

AGENDA--CITY COUNCIL
CITY OF MARTINSVILLE, VIRGINIA
Council Chambers – Municipal Building
7:30 p.m. REGULAR SESSION
Tuesday, August 14, 2012

Invocation – Mayor Kim Adkins
Pledge to the American Flag

1. [Consider approval of Council meeting minutes of May 22, 2012, May 24, 2012, and June 12, 2012.](#) (2 mins.)
2. [Presentation of proclamation recognizing National Recovery Month.](#) (2 mins.)
3. [Consider adoption of a Resolution nominating Mel Cartwright, Sr. for induction in the Virginia High School Hall of Fame.](#) (2 mins.)
4. [Hear update on City Manager search.](#) (15 mins.)
5. [Hear monthly update from MHC Economic Development Corporation.](#) (15 mins.)
6. [Hear update on reversion issue; public comment period; consider appropriation to fund study.](#) (30 mins.)
7. [Consider approval of consent agenda.](#) (2 mins.)
 - A. Accept & appropriate budget adjustments.
8. Business from the Floor
This section of the Council meeting provides citizens the opportunity to discuss matters, which are not listed on the printed agenda. In that the Council meetings are broadcast on Martinsville Government Television, the City Council is responsible for the content of the programming. Thus, any person wishing to bring a matter to Council's attention under this Section of the agenda should: (1) come to the podium and state their name and address; (2) state the matter that they wish to discuss and what action they would like for Council to take; (3) limit their remarks to five minutes; and (4) refrain from making any personal references or accusations of a factually false and/or malicious nature. Persons who violate these guidelines will be ruled out of order by the presiding officer and will be asked to leave the podium. Persons who refuse to comply with the direction of the presiding officer may be removed from the chambers.
9. Comments by members of City Council. (5 mins.)
10. Comments by City Manager. (5 mins.)
11. 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(A)—Closed Meetings, the following:
 - a. Appointments to Boards and Commissions as authorized by Subsection 1.
 - b. A personnel matter as authorized by Subsection 1.



City Council Agenda Summary

Meeting Date: August 14, 2012

Item No: 1.

Department: Clerk of Council

Issue: Consider approval of minutes of City Council May 22, 2012, May 24, 2012, and June 12, 2012 meetings.

Summary: None

Attachments: [May 22, 2012 minutes](#)
[May 24, 2012 minutes](#)
[June 12, 2012 minutes](#)

Recommendations: Motion to approve minutes as presented

May 22, 2012

The regular meeting of the Council of the City of Martinsville, Virginia, was held on May 22, 2012, 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 and Danny Turner. Staff present included: Leon Towarnicki, Interim City Manager, Brenda Prillaman, Eric Monday, Mike Rogers, Linda Conover, Dennis Bowles, Susan McCulloch, Ruth Easley, Chris Morris, and Sonya Penn.

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

Minutes: On a motion by Gene Teague, seconded by Mark Stroud, with a 5-0 vote, Council approved the minutes of the April 9, 2012 tour and April 9, 2012 Neighborhood Meeting.

Recognitions: Mayor Adkins read the following list recognizing city employees eligible for Service Awards April 1 through June 30, 2012.

Employee	Years of Service	Department
Eldage Hall	25	Public Works
Karen Harrison	20	Public Works
Anita Sowers	15	Police
Connie Marshall	15	Sheriff's Department
Ed Gower	15	Sheriff's Department
Kevin Turner	15	Sheriff's Department
Mildred Montgomery	15	Sheriff's Department
Christopher Owen	10	Fire
Dallas Hairston	10	Commissioner of Revenue
Earl Preston	10	Sheriff's Department
Jeff Corcoran	10	Sheriff's Department
Edward Martin	5	Police
Jimmy Rigney	5	Electric
Joseph Washburn	5	Police
Lawrence Clark	5	Sheriff's Department
Mark Peters	5	Police
Michael Clark	5	Police
Michael Law	5	Sheriff's Department
Pam Matthews	5	Circuit Court Clerk's Office

Public Hearing regarding FY13 Budget and approval of budget ordinance on first reading: Leon Towarnicki reviewed budget figures as presented originally and reviewed the following information previously sent to Council:

As a follow up to the two budget work sessions held on May 1 and May 3, attached is additional information either specifically requested by Council members, or information relevant to the discussions that may help clarify the decision process used during preparations.

VRS Evaluation

As was discussed, beginning July 1 employees are required to begin making a contribution (monthly pay deduction) to the Virginia Retirement System, to be offset by a corresponding salary increase, also to be offset by a corresponding reduction in the City's required VRS contribution. The contribution amount has been set by the General Assembly (SB 497) at 5% and localities have the option of implementing the full 5% at one time, or phasing in the 5% requirement by implementing a 1% increase annually over the next 5 years. Attached is a copy of a spreadsheet showing an analysis of the City's payroll and how each option impacts costs. While there are advantages in implementing the full 5% all at once, by phasing in a 1% increase annually over the next 5 years the City will save over \$300,000 compared to implementing the full 5% in year 1. The additional cost to the City, however, over the 5 year implementation period is over \$600,000.

Water/Sewer Rates & Proposed Rate Increases

The attached rate summary sheet is an excerpt from the annual Draper Aden report.

The City's current water rate is based on a 4000 gallon minimum, and the base rate is \$19.81/4000 gallons. The cost for 5000 gallons is \$23.00 and includes the \$19.81 base rate plus \$3.19 for the additional 1000 gallons. The City's sewer rate is \$18.14 for 4000 gallons, and the cost for 5000 gallons is \$20.87.

The 5000 gallon Martinsville rates listed are simply used for comparison purposes since the other rates in the Draper Aden report are also based on 5000 gallons. Currently, records show the number of water customers as 7,114 and the proposed \$3.50 rate increase will result in a projected revenue increase of \$298,788. The City's rate for 4000 gallons would increase to \$23.31, a 17.7% rate increase. Likewise, the number of sewer customers is shown as 6,570 and the proposed \$3.50 rate increase will result in a project revenue increase of \$275,940, a 19.3% rate increase. The two combined rate increases will generate an additional \$574,728 in water/sewer revenue.

The table below shows possible increases in water/sewer revenue based on incremental increases in the current rates and existing number of customers:

<u>Water</u>	<u>Sewer</u>
\$1.00/\$85,368	\$1.00/\$78,840
\$1.50/\$128,052	\$1.50/\$118,260
\$2.00/\$170,736	\$2.00/\$157,680
\$2.50/\$213,520	\$2.50/\$197,100
\$3.00/\$256,104	\$3.00/\$236,520
\$3.50/\$298,788	\$3.50/\$275,940

Vehicle/Equipment List

May 22, 2012

The attached Equipment Master List shows City equipment by department, with the items highlighted in yellow being those items included in the Capital budget presented to Council. One note – the Police list shows 7 vehicles highlighted for replacement and the Capital budget presented to Council included funding for 6 vehicles. Efforts will be made to replace one vehicle under the United States Department of Agriculture grant program.

Meals Tax – Proposed Rate Increase

Actual FY11 meals tax collections are shown as \$1,409,441, and the FY12 projection is \$1,402,000, based on the current 6% rate. Based on this information, an additional 1% could be expected to generate approximately \$233,000 per year and the FY13 budget projection is based on 10 months of additional revenue, allowing for an approximate 2 month period to fully implement the change. 10 months of a 1% increase will result in an increase of approximately \$194,000. A ½% increase will result in approximately \$97,000 in FY13.

Employee Health Insurance

The budget as originally presented to Council includes funding to reduce the employee contribution to health insurance to \$90/month and restoring \$220 to the employee health savings account that was shifted over last year to reduce insurance premiums. This is in an effort to move non-school employees closer to school employees regarding health insurance premium costs and put all employees on the same contribution schedule. Included in the budget are: (1) costs to restore \$220 per employee (and retiree) to the HSA; (2) costs to absorb the 7.3% insurance premium increase; (3) costs to reduce the employee insurance premium to \$90/month.

Costs are: (1) \$75,900 (cost to restore HSA funding)
(2) \$127,848 (cost to absorb 7.3% increase only)
(3) \$249,947 (cost to absorb 7.3% increase and drop employee cost to \$90)

Capital Needs/Funding – General Comments - Recommendations

The budget as originally presented included a projected use of fund balance of \$738,750, level funding for schools and outside agencies, and rate adjustments for meal taxes, water, and sewer. Adjustments have occurred to the budget since initially presented based on updated/revised information and the FY13 budget as advertised calls for a use of fund balance of \$866,816.

