

AGENDA
CITY COUNCIL
CITY OF MARTINSVILLE, VIRGINIA
Council Chambers – Municipal Building
7:30 p.m. – Tuesday, June 28, 2011

Invocation – Council Member Stroud
Pledge to the American Flag

1. [Consider approval of minutes of City Council’s meeting of April 12, April 26, April 28, May 10, May 16, May 19, and May 24, 2011.](#) (2 minutes)
2. [Consider approval of a Resolution, on second reading, regarding American Municipal Power, Inc. Fremont Energy Center.](#) (15 minutes)
3. [Consider approval of a resolution regarding opting out of the VRS Managed Line of Duty Act Fund.](#) (10 minutes)
4. [Hear a presentation on the status of the City’s current ability to alert citizens of an emergency situation such as severe weather.](#) (20 minutes)
5. [Consider authorizing the City Attorney to proceed with steps necessary to acquire property and/or obtain necessary easements for the approximate ¼ mile trail extension connecting the Dick & Willie trail to East Church Street.](#) (15 minutes)
6. [Consider approval of Consent Agenda.](#) (2 minutes)
 - A. Accept & appropriate budget adjustments FY11.
7. [Business from the Floor](#)

This section of the Council meeting provides citizens the opportunity to discuss matters that are not listed on the printed agenda. Since 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, state name and address;**
 - (2) state the matter they wish to discuss and Council action requested;**
 - (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 asked to leave the podium. Persons who refuse to comply with the direction of the presiding officer may be removed from the chambers.
8. Comments by City Council. (5 minutes)
9. Comments by City Manager. (5 minutes)
10. Items to be considered, in Closed Session, in accordance with the Code of Virginia, title 2.2, Chapter 37—Freedom of Information Act, Section 2.2-3711—Closed Meetings, the following:
 - A. Appointments to boards and commission as authorized by Subsection 1.
 - B. A personnel matter as authorized by Subsection 1.
 - C. Consultation with legal counsel and briefings by staff members, attorneys or consultants pertaining to actual or probable litigation, or other specific legal matters requiring the provision of legal advice by such counsel, as authorized by Subsection 7.

Meeting Date: June 28, 2011

Item No: 1.

Department: Clerk of Council

Issue: Consider approval of minutes of City Council meetings of April 12, April 26, April 28, May 10, May 16, May 19, and May 24, 2011.

Summary: None

Attachments: [April 12, 2011](#)
[April 26, 2011](#)
[April 28, 2011](#)
[May 10, 2011](#)
[May 16, 2011](#)
[May 19, 2011](#)
[May 24, 2011](#)

Recommendations: Motion to approve minutes as presented

April 12, 2011

The regular meeting of the Council of the City of Martinsville, Virginia, was held on April 12, 2011, in Council Chambers, Municipal Building, at 7:30 PM, with Mayor Kim Adkins presiding. Council Members present included: Mayor Kim Adkins, Vice Mayor Kimble Reynolds, Gene Teague, Mark Stroud, Sr., and Danny Turner. Staff present included: Clarence Monday, City Manager, Brenda Prillaman, Eric Monday, Leon Towarnicki, Linda Conover, Ruth Easley, Eddie Cassady, and Rob Fincher.

Following the invocation by Council Member Mark Stroud and Pledge to the American Flag, the Mayor welcomed everyone to the meeting.

On a motion by Kimble Reynolds, seconded by Mark Stroud, with a 5-0 vote, Council approved the minutes of the March 21, 2011 and March 22, 2011.

Commissioner of Revenue, Ruth Easley, briefed Council on the authorization request for refund overpayment Tangible Personal Property Assessment: A local business filed tangible personal property forms in both Martinsville and Henry County and paid the assessments from both localities for tax years 2008 through 2010. Originally the taxpayer was picked up by the city prior to tax year 2008 due to a city garage jurisdiction for a company-owned vehicle. The business began reporting their tangible personal property to Henry County in 2008 while also reporting the same business personal property to the City of Martinsville. The business was taxed by both localities and paid both localities for 2008, 2009 and 2010. The error was discovered by the business and Henry County in late March 2011. A review of the account concluded that the business equipment has a Henry County situs and was properly taxed by Henry County. The Martinsville Commissioner of the Revenue office abated the assessment for tax years 2008, 2009 and 2010. However, due to the amount erroneously assessed, the City Treasurer needs authorization from City Council to issue the refund. The refund amount is \$9,308.45 with interest of \$1,666.14 calculated by the City Treasurer through April 12, 2011 for a total refund of \$10,974.59. The Code of Virginia authorizes the City Treasurer to issue refunds up to \$2,500 without prior authorization of City Council. Because the refund amount is over this limit, Council must authorize the City Treasurer to issue the refund so that it does not adversely affect the city's cash flow.

On a motion by Gene Teague, seconded by Kimble Reynolds, with a 5-0 vote, Council authorized the City Treasurer to issue refund effective April 12, 2011 with calculated interest. There was discussion regarding interest fees and City Attorney Eric Monday agreed to canvas other localities for their interest rates and provide that information to Council.

On a motion by Gene Teague, seconded by Danny Turner, with a 5-0 vote, Council agreed to set a public hearing for April 26, 2011 to consider the tax exemption requests from two organizations.

Treasurer Cindy Dickerson briefed Council on the authorization request to refund of overpayment of 2009 business license fee: A local business simply overpaid their 2009 business license by \$2,607.00. There is no interest involved. The Code of Virginia authorizes the City Treasurer to issue refunds up to \$2,500 without prior authorization of City Council. Because the refund amount is over this limit, Council must authorize the City Treasurer to issue the refund so that it does not adversely affect the city's cash flow. On a motion by Kimble

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Reynolds, seconded by Mark Stroud, with a 5-0 vote, Council authorized the City Treasurer to issue the refund of \$2,607.00 effective April 12, 2011.

Tom Fitzgibbons briefed Council on the May 7, 2011 Community Technology Recycling Day planned by the Martinsville City Schools and encouraged participation by the public.

Mark Heath of the M-HC EDC office briefed Council on activities occurring in tourism, research, small & minority & entrepreneurial business, and marketing/recruiting.

Kathy Lawson of the Green Committee updated Council on their activities and encouraged Council to meet with their committee and staff to consider the list of following goals:

Cost Neutrality to Revenue Generation

2011

Mandatory plan/policy for the recycling of papers, cardboards, plastics, cans/metals, at all City Schools and City government facilities.

Survey the top 150 businesses in the City to determine current waste stream generation and recycling opportunities.

Consider a City of Martinsville written commitment to be 50% self sufficient in electricity generation by 2030.

2012

Phase out the use of Styrofoam cups at all City schools and City government facilities.

Mandatory 2% annual reduction in City electricity usage from gains in efficiency and technology based on a normalizing factor that is population bases.

Consider a project to regain freeboard water at the hydro-dam to allow for longer hours of electricity generation.

Centralized composting of all food organics from the City schools and City government operations.

2014

Consider a three year plan to implement bulk (non-separated) curbside recycling of paper, magazines, cardboard, plastic and metals in the City.

Consider buying a bailer and leasing, renting, or purchasing a building to store recyclables collected at the recycling center. Purpose: To reduce/eliminate current transportation costs needed to remove recyclable and to increase value of recyclables resultant bailed volume.

2015 Create business license incentives based on business recycling participation.

2021 Implementing a ten year plan to convert the current garbage transfer station into an Asset Recover Operation.

Be 50% self sufficient in electricity generation by 2030 from 2011 usage.

Consider a City of Martinsville written commitment to zero landfill waste by 2045.

Leslie Hervey of the SPCA updated Council on their activities and thanked the city for the good partnership the SPCA has with the City Animal Control Department.

Wayne Knox briefed Council on special use permit request: The Planning Commission conducted a public hearing on March 17, 2011 on a request from Piedmont Community Services to approve a special use permit for construction of an Intermediate Care Facility. The Planning Commission voted to recommend to City Council that the special use permit be granted property located at 1603 Church Street Extension, also known on the City's Tax Map as 35(02)B 01 02. On a motion by Gene Teague, seconded by Kimble Reynolds, with a 5-0 vote, Council agreed to set a public hearing for April 26, 2011 for consideration of special use permit request.

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

BUDGET ADDITIONS FOR 4/12/11				
ORG	OBJECT	DESCRIPTION	DEBIT	CREDIT
<u>FY11</u>				
<u>GENERAL FUND</u>				
01100909	490134	Recovered Costs - Parks & Recreation		5,150
01711210	506091	Parks & Recreation - Special Events/Cruise In Costs recovered from various sponsors	3,150	
01713211	506014	Park Maintenance - Equipment & Supplies Donation towards Park Maint from EDC	2,000	
Total General Fund:			5,150	5,150

Mayor Adkins gave an overview of the April 11, 2011 Council Neighborhood meeting held at Martinsville Housing Office and noted it was a great turnout of citizens. The City Manager provided Council an update on the paving schedule and demolitions. After discussion of pavement issues, Council asked that data be compiled so we can request more funds for residential street paving from VDOT at the next legislative session in the fall.

Business from the floor: William Eggleston, 1507 Roundabout Rd., pointed out issues with property at 1505 Roundabout Rd. and Eric Monday is to get a copy of the remediation plan to Mr. Eggleston. Ural Harris, 217 Stuart St., voiced concerns with school budget, discounts on electricity, EDC funding, furlough days, and AMP issues; Wayne Knox, City Community Development Director, encouraged participation in the Historic Courthouse Planning Workshop.

Comments from City Council: Teague-encouraged participation in April 16 Hazardous Waste Day; Turner-Henry Hotel plans; Mayor Adkins asked that Ray Gibbs of Phoenix CDC be invited to the April 26 Council meeting to update on Henry Hotel direction; Reynolds-thanked all residents for their input at neighborhood meeting; Stroud-has gathered information on siren warning system and will pass along to Council.

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Comments from City Manager: reported the proposed FY12 budget will be presented on April 28 and Council will be polled before that meeting for dates to consider for budget worksessions.

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 5-0 recorded vote: Adkins, aye; Reynolds, aye; Teague, aye; Stroud, aye; and Turner, aye, Council convened in Closed Session, for the purpose of discussing the following matters: (A) Appointments to boards and commissions as authorized by Subsection 1, (B) Consultation with legal counsel and briefings by staff members, attorneys or consultants pertaining to actual or probable litigation, or other specific legal matters requiring the provision of legal advice by such counsel, as authorized by Subsection 7, (C) A personnel matter 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 Danny Turner, with the following recorded 5-0 vote: Adkins, aye; Reynolds, aye; Teague, aye; Stroud, aye; and Turner, aye, Council returned to Open Session.

Actions taken on Board appointments:

On a motion by Kimble Reynolds, seconded by Kim Adkins, with a 5-0 vote, Council appointed the following to the Human Relations Advisory Committee with no specified term: Marie Craddock, 613 Mulberry Rd., Ural Harris, 217 Stuart St., Tony Jones, 612 Third St, Chad Martin, 56 Molly Circle, Rachel Beneke, 713 Beechnut Lane, Patrick Shuler, 1011 Maplewood Ct., Randy Stevens, 104 Courtney Terrace, Bonnylee Shelor Witt, 61 Eighth St., Thomas Salyer, 724 Circle Ct., Bailey Gifford Penn, 1109 Chatham Rd.

On a motion by Kim Adkins, seconded by Mark Stroud, with a 5-0 vote, Council re-appointed Debra Poirer, 1810 Spruce St., to the Piedmont Regional Community Services Board for a 3 year term ending 6/30/14.

On a motion by Kim Adkins, seconded by Mark Stroud, with a 5-0 vote, Council re-appointed Ron Ferrill, 917 Hunting Ridge Rd., to the Henry-Martinsville Social Services Board for a four year term ending 5/31/15.

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On a motion by Mark Stroud, seconded by Danny Turner, with a 5-0 vote, Council appointed Nancy Baker, 919 Hunting Ridge Rd., to the Patrick Henry Community College Board for a 4 year term ending 6/30/15.

On a motion by Danny Turner, seconded by Gene Teague, with a 5-0 vote, Council appointed Veraine Randolph, 1414 S. Askin St., to an unexpired term ending 12/31/14 on the Anchor Group Home Commission.

On a motion by Kim Adkins, seconded by Mark Stroud, with a 5-0 vote, Council appointed Madie Rountree, 1221 Mulberry Rd., to the Southern Area Agency on Aging Board for an unexpired term ending 9/28/12.

On a motion by Kim Adkins, seconded by Danny Turner, with a 5-0 vote, Council appointed Debbie Hall, 1807 E. Church St. Ext, to the Architectural Review Board for a 3 year term ending 3/31/14.

On a motion by Kim Adkins, seconded by Gene Teague, with a 5-0 vote, Council appointed Charles Long, 3567 Dillons Fork Rd., Fieldale, to the Dan River ASAP Board for a 3 year term ending 4/31/14.

On a motion by Kimble Reynolds, seconded by Danny Turner, with a 5-0 vote, Council appointed Dr. Natalie Harder to the Blue Ridge Regional Library Board for a 4 year term ending 6/30/15.

On a motion by Gene Teague, seconded by Kim Adkins, with a 5-0 vote, Council appointed Patrick Shuler, 1011 Maplewood Ct., to the West Piedmont Planning District Technical Advisory Committee for an unexpired 3 year term ending 12/31/14.

There being no further business, Mayor Adkins adjourned the meeting at 11:04 pm.

Clarence C. Monday
Clerk of Council

Kim E. Adkins
Mayor

April 26, 2011

The regular meeting of the Council of the City of Martinsville, Virginia, was held on April 26, 2011, in Council Chambers, Municipal Building, at 7:30 PM, with Mayor Kim Adkins presiding. Council Members present included: Mayor Kim Adkins, Gene Teague, Mark Stroud, Sr., and Danny Turner. Vice Mayor Kimble Reynolds was absent. Staff present included: Clarence Monday, City Manager, Brenda Prillaman, Eric Monday, Leon Towarnicki, Mike Rogers, Ruth Easley, Patrick Agee, Janet Hiatt, J.R. Powell, Chad Rhoads, Eddie Cassady, Tony Turner, Mildred Spence, Bart Hampton, and Johnathan Barker.

Following the invocation by Council Member Gene Teague and Pledge to the American Flag, the Mayor welcomed everyone to the meeting.

Police Chief Mike Rogers commended everyone in the police department for their efforts in the Martinsville Police Department achieving their 4th certificate for retaining accredited status through the Virginia Law Enforcement Professional Standards' Commission. He introduced Gary Dillon, Program Manager of the Virginia Accreditation Center of the Department of Criminal Justice Services who praised the police department for their commitment to law enforcement excellence in this voluntary program noting that the Martinsville Police Department has been accredited since 1998 and has achieved re-accreditation in 2003 and 2007.

Mayor Adkins read the proclamation recognizing National Correctional Officers' Week as May 1 through May 7 and presented it to Johnathan Barker of the Martinsville Sheriff's Office.

City Manager, Clarence Monday, briefed Council on the local tax exemption requests noting that a public hearing will need to be conducted for both businesses. Under the provisions of the Exemption Ordinance enacted by council in January 2007, any entity that does not clearly fall into any exemption category granted by the Code of Virginia must request an exemption approval from the city council in the form of an exemption ordinance. In order for the exemption request to be considered by council as part of the annual budget deliberations, the requesting entity must have submitted an exemption application to the Commissioner of the Revenue by November 1, 2010. The Commissioner of the Revenue referred the application received to the City Manager along with a report of the revenue impact that any possible exemption may have. The City Manager appointed a review committee consisting of himself, Mayor Adkins, the City Commissioner of the Revenue, the City Treasurer, and the Assistant Finance Director to review the application received.

