

February 23, 2010

The regular meeting of the Council of the City of Martinsville, Virginia, was held on February 23, 2010, in Council Chambers, Municipal Building, at 7:30 PM, with Mayor Kathy Lawson presiding. Council Members present included: Mayor Kathy Lawson, Gene Teague, and Danny Turner. Vice Mayor Kimble Reynolds and Council Member Mark Stroud were absent. Staff present included: Clarence Monday, City Manager, Brenda Prillaman, Mike Rogers, Linda Conover, Dennis Bowles, Sheriff Steve Draper, and Roy Prillaman.

Following a moment of silence for the Stroud family, the invocation by Council Member Danny Turner and Pledge to the American Flag, Mayor Lawson welcomed everyone to the meeting.

Chief Mike Rogers briefed Council on the annual Police Department Citizen of the Year Award. Each year, police department employees submit nominations for the award to a seven member Selection Committee who review the applications and then present their nomination to the Chief of Police. Nominees must be someone of good moral character with a good attitude towards law enforcement and must have shown support and/or concern for the police department in its efforts to better serve our citizens. Chief Rogers recognized Dr. David Jones as the 2009 recipient for his tremendous impact on our young people with the Trout in the Classroom Program. Wayne Kirkpatrick of the Dan River Basin Association also spoke noting that Dr. Jones was constantly working to preserve natural resources. Council members thanked Dr. Jones for all he has done and his conservation efforts.

City Manager Clarence Monday introduced the city auditor, Wes Clark of Robinson, Farmer & Cox, who reported on the FY09 audit. Mr. Clark noted the city's audit report was in compliance and nothing of any significance needed action. He also expressed his appreciation to the knowledgeable and professional City finance staff. Council members expressed their thanks to the city staff as well as the auditor.

City Manager Clarence Monday briefed Council on the proposed bond ordinance which would be positioning the City to utilize potential Qualified School Construction Bonds. The no-interest QSCB bonds, established by the American Recovery and Reinvestment Act, are available to localities for K-12 school energy, renovation, and construction projects. QSCBs were made available to eligible local school divisions based on a competitive evaluation process. The total allocation for the City of Martinsville is \$1,050,749 for use at Patrick Henry, Martinsville Middle, and Albert

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Harris Schools. City Administration and the School Division have commissioned an in-depth energy efficiency assessment for municipal and school facilities, and this type of project falls within the intended purpose of the bonds for school buildings. Localities opting to pursue this opportunity must follow a process to allow sufficient time for a required public hearing and local governing board action. The steps required include adoption of the ordinance, advertisement of a Public Hearing, conducting the PH, and finally adoption of another Ordinance that would actually obligate the City to the intended debt. This proposed Ordinance does not commit the City to issuance of such bonds. Instead, the Ordinance sets in motion the remaining steps so that the bonds could be issued, if authorized by the governing body. Paul Jacobson of Sands Anderson Marks & Miller made comments as well as Travis Clemons of Martinsville City Schools. Council posed questions to Mr. Clemons regarding the current energy savings study and how savings from that study would pay for the bonds costs. After lengthy discussion as to legality of voting on an emergency ordinance with Council Member Turner opposing the ordinance on legal grounds, the City Manager presented a substitute ordinance as well as a resolution that could be adopted at tonight's meeting with the ordinance being approved on the first reading to allow setting the public hearing for March 23, 2010. Opposition to the ordinance on legal grounds was not voiced by anyone else present. On a motion by Gene Teague, seconded by Danny Turner, with the following 3-0 recorded vote, Lawson-aye, Teague-aye, Turner-aye, Council adopted the following resolution to set a public hearing for March 23, 2010:

**RESOLUTION SETTING PUBLIC HEARING AND APPROVING RELATED ACTIONS RELATED TO POTENTIAL ISSUANCE OF  
GENERAL OBLIGATION BONDS**