The proposed 7% meals tax is projected to generate \$1,595,000 in FY13, and of that amount \$416,173 is being projected as a transfer to the Capital Reserve Fund. Of that amount, \$322,155 will be required to cover existing debt service, leaving a balance of \$94,018 to apply to other capital needs. Excluding vehicles and major equipment, and reducing the remaining capital requests to “must-haves”, the proposed FY13 Capital Reserve requests totals \$265,200. Based on these needs, additional capital funding of \$171,182 is required. It is staff’s recommendation that this amount be taken from the capital reserve fund balance for FY13 to cover costs related to these purchases. The capital list under this scenario excludes some annual recurring needs such as police radios, body armor, weapons, minor maintenance needs and upgrades, etc.

The remaining capital list of vehicles and equipment includes police cars, a garbage truck, fire truck, electric bucket truck, dump truck, and a sheriff’s department car and has an estimated cost of \$1,101,600. An option for handling these purchases is to incur debt service (bond issuance) of approximately \$250,000 annually (3.5%, 5 yr term). Funding to accommodate this arrangement will come from additional budget cuts, increases in revenue, or combinations. Initially it was anticipated that the water/sewer rate increases would provide adequate funding for capital needs but after review of projected water/sewer FY12 revenue showing a decrease of \$358,613 from budgeted amounts, the full amount of the proposed water and sewer rate increases is being used to maintain transfers to the general fund.

At the May 3rd budget work session, a number of options were presented for consideration as possible budget reductions. To reduce the use of fund balance to approximately \$500,000 plus provide adequate funding for debt service for major capital (outlined in previous paragraph) will require either reductions in spending or increases in revenue (or combinations) equivalent to \$616,816. Given that meals tax and water/sewer rate increases are already plugged into the FY13 proposed budget, it is suggested that remaining adjustments come from budget reductions which could impact schools, police, fire, parks & recreation, and baseball.

Council discussion prior to budget public hearing included: VRS employee contribution, water/sewer rate increases, employee health insurance costs, monthly AMP fees, vacant positions. Mayor Adkins then opened the public hearing on the FY13 budget. Chad Martin-Fourth St.-presented petition with 200 signatures asking that Parks and Recreation department not be cut from city services; Liza Moore-comments on Teens Opposing Poverty and importance of parks; Rev. Michael Dunn-commented crime will increase if parks are closed; Rev. Rueben Boyd-commented closing parks is not a good idea; Lee Vernon-comments on importance of recreation programs; Ural Harris-217 Stuart St.-comments regarding city needs to make cuts with no increases in fees or taxes and EDC budget needs addressing; Lonnie Carter-commented citizens cannot afford increases; John Hale-Binding Time Café-commented the increase in meals tax puts restaurants at a competitive disadvantage; Pam Heath-reiterated schools request for level funding and asked for a verbal agreement on amount at tonight’s meeting. Mayor Adkins closed the public hearing.

Council discussion regarding FY13 budget: per capita EDC funding; need for agreement on acceptable use of fund balance; cutting 3 vacant positions; need for financial analysis to determine if the current government is sustainable for the future and to deal with reversion issue; school funding; meals tax increase.

A motion was made by Gene Teague, seconded by Kimble Reynolds, with a 5-0 vote, to eliminate funding the 3 vacant positions previously suggested as options to balance the FY13 budget.

May 22, 2012

A motion was made by Gene Teague, seconded by Mark Stroud, with a 5-0 vote to add \$20,000 to FY13 budget to fund a financial analysis to address (1) structure of government and address options for reversion and (2) financial projections/expenses for next 5 years.

A motion was made by Mark Stroud, seconded by Kim Adkins, to level fund the schools. The motion failed with a 3-2 vote. (Turner, Reynolds, Teague voting nay). City Attorney Eric Monday pointed out that Councilman Stroud has filed a conflict of interest statement.

A motion was made by Gene Teague, seconded by Danny Turner, to eliminate the proposed meals tax increase. The motion failed with a 3-2 vote. (Adkins, Reynolds, Stroud voting nay).

A motion was made by Mark Stroud, seconded by Kimble Reynolds, to have a 1/2 cent meals tax increase. The motion passed with a 3-2 vote (Turner and Teague voting nay).

A motion was made by Danny Turner, seconded by Mark Stroud, to increase water/sewer rates by \$1.00. The motion failed with a 3-2 vote (Adkins, Turner, Teague voting nay).

A motion was made by Gene Teague, seconded by Kimble Reynolds, to increase water/sewer rates by \$2.50. The motion passed with a 3-2 vote (Stroud and Turner voting nay).

A motion was made by Gene Teague, seconded by Mark Stroud, to approve the employee health insurance cost HAS funding cost (\$75,900) and funding the 7.3% premium increase (\$127,848). The motion passed with a 4-1 vote (Turner voting nay).

A motion was made by Danny Turner to fund the EDC at \$140,000 vs. the proposed \$339,500 to save approximately \$200,000. The motion died for lack of a second.

A motion was made by Gene Teague, seconded by Danny Turner, to not fund the \$70,000 position of director of Parks & Recreation to make the current part-time office associate position full time for a budget impact of \$55,000 net effect. The motion passed with a 4-1 vote (Adkins voting nay).

A motion was made by Gene Teague, seconded by Danny Turner, to ask the city constitutional officers to find a combined amount of \$50,000 to cut from their budget. The motion passed with a 3-2 vote (Adkins and Stroud voting nay).

A motion was made by Gene Teague, seconded by Danny Turner, to take out the \$10,000 from Goals & Initiatives line item. The motion passed with a 5-0 vote.

A motion was made by Gene Teague, seconded by Danny Turner, to reduce the school funding by \$126,394. The motion passed with a 3-2 vote (Adkins and Stroud voting nay).

A motion was made by Gene Teague, seconded by Danny Turner, to cut library funding \$61,000. The motion failed with a 3-2 vote (Adkins, Reynolds, Stroud voting nay). Council agreed library funding would be an item of discussion at next budget worksession.

A motion was made by Gene Teague, seconded by Danny Turner, to cut \$60,000 from the EDC funding. The motion passed with a 4-1 vote (Adkins voting nay).

Council noted the fund balance use is now at approximately \$931,000 with Council actions taken and further discussion will be had at upcoming budget worksession.

A motion was made by Gene Teague, seconded by Kimble Reynolds, to approve the FY13 budget ordinance on first reading as amended at tonight's meeting. The motion passed with a 4-1 vote (Turner voting nay).

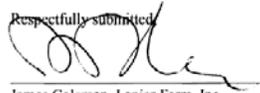
Public Hearing regarding City School Board applicants: Pursuant to Code of Virginia section 22.1-29.1 a public hearing is necessary to introduce and consider names of persons interested in

May 22, 2012

appointment to a vacancy on the Martinsville School Board and to receive the views of citizens within the school division. This state code section also states that no nominee or applicant whose name has not been considered at the public hearing shall be appointed as a school board member. Mayor Adkins opened the public hearing. Robert Williams and Carolyn McCraw spoke during the public hearing asking for Council's consideration of re-appointment to the city school board. Mayor Adkins closed the public hearing. The actual appointment must be made at least seven days after the hearing and appointment will be on the June 12, 2012 agenda.

Public Hearing regarding rezoning 1150 Spruce St.: Susan McCulloch presented the following information: A Dollar General Store is being proposed for the vacant parcel at 1150 Spruce St. The current zoning of this parcel will not allow for a retail establishment of small to moderate scale. The vacant parcel is surrounded by P-2 Professional, C-1 Neighborhood Commercial and R-9 Residential. One of the features of this parcel is its topography, which slopes to the west toward Indian Trail. This sloping creates a natural buffer from the residential properties on Indian Trail. In addition, a rear yard setback of forty (40) feet is required by the Zoning Ordinance. The designation of C-1A, Intermediate Commercial would allow for commercial uses that already exist in the surrounding area. The Future Land Use Map indicates that this area should be Residential in use. Therefore, this rezoning would necessitate an amendment to the Future Land Use Map. Planning Commission held a duly advertised public hearing on March 22, 2012. Several adjacent property owners expressed concern with the development of this property and were opposed to any commercial use. Planning Commission voted (4-2) to send this amendment to City Council for its consideration.