Mayor Adkins opened the public hearing regarding the tax exemption request from Theatre Works for which the review committee recommends: tax exemption for the organization's tangible personal property as the artistic and cultural benefits provided by the organization meet a

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part of the goals and initiative established by City Council. These same components, which are also included in the City's Master Plan, are offered by the organization and the tax exemption is more than off-set by the artistic and cultural benefits provided to the area by the organization. The committee also recommends exempting the organization from BPOL licensure as any unrelated business taxable income generated by the organization is not likely to constitute a substantial amount of the organization's total gross revenue and would be exempt under the state BPOL guidelines. Mike Elder, 923 Childress Dr., questioned how vendors are chosen; Christine Mallard, Church St., pointed out they have no specific vendors and all citizens are welcomed. City Attorney Eric Monday pointed out the application has a revenue impact of \$1,668.11. Mayor Adkins closed the public hearing. On a motion by Gene Teague, seconded by Danny Turner, with the following 4-0 recorded vote: Adkins, aye; Reynolds, aye; Teague, aye; Stroud, aye; and Turner, aye, (Reynolds-absent), Council approved the following (sample) ordinance as presented on first reading for Theatre Works Community Players:

ORDINANCE 2011-_____

BE IT ORDAINED by the Council of the City of Martinsville, Virginia, in regular session held on April 26, 2011 and pursuant to Section 58.1-3651 of the Code of Virginia, that Section 21-12 of the City Code be amended to add a subsection [insert alphabetical listing] as follows:

[insert alphabetical listing]. **Taxation exemption for [name of entity]**

After convening a duly advertised public hearing and considering the factors set forth in Code of Virginia § 58.1-3651(B), the City Council of Martinsville Virginia hereby ordains the following:

1. The [name of entity], a nonprofit organization, is hereby classified and designated as a [(designate which) *religious, charitable, patriotic, historical, benevolent, cultural, or public park and playground purposes*] organization within the context of Section 6(a)(6) of Article X of the Constitution of Virginia.
2. [real and/or personal] property owned by [name of entity], and used exclusively for educational, benevolent and charitable purposes on a nonprofit basis, as set forth in subsection A. of this section, is hereby determined to be exempt from local [real and/or personal] property taxation.
3. Continuance of the exemption shall be contingent on the continued use of the property in accordance with the purpose for which the organization is classified or designated.

Mayor Adkins opened the public hearing regarding the tax exemption request from Martinsville-Henry County Historical Society for which the review committee recommends: that City Council reaffirm the state code exemption at the local level that the Martinsville-Henry Historical Society is a nonprofit entity that provides cultural, educational and historical services within a museum setting. The Code of Virginia, §58.1-3606(A)(8) exempts "property of any nonprofit corporation organized to establish and maintain a museum." The committee also recommends exempting the organization from BPOL licensure as any unrelated business taxable income generated by the organization is not likely to constitute a substantial amount of the organization's total gross revenue and would be exempt under the state BPOL guidelines. Hearing no public comment, Mayor Adkins closed the public hearing. City Attorney Eric Monday pointed out the application has a revenue impact of \$3,217.39. On a motion by Danny Turner, seconded by Mark Stroud, with the following 4-0 recorded vote: Adkins, aye; Reynolds, aye; Teague, aye; Stroud, aye; and Turner, aye, (Reynolds-absent), Council approved the following (sample) ordinance as presented on first reading for Martinsville-Henry County Historical Society:

ORDINANCE 2011-_____

BE IT ORDAINED by the Council of the City of Martinsville, Virginia, in regular session held on April 26, 2011 and pursuant to Section 58.1-3651 of the Code of Virginia, that Section 21-12 of the City Code be amended to add a subsection [insert alphabetical listing] as follows:

[insert alphabetical listing]. **Taxation exemption for [name of entity]**

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After convening a duly advertised public hearing and considering the factors set forth in Code of Virginia § 58.1-3651(B), the City Council of Martinsville Virginia hereby ordains the following:

1. The [*name of entity*], a nonprofit organization, is hereby classified and designated as a [**(designate which) religious, charitable, patriotic, historical, benevolent, cultural, or public park and playground purposes**] organization within the context of Section 6(a)(6) of Article X of the Constitution of Virginia.
2. [*real and/or personal*] property owned by [*name of entity*], and used exclusively for educational, benevolent and charitable purposes on a nonprofit basis, as set forth in subsection A. of this section, is hereby determined to be exempt from local [*real and/or personal*] property taxation.
3. Continuance of the exemption shall be contingent on the continued use of the property in accordance with the purpose for which the organization is classified or designated.

Ray Gibbs presented an update on plans for the Henry Hotel noting that the Phoenix Community Development Corp. hopes to find out by July 1 whether the planned redevelopment qualifies for New Markets Tax Credits. Phoenix found that the project did not qualify for the tax credits this year due to economic conditions as of the year 2000 census; redeveloping the hotel likely will require acquiring funds from as many as 15 different sources; he estimated it will take \$3.5 million to \$4.5 million to redevelop the building for mixed uses such as offices, restaurants and rental apartments. He said that there are no plans to develop low-income apartments; the New Markets credits are a significant source of funds needed for the hotel project and they anticipate getting an amount greater than \$500,000. With the 2010 census figures, the uptown census tract should meet the requirements for the credits; if the tract still does not meet the criteria, Phoenix will apply for the credits under several possible exceptions to the rules; after finding out if the hotel qualifies for New Market Credits, Phoenix can put together a team to handle the project in 60 to 90 days; planning for construction would take 60 to 90 days more, followed by construction negotiations for another 30 to 60 days. Then there would be 60 to 90 days of finalizing construction contracts and securing construction financing with construction taking about a year to complete and the building could be put to use again by 2013.

J. R. Powell, Operations Supervisor for the 911 Center, gave an update regarding the new 911 “geo-diverse” and “redundant”, IP capable, call processing equipment (CPE). The project also includes a “back-up” 911 facility located at the Piedmont Regional Criminal Justice Training Academy site. The 911 back-up facility has separate infrastructure than the 911 Center, such as public utilities, its own LP generator, abundant CentryLink and City of Martinsville fiber, communications, etc. In addition, the back-up facility’s CPE equipment is capable of being used for realistic Dispatcher entry-level training, usually called “Practicals”. The project is mostly complete, with some final tweaking and testing to be done and was paid for with a \$502,000 grant from the Virginia Wireless Services Board and required no local

matching funds. Our community is extremely fortunate to have a fairly comprehensive 911 back-up facility, supported with separate infrastructure, situated a few miles from the primary 911 Center for survivability purposes and is a fairly unique concept/model.

Leon Towarnicki briefed Council on the consideration of funding for FY12 for the Piedmont Area Regional Transit (PART) Bus System.

The Piedmont Area Regional Transit system has been in operation in Martinsville and Henry County since January 2009. The fixed-loop bus system transported 1,325 riders in March 2011, up more than 30% over March 2010. PART is funded by federal, state, and local money, and Martinsville- Henry County's share of the funding was \$13,326 (each) in FY11 as part of an overall budget of about \$234,000. However, funding from the Commonwealth's Department of Rail and Public Transportation for FY 2012 is likely to be cut by \$27,500. Taking into consideration the reduction in State funding and other PART budget adjustments, the projected local funding for FY12 is \$47,400, to be split equally (\$23,700 each) between Henry County and Martinsville. DRPT meets later this month and in lieu of a Council Resolution, a letter indicating a commitment of local funding for FY12 is requested. Staff recommends approval of funding Martinsville's share of the PART budget for FY 2012, contingent on Henry County's approval which was confirmed at their meeting today. Funding for PART is included in the budget package to be presented to Council later this month.

On a motion by Gene Teague, seconded by Mark Stroud, with a 4-0 vote, Council authorized Leon Towarnicki to send the letter to commit funds as recommended.

Item not on advertised agenda: Councilman Mark Stroud made a motion for the city manager to send out RFP's for emergency warning systems with information returned within one month. Teague wants additional information before going out for RFP and asked that data be compiled on uses and options before doing an RFP. For purpose of discussion, Teague seconded the motion. Mayor Adkins pointed out due to timing, it is not probable to have the information within a month. The City Manager will need to benchmark other localities for detailed information to find the right system which could be presented after a couple of Council meetings. J. R. Powell, of the 911 Center, spoke about the Thunder Eagle system noting that the more automated the system, the better. Teague withdrew his second of the motion until information is received and the original motion died for lack of a second. Mayor Adkins asked as a matter of order in the future that Council members bring their issues up during Business from the Floor if not on the agenda.

On a motion by Gene Teague, seconded by Mark Stroud, Council approved the following consent agenda:

BUDGET ADDITIONS FOR 4/26/11				
ORG	OBJECT	DESCRIPTION	DEBIT	CREDIT
FY11				
GENERAL FUND				
01100909	490134	Recovered Costs - Parks & Recreation		300
01711210	506091	Parks & Recreation - Special Events/Cruise In Costs recovered from various sponsors	300	

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01102926	436401	Categorical Federal - Confiscated Assets		1,396
01311085	506078	Police Dept - Federal Asset Forfeitures City's share of Vehicle Asset Forfeitures	1,396	
01100909	490104	Advanced/Recovered Costs		66,228
01413151	508234	Thorofare Construction- Utility Relocation VDOT reimb - Liberty St. Project	66,228	
01101917	442601	Categorical Other State - EMS 4 for Life		1,028
01322105	506114	Emergency Medical Services - 4 for Life Additional State Grant Funding	1,028	
Total General Fund:			68,952	68,952

Business from the floor: Mike Elder, 923 Childress Dr., asked Council to apologize to West End community regarding comments at Neighborhood meeting, Henry Hotel issues, and personal court issues.

Comments from City Council: Stroud-stated he resented Mr. Elder's comments regarding West End; Turner-proud of NCI graduation and PHCC softball tournament; Adkins welcomed any one from the West End area to come before Council if they feel the same as Mr. Elder indicated.

Comments from City Manager: the FY12 budget to be presented on Thursday and will be posted on the website.

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 Mark Stroud, with the following 4-0 recorded vote: Adkins, aye; Teague, aye; Stroud, aye; and Turner, aye, Council convened in Closed Session, for the purpose of discussing the following matters: (A) Appointments to boards and commissions as authorized by Subsection 1, (B) Consultation with legal counsel and briefings by staff members, attorneys or consultants pertaining to actual or probable litigation, or other specific legal matters requiring the provision of legal advice by such counsel, as authorized by Subsection 7, (C) A personnel matter as authorized by Subsection 1.

At the conclusion of Closed Session, each returning member of Council certified that (1) only public business matters exempt from open meeting requirements were discussed in said Closed Session; and (2) only those business matters identified in the motion convening the Closed Session were heard, discussed, or considered during Session. On a motion by Danny Turner, seconded by Gene Teague, with the following recorded 4-0 vote: Adkins, aye; Teague, aye; Stroud, aye; and Turner, aye, Council returned to Open Session.

Action taken on Board appointments: on a motion by Gene Teague, seconded by Kim Adkins, Thomas Lee Salyer, 724 Circle Court, was appointed for an unspecified

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term on the Human Relations Advisory Committee; on a motion by Kim Adkins, seconded by Gene Teague, with a 4-0 vote, Bailey Gifford Penn, 1109 Chatham Rd., was appointed for an unspecified term on the Human Relations Advisory Committee. On a motion by Kim Adkins, seconded by Mark Stroud, with a 4-0 vote, Council re-appointed Lance Heater, 1015 River Forest Place, to a 3 year term ending 6/30/14 on the MHC Economic Development Board.

There being no further business, Mayor Adkins adjourned the meeting at 10:23 pm.

Clarence C. Monday
Clerk of Council

Kim E. Adkins
Mayor

April 28, 2011

A special meeting of the Council of the City of Martinsville, Virginia, was held on April 28, 2011, in Council Chambers, Municipal Building, at 7:30 PM, to receive the City Manager's FY12 budget recommendations with Mayor Kim Adkins presiding. Council Members present included: Mayor Adkins, Gene Teague, Danny Turner, and Mark Stroud. Kimble Reynolds was absent. Staff present included: Clarence Monday, City Manager, Brenda Prillaman, Leon Towarnicki, Eric Monday, Donna Odell, Betsy Pace, Ruth Easley, Mike Rogers, and Wayne Knox.

City Manager, Clarence C. Monday, presented the proposed FY12 budget for Council's consideration. The City Manager's entire presentation and proposed FY12 budget is posted on the city's website.

On a motion by Gene Teague, seconded by Danny Turner, with a 4-0 vote, Council agreed to set a public hearing for the FY12 budget for the May 24, 2011 Council meeting.

Council members agreed to set budget work sessions for May 16 and May 19, 2011 beginning at 4:00pm. The public hearing and first reading of the FY11 budget ordinance will be held on May 24, 2011, with the final vote on the budget on June 14, 2011.

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 Mark Stroud, with the following 4-0 recorded vote: Adkins, aye; Teague, aye; Stroud, aye; and Turner, aye, Council convened in Closed Session, for the purpose of discussing the following matters: (A) A personnel matter as authorized by Subsection 1 (B) Consultation with legal counsel and briefings by staff members, attorneys or consultants pertaining to actual or probable litigation, or other specific legal matters requiring the provision of legal advice by such counsel, as authorized by Subsection 7.

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 Danny Turner, with the following recorded 4-0 vote: Adkins, aye; Teague, aye; Stroud, aye; and Turner, aye, Council returned to Open Session.

There being no further business, Mayor Adkins adjourned the meeting at 8:58pm.

Clarence C. Monday, Clerk of Council

Kim Adkins, Mayor

May 10, 2011

The regular meeting of the Council of the City of Martinsville, Virginia, was held on May 10, 2011, in Council Chambers, Municipal Building, at 7:00 PM, with Mayor Kim Adkins presiding. Council Members present included: Mayor Kim Adkins, Gene Teague, Mark Stroud, Sr., and Danny Turner. Vice Mayor Kimble Reynolds arrived later in the meeting. Staff present included: Clarence Monday, City Manager, Brenda Prillaman, Eric Monday, Leon Towarnicki, Mike Rogers, Ruth Easley, Dennis Bowles, Linda Conover, Wayne Knox, and Chad Rhoads.

Following the invocation by Council Member Danny Turner and Pledge to the American Flag, the Mayor welcomed everyone to the meeting and announced Council would go into closed session until 7:30pm when the regular meeting would begin.

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 4-0 recorded vote: (Reynolds-not present) Adkins, aye; Teague, aye; Stroud, aye; and Turner, aye, Council convened in Closed Session, for the purpose of discussing the following matter: (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.

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 Danny Turner, with the following recorded 4-0 vote (Reynolds-not present): Adkins, aye; Teague, aye; Stroud, aye; and Turner, aye, Council returned to Open Session.

Wayne Knox briefed Council regarding the special use permit request for property at 1603 Church St. Ext. after which Mayor Adkins opened the public hearing. Jim Tobin of Piedmont Community Services and Architect Rick Funk explained projected costs and details of the Intermediate Care Facility that would be home to eight adults with intellectual disabilities. Hearing no public comments, the public hearing was closed. On a motion by Danny Turner, seconded by Mark Stroud, with the following recorded 4-0 vote: Adkins, aye; Teague, aye; Stroud, aye; and Turner,

May 10, 2011

aye, Council approved the special use permit for property located at 1603 Church St. Extension (Tax Map 35(02)B 01 02) on first reading.

