School and Special Revenue funds, actual revenues were \$1,414,156 greater than anticipated through this period.

- 1<sup>st</sup> Half Real Estate Taxes – received 98.45% of budget
- Meals Taxes – received 50% of budget
- Cigarette Taxes – received 68.5% of budget
- Unanticipated revenues and infusion of grant funding

Actual expenditures were \$615,226 greater than anticipated, due to \$849,135 in open purchase orders.

Pawnshops set public hearing: Wayne Knox briefed Council on a recommendation from the Planning Commission which would remove pawnshops as a use permitted by right in the C-1A, C-2, C-3, M-1, and M-2 Districts and would add pawnshops as a use permitted by special use permit in the C-1, C-1A, C-2, C-3, M-1, and M-2 Districts. It should be noted that the C-1 Commercial District currently does not allow pawnshops as a use permitted by right. However, to establish uniformity in the commercial districts; it is included in the recommendation to add pawnshops as a use permitted by special use permit. On a motion by Gene Teague, seconded by Mark Stroud, with a 5-0 vote, Council agreed to set the public hearing for the March 13, 2012 meeting.

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

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BUDGET ADDITIONS FOR 2/14/12				
ORG	OBJECT	DESCRIPTION	DEBIT	CREDIT
<b>FY12</b>				
<b>GENERAL FUND</b>				
01102926	443157	Categorical Federal - Safe Routes to School		9,538
01413146	503140	Street Marking - Prof. Services - Engineering Reimbursement	9,538	
01100909	490801	Recovered Costs - Senior Citizens		3,638
01714212	501300	Senior Citizens - Part-time Wages	2,260	
01714212	502100	Senior Citizens - Social Security	140	
01714212	502110	Senior citizens - Medicare	33	
01714212	506049	Senior Citizens - Vehicle Fuel Transportation Grant & Class Fees	1,205	
01100908	480420	Miscellaneous - Donations/Sr. Citizens		1,894
01714212	506016	Senior Citizens - Program Supplies Donations for Holiday Tea & Disease Prevention Program	1,894	
<b>Total General Fund:</b>			15,070	15,070
<b>Electric Fund</b>				
14102926	436440	Federal Grant - ARRA - Energy Efficiency Grant		157,349
14565340	503140	Electric - General Exp. - Prof. Serv.-Eng & Arch Hydro Plant Efficiency Grant Reimbursement	157,349	
<b>Total Electric Fund:</b>			157,349	157,349

Business from floor: Alicia Solomon, 1014 Oakwood Ct.-expressed concerns with ability for children to play in the street.

Council comments: Stroud-encouraged blood donations; Turner-invited citizens to ribbon cutting at Fido's on Saturday.

Interim City Manager comments: advised that plans are to start running the generator that Council saw on their tour on test basis the end of this week; gave update on the building efficiency update grant; gave update on the VDEM grant advising the city was approved on the pre-application and can now apply for grant to fund two projects (1) neighborhood warning/alert system and (2) back-up generator and staff will be coming to Council with a formal presentation in near future.

There being no further business, the meeting adjourned at 8:50pm.

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Brenda Prillaman  
Clerk of Council

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Kim Adkins  
Mayor