This proposed rezoning is subject to the following proffers made by the applicant:

<p style="text-align: center;">Lanier Farm, Inc. Tax Parcel Number 54 (02) 00B</p> <p>Re: Rezoning Application for Tax Parcel Number 54 (02) 00B of Lanier Farm, Inc. for a rezoning of 5.515 acres on 1150 Spruce Street in the City of Martinsville from P-2 to C-1A.</p> <p>The Owner-Applicant in this zoning case, pursuant to Section 15.2-2298 of the Code of Virginia (1950 as amended) and the Zoning Ordinance of the City of Martinsville, for itself and its successors or assigns, proffers that the development of the property as included in the Zoning Case for Tax Parcel Number 54 (02) 00B will be developed as set forth below; however, in the event the request is denied or approved with conditions not agreed to by the Owner-Applicant, these proffers and conditions shall be immediately null and void and of no further force or effect.</p> <p>The Applicant hereby proposes the following Proffered Conditions in the Zoning Case for Tax Parcel Number 54 (02) 00B as follows:</p> <p>1: A 50 foot natural buffer will be preserved along the southern property boundary as shown on the attached exhibit. A 35 foot natural buffer will be preserved along the western portion of the southern property boundary as shown on the attached exhibit. Only clearing for utility and storm water management easements that cross generally perpendicular to the property line will be permitted within the natural buffer.</p>	<p>2: A 6 foot tall wooden fence will be installed along the southern clearing limits as generally shown on the attached exhibit.</p> <p>3: The peak storm water runoff rate for the developed condition will be limited to the peak storm water runoff rate of the pre-developed condition for a 100 year storm event.</p> <p>4: The exterior front of any building facade fronting Spruce Street shall have 50% brick and/or glass exterior, a minimum of 10ft in height from finish floor elevation.</p> <p style="text-align: right;">Respectfully submitted,  James Coleman, Lanier Farm, Inc.</p>
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Bryant Gammons with Highmark Engineering presented further explanation and information on development and updated proffers. Mayor Adkins opened the public hearing. Craig Dietrich-concerns about the length of the lease and it becoming a vacant building; Yvonne Givens, Third Bay Café owner, concerns with traffic and the need for traffic signal; Carolyn Baptist, 1009 Mulberry, concerns about dangerous intersection; Bill Pearson-commented on unsightly appearance of Dollar General Store in Ridgeway; Kevin Lewis, 721 Indian Trail-did not expect the neighborhood to change to commercial business and cause decrease in property values, pond and mosquito concerns; Hilda Shields, 731 Indian Trail-drainage concerns, need traffic signal and tree barriers; Amy Hunt, 719 Indian Trail-opposed to rezoning; John McCraw, 1724 Meadowview Lane-opposed, should go in an existing vacant

May 22, 2012

building; Tiffany Lawry-opposed to re-zoning; Amanda Pulliam and Richard Pulliam, 709 Indian Trail-opposed to rezoning; Kevin Lewis-traffic hazard comments; Greg Hunt, 719 Indian Trail-opposed, noting it will be visible during fall months even with plantings. Mayor Adkins closed the public hearing.

A motion was made by Gene Teague, seconded by Danny Turner, with the following 3-2 recorded vote: Adkins, aye; Teague, aye; Reynolds, nay; Stroud, nay; and Turner, aye, to approve the ordinance on first reading to rezone 1150 Spruce Street from P-2 Professional to C-1A Intermediate Commercial. Council comments on vote: Teague-feels commercial use is consistent with that property and realizes this is a tough issue for neighborhood; Stroud-had citizens tell him we cannot turn our backs on businesses; Reynolds-important to be business friendly, but he differs in opinion and voted to oppose; Adkins-rezoning this property supports the comprehensive plan and is consistent with neighborhood and feels reasonable accommodations were made by the developer.

A motion was made by Gene Teague, seconded by Danny Turner, with the following 4-1 recorded vote: Adkins, aye; Teague, aye; Reynolds, nay; Stroud, aye; and Turner, aye, to amend the Future Land Use Map to show the 1150 Spruce Street parcel as Commercial.

Resolution regarding Blue Creek Wind Farm: Dennis Bowles and Eric Lloyd of AMP presented information on the Blue Creek Wind Farm Purchase Power Agreement Offering from American Municipal Power. Mr. Bowles briefed Council on the staff recommendation: Staff along with GDS Associates and the Blue Ridge Power Agency recommends participation in the renewable wind project based on the project economics, as compared to other renewable supply options and the additional diversification this resource will provide to our existing power portfolio. Staff recommends approving a Resolution authorizing the City Manager to execute a Purchase Power Agreement with American Municipal Power for 750 (seven hundred fifty) kilowatts of capacity and energy from the Blue Creek Wind Farm. After lengthy Council discussion regarding risks and AMP track record, a motion was made by Mark Stroud, seconded by Kim Adkins, to approve the resolution to participate in the Blue Creek Wind Project and with a 3-2 vote, the motion failed. (Reynolds-nay; Teague-nay; Turner-nay).

<p>AMP has negotiated a twenty year Power Purchase Agreement (PPA) with Iberdrola for up to 54 MW of output from the Blue Creek Wind Farm located in both Van Wert and Paulding Counties in Northwest Ohio.</p> <p>The Wind PPA is contingent upon successfully subscribing a minimum of 30 MW share of the project to the AMP membership. Iberdrola has set a June 1, 2012 deadline for AMP to specify the amount of capacity the AMP membership has subscribed through the Wind PPA. The term of the PPA is expected to be July 1, 2012 through June 30, 2032 (although these dates may both move back if commercial operation is later than July 1, 2012).</p>	<p>The Agreement between AMP and Iberdrola for the Blue Creek Wind Farm project that was executed on February 27, 2012 was contingent upon AMP members subscribing a minimum of 30 MW, as well as final approval by Iberdrola's Board. Through the final approval process the term length of the Agreement has been revised from 20 years to 10 years. The pricing and terms for the first 10 years remains as was previously presented. To date Member interest appears to be in excess of the required 30 MW minimum.</p> <p>Revised sample Ordinance/Resolutions and updated Exhibits to the Power Schedule will be e-mailed to the Members by the end of this week. The deadline for execution of the Power Schedule is still June 1, 2012.</p>
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Mr. Bowles also provided an update on the Prairie State charges with the following information from AMP:

<p>As previously reported, on March 21, 2012 a joint meeting of the Prairie State Participants Committee and AMP Board was held to provide the Committee with a project update and to review the billing rates. At this meeting, the Participants Committee and Board passed a motion to begin collecting a demand rate of \$20.22/kW-Mo for AMP's share of one Unit (184 MW) starting with the March 2012 power invoices, and this same demand rate for AMP's share of both Units (368 MW) beginning on June 1, 2012.</p> <p>At the AMP Board of Trustees Meeting yesterday, the Board passed a motion to continue collecting the demand rate of \$20.22/kW-Mo until the Commercial Operation Date (COD) of Unit 1. Upon COD of Unit 1, a demand rate of \$24.566/kW-Mo will be collected, which includes debt service plus fixed O&M charges. You will be notified once Unit 1 is declared in commercial operation.</p> <p>The motion also stated that no demand charge would be billed in association with Unit 2 until COD of that Unit which is currently projected to be no earlier than October 25, 2012. Bond proceeds/capitalized interest will be utilized to make interest payments due in August 2012.</p> <p>The EPC Contract with Bechtel contains guaranteed completion dates of December 6, 2011 for Unit 1 and August 1, 2012 for Unit 2. The contract allows for liquidated damages to be charged for each day past these guaranteed completion dates.</p>

May 22, 2012

Authorization of BPOL refund: the Commissioner of the Revenue's office annually verifies and updates BPOL license fees based on federal tax return gross receipts information that is provided to the office by individual business taxpayers. The city's business license is based on the actual gross receipts that a business had for the prior tax year or the current year for first year businesses. Corrections to the 2008-2012 license year assessments have been made by the Commissioner of the Revenue office based on reported actual gross receipts of the business. Some of the adjustments resulted in an overestimate of the estimated gross receipts reported on the annual business license application and in other years, the adjustment resulted in an under estimate of the actual gross receipts. The corrections report was forwarded to the City Treasurer where payments made were reapplied to adjusted bills. Because the total refund amount is over \$2,500, City Council must authorize the City Treasurer to issue the refunds so that the timing of the refund does not negatively impact the city's cash flow. City of Martinsville ordinances address updates of estimated business licenses that were not based on a prior year's actual gross receipts. The city's ordinance §11-23(f) provides that there shall be no interest charged or refunded on an adjustment of estimated tax liability to actual liability at the conclusion of the base year. We would not have assessed interest if the taxpayer had underestimated their gross receipts and we updated the assessment based on verification of actual gross receipts. Consequently, the city ordinances provide that we do not refund interest on these types of estimated assessments when they are overestimated. This refund is similar to other refunds that City Council has authorized in that it resulted as an appeal of a statutory assessment of the 2008 business license. The scope of the appeal was extended to the subsequent years when actual verification information was provided by the company correcting not only the gross receipts but the rate at which the business was taxed. The 2008-2012 BPOL assessments remained estimates until it could be verified with actual gross receipts as reported on the business federal tax returns. The necessary federal returns to verify the gross receipts for the business were provided recently. 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, City Council must authorize the City Treasurer to issue the refund. Pursuant to City Ordinance §11-23(f) there is no need to calculate interest provided the refund is made within 30 days of the adjustment to reflect actual tax liability. On a motion by Gene Teague, seconded by Kimble Reynolds, with a 5-0 vote, Council authorized the City Treasurer to issue refund of \$3,448.34 city business for their updated 2008-2012 business licenses effective May 23 or June 13, 2012.