Mark Heath reviewed the Southern Virginia Regional Alliance Memorandum of Understanding for Council’s consideration. He pointed out this does not replace any of the local EDC efforts, but expands their reach with a board of directors from five localities. Heath advised that Henry County has adopted the MOU. The question was raised as to whether this locality gets one or two votes on the board. On a motion by Gene Teague, seconded by Mark Stroud, with a 4-0 vote, (Reynolds-absent), Council approved the following MOU and authorized the City Manager to execute:

SOUTHERN VIRGINIA REGIONAL ALLIANCE MEMORANDUM OF UNDERSTANDING

This **MEMORANDUM OF UNDERSTANDING** (the “MOU”) made and entered into this ___ day of April, 2011, by and among the **VIRGINIA ECONOMIC DEVELOPMENT PARTNERSHIP AUTHORITY (“VEDP”)**, a political subdivision of the Commonwealth of Virginia (the “Commonwealth”), the **FUTURE OF THE PIEDMONT FOUNDATION**, a Virginia nonstock corporation (the “Foundation”), the **CITY OF DANVILLE, VIRGINIA**, a political subdivision of the Commonwealth (“Danville”), the **COUNTY OF HALIFAX, VIRGINIA**, a political subdivision of the Commonwealth (“Halifax”), the **COUNTY OF HENRY, VIRGINIA**, a political subdivision of the Commonwealth (“Henry”), the **CITY OF MARTINSVILLE, VIRGINIA**, a political subdivision of the Commonwealth (“Martinsville”), the **COUNTY OF PATRICK, VIRGINIA**, a political subdivision of the Commonwealth (“Patrick”), and the **COUNTY OF PITTSYLVANIA, VIRGINIA**, a political subdivision of the Commonwealth (“Pittsylvania” and, together with Danville, Halifax, Henry, Martinsville and Patrick, the “Localities”).

WITNESSETH:

WHEREAS, VEDP wishes to work with the Localities on identifying targeted industry sectors for economic development within the area served by the Localities (the “Region”) and designing and implementing a program to market the Region to those targeted industry sectors. The body of work to be performed under this MOU is referred to in this MOU as the “Program.” Together with the Virginia Tobacco Indemnification and Community Revitalization Commission (“TICRC”), VEDP and the Localities have agreed to provide moneys to fund the Program (the “Program Funds”). VEDP and the Localities have asked the Foundation to collect and administer the Program Funds, and the Foundation has agreed to do so.

WHEREAS, the following Program Funds have been promised to fund the Program through June 30, 2012:

Entity	FY2011 Contribution	FY2012 Contribution
VEDP	\$100,000	\$100,000
TICRC	100,000	100,000
Danville	19,784	19,784
Halifax	15,302	15,302
Henry	23,821	23,821
Martinsville	6,356	6,356
Patrick	8,088	8,088
Pittsylvania	26,654	26,654

WHEREAS, the animating purpose for providing the Program Funds is to stimulate the tax base and the employment base in the Region by coalescing the marketing efforts of VEDP and the Localities around a common strategy targeting specific industry sectors. This growth in the tax base and the employment base is critical to the future economic well-being of the Region and the Commonwealth. This animating purpose constitutes a valid public purpose for the expenditure of public funds.

WHEREAS, VEDP, the Foundation and the Localities desire to set forth their understanding and agreement as to the deposit of the Program Funds with the Foundation, the use of the Program Funds, the obligations of VEDP, the Foundation and the Localities, and the repayment by the Localities of all or part of the Program Funds under certain circumstances.

NOW, THEREFORE, in consideration of the foregoing, the mutual benefits, promises and undertakings of the parties to this MOU, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties covenant and agree as follows.

Section 1. Definitions.

For the purposes of this MOU, the following terms shall have the following definitions:

“Budget” means the listing of the expected categories of Expenses and the expected timeline for the disbursement of the Expenses, as it may be amended. The initial Budget is attached to the MOU as Exhibit A.

“End Date” means June 30, 2012. The parties may agree to extend the End Date to no later than June 30, 2013. If the End Date is extended, the parties will acknowledge that extension in writing and the date to which the End Date has been extended shall be the “End Date” for the purposes of this MOU.

“Expenditure Report” means a written detailed report from the Foundation to VEDP and each of the Localities listing the Program Funds received, the Program Funds disbursed by the Foundation for Expenses, the interest, dividends or other investment earnings earned from the Program Funds, the interest, dividends or other investment earnings withdrawn by the Foundation for its own account, and the remaining balance of Program Funds.

“Expense” means a cost or expense of designing or implementing the Program. Expenses do not include the payment or reimbursement to the Localities for their staff time spent on designing or implementing the Program, although Expenses may include the salary and related expenses of a coordinator hired at the behest of the Working Group.

“Representative” means the person or persons designated in writing from the Working Group to the Foundation as being authorized to request disbursements from the Program Funds to pay Expenses.

“Working Group” means the group consisting of one (1) designated person from each of the Localities and from VEDP. The Working Group will design and implement the Program and develop and amend, if need be, the Budget. The Working Group shall designate the Representative and notify the Foundation in writing of the identity of the Representative.

Section 2. Deposit and Investment of Program Funds; Expenditure Report.

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On or before May 1, 2011 and August 31, 2011, VEDP and each of the Localities agrees to deposit with the Foundation its contribution to the Program Funds for Fiscal Years 2011 and 2012, respectively. TICRC will create a separate funding mechanism between itself and the Foundation. The deposits that may be due in Fiscal Year 2012 are subject to appropriation by the governing body of VEDP, and each Locality.

The Foundation may deposit the Program Funds into a non-interest bearing account, an interest bearing account, or both. The interest bearing account may be a savings account or interest-bearing checking account with the Foundation's banking institution or may be a money market fund that invests all or substantially all of its funds in U.S. Treasury securities. The Foundation may withdraw on a monthly basis for its own account and retain any interest, dividends or other investment earnings on the investment of the Program Funds. The Foundation will not be entitled to any other compensation for performing its duties under this MOU.

While it is expected that the Foundation will account separately for the Program Funds, it is not necessary that the Foundation segregate the moneys of the Program Funds. It is necessary that the Foundation maintain adequate records that will allow it to prepare Expenditure Reports.

By the fifteenth (15th) day of each month, commencing May 15, 2011, the Foundation shall forward to VEDP and to each Locality an Expenditure Report covering the prior calendar month.

Any Program Funds remaining unspent as of the End Date shall be returned to VEDP, and the Localities in the same proportion in which each entity contributed Program Funds. Any other residual assets, such as office equipment and supplies, remaining as of the End Date may be sold for fair market value, with the proceeds being delivered to VEDP and the Localities in the same proportion in which each entity contributed Program Funds, or may be distributed at no cost to the Foundation, as authorized by the Working Group. Prior to the final distribution of any unspent Program Funds or other related residual assets, within thirty (30) days after the End Date, any Locality shall have the absolute right to conduct an audit of the Foundation's financial information with respect to the Program Funds or other related residual assets.

Section 3. Working Group.

VEDP and each Locality shall designate a person to serve on the Working Group. The initial member of the Working Group from VEDP and each Locality is noted on the signature page to this MOU. By giving written notice to each of the other parties, VEDP or any Locality may change the identity of its member of the Working Group. Working Group will convene in person or electronically as needed to design and implement the Program. Four (4) members of the Working Group shall constitute a quorum. Decisions shall be made by a majority of a quorum of the Working Group.

The Working Group will have responsibility for designing and implementing the Program and setting the Budget.

The initial Budget is attached to this MOU as Exhibit A. As the Working Group designs and implements the Program, it may become desirable to allocate the Program Funds in the Budget in a manner different or on a timeline different from that provided in the then-applicable Budget, including, if need be, an extension of the End Date. Adjustments to the Budget, including an extension of the End Date, will require the unanimous prior approval of the Working Group and VEDP. Any approved amendments to the Budget will be shared with the Foundation and VEDP.

The Working Group will cause the expenditure of the Program Funds only on Expenses approved in the Budget. The Working Group will direct the Representative to seek the payment from the Foundation of Expenses from the Program Funds.

Section 4. Representative.

The Working Group shall designate one (1) or more people as Representatives. The Representatives need not be members of the Working Group. The Working Group shall provide written notice to the Foundation of the identity of the Representatives. By giving written notice to the Foundation, the Working Group may change the identity of one (1) or all of the Representatives. Until such written notice is received, the Foundation is entitled to assume that the persons previously identified to it as Representatives continue to be authorized to act.

A Representative may submit a request to the Foundation for the expenditure of Program Funds. The Foundation shall have no obligation to verify that the requested expenditure is proper or is in accordance with the Budget. Nevertheless, if the Foundation has a question about the propriety of a requested disbursement, it may direct that question to any or all of the parties and to fully rely on the answer received.

The Foundation will make the disbursements requested by a Representative within ten (10) business days of the receipt of the request for the disbursement.

By the fifteenth (15th) day of each month, commencing May 15, 2011, each Representative shall report to the Working Group the disbursements requested by the Representative during the prior calendar month.

Section 5. Repayment Obligation.

(a) *If Program Funds are Misspent:* If VEDP or any Locality shall determine that Program Funds have been expended on costs other than Program Expenses, such party shall notify the others. Expenditures of Program Funds shall cease until all parties agree that the matter has been satisfactorily resolved.

(b) *If Payment of Expenses is Delayed:* The Working Group shall cause the expenditure of the Program Funds by the End Date. To the extent that the Program Funds are not so spent, the unspent Program Funds as of the End Date shall be repaid to VEDP, the TICRC and the Localities in the same proportion in which they contributed Program Funds.

(c) *Repayments Subject to Appropriation:* Any repayments due from any party, except the Foundation, are subject to appropriation by the party's governing body.

(d) *Repayment Date; Cure Period:* Any repayments due from any party shall be due within ninety (90) days of the date that the need for such repayment has been determined.

(e) *Withdrawal by a Party:* On any thirty (30) day's prior written notice to all of the other parties, any party to this MOU may withdraw from the Working Group and cease its work on the Program. In such event, the Working Group shall revise the Budget and return to the withdrawing party its proportionate share of the remaining Program Funds, net of a reserve to pay Expenses incurred but not yet disbursed.

Section 7. Notices.

Any notices required or permitted under this MOU shall be given in writing, and shall be deemed to be received upon receipt or refusal after mailing of the same in the United States Mail by certified mail, postage fully pre-paid or by overnight courier (refusal shall mean return of certified mail or overnight courier package not accepted by the addressee):

if to the Foundation, to: _____ with a copy to:
Future of the Piedmont Foundation _____

Attention: _____ Attention: _____

if to VEDP, to: _____ with a copy to:
Virginia Economic Development Partnership _____
901 East Byrd Street, 19th Floor _____
Post Office Box 798 (zip: 23218-0798) _____
Richmond, Virginia 23219 _____
Attention: President and CEO _____ Attention: General Counsel

If to Danville, to: _____ with a copy to:
City of Danville _____

May 10, 2011

P.O. Box 3300
427 Patton St.
Danville, Virginia 24543
Attention: City Manager

If to Halifax, to:
County of Halifax
134 South Main Street
P. O. Box 699
Halifax, Virginia 24558
Attention: County Administrator

If to Henry, to:
County of Henry
3300 Kings Mountain Road
P.O. Box 7
Collinsville, Virginia 24078
Attention: County Administrator

If to Martinsville, to:
City of Martinsville
55 West Church St.
P.O. Box 1112
Martinsville, Virginia 24112
Attention: City Manager

If to Patrick, to:
County of Patrick
106 Rucker Street
P.O. Box 466
Stuart, Virginia 24171
Attention: County Administrator

If to Pittsylvania, to:
County of Pittsylvania
21 North Main Street
P.O. Box 426
Chatham, Virginia 24531
Attention: County Administrator

Attention:
with a copy to:

Section 8. Miscellaneous.

- (a) *Entire Agreement; Amendments:* This MOU constitutes the entire agreement among the parties hereto as to the expenditure of Program Funds and may not be amended or modified, except in writing, signed by each of the parties hereto. This MOU shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. No party may assign its rights and obligations under this MOU without the prior written consent of all of the other parties.
- (b) *Governing Law; Venue:* This MOU is made, and is intended to be performed, in the Commonwealth and shall be construed and enforced by the laws of the Commonwealth. Jurisdiction and venue for any litigation arising out of or involving this MOU shall lie in the Circuit Court of the City of Richmond, and such litigation shall be brought only in such court.
- (c) *Counterparts:* This MOU may be executed in one (1) or more counterparts, each of which shall be an original, and all of which together shall be one (1) and the same instrument.

VIRGINIA ECONOMIC DEVELOPMENT PARTNERSHIP AUTHORITY

FUTURE OF THE PIEDMONT

By _____
Name: Jeffrey M. Anderson
Title: President and CEO
Date: April __, 2011
Initial Member: _____

By _____
Name: _____
Title: _____
Date: April __, 2011

CITY OF DANVILLE

COUNTY OF HALIFAX

By _____
Name: _____
Title: _____
Date: April __, 2011
Initial Member: _____

By _____
Name: _____
Title: _____
Date: April __, 2011
Initial Member: _____

COUNTY OF HENRY

CITY OF MARTINSVILLE

By _____
Name: _____
Title: _____
Date: April __, 2011
Initial Member: _____

By _____
Name: _____
Title: _____
Date: April __, 2011
Initial Member: _____

COUNTY OF PATRICK

COUNTY OF PITTSYLVANIA

By _____
Name: _____
Title: _____
Date: April __, 2011
Initial Member: _____

By _____
Name: _____
Title: _____
Date: April __, 2011
Initial Member: _____

May 10, 2011

(d) *Severability:* If any provision of this MOU is determined to be unenforceable, invalid or illegal, then the enforceability, validity and legality of the remaining provisions will not in any way be affected or impaired, and such provision will be deemed to be restated to reflect the original intentions of the parties as nearly as possible in accordance with applicable law.

(e) *Dispute Resolution:* In the event of any dispute, controversy or claim of any kind or nature arising under or in connection with this MOU (including disputes as to the creation, validity, or interpretation of this MOU) (a "Dispute"), then upon the written request of any party, each of the parties will appoint a designated senior official whose task it will be to meet for the purpose of endeavoring to resolve the Dispute. Such officials will discuss the Dispute and will negotiate in good faith in an effort to resolve the Dispute without the necessity of any formal proceeding relating thereto. The specific format for such discussions will be left to the discretion of the officials. No formal proceedings for the resolution of the Dispute may be commenced until the earlier to occur of (a) a good faith mutual conclusion by the officials that amicable resolution through continued negotiation of the matter in issue does not appear likely or (b) the sixtieth (60th) day after the initial request to negotiate the Dispute. If the resolution of the Dispute requires any party to take, to cause to be taken or to cease taking, some action, such party shall be provided a reasonable period of time, not to exceed sixty (60) days, to take, to cause, or to cease taking, such action.

IN WITNESS WHEREOF, the parties hereto have executed this Performance Agreement as of the date first written above.