**WHEREAS**, a plan has been presented to the City Council (**the "City Council"**) of the City of Martinsville, Virginia (**the "City"**) for the issuance of general obligation bonds of the City in the maximum principal amount of \$1,300,000 (**the "School Bonds"**) for the purpose of assisting in the acquisition, construction and equipping of renovations, upgrades and improvements to classrooms and other spaces at Patrick Henry Elementary School, Martinsville Middle School and Albert Harris Elementary School, all located in the City (**together, the "School Project"**); and

**WHEREAS**, such School Bonds, if issued, may be sold to the Virginia Public School Authority (**"VPSA"**), in connection with the VPSA's Qualified School Construction Bond program.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MARTINSVILLE, VIRGINIA:**

1. The City Manager, Assistant Finance Director, City Attorney, with Sands Anderson Marks & Miller, a Professional Corporation as Bond Counsel and Davenport & Company LLC as financial advisor to the City, are hereby authorized and directed to take such action deemed necessary or desirable to facilitate consideration of the issuance of the proposed School Bonds, including the publication and broadcasting, as required by the City Charter, of notice of a public hearing to be held prior to final authorization by the City Council of the issuance of the School Bonds. The public hearing shall be held on March 23, 2010 at 7:30 p.m. at the City Council Chambers, Second Floor, City of Martinsville Municipal Building, 55 West Church Street, Martinsville, Virginia 24112. All actions of the City Manager, Assistant Finance Director, City Attorney, Bond Counsel, the City's financial advisor and all other officers, employees and agents of the City in furtherance of the purposes of this Resolution are hereby approved and ratified. 2. This Resolution shall take effect immediately.

**CERTIFICATE**

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The Members of the Council voted as follows on the foregoing Resolution:

<u>Aves</u>		<u>Nays</u>
Kathy Collins Lawson	None	
Gene Teague		
Danny Turner		

<u>Absent</u>		<u>Abstentions</u>
Kimble Reynolds, Jr.	None	
Mark C. Stroud, Sr.		

Adopted this 23rd day of February, 2010. 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 23, 2010, 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 Resolution, a quorum was present.

On a motion by Gene Teague, seconded by Danny Turner, with the following 3-0 recorded vote, Lawson-aye, Teague-aye, Turner-aye, Council approved the following ordinance on first reading:

**CITY OF MARTINSVILLE, VIRGINIA AN ORDINANCE RECITING THE EXPEDIENCY OF THE ISSUANCE OF UP TO \$1,300,000 PRINCIPAL AMOUNT OF GENERAL OBLIGATION 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 \_\_\_\_\_, 2010

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 assisting in the acquisition, construction and equipping of renovations, upgrades and improvements to classrooms and other spaces at Patrick Henry Elementary School, Martinsville Middle School and Albert Harris Elementary School, all located in the City (together, the "School Project") and hereby finds and determines that: (i) the City is in need of funds to be used by the City for school construction needs brought to the attention of the City Council by the Martinsville School Board and the Martinsville City Manager, specifically for the School Project, for costs of issuance of the Bonds (defined below) and for payment of interest on the Bonds; (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 City's public schools; (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 original principal amount not to exceed \$1,300,000 to be issued by the City as further described herein (the "Bonds") to be used for the acquisition, construction and equipping of the Project 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, (iv) 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 School Project in a maximum amount not to exceed ONE MILLION THREE HUNDRED THOUSAND DOLLARS (\$1,300,000). The maximum length of time that the Bonds will be outstanding is 25 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 \$1,300,000 MAXIMUM PRINCIPAL AMOUNT OF GENERAL OBLIGATION BONDS OF THE CITY OF MARTINSVILLE, VIRGINIA FOR PURPOSES OF ASSISTING IN THE ACQUISITION, CONSTRUCTION AND EQUIPPING OF SCHOOL CONSTRUCTION PROJECTS AND PROVIDING FOR THE FORM, DETAILS AND PAYMENT THEREOF," which will be introduced before the Council and considered for passage following a public hearing on the issuance of the Bonds, as required by law.