Monthly finance report: On a motion by Mark Stroud, seconded by Danny Turner, with a 5-0 vote, Council approved the finance report presented by Finance Director Linda Conover.

Consolidated Revenues & Expenditures through April 2012

Through the end of April, revenues in the General, Meals, Capital Reserve and Utility funds are greater than anticipated by \$618,604 due in part to higher than budgeted collections in overall General Property and Other Local Taxes, various reimbursements, recovered costs, miscellaneous receipts, and grant funding in the General Fund. The General Fund has the largest variance at slightly more than \$334,000. The Meals Tax, Capital Reserve, Refuse and Sewer Funds revenues were all greater than anticipated. The Water and Electric Funds both presented negative revenue variances of \$14,504 and \$222,554 respectively. The mild weather we've experienced through the winter and early spring resulted in reduced electric consumption and reduced power bills, causing the difference in revenues. The expenditure variance for the major funds is a positive \$2,085,506. The General Fund's positive variance of \$1.5 million accounts for the majority. This difference can be attributed to timing issues, including incomplete projects, and various vacancies throughout the organization.

Combined Balance Sheet through April 2012

When compared to end-of-year FY11, the overall Fund Balance increased by \$9,472,455 through April due to the financing proceeds in the Meals Tax and Capital Reserve funds received in the current fiscal year.

May 22, 2012

Projected Fund Balances for FY12 & FY13

Based on projections calculated during the FY13 budget process, the overall Fund Balances at the end of Fiscal Year 2012 is projected to be \$23,532,335, an increase of \$9,273,151 for the Fiscal Year. If adjusted to accommodate the additional financing proceeds, the overall Fund Balance would be \$13,055,329, a decrease of \$1,203,855 from end-of year FY11, which includes re-appropriations of \$1,799,065 from the prior year. The Unassigned Fund Balance, exclusive of Utilities, is estimated to be \$2,784,459. Based on the projection for year-end FY12 and the FY13 budget as proposed, the overall Fund Balances at the end of Fiscal Year 2013, is projected to be \$22,016,473, a decrease of \$1,515,862. The Unassigned Fund Balance, exclusive of Utilities is estimated to be \$1,694,821, reflecting a decrease of \$1,089,638 from prior year.

Consent agenda: 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 5/22/12	
			DEBIT	CREDIT
<u>FY12</u>				
<u>General Fund:</u>				
1101917	442402	Categorical Other State - Confiscated Assets - C Atty		5,058
1221082	506105	Comm Atty - Conf Assets State	5,058	
1101917	442401	Categorical Other State - Confiscated Assets - Police		7,867
1311085	506078	Police Dept - Conf Assets State appropriation of state asset forfeitures	7,867	
01100904	442401	Local Confiscated Assets - Police		200
01311085	506118	Police Dept - Local Confiscated Assets Local Confiscated Assets	200	
01100904	442402	Local Confiscated Assets - Comm. Attorney		200
01221082	506118	Comm. Atty - Local Confiscated Assets Local Confiscated Assets	200	
01100909	490104	Advanced/Recovered Costs		362
01217078	505500	Sheriff-Courts - Travel Reimb-fuel & transportation	362	
<u>Total General Fund:</u>			<u>13,687</u>	<u>13,687</u>

Business from floor: none

Council comments: Reynolds-asked that City Attorney review the city auditor's contract and consider changing auditors; also wants approval from Council on city a hiring financial analysis firm.

Interim City Manager comments: pointed out baseball starts next Tuesday.

Board appointment: On a motion by Gene Teague, seconded by Danny Turner, with a 5-0 vote, Council re-appointed Bob Vogler, 301 Oakdale St., to a 2-year term ending 12/13/13 on the Comprehensive Services Community Policy & Management Team.

There being no further business, the meeting adjourned at 11:45 pm.

Brenda Prillaman
Clerk of Council

Kim Adkins
Mayor

May 24, 2012

A budget worksession of the Council of the City of Martinsville, Virginia, was held on May 24, 2012, in Council Chambers, Municipal Building, at 4:15 PM, with Mayor Kim Adkins presiding. Council Members present included: Mayor Adkins, Vice Mayor Kimble Reynolds, Gene Teague, Mark Stroud, Sr., and Danny Turner. Staff present included: Leon Towarnicki, Interim City Manager, Brenda Prillaman, Linda Conover, Eric Monday, Dennis Bowles, Kenneth Draper, Ashby Pritchett, Steve Draper, Ruth Easley, Donna Odell, Cindy Dickerson, and Andy Lash.

Mayor Adkins called the meeting to order.

Constitutional officer's budget recommendations: Clerk of Circuit Court Ashby Pritchett presented the following Constitutional Officer Plan for achieving \$50,000 in

The city has originally allocated \$4,725 per employee for medical insurance in the 4/26/12 introduced budget. It is our understanding that the actual amount may have been amended during the May 22nd meeting to be \$4,230. Historically there are employees in the Sheriff's Department, the Commonwealth Attorney's office and the Treasurer's office who do not take advantage of this benefit, though it is required to be budgeted by the city. At the end of the fiscal year this money has been recognized as savings. Rather than waiting until the end of FY13 to recognize this savings, the Constitutional Officers suggest recognizing the savings on the front end of the fiscal year. These are savings that do not affect revenue streams or require personnel layoffs. The recognized savings would be as follows:

Sheriff :	16 employees either at the \$4,725 as originally budgeted = \$75,600 or at the adjusted amount of \$4,230 = \$67,680
Commonwealth's Atty:	3 employees either at the \$4,725 as originally budgeted = \$14,175 or at the adjusted amount of \$4,230 = \$12,690
Treasurer:	1 employee either at the \$4,725 as originally budgeted = \$ 4,725 or at the adjusted amount of \$4,230 = \$ 4,230
Total Savings:	at the \$4,725 as originally budgeted = \$94,500 or at the adjusted amount of \$4,230 = \$84,600

We did not receive updated budget documents so it is a bit difficult for us to determine if we are working from the original budget document using the \$4,725 as an assumption, or the \$4,230 as an assumption.

After lengthy discussion on the insurance issue, Sheriff Steve Draper reported he can commit \$10,000 out of his department's budget without affecting personnel.

Library funding: Drusilla Carter of the library reported impact on cutting library funding \$61,000 in FY13 noting it would affect state aid and federal funding. Council discussion included reviewing the original regional funding agreement for the library which was made more than 20 years ago.

Southside Fire station funding: Chief Kenneth Draper presented the following information for Council consideration:

1. Closing the Southside Fire Station (Company 2)

Potential Savings:

- **Building Related:**
 - Approximately \$5,500.00 annually in utilities.
 - Approximately \$500-\$1,000 in routine maintenance.
 - Approximately \$587 in VML insurance (building & boiler)
 - \$126,300 tax assessed value, if sold.

- **Non-Building Related:**
 - Approximately \$5,000 from the sale of 'Old Engine 2' (1934 American LaFrance Fire Engine).
 - Approximately \$5,000 from the sale of Engine 1 (1979 Oren).
 - Approximately \$648 in VML insurance (Engine 1).

Pros:

- **Reduction in the amount expended in our/City's operating budgets:**
 - Approximately \$7,700 annually.
 - Approximately \$136,300 revenue from sale of building and two engines, as noted above.

Cons:

- **Overcrowding at Headquarters Fire Station (Company 1):**
 - Company 1 was built in 1967, and was never designed to house the number of personnel, equipment and apparatus that is currently assigned to this station.
 - Would have to remodel station to accommodate the additional personnel from Company 2.
 - Would have to remodel station to add sufficient storage space for items that are currently being stored at Company 2 (uniforms, structural turnout gear, fire hose, etc.).
 - Would have to add additional apparatus bay space for one (1) fire engine and one (1) ambulance.
 - Approximate cost is estimated to be in excess of \$1 million to renovate Company 1 to address aforementioned overcrowding issues.
- **Increased fire & EMS response times to Southside area of City:**
 - Company 1 is not centrally located within the City.

- Mostly affect area around Company 2; Memorial Blvd., Forest St., Smith Lake Rd. and their side streets. Could potentially affect the southern most areas around Mulberry Rd., Druid Hills, and side streets.
- Estimate an increase of one (1) to three (3) minutes in affected areas.
- Would potentially result in greater fire loss, and decreased chance of surviving a significant medical or traumatic event in affected areas.

- **Decrease in ISO Fire Rating for the City.**
 - Currently the Fire & EMS Department, and City, is rated at an ISO Class 4.
 - Closing Company 2 would result in our ISO rating to decrease to a Class 5, and potentially to a Class 6.
 - Would affect both residential and commercial property insurance rates. Those who have their insurance with companies that base their rates on the ISO Rating Scale would see an increase in their premiums; however, it is unclear how much of an increase would be realized.