Exhibit A: Budget

	EXHIBIT A
Regional Marketing Budget Proposal	
Branding	\$5,000
Logo	
Tag Line	
Website	\$30,000
3 Designs	
Content	
Content Management	
Site Optimization	
Hosting	
4 Full-Page Ad Campaign	\$10,000
Development of Ads	
5 Direct Mail Campaign	\$12,000
Design	
Postage	
Printing	
Brochure	\$10,000
Design	
Printing	
Ad Placements (Print and Online)	\$150,000
General Site Selection Pubs (examples below)	
Area Development	
Business Facilities	
Forbes	
CNBC	
or	
Target Publications within our Target Sectors (examples below)	
Aviation Week	
Aerospace Manufacturing	
Washington Technology	
Marketing Trips (8)	\$40,000
Atlanta	
Dallas	
Chicago	
New York	
Charlotte	
Trade Shows	
includes flights, meals, entertaining of consultants, clients, etc.for 2 people	
from the region - the staff person and one other regional rep	
310 Lead Generation Contract	\$20,000
Hosting Consultants to Region 2/year	\$75,000
Yearly Primland Event	
Consultant for Marketing	
Consultant for Board Meeting	
Consultant for Site Evaluations	
2010 Primland/Speedway Event	\$20,000.00
Total Marketing Budget	\$372,000.00
Regional Overhead Budget	
Overhead	
Computer (laptop)	\$1,400.00
Wireless Card	\$2,000.00
Blackberry	\$2,600.00
Mileage Reimbursement	\$15,000.00
.50/mile at 15,000 miles/year	
Printer	\$500.00
Office Supplies	
paper	\$100.00
letterhead, envelopes, etc.	\$500.00
business cards (1,000)	\$200.00
misc - pens, cartridges, stamps, etc.	\$1,000.00
Total Overhead Budget	\$23,300.00

This leaves \$204,700 to be allocated either to the director/manager salary or contract or to increase the marketing budget and lower the staff salary or contract (whatever we decide)

*note that the director/manager would be responsible for their own taxes, health benefits, retirement, etc.

Mayor Adkins thanked the members of the Power Advisory Committee for being at the meeting and called on Director of Utilities, Dennis Bowles, who briefed Council on the Fremont Energy Center project. He pointed out that Garrett Cole of GDS Associates has been advising the city on power considerations since 1974 and Duane Dalquist of Blue Ridge Power is also a resource. Mr. Cole's presentation:

<h3>AMP Fremont Energy Center Discussion Agenda</h3> <ul style="list-style-type: none"> • Overview of AMP's Fremont Energy Center Combined Cycle Project • Comparison of Fremont Energy Center to Market-based supply options <ul style="list-style-type: none"> - Review of economics including carbon and capacity price sensitivities - Other benefits/risks • Contractual issues • Conclusions/Recommendations 	<h3>AMP Fremont Energy Center Background</h3> <ul style="list-style-type: none"> • In 2001, Calpine Corporation began construction of the Fremont Energy Center Combined Cycle Facility <ul style="list-style-type: none"> - Unit is located in the City of Fremont in Sandusky County, Ohio • Calpine declared bankruptcy in 2004 and First Energy purchased the facility in a bankruptcy auction in 2007 and continued construction • AMP has entered into an asset purchase agreement with First Energy for the 512 MW 2x1 natural gas-fired plant <ul style="list-style-type: none"> - Facility includes 163 MW of additional duct-firing capacity <ul style="list-style-type: none"> • Participants must take a share of the base plant and the duct-firing capacity - Annual average operating capacity expected to be 685 MW (including the duct-firing capacity) 	<h3>AMP Fremont Energy Center Overview</h3> <ul style="list-style-type: none"> • Owner's Engineer considers the project to be 96-98% mechanically complete with an expected COD of Jan 1, 2012 • Projected annual capacity factor of 43% (includes duct-firing) • Expected heat rate of 7,273 Btu/kWh • Project includes 138 kV transmission line that ties to the ATSI System <ul style="list-style-type: none"> - ATSI will move from MISO into PJM on 6/2011 • AMP has listed June 15th as the target for final executed power sales contracts from all participants <ul style="list-style-type: none"> - AMP must close with First Energy by July 15th or face daily financial penalties up until close 
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<h3>AMP Fremont Energy Center Project Financing</h3> <p>AMP's base purchase price for the project is \$485M plus a fixed payment not to exceed \$25.3M to cover First Energy's cost including IDC and overheads from 2/1/2011-7/1/2011 (maximum purchase price of \$510.3M)</p> <p>AMP plans to finance all costs incurred in 2011 with its bank LOC and to repay the LOC through fixed-rate bonds to be issued in 2012</p> <ul style="list-style-type: none"> - Total bond issuance expected to be \$675.1M which includes \$35.4M in 2012/2013 forward contract buyouts as well as financing costs and AMP Owners Cost to COD (\$934/kW excluding the contract buyouts) • Participants can decide whether to sell off 2012/2013 contracts and include the financial loss in their AFEC debt payments or not 	<h3>AMP Fremont Energy Center Project Financing (cont'd)</h3> <ul style="list-style-type: none"> • The output capacity of the project is limited to 685 MW per the electrical transmission interconnection authority, but has been designed with a net output of 707 MW <ul style="list-style-type: none"> - It is possible that First Energy can revise the output limit up to 707 MW • If the project is able to physically achieve an output higher than 685 MW, AMP will pay First Energy \$708,029/MW for each additional MW over 685 MW • Likewise, if the project does not reach a physical output of 685 MW, First Energy will pay AMP \$708,029/MW for each MW under 685 MW 	<h3>AMP Fremont Energy Center Analysis Overview</h3> <ul style="list-style-type: none"> • GDS was asked to review existing feasibility studies for the project and to develop key considerations and conclusions for potential participation • GDS reviewed R.W. Beck's "Initial Project Feasibility Study" from March 2011 along with the participant Beneficial Use Reports • Fremont project costs were compared to market alternatives over a 30-year period to determine if Fremont is the most economic on-peak, intermediate power option • Sensitivities to carbon cost and market capacity prices were also considered • Other non-economic considerations also evaluated 
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<h3>AMP Fremont Energy Center Blue Ridge Aggregate Market vs. Project No Carbon</h3> <p>Levelized 10-Year Rate (2012-2024) LR Blue Ridge Aggregate: \$118/MWh 5x16 Block: \$77.64/MWh Sx16 Market: \$83.19/MWh Fremont CC: \$72.13/MWh</p> <p>Levelized 30-Year Rate (2012-2041) LR Blue Ridge Aggregate: \$146/MWh Sx16 Market: \$85.72/MWh Fremont CC: \$80.72/MWh</p> 	<h3>AMP Fremont Energy Center Benefits of Project</h3> <ul style="list-style-type: none"> • Cost of power from project is estimated to be lower than market price projections over the same period • Provides installed capacity (RPM) credits <ul style="list-style-type: none"> - If unit is generating during PJM 5-CP (summer peak) • Diversifies resource portfolio • Provides a heat rate hedge • Project provides less carbon exposure than market <ul style="list-style-type: none"> - Market is a mix of CC and higher emissions CT resources • No debt on participant's books 	<h3>AMP Fremont Energy Center Project Risks</h3> <ul style="list-style-type: none"> • Unit Contingent Risk <ul style="list-style-type: none"> - Unknown at this point what entity will operate - Unknown whether AMP will enter a Service Agreement with Siemens • Congestion Risk • Construction Risk (probably minimal) • Installed Capacity is credited at First Energy Rate <ul style="list-style-type: none"> - May not be a direct offset against RPM costs • Unit must be generating during 5-CP to receive RPM credit • Natural Gas volatility <ul style="list-style-type: none"> - AMP plans to develop a hedging plan to mitigate this risk • Carbon/other regulatory risks • Interest rate risk <ul style="list-style-type: none"> - Contract "step-up" provisions mean participants might be forced to take more capacity than desired if other participants default 
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<h3>AMP Fremont Energy Center Comparison to New-Build CC Facility</h3> <ul style="list-style-type: none"> • Fremont purchase offers different risks and economics from a New-Build CC development • Construction risk of Fremont purchase is much less than a New-Build development due to the project being almost mechanically complete before purchase <table border="1"> <thead> <tr> <th colspan="3">Comparison of Economics</th> </tr> <tr> <th></th> <th>Fremont</th> <th>New-Build</th> </tr> </thead> <tbody> <tr> <td>\$/kW Installed Cost</td> <td>\$934</td> <td>\$1,312</td> </tr> <tr> <td>Avg. Fixed O&M (\$/kW-yr)</td> <td>\$1.38</td> <td>\$1.91</td> </tr> <tr> <td>Fremont Project Savings (based on fixed costs)</td> <td>\$274 M</td> <td>-</td> </tr> </tbody> </table> 	Comparison of Economics				Fremont	New-Build	\$/kW Installed Cost	\$934	\$1,312	Avg. Fixed O&M (\$/kW-yr)	\$1.38	\$1.91	Fremont Project Savings (based on fixed costs)	\$274 M	-	<h3>AMP Fremont Energy Center Contractual Issues</h3> <ul style="list-style-type: none"> • Contract has not yet had legal review on behalf of the Participants • AMP insists on controlling certain aspects that should be under local control (Still Under Discussion w/ AMP)? <ul style="list-style-type: none"> - Gas hedging/prepay/financing - Replacement power • Some AMPGS sunk costs are added to the Fremont Project as a "Development Fee" <ul style="list-style-type: none"> - AMPGS and Fremont are not related - Impact on cost of debt financing? 	<h3>AMP Fremont Energy Center Contractual Issues (cont'd)</h3> <ul style="list-style-type: none"> • Addition of "Buy-Out" <ul style="list-style-type: none"> - Financing loss on above market price blocks already purchased - Impact on cost of debt financing? • Dispatch <ul style="list-style-type: none"> - No requirement for dispatch against the market vs. running 5x16 or 7x24 regardless of economics - May be a last chance opportunity for small municipals to participate in a CC plant for many years at a small level 
Comparison of Economics																	
	Fremont	New-Build															
\$/kW Installed Cost	\$934	\$1,312															
Avg. Fixed O&M (\$/kW-yr)	\$1.38	\$1.91															
Fremont Project Savings (based on fixed costs)	\$274 M	-															

<p>AMP Fremont Energy Center Contractual Issues (cont'd)</p> <ul style="list-style-type: none"> • Additional Covenants of Participants (Section 17) <ul style="list-style-type: none"> - This section needs careful local counsel review - Places limits on what can be done locally regarding financing and disposition of the Electric System • Step-up <ul style="list-style-type: none"> - Requires non-defaulting Participants to take (and pay for) up to an additional 25% of subscribed capacity 	<p>AMP Fremont Energy Center Conclusions/Recommendations</p> <ul style="list-style-type: none"> • Cost of power from project is estimated to be lower than market price projections over the same period in the Base Case and many sensitivity scenarios • Cost of Fremont is projected to be below new-build CC <ul style="list-style-type: none"> - May be a last chance opportunity for small municipals to participate in a CC plant for many years at a small level • Construction risk of Fremont is low <ul style="list-style-type: none"> - Project is already 96%-98% mechanically complete; low risk for additional cost increases • Fremont offers a heat rate hedge and capacity hedge but still carries natural gas price risk <ul style="list-style-type: none"> - Beck's capacity price projection is somewhat aggressive <p>Participants will have a portion of their energy requirements not fixed and subject to changing prices (historically locked in)</p>	<p>AMP Fremont Energy Center Conclusions/Recommendations (cont'd)</p> <ul style="list-style-type: none"> • AMP has recommended that Participants sell-off 2012/2013 5x16 contracts and finance the loss through the Project debt <ul style="list-style-type: none"> - This is not recommended since interest would be incurred on the loss on a long-term basis • Structure of participation committee <ul style="list-style-type: none"> - Committee makes decisions for the Project that affects all Participants (e.g. gas hedging strategy could change the nature of the Project as viewed today) <ul style="list-style-type: none"> • Discussing more individual input for participants on gas hedging and replacement power with AMP • Based on the feasibility provided by AMP / R.W. Beck, the AMP Fremont Project appears to be an economically viable asset for supply diversity at reasonable participation level <ul style="list-style-type: none"> - Contingent on progress with AMP on individual participant input into gas hedging / replacement power policies
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<p>Martinsville Long-Term Power Summary Incremental Energy Requirements</p>	<p>AMP Fremont Energy Center Participation Sizing Analysis</p> <ul style="list-style-type: none"> • R.W. Beck has recommended the City of Martinsville subscribe to 14.781 MW of the Fremont Energy Center Project • GDS recommends a subscription range that would cover 5-10% of Martinsville's average long-term energy requirements <table border="1"> <thead> <tr> <th></th> <th>Fremont Subscription (MW)</th> <th>% of Total Energy Requirements</th> <th>% of Net Intermediate Energy Requirements</th> <th>% of Remaining Market Exposure</th> </tr> </thead> <tbody> <tr> <td>AMP / R.W. Beck Recommendation</td> <td>14.781</td> <td>28.4%</td> <td>105%</td> <td>30%</td> </tr> <tr> <td>GDS Low Recommendation</td> <td>2.6</td> <td>5%</td> <td>18.5%</td> <td>54%</td> </tr> <tr> <td>GDS High Recommendation</td> <td>5.2</td> <td>10%</td> <td>37%</td> <td>49%</td> </tr> </tbody> </table>		Fremont Subscription (MW)	% of Total Energy Requirements	% of Net Intermediate Energy Requirements	% of Remaining Market Exposure	AMP / R.W. Beck Recommendation	14.781	28.4%	105%	30%	GDS Low Recommendation	2.6	5%	18.5%	54%	GDS High Recommendation	5.2	10%	37%	49%	<p>This report has been prepared for the use of the City of Martinsville, Virginia for the specific purposes identified in the report. The conclusions, observations and recommendations contained herein attributed to GDS Associates, Inc. (GDS) constitute the opinions of GDS. To the extent that statements, information and opinions provided by the client or others have been used in the preparation of this report, GDS has relied upon those statements, information and opinions to be accurate, and for which no assurances are intended and no representations or warranties are made. GDS makes no certification and gives no assurances except as explicitly set forth in this report.</p>
	Fremont Subscription (MW)	% of Total Energy Requirements	% of Net Intermediate Energy Requirements	% of Remaining Market Exposure																		
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<p>GDS Associates, Inc. Scope of Work and Limit of Review</p> <ul style="list-style-type: none"> • Physical Asset Due Diligence <ul style="list-style-type: none"> - GDS has not performed any physical review of the Fremont asset - GDS has relied on the work of R.W. Beck and AMP regarding the physical condition and state of construction (including projection of Commercial Operation Date) of the asset • Operations and Maintenance <ul style="list-style-type: none"> - Detailed O&M plans have not been made available - GDS understands that these plans are still under development, including the entity that will operate the unit; and whether a Long Term Services Agreement will be entered with Siemens or another qualified Party 	<p>GDS Associates, Inc. Scope of Work and Limit of Review</p> <ul style="list-style-type: none"> • Market price projections <ul style="list-style-type: none"> - GDS has not made projections of market energy, gas or capacity prices - GDS has relied on the work of R.W. Beck, performed for AMP, in these areas • Gas supply <ul style="list-style-type: none"> - GDS has not independently ascertained that adequate supply and transport of natural gas will be available throughout the life of the Fremont Project. - GDS has relied on the work of AMP, R.W. Beck, and the Energy Authority (TEA) in this area 	<p>GDS Associates, Inc. Scope of Work and Limit of Review</p> <ul style="list-style-type: none"> • Blade upgrades <ul style="list-style-type: none"> - GDS understands that Siemens has developed upgraded turbine blades - GDS relies on AMP's plans for installing the upgraded blades at an appropriate time in the future and/or appropriate operating/inspection procedures • Water supply <ul style="list-style-type: none"> - GDS relies on R.W. Beck's statements regarding adequacy of water supply for the life of the Project • Alternate resource availability/feasibility <ul style="list-style-type: none"> - GDS has not ascertained whether there are alternate existing resources available
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<p>GDS Associates, Inc. Scope of Work and Limit of Review</p> <ul style="list-style-type: none"> • Financing <ul style="list-style-type: none"> - Permanent financing will not be placed until 2012 - GDS relies on AMP's projection of financing costs and has not made an independent assessment of the cost or availability of debt financing • Contract review <ul style="list-style-type: none"> - While GDS has reviewed and commented on the Fremont Power Sales Contract (PSC), GDS cannot provide legal review - The City of Martinsville should engage both local and energy industry counsel to perform legal review of the PSC 	<p>GDS Associates, Inc. Scope of Work and Limit of Review</p> <ul style="list-style-type: none"> • Acceptance of certain risks <ul style="list-style-type: none"> - There are internal, market, and external risk events that could occur in the future and adversely impact the subject Project. It should be possible to manage those risks through prudent utility practices and implementation of appropriate risk mitigation strategies.
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After Council questions and discussion, a motion was made by Mark Stroud, seconded by Danny Turner, with a 4-0 vote, (Reynolds absent) to set a public hearing on the Fremont facility for June 14, 2011 and turn the project study over to the city's Power Advisory Committee for their recommendation.