**Section 3 - Further Actions Authorized**

The City Manager, Clerk of the Council, City Treasurer, City Attorney, Sands Anderson Marks & Miller, a Professional Corporation as bond counsel, 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 completing, executing and delivering a financing application to the Virginia Public Service Authority. All actions of the City Manager, Clerk of the Council, City Treasurer, City Attorney, bond counsel, 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 financing of the School Project is 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:

<u>Aves</u>		<u>Nays</u>
Kathy Collins Lawson		None
Gene Teague		
Danny Turner		
<u>Absent</u>		<u>Abstentions</u>
Kimble Reynolds, Jr.	None	
Mark C. Stroud, Sr.		

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Adopted this 23rd day of February, 2010 (first 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 23, 2010, 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.

Dennis Bowles, Electric Department Director, presented the following information to Council regarding American Municipal Power Meldahl/Greenup Hydro Projects:

**Hydro Projects for Consideration:** Meldahl- 105 Megawatt (MW) to be built on the Ohio River by AMP and the City of Hamilton, OH---City of Martinsville- allocation approximately 950 kilowatt (kW).

Greenup- 70 Megawatt (MW) facility constructed on Ohio River in 1982--Owned by City of Hamilton, OH with AMP to purchase 48.6% for allocation to member cities---City of Martinsville- Allocation approximately 650 kilowatts (kW).

The hydro projects currently under consideration by the City are wholly separate projects, which have no connection to AMP-GS or any other previous AMP project.

**GDS Project Review:** An in-depth analysis and evaluation by GDS Associates, Inc. provided a recommendation of 12% total hydro participation as a goal--current subscription levels in Cannelton, Smithland, Willow Island total 11% of our projected needs or approximately 4200 kW---Based on the aforementioned numbers a 1% level of participation would be needed to meet GDS recommended level of hydro power allocation.

Meldahl / Greenup allocations would be reduced from 1640 kW to 550 kW to reflect this recommendation.

**Diversification:** Landfill methane recovery and generation--City will receive \$1 million in grant funds for development--Solar power installation(s) under consideration--Future AMP R. C. Byrd Hydro Project--Biomass or other advanced energy technologies--Our current contract with AMP allows for consideration of diverse resources now and in the future.

**Staff Recommendations:** Staff evaluated AMP proposal along with GDS evaluation and agrees with recommendations to maintain a participation not to exceed 12% for hydro power resources. With the City's hydro power resources now just under 12%, staff recommends no participation in the Meldahl / Greenup project. Staff favors consideration of more diverse resources in the future to fill this need, if necessary.

Council had brief discussion regarding our current hydro facility, methane project and future solar projects noting that our proactive stance in diversification will put us in a good position for the future and thanked Dennis for his presentation on these projects.

Sheriff Steve Draper and Deputy Roy Prillaman reported on recycling efforts, firewood programs and inmate labor statistics. The Sheriff's Department started a cans recycling program with numerous locations including the hospital, all city schools, municipal building, fire department, city warehouse, city jail and city annex. The Sheriff's wood program offered heat assistance during winter months helping 96 households using 774 hours inmate labor. Various community service projects were completed including boarding up condemned properties, painting and moving. A listing of projects provided to the city by inmate labor showed a total of 67,914 hours saving the city \$382,004 in 2009 alone. Council members expressed their appreciation to Sheriff Draper for taking on these responsibilities which are not a requirement of his department and for saving the city money.