May 24, 2012

Leon Towarnicki presented the following recap of information from 5/22/12 Council FY13 budget actions:

File Notes From 5/22/12 Budget Discussion

Begin with General Fund usage of	\$866,816
• Add transfer from Capital Reserve -	\$171,182
• Add estimated capital debt service (for \$1.1 million capital)	\$250,000
• Add estimated cost of financial plan of	\$20,000
• Add due to meals tax reduction from 1% to ½% of	\$97,000
• Add due to water/sewer rate reductions from \$3.50 to \$2.50 of	\$164,108
Total projected FB usage -	\$1,569,106

Reductions

Eliminate 3 positions – Police, Budget Analyst, Mechanic – approx	\$215,000
Not fill Parks & Rec Director, but convert part time office to full time -	\$55,000
School reduction of	\$126,394
Remove Goals & Initiatives -	\$10,000
Reduction to EDC -	\$60,000
Constitutionals cumulative reduction of	\$50,000
Insurance reduction of	\$131,703
Total reductions	\$648,097
Resulting Projected use of FB	\$921,009

Employee Health Insurance

- (1) \$67,300 (cost to restore HSA Funding)
- (2) \$126,808 (cost for City to absorb 7.3% increase only)
- (3) \$258,511 (cost to absorb 7.3% increase and drop employee cost to \$90)

Currently 1 and 3 are in budget. Councilman Teague suggested leaving 1 and 2 only in budget, and employee cost remains at current level. Cost will be 1 + 2, or \$194,108, saving City \$131,703.

Suggest consider eliminating HSA of \$67,300 and including #3 @ \$258,511. Savings to City will be \$67,300. Will reduce projected saving from CT recommendation by \$64,403

Council discussion included: acceptable use of fund balance; capital list and priorities; continuing year after year same budget issues; electric capital future costs; options for reducing city capital costs figure; financing options for capital other than fire truck; need to review city vehicles' policy and take-home vehicles; reversion options and financial analysis and importance of citizen input on reversion issue; City Attorney to present Council reversion details at next meeting.

May 24, 2012

On a motion by Gene Teague, seconded by Mark Stroud, with a 5-0 vote, Council accepted the \$10,000 budget reduction for the Sheriff's budget which now brings use of fund balance to \$961,000.

No other actions were taken and the meeting adjourned at 6:50 pm.

Brenda Prillaman, Clerk of Council

Kim Adkins, Mayor

June 12, 2012

The regular meeting of the Council of the City of Martinsville, Virginia, was held on June 12, 2012, in Council Chambers, Municipal Building, at 7:30 PM, Closed Session beginning at 7:00PM, with Mayor Kim Adkins presiding. Council Members present included: Mayor Kim Adkins, Vice Mayor Reynolds, Gene Teague, Mark Stroud and Danny Turner. Staff present included: Leon Towarnicki, Interim City Manager, Brenda Prillaman, Eric Monday, Linda Conover and Susan McCulloch.

Mayor Adkins called the meeting to order and advised Council will go into Closed Session. In accordance with Section 2.1-344 (A) of the Code of Virginia (1950, and as amended) and upon a motion by Kim Adkins, seconded by Gene Teague, with the following 5-0 recorded vote: Adkins, aye; Teague, aye; Stroud, aye; Reynolds, 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) 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. (C) Discussion of the award of a public contract involving the expenditure of public funds, including interviews of bidders or offerors, and discussion of the terms or scope of such contract, where discussion in an open session would adversely affect the bargaining position or negotiating strategy of the public body. (D) 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.

Council recessed from Closed Session and re-convened in open session. A motion was made by Gene Teague, seconded by Kimble Reynolds, with a 5-0 vote, to re-appoint Carolyn McCraw, 1724 Meadowview Lane, to a 3 year term ending 6/30/15 on the Martinsville City School Board. A motion was made by Mark Stroud, seconded by Danny Turner, with a 5-0 vote, to re-appoint Robert Williams, 1017 Country Club Drive, to a 3 year term ending 6/30/15 on the Martinsville City School Board. A motion was made by Gene Teague, seconded by Mark Stroud, with a 5-0 vote, to appoint Kevin Belcher, 504 Rives Road, to a 4 year term ending 9/26/15 on the Industrial Development Authority.

Mayor Adkins noted a change in the agenda with the addition of a proclamation.

Minutes: On a motion by Gene Teague, seconded by Mark Stroud, with a 5-0 vote, Council approved the minutes of the April 10, 2012 meeting.

Recognition: Mayor Adkins read a proclamation in memory of Dr. Richard L. Hoffman honoring his service to the Virginia Museum of Natural History.

Update on City Manager search: Mayor Adkins announced that John Anzivino of Springstead will hold a public conference call at this time on Council agenda so Council can get his opinions on options of how the city should proceed with the city manager search due to recent events involving upcoming City Council elections and future reversion possibilities. Mr. Anzivino briefed Council on search options other localities had selected under these same circumstances. After discussion, Council agreed that no decision be made at this meeting as to delaying the search or not. Council wants to have conversation with the current Interim City Manager in closed session and will make a decision at the next Council meeting.

Rezoning ordinance 2nd reading for 1150 Spruce St.: Mayor Adkins asked for public input on the re-zoning issue. Jim Wilson, Indian Trail-feels this is spot zoning and he is against the rezoning;

June 12, 2012

Kevin Lewis, 721 Indian Trail-asked Council to re-consider approval; Sherry Lewis, 721 Indian Trail-this proposed re-zoning conflicts with land use plan and will negatively impact houses close by; Susan McCulloch noted that the 2008 Land Use Map has been updated and urban development area was investigated for the Druid Hills so Planning Commission felt this would be the highest use of the land; Nubby Coleman-noted change in market dynamics, taxes are being paid on Food Lion empty building, he will stand behind everything promised by Dollar General, asked Council to move ahead on the vote if the city is serious about finding revenue; Greg Hart, 719 Indian Trail-commented on issues with empty Food Lion building; Amy Hart, 719 Indian Trail-noted that 95% of Windsor Lane residents were not notified; Susan McCulloch noted that zoning requirements state that those landowners touching the parcel are required to be notified and those affected on Windsor Lane were notified; Mary Willett, 703 Windsor Lane-against rezoning; Jim Clark, 817 Spruce St.-water runoff problem issues with proposed rezoning. Mayor Adkins closed public comment period. Council discussion before vote: Adkins-rezoning request is consistent with comprehensive plan, is consistent with current business in the area and reasonable accommodations have been made by the developer. Turner-need to be business friendly and proffers offered are reasonable. Teague-believes rezoning is consistent with zoning in general area and is an appropriate re-zoning. Stroud-not in support of re-zoning, has concerns about storm water runoff and wants city to pursue storm water mitigation grants. Reynolds-not in support of re-zoning even though it is consistent with current zoning, thanked citizens for coming forward to state what they want for their community and noted that Council has to listen to citizens. On a motion by Gene Teague, seconded by Danny Turner, with the following recorded 3-2 vote: Adkins, aye; Reynolds, nay; Teague, aye; Stroud, nay; and Turner, aye, Council approved the ordinance, on second reading, to rezone 1150 Spruce Street from P-2 Professional to C-1A Intermediate Commercial. On a motion by Gene Teague, seconded by Danny Turner, with the following recorded 3-2 vote: Adkins, aye; Reynolds, nay; Teague, aye; Stroud, nay; and Turner, aye, Council approved the ordinance, on second reading, to amend the Future Land Use Map to show the parcel at 1150 Spruce Street as Commercial.

AN ORDINANCE

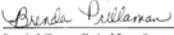
AMENDING THE ZONING MAP
CITY OF MARTINSVILLE

BE IT ORDAINED by the City Council of the City of Martinsville, Virginia, in regular session assembled May 22, 2012, that in order to assure compliance with Virginia Code Section 15.1-491 (g), it is stated that the public purpose for which this Ordinance is initiated is to fulfill the requirements of public necessity, convenience, general welfare, and good zoning practice to plan for future development of the community, that the:

Zoning Map of the City of Martinsville, Virginia be – and is hereby – amended to the extent that 1150 Spruce Street, (known as parcel 54(02)00/B on the Tax Map for the City of Martinsville) is hereby rezoned from P-2 Professional to C-1A Intermediate Commercial.

.....