Vice Mayor Reynolds arrived at 8:50pm. Leon Towarnicki briefed Council on the City's priority list of future transportation projects. After discussion and on a

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motion by Danny Turner, seconded by Mark Stroud, with a 5-0 vote, Council agreed to endorse the Martinsville modified list as follows:

Martinsville

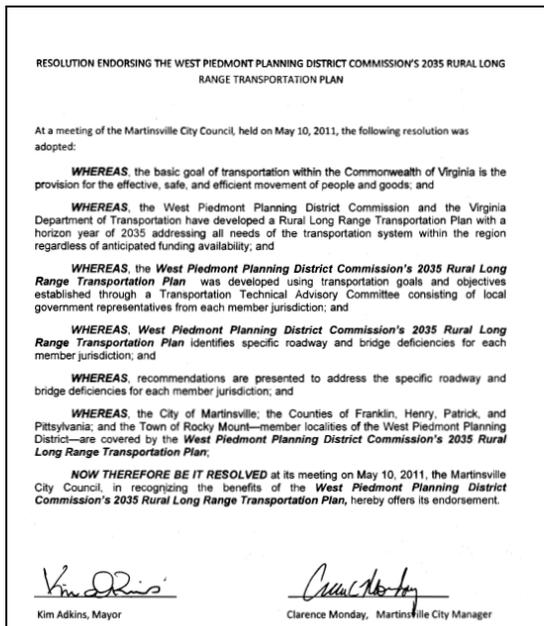
1. Complete the Liberty Street (Route 174)/Clearview Drive improvement project comprised of the following three elements:
 - Improvements to Liberty Street north from York Street to the north corporate limits;
 - Improvements to Liberty Street from Clearview Drive south to Commonwealth Boulevard;
 - Improvements to Clearview Drive from Barrows Mill Road to Progress Drive
2. Widen and realign the section of Fayette Street (Route 57) from Pine Hall Road west to the corporate limits including curb, gutter, and sidewalk, and to replace an N&W Railroad underpass.
3. Endorsement for the Interstate 73 project.
4. Endorsement for completion of U.S. Route 58 westward to its intersection with Interstate 77.

Leon Towarnicki briefed Council on the resolution of intent to participate in a Revenue Sharing Agreement with VDOT for the Spruce Street lighting project noting that there is no guarantee of receiving the grant. Council Member Teague questioned the need for 16 lights and Leon will discuss the number of lights with APCO. On a motion by Gene Teague, seconded by Danny Turner, with a 5-0 vote, Council endorsed the following resolution and asked that a determination be made as to how many lights are actually needed:



Mayor Adkins welcomed Bob Dowd and the new Executive Director of WPPDC, Aaron Burdick who briefed Council on the Regional Rural Long-Range Transportation Plan and asked Council to adopt a resolution endorsing the plan. On a motion by Gene Teague, seconded by Kimble Reynolds, with a 5-0 vote, Council adopted the following resolution:

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Mayor Adkins and City Council members presented a Key to the City to Bob Dowd for his 34 years of service to this region at WPPDC and the City of Martinsville as he will be retiring July 1, 2011.

Drusilla Carter, Director, of the Blue Ridge Regional Library presented an update to Council on the library's programs and projects.

On a motion by Gene Teague, seconded by Danny Turner, with the following recorded 5-0 vote: Adkins, aye; Teague, aye; Reynolds, aye; Stroud, aye; and Turner, aye, Council approved the following sample ordinance as presented, on second reading, regarding tax exemption for Personal Property and BPOL for Theatre Works Community Players and designating as cultural:

ORDINANCE 2011-_____

BE IT ORDAINED by the Council of the City of Martinsville, Virginia, in regular session held on April 26, 2011 and pursuant to Section 58.1-3651 of the Code of Virginia, that Section 21-12 of the City Code be amended to add a subsection [insert alphabetical listing] as follows: [insert alphabetical listing]. Taxation exemption for [name of entity]

After convening a duly advertised public hearing and considering the factors set forth in Code of Virginia § 58.1-3651(B), the City Council of Martinsville Virginia hereby ordains the following:

1. The [name of entity], a nonprofit organization, is hereby classified and designated as a [(designate which) religious, charitable, patriotic, historical, benevolent, cultural, or public park and playground purposes] organization within the context of Section 6(a)(6) of Article X of the Constitution of Virginia.
2. [real and/or personal] property owned by [name of entity], and used exclusively for educational, benevolent and charitable purposes on a nonprofit basis, as set forth in subsection A. of this section, is hereby determined to be exempt from local [real and/or personal] property taxation.
3. Continuance of the exemption shall be contingent on the continued use of the property in accordance with the purpose for which the organization is classified or designated.

On a motion by Gene Teague, seconded by Danny Turner, with the following recorded 5-0 vote: Adkins, aye; Teague, aye; Reynolds, aye; Stroud, aye; and Turner, aye, Council approved the following sample ordinance as presented, on second reading, regarding exemption for BPOL, designating historical and affirming state code exemption on real estate and personal property for Martinsville-Henry County Historical Society:

ORDINANCE 2011-_____

BE IT ORDAINED by the Council of the City of Martinsville, Virginia, in regular session held on April 26, 2011 and pursuant to Section 58.1-3651 of the Code of Virginia, that Section 21-12 of the City Code be amended to add a subsection [insert alphabetical listing] as follows:

[insert alphabetical listing]. **Taxation exemption for [name of entity]**

After convening a duly advertised public hearing and considering the factors set forth in Code of Virginia § 58.1-3651(B), the City Council of Martinsville Virginia hereby ordains the following:

1. The [name of entity], a nonprofit organization, is hereby classified and designated as a [(designate which) *religious, charitable, patriotic, historical, benevolent, cultural, or public park and playground purposes*] organization within the context of Section 6(a)(6) of Article X of the Constitution of Virginia.
2. [real and/or personal] property owned by [name of entity], and used exclusively for educational, benevolent and charitable purposes on a nonprofit basis, as set forth in subsection A. of this section, is hereby determined to be exempt from local [real and/or personal] property taxation.
3. Continuance of the exemption shall be contingent on the continued use of the property in accordance with the purpose for which the organization is classified or designated.

On a motion by Gene Teague, seconded by Mark Stroud, with a 5-0 vote, Council agreed to set the public hearing for May 24, 2011 to receive citizens interested in appointments for two 3-year positions on the city School Board July 2, 2011 to June 30, 2014. Council plans to interview candidates in closed session on May 24 and it was noted that names of those interested must be mentioned at the public hearing.

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

BUDGET ADDITIONS FOR 5/10/11				
ORG	OBJECT	DESCRIPTION	DEBIT	CREDIT
FY11				
GENERAL FUND				
01100908	480406	Donations - Parks & Recreation		4,875
01725422	506700	Mustangs - Souvenirs	2,160	
01713211	506104	Park Maintenance - Non-Capital Equipment	2,715	
		Donation from M'ville Rec Assoc		
01100909	490801	Recovered Costs - Senior Citizens		2,439
01100908	480420	Donations - Senior Citizens		731
01714212	506016	Senior Citizens - Program Supplies	3,170	
		recovered costs/donations to Sr Services		
01100909	490801	Recovered Costs - Senior Citizens		981
01714212	506008	Senior Citizens - Vehicle Maintenance	341	
01714212	501300	Senior Citizens - Part-time S&W	595	
01714212	502100	Senior Citizens - Social Security	37	
01714212	502110	Senior Citizens - Medicare	8	
		Transportation funds rec'd October thru March		
Total General Fund:			9,026	9,026
SCHOOL FUND:				
18102926	499992	NASA SEMAA		73,550
61101100	561120	MSS/SEMAA - Instructional S&W	30,000	
61101100	561151	MSS/SEMAA - Instructional Aides S&W	12,000	
61101100	562100	MSS/SEMAA - Social Security	3,000	
61101100	562150	MSS/SEMAA - Medicare	1,000	
61101100	562210	MSS/SEMAA - Retirement Payments	4,470	
61101100	562300	MSS/SEMAA - Group Medical	1,500	
61101100	562400	MSS/SEMAA - State Life Insurance	200	
61101100	562520	MSS/SEMAA - LTD	80	
61101100	562750	MSS/SEMAA - RHCC	400	
61101100	565503	MSS/SEMAA - Travel	4,000	
66501100	561120	MSS/SEMAA-SUMMER-Instructional S&W	10,000	
66501100	561151	MSS/SEMAA-SUMMER-Instructional Aides S&W	5,000	
66501100	562100	MSS/SEMAA-SUMMER-Social Security	900	
66501100	562150	MSS/SEMAA-SUMMER-Medicare	200	
66501100	565800	MSS/SEMAA-SUMMER-Miscellaneous	200	
66501100	566013	MSS/SEMAA-SUMMER-Instructional Materials	600	
Total School Fund:			73,550	73,550

Business from the floor: Ural Harris, 217 Stuart St.-concerns with AMP projects, city's EDC contribution, EDC hiring new person, city hiring new Asst. Public Works Director, sewer rate increase, electric rates, reduction in city salaries, but not police.

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Comments from City Council: Stroud-pleased that Kimball Furniture found workers here; Turner-has spoken with IFC and welcomed them.

In accordance with Section 2.1-344 (A) of the Code of Virginia (1950, and as amended) and upon a motion by Kimble Reynolds, 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) Appointments to boards and commissions as authorized by Subsection 1, (B) Consultation with legal counsel and briefings by staff members, attorneys or consultants pertaining to actual or probable litigation, or other specific legal matters requiring the provision of legal advice by such counsel, as authorized by Subsection 7, (C) A personnel matter 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 Kimble Reynolds, seconded by Mark Stroud, with the following recorded 5-0 vote: Adkins, aye; Teague, aye; Reynolds, aye; Stroud, aye; and Turner, aye, Council returned to Open Session.

Action taken on Board appointments: On a motion by Gene Teague, seconded by Danny Turner, with a 5-0 vote, Council appointed student representative Shantae Law, 163 Patrick Henry Ave., to the Transportation Safety Commission for a one year term ending 6/31/12.

No other action was taken. There being no further business, Mayor Adkins adjourned the meeting at 10:45 pm.

Clarence C. Monday
Clerk of Council

Kim E. Adkins
Mayor

May 16, 2011

A budget worksession of the Council of the City of Martinsville, Virginia, was held on May 16, 2011, in Council Chambers, Municipal Building, at 4:00 PM, with Mayor Kim Adkins presiding. Council Members present included: Mayor Adkins, Vice Mayor Kimble Reynolds, Gene Teague, Mark Stroud, Sr., and Danny Turner. City Attorney Eric Monday was not present. Staff present included: Clarence Monday, City Manager, Brenda Prillaman, Donna Odell, Linda Conover, Leon Towarnicki, Mike Rogers, Kathy Vernon, Cindy Dickerson, Laura Hopkins, Eddie Cassady, Janet Hiatt, Wayne Knox, Ashby Pritchett, Ted Anderson, Kris Shrader, and Kenneth Draper.

Revenue forecasts were reviewed by Clarence Monday, Linda Conover and Treasurer Cindy Dickerson which included projected revenues and the process used to determine the figures; Third quarter finance report and fund balance review-Linda Conover. The following department presentations were presented noting successes as well as needs not being met with FY12 budget: Finance Department-Linda Conover; Treasurer-Cindy Dickerson; Human Resources-Donna Odell (succession plan discussion by Council included the need to look at residency requirement policy for directors as to not stifle employees from moving up); Public Works-Leon Towarnicki; Fire/Safety/EMS/Inspections-Kenneth Draper ; Police-Mike Rogers; Sheriff-Steve Draper; Circuit Court Clerk-Ashby Pritchett.

After brief Council discussion, the meeting adjourned at 7:15pm.

Clarence C. Monday, Clerk of Council

Kim Adkins, Mayor

May 19, 2011

A budget worksession of the Council of the City of Martinsville, Virginia, was held on May 19, 2011, in Council Chambers, Municipal Building, at 4:00 PM, with Mayor Kim Adkins presiding. Council Members present included: Mayor Adkins, Vice Mayor Kimble Reynolds (arrived 4:15), Gene Teague (arrived 4:10), Mark Stroud, Sr., and Danny Turner. Staff present included: Clarence Monday, City Manager, Brenda Prillaman, Eric Monday, Wayne Knox, Dennis Bowles, Esther Artis, Gary Cody, Ruth Easley, Pam Shoemaker and Durwin Joyce.

City Manager Clarence Monday briefed Council on the revised agenda schedule for this budget work session which was done to accommodate the school representatives' schedules. He reported on how the outside agency applications for funding are reviewed and advised one agency has asked to speak at this work session. He introduced Dick Ephgrave of Longwood Small Business Development Center who asked that Council fully fund his FY12 agency request. There was also brief Council discussion of EDC funding.

Budget presentations were made by following departments: Commissioner of Revenue-Ruth Easley; Information Services-Esther Artis; Parks & Recreation-Gary Cody; Utilities-Electric/Water/Sewer/Utility Billing—Dennis Bowles; Planning/Zoning/Housing-Wayne Knox; Registrar-Ercell Cowan. Joan Ziglar was unable to attend the work session and will be advised she may come to the May 24 Council meeting. The schools presentation began at 6:25pm with Pam Heath presenting a powerpoint noting the FY12 proposed budget is \$550,000 under what they requested. There was lengthy discussion regarding employee health insurance premium increases and the inequity issues with city employees and school employees receiving same insurance benefit.

Mayor Adkins said Council will hear public comment at the public hearing set for May 24, 2011 after which, formal recommendations on budget amounts will be given.

There being no further business, the meeting adjourned at 7:30 pm.

Clarence C. Monday, Clerk of Council

Kim Adkins, Mayor

May 24, 2011

The regular meeting of the Council of the City of Martinsville, Virginia, was held on May 24, 2011, in Council Chambers, Municipal Building, at 7:30 PM, with Mayor Kim Adkins presiding. Council Members present included: Mayor Kim Adkins, Vice Mayor Kimble Reynolds, Gene Teague, Mark Stroud, Sr., and Danny Turner. Staff present included: Clarence Monday, City Manager, Brenda Prillaman, Eric Monday, Karen Walker, Kathy Vernon, Molly Shelton, Dennis Bowles, Andy Lash, Tony Turner, Donna Odell, and Ruth Easley.

Following the invocation by Council Member Mark Stroud and Pledge to the American Flag, the Mayor welcomed everyone to the meeting and announced that if a tornado warning is issued during the meeting, the meeting will be suspended and we will go to the basement of the building.

On a motion by Gene Teague, seconded by Kimble Reynolds, with a 5-0 vote, Council approved minutes of April 11 tour and April 11, 2011 Neighborhood meeting.