Sheriff Draper briefed Council on a resolution authorizing the submission of a \$2.5M congressional appropriation request for the creation of the Martinsville Regional Criminal Analysis Division, a clearinghouse of data involving various criminal activities

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which has the potential to create 12-18 jobs at the Sparta operation in the City. The resolution would allow submission of the request, further development and collaboration for the program, and for the City to be the fiscal agent for distribution of program funds in accordance with program guidelines. Program specifics and committing law enforcement agencies are in the preliminary stages of planning and would be worked out prior to acceptance of the appropriation, if awarded. On a motion by Gene Teague, seconded by Danny Turner, with a 3-0 vote, Council agreed to adopt the following resolution:

WHEREAS, the Council of the City of Martinsville, Virginia finds that collecting and analyzing data of criminal activity to include interstate gang activity, human trafficking, and illicit goods (weapons, spirits, stolen materials) trafficking in the City of Martinsville and surrounding jurisdictions is of importance to public safety, and  
WHEREAS, the unemployment rate in the City of Martinsville is reaching 23%, and this program would create 15 to 20 computer-based jobs for a period of 12 to 18 months, and  
WHEREAS, the Martinsville Sheriff's Office plans to submit a preliminary request for a \$2.5 million congressional appropriation, under the FY2011 Non-Defense Appropriations Application, for the exclusive purpose of creating the Regional Criminal Analysis Division for Martinsville and surrounding jurisdictions that agree to participate in such, and  
WHEREAS, the Council of the City of Martinsville endorses the appropriation request submission with the understanding that specific details would be developed prior to implementation of the project, and  
WHEREAS, the City of Martinsville would serve as the fiscal agent for acceptance of the said Federal Funds, if granted, and to disburse program expenditures of the said funds in accordance with program guidelines; therefore  
BE IT RESOLVED by the City Council of the City of Martinsville, Virginia, in regular session assembled February 23, 2010, that it concurs with the request of the application for the specified \$2.5 million appropriation request, with the stipulations within this Resolution, and  
BE IT FURTHER RESOLVED by the City Council of the City of Martinsville, Virginia that the City Manager is authorized to execute necessary applications for federal funding under Non-Defense Appropriations within the scope of this Resolution.

There were no comments during business from the floor.

Comments-Council: Teague--reminded citizens of the upcoming Fast Track Trade Show and urged attendance; voiced his concerns with this difficult budget year in light of all the information he obtained during VML Legislative Day; Teague congratulated Activate for receiving a national award and Mayor Lawson noted Council will recognize Activate at the April 13 meeting. Turner—reported the MHS Band will be at the St. Patrick Day parade in DC. Lawson—announced the March 9 Neighborhood meeting to be held at McCabe Church; reported on an article she received from Dr. Crabtree noting that Martinsville-Henry County is one of the least expensive urban areas in this country.

Comments-City Manager: Mr. Monday also congratulated Activate for all their good work; reported staff has submitted applications for same five earmarks as last year and continuation of funds for methane project.

In accordance with Section 2.1-344 (A) of the Code of Virginia (1950, and as amended) and upon a motion by Gene Teague, seconded by Danny Turner, with the following 3-0 recorded vote: Mrs. Lawson, aye; Mr. Teague, aye; and Mr. Turner, aye, (Vice Mayor Reynolds and Council Member Stroud were absent) Council convened in

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Closed Session, for the purpose of discussing the following matters: (A) Appointments to Boards and Commissions as authorized by Subsection 1. (B) The condition, acquisition, use or disposition of real property as authorized by Subsection 3.

At the conclusion of Closed Session, each returning member of Council certified that (1) only public business matters exempt from open meeting requirements were discussed in said Closed Session; and (2) only those business matters identified in the motion convening the Closed Session were heard, discussed, or considered during said Session. On a motion by Danny Turner, seconded by Gene Teague, with the following 3-0 recorded vote: Mrs. Lawson, aye; Mr. Teague, aye; and Mr. Turner, aye, (Vice Mayor Reynolds and Council Member Stroud were absent) Council returned to Open Session. The following action was taken on the Board appointment: on a motion by Danny Turner, seconded by Gene Teague, with a 3-0 vote, Council agreed to appoint Scott Coleman, 10 Starling Avenue, Apt. #303, to a four year term ending 12/31/13 on the Transportation Safety Commission. No other action was taken.

There being no further business, Mayor Lawson adjourned the meeting at 9:32 PM.

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Clarence C. Monday, Clerk of Council

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Kathy C. Lawson, Mayor