Attest:


Brenda Prillaman, Clerk of Council

June 12, 2012
Date Adopted

June 22, 2012
Date Effective

AN ORDINANCE

AMENDING THE FUTURE LAND USE MAP
CITY OF MARTINSVILLE

BE IT ORDAINED by the City Council of the City of Martinsville, Virginia, in regular session assembled May 22, 2012, that in order to assure compliance with Virginia Code Section 15.1-491 (g), it is stated that the public purpose for which this Ordinance is initiated is to fulfill the requirements of public necessity, convenience, general welfare, and good zoning practice to plan for future development of the community, that the:

Future Land Use Map of the City of Martinsville, Virginia be – and is hereby – amended to the extent that 1150 Spruce Street, (known as parcel 54(02)00/B on the Tax Map for the City of Martinsville) is hereby rezoned from P-2 Professional to C-1A Intermediate Commercial.

.....

Attest:


Brenda Prillaman, Clerk of Council

June 12, 2012
Date Adopted

June 22, 2012
Date Effective

June 12, 2012

Presentation from Commonwealth's Attorney's interns: Interns serving in Commonwealth Attorney's office gave a presentation to Council regarding shoplifting.

FY13 Budget ordinance approval on 2nd reading: Staff recapped actions from past worksessions noting there has surprisingly been very few comments regarding the FY13 proposed budget. Council discussion: Turner-pointed out he is opposed to the budget as it is not sustainable and requires using too much fund balance. Teague-concurs budget not sustainable but city staff positions have been eliminated and all possible cuts have been made. Reynolds-agreed with Mr. Teague and realizes we have to be reasonable when there is nothing else to offer. Stroud-will support budget and wants citizens to realize the personnel cuts are very real. Adkins-will support the budget vote. On a motion by Gene Teague, seconded by Mark Stroud, with the following recorded 4-1 vote: Adkins, aye; Reynolds, aye; Teague, aye; Stroud, aye; and Turner, nay, Council approved the ordinance, on second reading , establishing the City's budget and tax rates for FY13.

CITY OF MARTINSVILLE, VIRGINIA						
ORDINANCE NO. 2012-						
BE IT ORDAINED by the Council of the City of Martinsville, Virginia, in regular session assembled June 12, 2012, that the following sums of money be and hereby are appropriated – by specified Fund – for the City's fiscal year ending June 30, 2013, from the following Fund sources of estimated revenue:						
SUMMARY STATEMENT OF BUDGET ESTIMATES, 2012-2013						
	Projected Fund Balance 06/30/12	Projected Revenues FY12-13	Budgeted Exp/Transfers FY12-13	Budgeted Depreciation	Projected Fund Balance 06/30/13	Net (Decrease) Increase
General Fund	\$3,465,047	\$28,169,968	\$28,959,795		\$ 2,675,220	\$(789,827)
Meals Tax	\$ 10,016,647	\$1,893,250	\$1,893,250	\$10,016,647	0	0
Capital Reserve	\$ 1,396,183	\$1,039,423	\$1,210,605	\$ 1,225,001	\$(171,182)	0
TOTAL CAPITAL FUNDS	\$11,412,830	\$2,932,673	\$3,103,855		\$ 11,241,648	\$(171,182)
Refuse	\$1,372,533	\$ 1,814,000	\$ 1,970,383	\$ 100,000	\$ 1,316,150	\$(56,383)
Water	\$ 170,816	\$ 3,103,560	\$ 3,353,560	\$ 250,000	\$ 170,816	0
Sewer	\$ 96,163	\$ 3,760,612	\$ 4,310,612	\$ 550,000	\$ 96,163	0
Electric	\$4,461,890	\$17,563,935	\$18,263,935	\$ 500,000	\$ 4,261,890	\$(200,000)
TOTAL UTILITY FUNDS	\$6,101,402	\$26,242,107	\$27,898,490	\$1,400,000	\$ 5,845,019	\$(256,383)
Cafeteria	\$ 689,963	\$ 1,353,014	\$ 1,353,014	\$ 689,963	0	0
Schools	\$2,254,078	\$20,346,541	\$ 20,346,541	\$2,254,078	0	0
School Grants	\$ 22,605	\$ 1,904,515	\$ 1,904,515	\$ 22,605	0	0
TOTAL SCHOOL FUNDS	\$2,966,646	\$23,604,070	\$23,604,070		\$2,966,646	0
CDBG	\$(81,198)	\$ 33,505	\$ 171,164	\$(718,857)	\$(137,659)	0
Housing Choice	\$ 167,668	\$1,943,200	\$ 2,227,252	\$(116,444)	\$(284,052)	0
TOTAL SP REV FUNDS	\$(413,590)	\$ 1,976,705	\$ 2,398,416		\$(835,301)	\$(421,711)
TOTAL ALL FUNDS	\$23,532,335	\$81,925,523	\$85,964,626	\$1,400,000	\$21,893,232	\$(1,639,103)

Tax Rates (unchanged)	
Real Estate:	\$1.01816 per \$100 assessed value
Personal Property:	\$2.30 per \$100 assessed value
Machinery & Tools:	\$1.85 per \$100 assessed value

Meals Tax Rate:	
Six and one-half (6.5) percent on the amount paid for meals purchased from any food establishment, whether prepared in such food establishment or not, and whether consumed on the premises or not, to begin September 1, 2012.	

Water Rates:	
For Service Within City Limits:	
First 4,000 gals/month:	
3/4" meter	\$22.31
1" meter	\$34.87
1 1/2" meter	\$70.35
2" meter	\$120.14
3" meter	\$262.48
4" meter	\$461.55
6" meter	\$1,030.58
8" meter	\$1,827.21
10" meter	\$2,851.45
12" meter	\$4,103.30
Next 2,000 gals/month	\$3.19 per 1000 gals
Next 100,000 gals/month	\$2.94 per 1000 gals
Next 100,000 gals/month	\$2.43 per 1000 gals
Over 206,000 gals/month	\$2.10 per 1000 gals
For Service Outside City Limits:	
First 4,000 gals/month:	
3/4" meter	\$28.50
1" meter	\$44.98
1 1/2" meter	\$91.52
2" meter	\$156.85
3" meter	\$343.60
4" meter	\$604.79
6" meter	\$1,351.36
8" meter	\$2,396.56
10" meter	\$3,740.38
12" meter	\$5,382.83
Next 2,000 gals/month	\$4.18 per 1000 gals
Next 100,000 gals/month	\$3.86 per 1000 gals
Next 100,000 gals/month	\$3.19 per 1000 gals
Over 206,000 gals/month	\$2.75 per 1000 gals

Sewer Rates:	
For Service Within and Outside City Limits:	
First 4,000 gals of metered water usage:	\$20.64
Next 2,999,000 gals/month	\$2.73 per 1,000 gals
Next 7,000,000 gals/month	\$2.36 per 1,000 gals
Over 10,000,000 gals/month	\$2.00 per 1,000 gals

BE IT FURTHER ORDAINED by that this Ordinance shall be effective on and after July 1, 2012

Attest:

Brenda Prillaman
Brenda Prillaman, Clerk of Council

June 13, 2012
Date Adopted

July 1, 2012
Date Effective

Resolutions regarding VRS contributions: Recent legislation calls for localities to make certain decisions by July 1, 2012 regarding employer and member VRS contributions and in order to confirm those decisions, adoption of two separate resolutions is necessary. The first resolution certifies the selection of the locality-specific contribution rate effective July 1, and the second resolution certifies the manner in which the five percent member contribution will be made. Regarding the first resolution, the rate selected for implementation is the VRS Board- certified rate for the 2012-2014 biennium for the City of 18.47%. The City has the option of using an alternate rate of 15.92% which is the higher of the current VRS Board-certified rate or 70% of the 2012/2014 rate, however, this rate does not fully fund the City's VRS obligation and will result in higher VRS contributions in the future. The second resolution confirms the City's decision to implement the five percent member contribution requirement by phasing in one percent annually over the next five years. The following resolution regarding the Employer Contribution Rate was approved by Council with a motion by Gene Teague, seconded by Kimble Reynolds, with a 5-0 vote and the following resolution regarding the Employer Implementation

June 12, 2012

Schedule was approved by Council with a motion by Gene Teague, seconded by Kimble Reynolds, with a 5-0 vote:

Employer Contribution Rates for Counties, Cities, Towns, School Divisions and Other Political Subdivisions
(In accordance with the 2012 Appropriation Act Item 468(H))

Resolution

BE IT RESOLVED, that the City Of Martinsville 55223 does hereby acknowledge that its contribution rates effective July 1, 2012 shall be based on the higher of a) the contribution rate in effect for FY 2012, or b) seventy percent of the results of the June 30, 2011 actuarial valuation of assets and liabilities as approved by the Virginia Retirement System Board of Trustees for the 2012-14 biennium (the "Alternate Rate") provided that, at its option, the contribution rate may be based on the employer contribution rates certified by the Virginia Retirement System Board of Trustees pursuant to Virginia Code § 51.1-145(f) resulting from the June 30, 2011 actuarial value of assets and liabilities (the "Certified Rate"); and

BE IT ALSO RESOLVED, that the City Of Martinsville 55223 does hereby certify to the Virginia Retirement System Board of Trustees that it elects to pay the following contribution rate effective July 1, 2012:

(Check only one box)

The Certified Rate of 18.42% The Alternate Rate of 15.92%, and

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

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

Kim E. Opris
Governing Body School Division Chairman

CERTIFICATE

I, *Brenda Prillaman*, Clerk of the City Of Martinsville, certify that the foregoing is a true and correct copy of a resolution passed at a lawfully organized meeting of the City Of Martinsville held at *55 W. Church St.*, Virginia at *7:30pm* o'clock on *June 12, 2012*, 2012. Given under my hand seal of the City Of Martinsville this *18th* day of *June*, 2012.