Mayor Adkins recognized the following city employees who are eligible for Service Awards-April 1 through June 30, 2011:

EMPLOYEE	DEPARTMENT	YEARS OF SERVICE
Robert Turner	Police	25
Roger Blankenship	Traffic Signals	25
Anthony Beal	Fire	20
Charles Anderson	Traffic Signals	15
Clarence Monday	City Manager	15
Mike Martin	Custodian	10
Homer Davis	Water	10
Harvey York	Waste Water Plant	5

Mayor Adkins announced the candidates interested in the school board appointments will be interviewed in closed session tonight. She then opened the public hearing for the purpose of receiving citizens interested in appointment for two three-year positions beginning July 1, 2011 and ending June 30, 2014 to the City's School Board and the following citizens requested consideration: Craig Deitrich, 1227 Lanier Rd., Joan Montgomery, 807 Corn Tassel Trail, Joe Keiper, 1125 Cherokee Trail, and Kathy Lawson, 909 Barrows Mill Rd. Mayor Adkins closed the public hearing.

Mayor Adkins opened the public hearing on FY12 budget. Comments: Dwight Wright, 412 Woodhaven Rd.-concerns with decrease in school funds; Jim Franklin, Blue Ridge Aquaculture, concerns about sewer increase; Dr. Jim Rountree-1221 Mulberry-asked for level funding for schools; Donald Kirby, 1178 Banner St.-concerns with consequences of not funding schools; Malvester Muhammad, 622 Watt-requested Council to fund schools; Kristan Jarrett, 1801 Meadowview-requested schools be funded; Rev. J.C. Richardson, 115 Melody Ct.—he asked if he could be considered for

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Martinsville School Board and he asked for Council to fund schools; Mike Elder, 923 Childress Dr.-comments on insurance and encouraging use of trails; Ural Harris, 217 Stuart-comments against sewer rates & utility rates, sell Henry Hotel, no need for training, EDC budget needs to be cut & need to cut school funding; Tomeka Aikins, 902 Palace Ct.-encouraged more school funding; Jennifer Mosely, 114 Luther St.-more school funding for teachers. Mayor Adkins then closed the public hearing.

Mayor Adkins stated that before Council starts their budget discussions, she wanted to point out that she had started tonight's Council meeting a few minutes early and asked Council to re-open the public hearing on school board candidates. On a motion by Kimble Reynolds, seconded by Gene Teague, with a 5-0 vote, Council agreed to re-open the public hearing for purpose of receiving citizens interested in school board appointments. Mayor Adkins re-opened the public hearing. J. C. Richardson, 115 Melody Ct, declared his interest in being considered for school board appointment. Mayor Adkins then closed the public hearing.

Lengthy budget discussion was had by Council members voicing the sections of the budget they supported and did not support as well as discussion on how much money should be used from the fund balance. Before motions were taken, City Attorney Eric Monday pointed out that Council Member Stroud has signed a disclosure statement declaring his impartiality.

Budget amendments' motions:

On a motion by Gene Teague, seconded by Kimble Reynolds, with a 4-1 vote (Turner voted nay), Council restored the \$39,500 funding to the EDC.

A motion was made by Kimble Reynolds, seconded by Mark Stroud, to level fund the schools. Gene Teague made a substitute motion, seconded by Danny Turner, to give the schools the amount budgeted as well as an extra \$141,750 to put toward helping school employees pay risings costs of health insurance and to execute an agreement with the schools that the appropriation was contingent upon funding of employee insurance. The substitute motion failed on a 3-2 vote (Adkins, Reynolds, and Stroud voting nay). Mayor Adkins then took the vote on the original motion to level fund the schools which passed with a 3-2 vote (Teague and Turner voting nay).

On a motion by Mark Stroud, seconded by Gene Teague, with a 4-1 vote (Turner voting nay), Council agreed that city government employees health insurance be

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supplemented by \$149,000 from the fund balance which equals ½ of the \$75.00 increase per employee.

On a motion by Danny Turner, seconded by Kimble Reynolds, with a 5-0 vote, Council agreed to cut the planner position for Community Development.

Danny Turner made a motion, seconded by Kim Adkins, to eliminate all sewer rate increases. Gene Teague made a substitute motion, seconded by Kimble Reynolds, to lower the sewer increase to 5% instead of the 15% proposed and to add a \$1 senior discount. Mayor Adkins asked for vote on the substitute motion which passed with a 4-1 vote (Turner voting nay). No vote was taken on original motion since the substitute motion passed.

On a motion by Gene Teague, seconded by Kimble Reynolds, with a 5-0 vote, Council agreed to direct the city manager to come back to Council with an additional \$400,000 in cuts or revenues in order to keep the use of fund balance around \$800,000.

On a motion by Gene Teague, seconded by Danny Turner, with a 5-0 vote, Council agreed to add back \$855 to funding for Longwood Small Business Development Center.

Kimble Reynolds made a motion to cut the \$15,500 incubator plan and then withdrew the motion.

On a motion by Gene Teague, seconded by Kimble Reynolds, with the following 4-1 recorded vote: Adkins, aye; Teague, aye; Reynolds, aye; Stroud, aye; and Turner, Nay, Council approved the following FY12 Budget ordinance, on first reading, with amendments made at this meeting:

CITY OF MARTINSVILLE, VIRGINIA-ORDINANCE NO. 2011- The Budget for Fiscal 2011-2012

BE IT ORDAINED by the Council of the City of Martinsville, Virginia, in regular session assembled June 14 , 2011, that the following sums of money be and hereby are appropriated—by specified Fund—for the City’s fiscal year ending June 30, 2012, from the following Fund sources of estimated revenue:

Pursuant to § 15.2-2506 of the Code of Virginia notice is hereby given of a Public Hearing on the proposed budget for the City of Martinsville, Virginia, for its fiscal year ending June 30, 2012. Martinsville City Council will conduct the public hearing at City Hall, 55 West Church Street, on Tuesday May 24, 2011, beginning at 7:30 p.m., or as soon thereafter as practicable. The amounts listed below, except for school funds, are recommendations from the City Manager. The Public Hearing is being conducted to allow citizens of the community an opportunity to comment regarding the proposed budget. Following the public hearing, City Council may take action to approve the recommended budget or modify the amounts as they deem appropriate.

SUMMARY STATEMENT OF BUDGET ESTIMATES, 2011-2012

	Projected Fund Balance 06/30/11	Projected Revenues FY11-12	Budgeted Exp/ Transfers	Depreciation	Projected Fund Balance 06/30/12	Net (Decrease) Increase
General Fund	\$1,797,729	\$28,115,289	\$28,115,289		\$ 1,797,729	0
Electric	\$5,153,679	\$17,450,729	\$18,606,754	\$ 525,000	\$ 4,522,654	(631,025)
Water	\$ 277,607	\$ 3,148,095	\$ 3,413,095	\$ 265,000	\$ 277,607	0
Sewer	\$ (5,395)	\$ 3,963,012	\$ 4,538,012	\$ 575,000	\$ (5,395)	0
Refuse	\$1,727,345	\$ 1,684,346	\$ 1,784,346	\$ 100,000	\$ 1,727,345	0
TOTAL UTILITY FUNDS	\$7,153,236	\$26,246,182	\$28,342,207	\$1,465,000	\$ 6,522,211	(631,025)

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Schools	\$1,838,113	\$21,131,386	\$ 21,131,386	\$1,838,113	0
Cafeteria	\$ 579,813	\$ 1,319,661	\$ 1,319,661	\$ 579,813	0
School Grants	\$ 27,733	0	0	\$ 27,733	0
TOTAL SCHOOL FUNDS	\$2,445,659	\$22,451,047	\$ 22,451,047	\$2,445,659	0
Capital Reserve	\$ 390,072	\$ 810,612	\$ 810,612	\$ 390,072	0
Meals Tax \$	704,186	\$1,388,475	\$1,388,475	\$ 704,186	0
TOTAL CAPITAL FUNDS	\$1,094,258	\$2,199,087	\$2,199,087	\$ 1,094,258	0
CDBG	\$(194,550)	31,110	\$ 160,314	\$(323,754)	\$(129,204)
Housing Choice	\$ 84,467	\$2,117,364	\$2,208,730	\$(6,899)	\$(91,366)
TOTAL SP REV FUNDS	\$(110,083)	\$2,148,474	\$2,369,044	\$(330,653)	\$(220,570)
TOTAL ALL FUNDS	\$12,380,799	\$81,160,079	\$83,476,674	\$1,465,000	\$ (851,595)

Tax Rates

Real Estate: \$1.01816 per \$100 assessed value
 Personal Property: \$2.30 per \$100 assessed value
 Machinery & Tools: \$1.85 per \$100 assessed value

Proposed Sewer Rates:

For Service Within and Outside City Limits:

First 4,000 gals of metered water usage: \$19.87
 Next 2,999,000 gals/month \$2.99 per 1000 gals
 Next 7,000,000 gals/month \$2.59 per 1000 gals
 Over 10,000,000 gals/month \$2.19 per 1000 gals

BE IT FURTHER ORDAINED by said Council that this Ordinance shall be effective on and after July 1, 2011.

On a motion by Gene Teague, seconded by Kimble Reynolds, with the following 5-0 recorded vote: Adkins, aye; Teague, aye; Reynolds, aye; Stroud, aye; and Turner, aye, Council approved on second reading for a special use permit for Piedmont Community Services to construct an Intermediate Care Facility on property located at 1603 Church St. Ext. (Tax Map 35(02)B 01 02.

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

ORG	OBJECT	DESCRIPTION	BUDGET ADDITIONS FOR 5/24/11	
			DEBIT	CREDIT
FY11				
GENERAL FUND				
01101917	490110	Categorical Other State - Nat'l Guard Armory		2,389
01715213	506007	Armory - Repairs & Maintenance (100 % reimbursement on stone for motor pool parking)	2,389	
01101916	434703	Categorical Shared Exp State - Clerk Circuit Ct - Add'l Allow		10,539
01216076	503320	Clerk of Circuit Court - Maint. Service Contracts	7,539	
01913250	503305	General Expense - Document Imaging Additional Allowance from Comp Board	3,000	
01101917	442401	Categorical Other State - Confiscated Assets - Police		1,313
01311085	506078	Police Dept - State Asset Forfeitures Forfeited Asset Proceeds	1,313	
01101917	442402	Categorical Other State - Confiscated Assets - Com Atty		455
01221082	506105	Commonwealth's Attorney - State Asset Forfeitures Forfeited Asset Proceeds	455	
01100908	480410	Donations/Fire Department		300
01322105	506049	EMS - Vehicle Fuels appropriation of donation	300	
Total General Fund:			14,995	14,995

Business from the floor: Pam Heath thanked Council for their support of the schools; Ural Harris, 217 Stuart St.-concerns with AMP and closed sessions; Danny Turner, questioned why the Power Advisory Committee went into closed session; City Attorney Eric Monday pointed out since this was proprietary information provided by AMP, it had to be done in closed session in order to obtain the information needed to

May 24, 2011

study the project and City Manager Clarence Monday pointed out the city government is not trying to hide anything; Mike Elder, 923 Childress Dr. asked to read a letter to enter into minutes and since it contained material about his grievances with local law enforcement, the Mayor asked that Mr. Elder sit down and ruled the letter will not be entered in the minutes.

Comments from City Council: Turner-reminded citizens of Memorial Day activities; Stroud-grateful budget discussions have not been contentious.

In accordance with Section 2.1-344 (A) of the Code of Virginia (1950, and as amended) and upon a motion by Kimble Reynolds, seconded by Danny Turner, 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) Appointments to boards and commissions as authorized by Subsection 1, (B) Consultation with legal counsel and briefings by staff members, attorneys or consultants pertaining to actual or probable litigation, or other specific legal matters requiring the provision of legal advice by such counsel, as authorized by Subsection 7, (C) A personnel matter 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 Danny Turner, 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 on Board appointments: On a motion by Danny Turner, seconded by Kimble Reynolds, with a 5-0 vote, Barbara Jackman, 1004 Morningside Lane was appointed for an unspecified term to the Human Relations Advisory Comm. On a motion by Kim Adkins, seconded by Kimble Reynolds, with a 5-0 vote, Pam Heath, 217 Arrowhead Trail, was appointed for an unspecified term to the Human Relations Advisory Comm. On a motion by Kim Adkins, seconded by Mark Stroud, with a 5-0 vote, Brenell Thomas, 101 Crescent St. #B4, was appointed to the Henry-Martinsville Social Services Board for a 4 year term ending 5/31/15.

There being no further business, Mayor Adkins adjourned the meeting at 11:40 pm.

Clarence C. Monday, Clerk of Council

Kim E. Adkins, Mayor

Meeting Date: June 28, 2011

Item No: 2.

Department: Electric

Issue: Consider approval of a Resolution, on second reading, regarding American Municipal Power Inc. Fremont Energy Center

Summary: American Municipal Power Inc. is currently seeking subscriptions for the AMP Fremont Natural Gas Combined Cycle generation project and participation by subscription is offered for consideration by Council.

On June 14, 2011, City Council Members heard recommendations from the Power Advisory Committee, GDS Associates Inc., Blue Ridge Power Agency and Staff recommending participation in the American Municipal Power Inc., Fremont Energy Center at 5.2 MW. A Public Hearing was conducted and a Resolution authorizing execution of the Power Sales Contract was approved on first reading.

Attachments: [Resolution](#)

Recommendations: Motion to approve Resolution on second reading authorizing the execution of the AMP Fremont Power Sales Contract.

PERTAINING TO AMP CONTRACT NO. _____

**KENTUCKY, MICHIGAN, OHIO, VIRGINIA AND WEST VIRGINIA
PARTICIPANTS ONLY**



A RESOLUTION OF THE CITY COUNCIL

**TO APPROVE THE FORM AND
AUTHORIZE THE EXECUTION OF A POWER SALES CONTRACT WITH
AMERICAN MUNICIPAL POWER, INC. AND
TAKING OTHER ACTIONS IN CONNECTION THEREWITH
REGARDING PARTICIPATION IN THE
AMP FREMONT ENERGY CENTER**

WHEREAS, the City of Martinsville, Virginia (“hereinafter Municipality”) owns and operates an electric utility system for the sale of electric power and associated energy for the benefit of its citizens and taxpayers; and

WHEREAS, in order to satisfy the electric power and energy requirements of its electric utility system, Municipality has heretofore purchased, or desires to purchase in the future, power and energy from, or arranged by, American Municipal Power, Inc. (hereinafter “AMP”), of which Municipality is a Member; and

WHEREAS, Municipality, acting individually and, along with other municipalities which own and operate electric utility systems, jointly, endeavors to arrange for reliable, reasonably priced supplies of electric power and energy for ultimate delivery to its customers; and

WHEREAS, it is efficient and economical to act jointly in such regard; and

WHEREAS, AMP is an Ohio nonprofit corporation, organized to own and operate facilities, or to provide otherwise, for the generation, transmission or distribution of electric power and energy, or any combination thereof, and to furnish technical services on a cooperative, nonprofit basis, for the mutual benefit of AMP members (“Members”), such Members, including Municipality, being, and to be, political subdivisions of their respective

states that operate municipal electric utility systems in, as of the date of adoption hereof, Kentucky, Michigan, Ohio, Pennsylvania, Virginia and West Virginia; and

WHEREAS, each of the Members owns and operates its electric system for the benefit of its customers; and

WHEREAS, certain of the Members, including the Municipality, (“Participants”) have determined they require additional, long-term sources of reliable intermediate electric capacity and energy at reasonable costs and has requested that AMP arrange for the same by developing or otherwise acquiring interests in certain intermediate generation facilities; and

WHEREAS, in furtherance of such purpose, AMP intends to finance, construct, operate and own up to a one hundred percent (100%), and in any case not less than an eighty percent (80%), undivided ownership interest, in the Fremont Energy Center having an expected net rated electric generating capacity of approximately six hundred seventy five (675 MW), consisting of 512 MW of base capacity and 163 MW of “duct-fired” peaking capacity , to be known collectively as the American Municipal Power Fremont Energy Center (as hereinafter defined, “AMP Fremont Energy Center”); and

WHEREAS, AMP has resolved, in accordance herewith, to develop, including, as appropriate, the financing, acquisition, construction, ownership and operation of, and arrangements for the acquisition, , financing, payment and prepayment of fuel for, its ownership interest in the AMP Fremont Energy Center (the “Project”) as well as other arrangements related thereto, which AMP and, in certain cases, the Participants, deem necessary to enable AMP to fulfill its obligations hereunder to sell and transmit, or otherwise make available, electric capacity and energy to the Participants pursuant to the Fremont Energy Center Power Sales Contract (hereinafter “PSC”); and

WHEREAS, in order to obtain such sources of electric capacity and energy, the Participants are willing to pay AMP for their respective rights to such electric capacity and energy and transmission service at rates that are sufficient, but only sufficient, to enable AMP to (i) recover all costs and expenses incurred with respect to, and arrangements for the acquisition, financing, payment and prepayment of fuel for, the Project as set forth herein, all other Power Sales Contract Resources obtained by AMP to supplement the Project, and related service arrangements undertaken by AMP to enable it to fulfill its obligations hereunder, and (ii) recover any other expenditures or revenues authorized hereunder.