Brenda A. Prillaman
Clerk

This resolution must be passed prior to July 1, 2012 and received by VRS no later than July 10, 2012.

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

Resolution

WHEREAS, the City Of Martinsville 55223 employees who are Virginia Retirement System members who commence or recommence employment on or after July 1, 2012 ("FY2013 Employees") for purposes of this resolution, shall be required to contribute five percent of their creditable compensation by salary reduction pursuant to Internal Revenue Code § 414(b) on a pre-tax basis upon commencing or recommencing employment; and

WHEREAS, the City Of Martinsville 55223 employees who are Virginia Retirement System members and in service on June 30, 2012, shall be required to contribute five percent of their creditable compensation by salary reduction pursuant to Internal Revenue Code § 414(b) on a pre-tax basis no later than July 1, 2016; and

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

WHEREAS, the City Of Martinsville 55223 may elect to require such employees in service on June 30, 2012, to contribute more than an additional one percent each year, in whole percentages, until the employees' contributions equal five percent of creditable compensation; and

WHEREAS, the second enactment clause of Chapter 822 of the 2012 Acts of Assembly (SB497) requires an increase in total creditable compensation, effective July 1, 2012, to each such employee in service on June 30, 2012, to offset the cost of the member contributions, such increase in total creditable compensation to be equal to the difference between five percent of the employee's total creditable compensation and the percentage of the member contribution paid by such employee on January 1, 2012.

BE IT THEREFORE RESOLVED, that the City Of Martinsville 55223 does hereby certify to the Virginia Retirement System Board of Trustees that it shall effect the implementation of the member contribution requirements of Chapter 822 of the 2012 Acts of Assembly (SB497) according to the following schedule for the fiscal year beginning July 1, 2012 (i.e., FY2013):

Type of Employee	Employee Paid Member Contribution	Employee Paid Member Contribution
Plan 1	4%	1%
Plan 2	4%	1%
FY2013 Employees	0%	5%

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

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

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

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

BE IT FURTHER RESOLVED, that nothing herein shall be construed so as to permit or entitle any member to receive the pick up contributions made by the City Of Martinsville direct instead of having them paid to VRS; and

BE IT FURTHER RESOLVED, that notwithstanding any contractual or other provisions, five percent of each member of VRS who is an employee of the City Of Martinsville shall be reduced by the amount of member contributions picked up by the City Of Martinsville on behalf of such employee pursuant to foregoing resolutions.

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

Kim E. Opris
Governing Body Chairman

CERTIFICATE

I, *Brenda Prillaman*, Clerk of the City Of Martinsville, certify that the foregoing is a true and correct copy of a resolution passed at a lawfully organized meeting of the Martinsville held at *55 W. Church St.*, Virginia at *7:30pm* o'clock on *June 12, 2012*, 2012. Given under my hand and seal of the City Of Martinsville this *18th* day of *June*, 2012.

Brenda A. Prillaman
Clerk

This resolution must be passed prior to July 1, 2012 and received by VRS no later than July 10, 2012.

Resolution regarding Dan River ASAP: On a motion by Kimble Reynolds, seconded by Mark Stroud, with a 5-0 vote, Council approved the following resolution for Dan River ASAP approving the amended Articles of Agreement noting that the City of Martinsville is the fiscal agent:



Martinsville
A CITY WITHOUT LIMITS

RESOLUTION

CONCURRING WITH THE ARTICLES OF AGREEMENT CONCERNING DAN RIVER ALCOHOL SAFETY ACTION PROGRAM

WHEREAS, Dan River Alcohol Safety Action Program came into existence by resolution of the City Council of Danville, Virginia, under the provisions of Section 18.2-271.1, Code of Virginia 1950, as amended; and

WHEREAS, Dan River ASAP provides services to the Courts of the City of Danville and the City of Martinsville, County of Franklin, County of Henry, County of Patrick, and the County of Pittsylvania, and develops programming and alcohol service delivery mechanisms that will primarily serve to substantially reduce the number of highway hazards and accidents resulting from the consumption of alcohol and drugs; and

WHEREAS, the City of Martinsville, Virginia has agreed to be the fiscal agent for Dan River ASAP; and

WHEREAS, a Policy Board is established to govern and operate the Dan River ASAP; and

WHEREAS, Articles of Agreement have been developed outlining functional and operational guidelines for Dan River ASAP including the purpose of the Policy Board and appointments to and membership of said Board; and

WHEREAS, each political subdivision concurring with said Articles of Agreement and desiring to be represented on the Dan River ASAP Policy Board is requested to confirm their approval of said Articles of Agreement by adoption of a resolution; now, therefore;

BE IT RESOLVED, by the Council of the City of Martinsville, Virginia, in regular session assembled June 12, 2012, that it does hereby concur with the Articles of Agreement and endorses the efforts of Dan River ASAP to reduce the number of highway hazards and accidents resulting from the consumption of alcohol and drugs.

Attest:

Brenda Prillaman
Brenda Prillaman, Clerk of Council

June 12, 2012
Date Adopted

June 12, 2012

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

BUDGET ADDITIONS FOR 6/12/12				
ORG	OBJECT	DESCRIPTION	DEBIT	CREDIT
<u>FY12</u>				
<u>General Fund:</u>				
01100909	490104	Advanced/Recovered Costs		313
01217078	505500	Sheriff-Courts - Travel	313	
		Reimb-fuel & transportation		
01101917	442601	Categorical State - Other		1,590
01322105	506114	EMS - Four for Life	1,590	
		Budget excess funding		
01101918	443156	Grants - State - VDEQ		22,495
01812242	503143	Misc Exp - Environmental Evaluations	22,495	
		Grant funding		
01102926	443157	Categorical Federal - Safe Routes to School		906
01413146	503140	Street Marking - Prof. Services - Engineering	906	
		Reimbursement		
01101918	443312	Grants - State - JAG/LLEBG - Police		5,630
01311085	506106	Police - Non-capital Equip - JAG Grant	5,630	
		Grant funding		
01102926	436430	Categorical Federal - SCAAP Funds		510
01331108	503400	Sheriff-Corrections - Prof.Serv.-Security System	510	
		Grant funding		
01100909	490104	Advance/Recovered Costs		5,000
01412141	501300	Engineering - Part-Time Labor	2,000	
01221082	501300	Commonwealth's Attorney - Part-Time Labor	3,000	
		New College - Summer Intern Program		
Total General Fund:			36,444	36,444
<u>Meals Tax Fund:</u>				
02103936	407700	Proceeds from Indebtedness		9,300,000
02160270	509145	Issuance Expense	23,844	
02160270	508260	Maintenance/Improvements - High School	9,276,156	
		Debt Issuance/Proceeds - VPSA QSCB		
Total Meals Tax Fund:			9,300,000	9,300,000
<u>Electric Fund</u>				
14102926	436440	Federal Grant - ARRA - Energy Efficiency Grant		84,741
14565340	508220	Electric - General Exp. - Prof. Serv.-Eng & Arch	84,741	
		Hydro Plant Efficiency Grant Reimbursement		
14100909	490104	Electric - Recovered Costs		3,000
14562337	501300	Electric Installation - Part-time Labor	3,000	
		New College - Summer Intern Program		
Total Electric Fund:			87,741	87,741
<u>Capital Reserve Fund</u>				
16101918	416507	State Grant - VDEM Homeland Security Program		4,464
16572362	508075	Tools/Equipment - Police Dept	4,464	
		SHSP Grant		
16103936	407701	Proceeds from Indebtedness		1,250,000
16577367	508140	Physical Plant Expansion - City Hall	1,200,850	
16591392	509145	Issuance Expense	49,150	
		Debt Issuance/Proceeds - GO 2012		
Total Capital Reserve Fund:			1,254,464	1,254,464

Business from floor: Charlotte Clark, 817 Spruce St.-comments regarding the continued flooding at her residence.

Council comments: Stroud-asked for continued grant research on storm water issues; Reynolds-commented on Dr. Hoffman's impact to area; Teague-suggested the concept of backyard complaints being approached like the city does demolitions (criteria/prioritization) and be discussed at a future meeting; Adkins-asked for Council's support to charge the Planning Commission with two items (1) to conduct more frequent updates of the Comprehensive Plan (2) to re-visit the zoning code as it relates to new construction/parking/building issues. Council agreed by consensus to send the request to the Planning Commission for follow up.

Interim City Manager comments: Mr. Towarnicki--public bus ridership increasing; city is continuing the search for grants related to storm water issues.

Council then adjourned the regular session and re-convened Closed Session at 10:00pm. At the conclusion of Closed Session, each returning member of Council certified that (1) only public business

June 12, 2012

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 Danny Turner, with the following recorded 5-0 vote: Adkins, aye; Reynolds, aye; Teague, aye; Stroud, aye; and Turner, aye. No action was taken. The meeting adjourned at 10:40pm.

Brenda Prillaman
Clerk of Council

Kim Adkins
Mayor



City Council Agenda Summary

Meeting Date: August 14, 2012

Item No: 2.

Department: City Council

Issue: Presentation of proclamation recognizing National Recovery Month September 2012.

Summary: Valerie Blevins of Piedmont Community Services will be present to accept the proclamation.

Attachments: [Proclamation](#)

Recommendations: Presentation only. No action required.



P R O C L A M A T I O N

WHEREAS, behavioral health is an essential part of health and one's overall wellness; and

WHEREAS, prevention of mental and/or substance use disorders works, treatment is effective, and people recover in our area and around the nation; and

WHEREAS, the benefits of preventing and overcoming mental and/or substance use disorders are significant and valuable to individuals, families, and the community at large; and

WHEREAS, people in recovery achieve healthy lifestyles, both physically and emotionally, and contribute in positive ways to their communities; and

WHEREAS, we must encourage relatives and friends of people with mental and/or substance use disorders to implement preventive measures, recognize the signs of a problem, and guide those in need to appropriate treatment and recovery support services; and

WHEREAS, in 2010, 2.6 million people received specialty treatment for a substance use disorder and more than 31.3 million adults aged 18 or older received services for mental health problems, according to the *2010 National Survey on Drug Use and Health*. Given the serious nature of this public health problem, we must continue to reach the millions more who need help; and

WHEREAS, to help more people achieve and sustain long-term recovery, the U.S. Department of Health and Human Services (HHS), the Substance Abuse and Mental Health Services Administration (SAMHSA), the White House Office of National Drug Control Policy (ONDCP), Drug Free Martinsville/Henry County and Piedmont Community Services Community Recovery Program invite all residents of Martinsville Virginia to participate in **National Recovery Month**; now, therefore

I, Kim Adkins, Mayor of the City of Martinsville, Virginia, do hereby proclaim that the entire month of **September 2012** shall be observed as

National Recovery Month

In the city to observe this month with appropriate programs, activities, and ceremonies to support this year's theme, "Join the Voices for Recovery: It's Worth It."

Kim Adkins
Mayor



City Council Agenda Summary

Meeting Date: August 14, 2012

Item No: 3.

Department: City Council

Issue: Consider adoption of resolution nominating Mel L. Cartwright, Sr., for induction in the Virginia High School Hall of Fame.

Summary: A resolution is attached for consideration by Council.

Attachments: [Resolution](#)

Recommendations: Motion to adopt resolution.



R E S O L U T I O N

For Nomination of Mel L. Cartwright, Sr. for induction in the Virginia High School Hall of Fame

WHEREAS, Mel L. Cartwright, Sr. is long revered for his success as a basketball coach and educator in the Martinsville area; and

WHEREAS, Mel L. Cartwright, Sr. started his successful career as a basketball coach and educator in 1952 when he was hired to coach junior varsity boys' basketball and teach world history and western civilization at Martinsville High School; and by 1956 was named the head basketball boys' coach, a post he held exclusively for six years and led the Martinsville Bulldogs to their first three state championships in 1958, 1961, and 1964; and

WHEREAS, Mel L. Cartwright, Sr. innovatively began sharing the head coaching responsibilities in 1961 with long-time friend and colleague, Robert "Husky" Hall; whereby Cartwright's direction and with the ideals of teamwork by example, they alternated the head coach title every two years until 1964, when Mr. Cartwright accepted the administrative position of principal at Patrick Henry Elementary School in Martinsville; and

WHEREAS, Mel L. Cartwright, Sr., while at Patrick Henry Elementary School from 1964 to 1981, volunteered to help create a youth basketball league and launched Patrick Henry's Booster Club team, both of which helped cultivate talented student-athletes in the state; and

WHEREAS, upon retirement, Mel L. Cartwright, Sr. was hired as an assistant men's basketball coach by legendary coach "Lefty" Driesell at the University of Maryland for four years; and in 1984 with Coach Cartwright's assistance, the University of Maryland won the only ACC tournament during Driesell's tenure, and afterwards Cartwright returned to the Martinsville area to teach and coach at Carlisle School, then to Magna Vista High School as an assistant coach, helping the team to earn a Virginia state championship title in 1998; and

WHEREAS, a talented and demanding coach, Mr. Cartwright improved every basketball program he touched, and championships seemed follow soon after he arrived; and

WHEREAS, for all his exceptional basketball coaching success, Mr. Cartwright is remembered also as a dedicated, inspirational teacher and public school administrator, encouraging and improving the lives of generations of Martinsville school children; and now therefore,

BE IT RESOLVED, that **Martinsville's City Council**, does hereby highly recommend, posthumously, Mel L. Cartwright, Sr. for induction in the Virginia High School Hall of Fame for his exceptional accomplishments as a coach, teacher and concerned citizen; and furthermore recognizes the impact he has had on the game of basketball, our students and student-athletes, and the Martinsville area.

ATTEST:

Brenda Prillaman, Clerk of Council

August 14, 2012
Date Adopted



City Council Agenda Summary

Meeting Date: August 14, 2012

Item No: 4.

Department: City Council

Issue: Hear update on city manager search.

Summary: City Council will provide an update for citizens on the city manager search.

Attachments: none

Recommendations: For information purposes.



City Council Agenda Summary

Meeting Date: August 14, 2012

Item No: 5.

Department: City Council

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

Summary: Lisa Fultz of the Martinsville-Henry County Economic Development Corporation will be present to provide an update.

Attachments: None

Recommendations: For information purposes.

Date: August 14, 2012

Item No: 6.

Department: City Attorney, City Manager

Issue: Hear update on reversion issue; hold public comment period; consider appropriation for funding reversion studies.

Summary: Before reversion can be seriously considered as an option for the City's future, and before any reversion petition can be filed with the Commission on Local Government and the court, three studies are necessary: (a) an analysis of the future fiscal situation of the City, (b) an analysis of the effect of reversion on both the City/Town and County, and (c) an analysis of the effect of a consolidated City/County school system. The estimated cost of these studies is \$120,000.00.

Attachments: none

Recommended Action:

1. Conduct public comment session.
2. Consider a motion authorizing the City Manager to retain firms to conduct the studies, and authorizing appropriating up to \$120,000.00 to pay for the estimated cost of the studies.

BUDGET ADDITIONS FOR 8/14/12

ORG	OBJECT	DESCRIPTION	DEBIT	CREDIT
<u>FY12</u>				
General Fund:				
01100909	490104	Advance/Recovered Costs		200
01321102	506010	Fire Dept. - Fire Prevention Supplies appropriation of restitution received	200	
01100908	440403	Miscellaneous - Donations/Mustangs		2,478
01725422	505508	Mustangs - Meals various donations	2,478	
Total General Fund:			2,678	2,678
Water Fund:				
12101918	443306	Grants - State - WSAG Lanier Rd Project		5,139
12541311	508220	Water - Physical Plant Expansion Grant Reimbursement	5,139	
Total Water Fund:			5,139	5,139
 <u>FY13</u>				
General Fund:				
01100909	490104	Advance/Recovered Costs		48,484
01812245	506831	Uptown Master Plan Phase I reimbursement/Depot St Trail restroom	48,484	
01100904	442401	Local Confiscated Assets - Police		7
01311085	506118	Police Dept - Local Confiscated Assets Local Confiscated Assets	7	
01100904	442402	Local Confiscated Assets - Comm. Attorney		7
01221082	506118	Comm. Atty - Local Confiscated Assets Local Confiscated Assets	7	
Total General Fund:			48,498	48,498



City Council Agenda Summary

Meeting Date: August 14, 2012
Item No: 7.
Department: Finance
Issue: Consider approval of consent agenda.

Summary:

The attachments amend the FY12 Budgets with appropriations in the following funds:

FY12:

General Fund: \$2,678 – Restitution & Donations

Water Fund: \$5,139 – Grant Reimbursement

FY13:

General Fund: \$48,498 – Reimbursement & Local Confiscated Assets

Attachments: [Consent Agenda - 8-14-12.xls](#)

Recommendations: Motion to approve