WHEREAS, AMP has investigated both a self-build of a new natural gas combined cycle project as well as the acquisition of one of several existing natural gas combined cycle projects either operating or in various stages of construction; and

WHEREAS, because the expected in service date of the Fremont Energy Center is on or about January 1, 2012, certain Participants may need to have AMP rearrange their current power supply portfolio by selling certain already purchased power, principally for 2012 through 2015, into the market (“Buy-Out”) and finance the cost of such transaction pursuant to the PSC.

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

SECTION 1. That the PSC between Municipality and AMP, substantially in the form on file with the Clerk of City Council including Appendices thereto is approved, and the City Manager of Municipality is hereby authorized to execute and deliver such Power Sales Contract, with such changes as the City Manager may approve as neither inconsistent with this Resolution nor materially detrimental to the Municipality and report said changes to City Council, his or her execution of the PSC to be conclusive evidence of such approval.

SECTION 2. That the City Manager is hereby authorized to acquire on behalf of the Municipality, as a Participant, as defined in the PSC, Power Sales Contract Resources (hereinafter “PSCR Share”), as defined in the PSC, from AMP and to execute and deliver any and all documents necessary to become a Participant in the AMP Fremont Energy Center project pursuant to the conditions set forth herein and in the PSC and to carry out its obligations thereunder and to arrange for the Buy-Out of any excess power and energy currently under contract with AMP as the City Manager deems in the best interests of the Municipality.

SECTION 3. That it is further acknowledged and understood that because the Participants will finalize the precise PSCR Share to be acquired by each Participant electing to enter into the PSC after all such Participants execute and deliver the PSC, the City Manager in connection with the execution and delivery of the PSC, is authorized and directed to determine and acquire Municipality’s PSCR Share (not taking into account the Step-Up as defined in the PSC), of up to a nominal amount of 5,200 kilowatts, after consultation with AMP and the other Participants regarding the PSCR Share available pursuant to said PSC, such PSCR Share to be set forth in Appendix A of the PSC, such determination as to such PSCR Share being conclusively evidenced by the adoption of Appendix A to the PSC, as authorized therein.

SECTION 4. That the City Manager, as a part of such officer's official duties, is hereby appointed as Municipality's representative for any meetings or determinations of the Participants or the Participants Committee pursuant to the PSC and is authorized and directed, acting for, in the name of and on behalf of this Municipality, to vote Municipality's PSCR Share with regard to any determinations regarding the AMP Fremont Energy Center project as set forth in the PSC.

SECTION 5. That the City Manager may appoint, in writing from time to time as convenient or necessary, another appropriate representative of the Municipality as his or her alternate to carry out the duties set forth in Section 4 hereof.

SECTION 6. That it is found and determined that all formal actions of City Council concerning and relating to the passage of this Resolution were taken in conformance with applicable open meetings laws and that all deliberations of this Council and of any committees that resulted in those formal actions were in compliance with all legal requirements including any applicable open meetings requirements.

SECTION 7. If any section, subsection, paragraph, clause or provision or any part thereof of this Resolution shall be finally adjudicated by a court of competent jurisdiction to be invalid, the remainder of this Resolution shall be unaffected by such adjudication and all the remaining provisions of this Resolution shall remain in full force and effect as though such section, subsection, paragraph, clause or provision or any part thereof so adjudicated to be invalid had not, to the extent of such invalidity, been included herein.

SECTION 8. That this Resolution shall take effect immediately.

Adopted in Martinsville, Virginia this 28th day of June, 2011.

Kim E. Adkins
Mayor, City of Martinsville

* * * * *

Attest:

Clarence C. Monday
Clerk of Council

Date Adopted



City Council Agenda Summary

Meeting Date: June 28, 2011

Item No: 3.

Department: City Manager/Human Resources

Issue: Consider approval of resolution regarding opting out of Line of Duty fund with the Virginia Retirement System.

Summary: During the annual budget process it was determined by staff to elect not to participate with Virginia Retirement System in Line of Duty fund.

Attachments: [Memo from VRS Resolution](#)

Recommendations: Motion to approve resolution to opt out.



P.O. Box 2500, Richmond, Virginia 23218-2500
Toll free: 1-888-VARETIR (827-3847)
Web site: www.varetire.org
E-mail: vrs@varetire.org

Memorandum

TO: Administrative Heads and Fiscal Officers

FROM: Robert P. Schultze, Director, Virginia Retirement System

DATE: May 24, 2010

SUBJ: **Opting Out of the VRS Managed Line of Duty Act Fund**

A handwritten signature in black ink, appearing to read 'Robert P. Schultze'.

The Virginia General Assembly, in its 2010 session, established a new Line of Duty Act (LODA) Fund with VRS as the investment manager. Localities that have eligible hazardous duty professionals on a paid or voluntary basis may choose to participate in the LODA Fund for their respective covered individuals or choose to self-fund these benefits. All localities are deemed to be a participant in the Fund unless they pass a VRS resolution to opt out of the Fund. Localities must pass the VRS opt-out resolution on or before July 1, 2012. Please note that this is an **irrevocable** election. Once you opt out of the Fund, you may not elect at a later date to participate. If no opt-out resolution is passed, by law you are deemed a participant in the LODA Fund and will be billed by VRS for contributions for your covered eligible employees and volunteers.

The State Comptroller will bill non-LODA Fund participating localities for actual claims in FY 2011, which will include an administrative fee. In late summer, VRS will bill LODA Fund-participating localities the FY 2012 per capita rate based on your census data of \$233.89 for eligible employees and \$58.47 for volunteers. Payment will be due in early fall. Those who opt out of the LODA Fund prior to July 1, 2011 will not be billed by VRS for FY 2012 contributions. If you choose to make an irrevocable election to opt out of the LODA Fund prior to the start of fiscal year 2012 (July 1, 2011 to June 30, 2012), the resolution must be passed with an effective date of July 1, 2011 and sent to VRS no later than July 31, 2011. All others who choose to opt out of the LODA Fund must make an irrevocable election and pass a resolution on or before July 1, 2012.

If you have questions concerning your FY 2011 claim expenses or any other pending claims, please contact:
Connie Jones, Line of Duty Act Coordinator, Virginia Department of Accounts
connie.jones@doa.virginia.gov or 804-786-1856.

If you are electing to opt out of the LODA Fund, a guide resolution is attached for your convenience. To opt out, please complete the resolution indicating that you are opting out of the LODA Fund. Note that by completing the resolution to opt out of the LODA Fund, you are acknowledging that you: (1) are making an **irrevocable** election; (2) are responsible for all LODA claims incurred by eligible employees and volunteers covered by your locality and will pay LODA claims and administrative fees as they occur; and (3) will be billed by the State Comptroller.

While funding for the LODA benefits has changed, benefits and those eligible for LODA benefits as either employees or volunteers remain as set forth in the *Code of Virginia* (§9.1-400 et seq.). The Comptroller and the Department of Accounts (DOA) will continue to administer the benefits and make eligibility determinations. Please also note that to be eligible for coverage under the LODA, members of fire companies or departments or rescue squads must be recognized by an ordinance or a resolution of the governing body of its respective county, city or town as an integral part of the official safety program of such county, city or town.

Every effort has been made to ensure that the head count, derived in part from self-reported data and upon which the LODA Fund premiums are based, comports with the eligibility criteria set forth in §9.1-400 of the *Code of Virginia*; however, the final eligibility determination for LODA claims will be determined on a case-by-case basis by the State Comptroller.

Once your governing body has made an election, send the resolution to:

Susan M. Keith
Employer Representative Program Manager
Virginia Retirement System
P.O. Box 2500
Richmond, VA 23219

Resources:

Questions may be directed to: LODA@varetire.org

View more information about the LODA Fund on the web at www.valoda.org or the Department of Accounts at www.DOA.Virginia.gov

Enclosure



A RESOLUTION OF THE CITY COUNCIL

IRREVOCABLE ELECTION NOT TO PARTICIPATE IN LINE OF DUTY ACT FUND

WHEREAS, pursuant to Item 258 of the Appropriations Act, paragraph B, the Virginia General Assembly has established the Line of Duty Act Fund (the "Fund") for the payment of benefits prescribed by and administered under the Line of Duty Act (Va. Code § 9.1-400 et seq.); and

WHEREAS, for purposes of administration of the Fund, a political subdivision with covered employees (including volunteers pursuant to paragraph B2 of Item 258 of the Appropriations Act) may make an irrevocable election on or before July 1, 2012, to be deemed a non-participating employer fully responsible for self-funding all benefits relating to its past and present covered employees under the Line of Duty Act from its own funds; and

WHEREAS, it is the intent of City of Martinsville to make this irrevocable election to be a non-participating employer with respect to the Fund;

NOW, THEREFORE, BE IT RESOLVED that City of Martinsville hereby elects to be deemed a non-participating employer fully responsible for self-funding all benefits relating to its past and present covered employees under the Line of Duty Act from its own funds; and it is further

FURTHER RESOLVED that the following entities:

Martinsville Police Department,
Fire Department,
Sheriff's Office,
and the Regional E-911,

to the best of the knowledge of the City of Martinsville, constitute the population of its past and present covered employees under the Line of Duty Act; and it is further

FURTHER RESOLVED that, as a non-participating employer, City of Martinsville agrees that it will be responsible for, and reimburse the State Comptroller for, all Line of Duty Act benefit payments (relating to existing, pending or prospective claims) approved and made by the State Comptroller on behalf of the City of Martinsville on or after July 1, 2010; and it is further

FURTHER RESOLVED that, as a non-participating employer, the City of Martinsville agrees that it will reimburse the State Comptroller an amount representing reasonable costs incurred and associated, directly and indirectly, with the administration, management and investment of the Fund; and it is further

FURTHER RESOLVED that the City of Martinsville shall reimburse the State Comptroller on no more than a monthly basis from documentation provided to it from the State Comptroller.

Adopted in Martinsville, Virginia this 28th day of June, 2011.

Kim E. Adkins
Mayor, City of Martinsville

* * * * *

Attest:

Clarence C. Monday
Clerk of Council

Date Adopted

Date: June 28, 2011

Item No: 4.

Department: Fire & EMS

Issue: Hear a presentation on the status of the City's current ability to alert citizens of an emergency situation such as severe weather.

Summary: Recent severe weather events across the Eastern United States brings attention to the need for early warning notifications. Adequate public notification systems require careful consideration of the community profile including such things as lifestyles, activities, and geographic attributes. The Emergency Management Coordinator will present a review of current capabilities and how these capabilities might be expanded and improved.

Attachments: [Presentation](#)

Recommended Action: No recommendation

Status of Community Alert Systems

Pulaski April 8, 2011



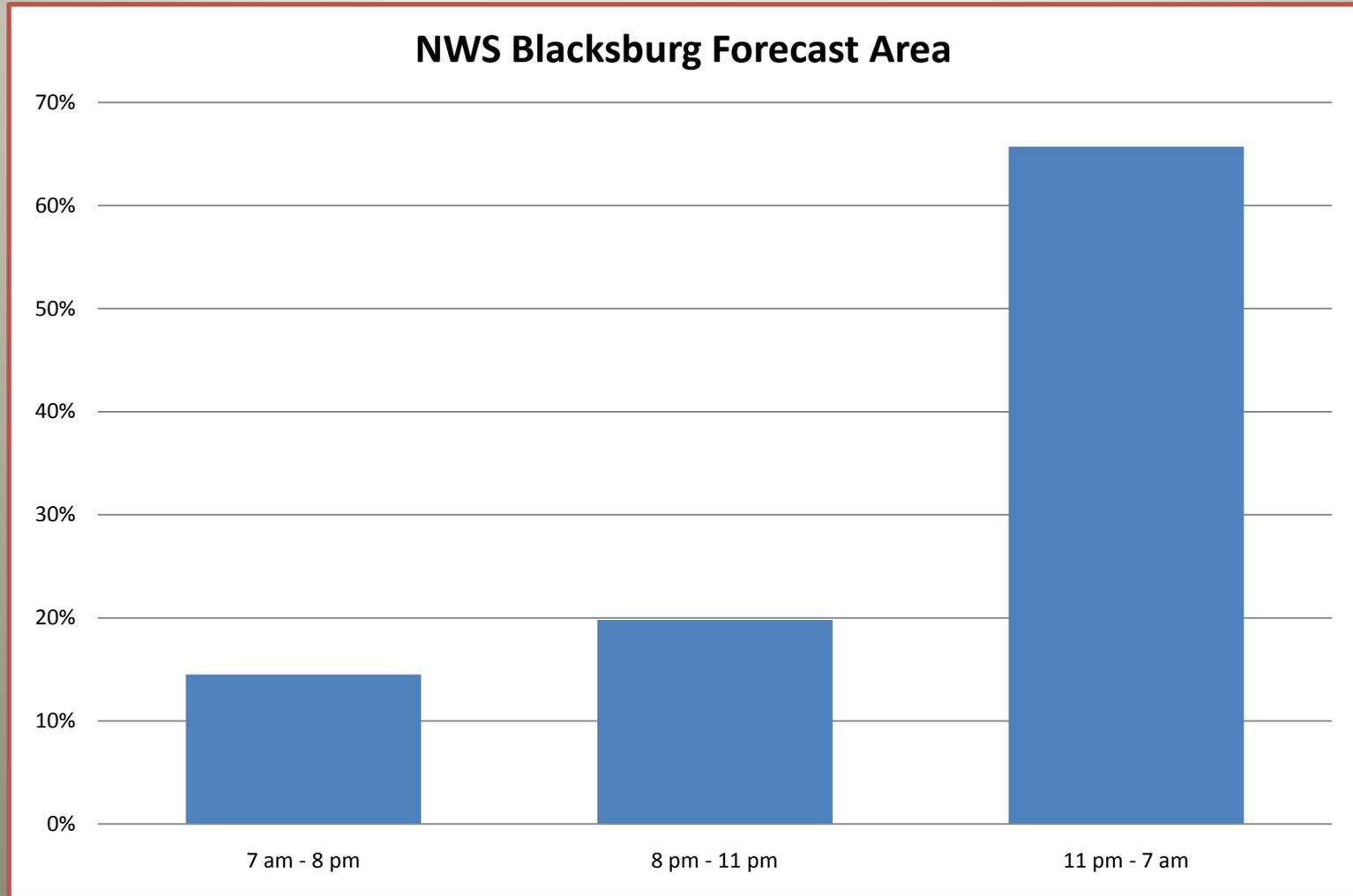
Pulaski April 8, 2011



Pulaski April 8, 2011



Tornado Warnings 2008 - 2011



Tornado Warning Challenges in Southside Virginia

- Visual Sighting based warnings
 - Time of day
 - Hidden in the storm
 - Communication delays
- “Radar Indicated” based warnings
 - Short life cycle of tornado
 - Refresh rate of radar

Public Notification Methods

- Traditional Media – Radio / TV
 - Pros.
 - Most stations interrupt normal broadcasting to aggressively report timely and pertinent information.
 - Cons.
 - Over 65% of the Warnings issued occurred between 11pm and 7am when most people are not exposed to Radio / TV.

Public Notification Methods

- NOAA Weather Radio
 - Pros.
 - Fast, accurate, area specific, many have backup batteries.
 - Provides emergency specific information
 - Cons.
 - Indoor device
 - May require an outside antenna in commercial buildings
 - Proper programming and setup may be a little complicated on some.

Public Notification Methods

- Social Media
 - Pros.
 - Mobile in nature
 - Reaches a segment of population that other mainstream media methods fail to reach.
 - Cons.
 - Limited audience
 - Currently requires local input of information

Public Notification Methods

- Text and Smart Phone Alerts
 - Pros.
 - Portable, battery operated, can work during night time hours.
 - Cons.
 - Frequently during severe weather Cell Phone Towers are damaged or overwhelmed causing service disruptions.

Public Notification Methods

- Reverse 911
 - Pros.
 - Can focus on small area
 - Provides specific instructions
 - Verification of notification
 - Cons.
 - Too slow for Tornado Warnings – Local Telephone Switch only supports 500 calls /min.

Public Notification Methods

- Community Alert Sirens
 - Pros.
 - Outdoor Warning Device
 - Great for Communities having large outdoor populations.
 - Cons.
 - Should be used as an Outdoor Only Warning Device
 - Ongoing Maintenance Cost
 - Typically do not provide instruction

Awareness is Key



Tornado Deaths in 2011

- US = 518
- VA = 7

According to information provided by the NWS, Investigation of the majority of these deaths found a lack of appropriate action was more of a factor than the lack of warning and notification.

Existing Siren 65 W. Church St.



Omni Directional Mechanical

Tends to provide constant sound pressure at a lower pitch frequency. This provides better coverage in hilly areas having large trees.



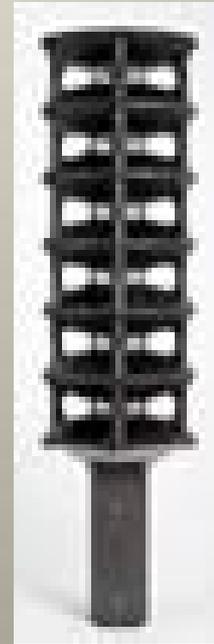
Rotating Uni-Directional Electronic

Projects louder tone further in one direction as it rotates. A larger area is covered but the tone is not constant. Voice can be used with limited success at greater distances.



Omni Directional Electronic

- Provides constant sound pressure
- Can provide multiple tones and voice instruction
- Can be controlled in zones (good for a sports complex)



Poles & Control Cabinets

Outdoor Warning Sirens would be mounted on Poles with a control cabinet at the base of the pole. They operate on battery power and would be activated by radio controls.

Summary

- Renew emphasis on Public Education about Severe Weather
- Refine the Capabilities of Existing Warning Systems
- Seek Grant Funding to Purchase Additional Early Warning Systems

Meeting Date: June 28, 2011
Item No: 5.
Department: Parks and Recreation

Issue: Consider authorizing the City Attorney to proceed with steps necessary to acquire property and/or obtain necessary easements for the approximate ¼ mile trail extension connecting the Dick & Willie trail to East Church Street.

Summary: Activate MHC has grant funding available for the construction of a trail head and approximately 1230 feet of new trail connecting the Dick & Willie Passage west of the Pine Street access point to East Church Street, near the East Church/Church St. Extension/Oakdale intersection. Staff will provide an update to Council on this project.

As noted, Activate MHC has funds available for construction of a trail extension from the Dick & Willie Passage west of the Pine Street access point through an undeveloped and wooded area, to end at a new trail head and paved parking area near the East Church/Church Extension/Oakdale intersection. The approximate ¼ mile trail extension will provide a means of access to the trail from the YMCA, Museum, Wilson Park, and other points of interest in close proximity to the intersection. Improvements will include new trail construction, paved parking, intersection crosswalk upgrades, a gazebo and landscaping at the corner of the YMCA lot, benches, signage, etc.

In order to proceed with the project, acquisition of property and/or easements will be necessary. City Attorney Eric Monday is familiar with these issues.

Attachments: [Project Cost Estimate](#)
[Presentation](#)

Recommendations: It is recommended that Council authorize the City Attorney to proceed with steps necessary to acquire property and/or obtain necessary easements.

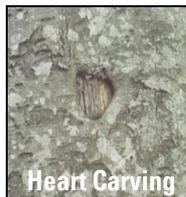


Urban Trails Action Plan and Budget

Spur Trail Extension to YMCA/VMNH/Frank Wilson Park **\$95,000**

The Dick & Willie Passage extension will connect the main trail to the YMCA corner lot at the intersection of Oakdale and Church Streets. It will allow easy access to the Virginia Museum of Natural History, Frank Wilson Park, and Patrick Henry Elementary School. Sidewalks provide a route to Piedmont Arts Association. The total length of the trail extension is 1230 feet. It passes through the heart of Uptown Martinsville in a lovely wooded area — the feeling is rural. Several points of interest have already been identified along the proposed trail route. They include:

- a rare tree called a Carolina Silverbell,
- an unusually large Beech Tree that had a heart carved into the bark years ago,
- a small stream to cross,
- natural decay of wood with associated mosses and lichen,
- many natural woodland ferns and wild flowers.



The cost estimate for this trail includes:

10 foot wide paved trail to match the Dick & Willie Passage including surveying and trail preparation: Trail Length is 1230 feet, cost per foot to pave is \$32.	\$ 40,000
Paved Parking Area on Church Street	10,000
Cost of Obtaining Easements and Legally Seizing Stolbun Property including newspaper classified ads and legal fees. The city would be asked to donate the property and the owed back taxes to the project.	2,000
Crosswalk with Flashing Lights at the intersection of Church Street, Oakdale, and Patrick Henry Avenue	11,000
Gazebo and Landscaping at Crosswalk Corner on YMCA lot to include a informational kiosk and large iron flowers intermingled with living plants to create interest.	8,000
Iron Leaves, two large to mark the trail and three to five small to mark items of interest that will be indentified with an interpretive sign. They are to be created by Ed Dolinger, the artist that created the other iron leaves for the spur trail.	10,000
8 to 10 Small Bronze Sculptures (bird, frog, grasshopper, butterfly, snake, etc.) for children to locate and identify along the trail, installed with iron rods and concrete to deter theft. A former Martinsville resident has been identified as a possible artisan for this project.	6,000
Natural Stacked Rock Bridge over the stream that passes along the trail.	2,500
3 Benches to match others along the passage.	1,500
Interpretive signs to match others along the passage.	2,000
Grass and Landscaping to include the addition of native trees and perennial flowers along the trail, for example; Virginia Bluebells, Woodland Daffodils, Astilbe, Maidenhair Ferns, Bleeding Heart, Japanese Anemone, Foxglove, Epididium, Dogwood and Redbud trees, etc.	2,000
Total Project Cost Estimate:	\$ 95,000



Greenway Extension
to the
Spur Trail of the Dick & Willie Passage

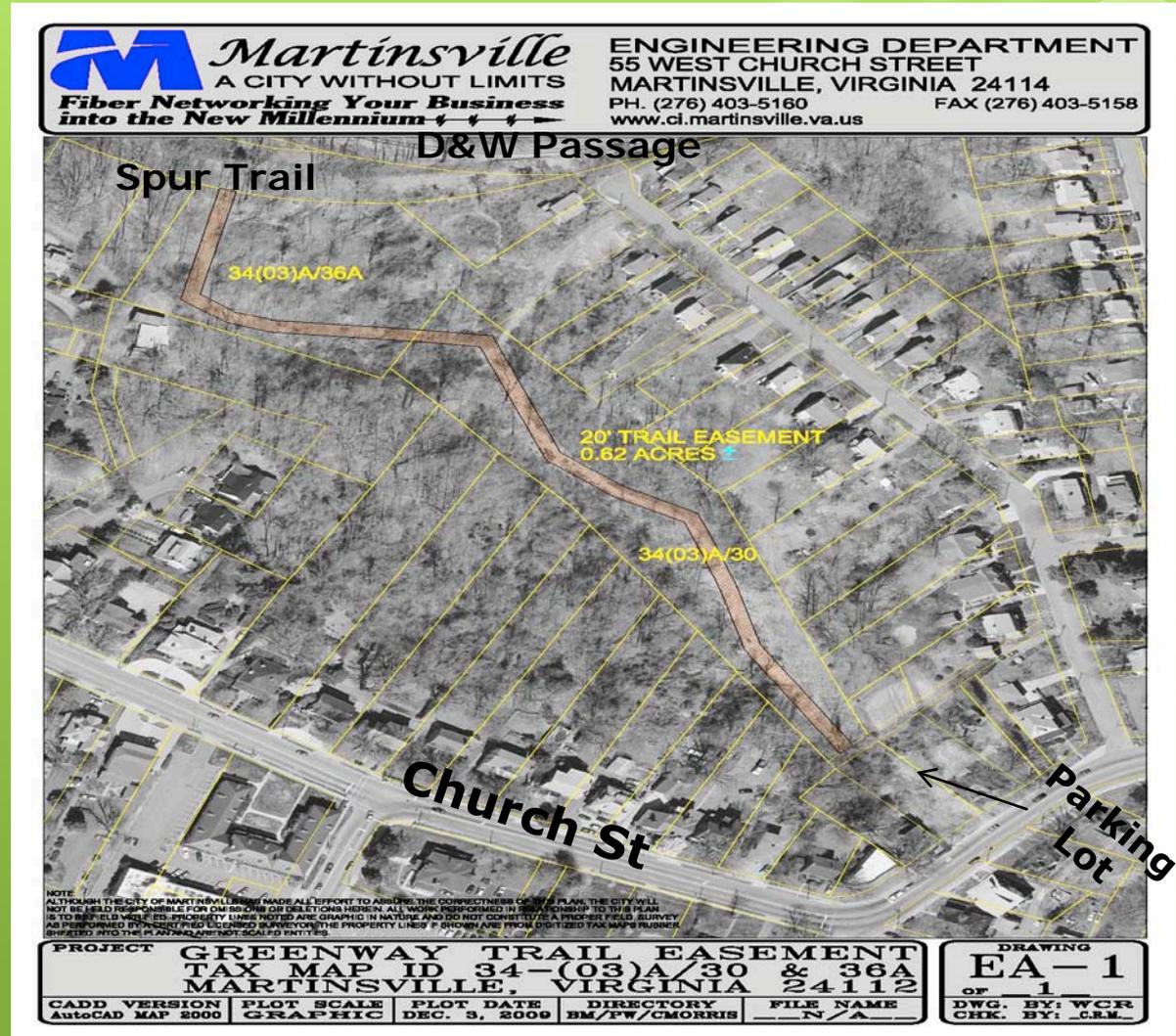
New Greenway Connector

Connections

- YMCA
- Virginia Museum of Natural History
- J. Frank Wilson Memorial Park
- PHES
- Piedmont Arts
- Northeast City Access

Amenities

- Paved Trail
- Additional Parking
- Spread the Volume of Users Out on the Greenway (safety)
- More Benches
- Crosswalk at Intersection of Church/Oakdale/Church St. Ext.
- Gazebo at YMCA



1230 feet of new Trail

Trail Funding

- **NO City Tax Dollars** will be used to fund construction of the trail.
- Construction is fully funded through the Activate MHC Urban Trails Action Plan.
- Harvest Foundation Grant funds Activate.

- **Budget**
 - \$40,000 – 10 foot wide paved trail, connecting Church St. Spur and D&W Passage, 1230' of Trail
 - \$11,000 – Pedestrian Crosswalk with Flashing Lights
 - \$10,000 – Parking Lot
 - \$10,000 – Iron Leaves and Interpretive Signs
 - \$ 8,000 – Gazebo and Landscaping on YMCA Land with Kiosk
 - \$ 6,000 – Bronze Sculptures
 - \$10,000 – Benches, Bridge, Plantings

 - **\$95,000 Total**



Expanding Our Greenway

Recommendations:

- Council authorization for the City Attorney to proceed with steps to acquire the Stolbun property on the corner of Church Street for trailhead and parking access should be granted.
- Grant City the authorization to obtain other necessary easements to develop linear feet of trail.
- **Future Maintenance of Trail:**
 - Martinsville Parks and Recreation will perform any maintenance required on the new trail.



Any Questions?





City Council Agenda Summary

Meeting Date: June 28, 2011

Item No: 6.

Department: Finance

Issue: Consider approval of Consent Agenda.

Summary:

The attachments amend the FY11 Budget with appropriations in the following funds:

FY11:

General Fund: \$38,677 – donations, recovered costs, and grant funding

Attachments: Spreadsheet

Recommendations: Motion to approve



City Council Agenda Summary

Meeting Date: June 28, 2011

Item No: 6.

Department: Finance

Issue: Consider approval of Consent Agenda.

Summary:

The attachments amend the FY11 Budget with appropriations in the following funds:

FY11:

General Fund: \$38,677 – donations, recovered costs, and grant funding

Attachments: [Spreadsheet](#)

Recommendations: Motion to approve

BUDGET ADDITIONS FOR 6/28/11

ORG	OBJECT	DESCRIPTION	DEBIT	CREDIT
<u>FY11</u>				
<u>GENERAL FUND</u>				
01100908	440402	Miscellaneous - Donations/Hooker Field		403
01725422	505508	Mustangs - Meals for Team donations to Mustangs	403	
01100909	490801	Recovered Costs - Senior Citizens		972
01714212	506016	Senior Citizens - Program Supplies receipts from trips & Bingo	972	
01100909	490801	Recovered Costs - Senior Citizens		756
01714212	501300	Senior Citizens - P/T Labor	395	
01714212	502100	Senior Citizens - Social Security	24	
01714212	502110	Senior Citizens - Medicare	6	
01714212	506008	Senior Citizens - Vehicle Maintenance Transportation Grant - April & May	332	
01100909	490134	Recovered Costs - Parks & Recreation		750
01713211	506010	Park Maintenance - Maint & Materials donations to park maint	750	
01100909	490104	Advance/Recovered Costs		3,000
01412141	501300	Engineering - P/T Labor Harvest Foundation - Summer Intern Program	3,000	
01101917	442810	Categorical Other State - Highway Projects		16,878
01413151	503140	Thorofare Construction - Prof. Service Engineering state reimbursements-Liberty St.	16,878	
01102926	443157	Categorical Federal - Safe Routes to School		15,918
01413146	503140	Street Marking - Prof. Service - Eng & Arch federal reimbursements-Safe Routes to School Grant	15,918	
Total General Fund:			38,677	38,677