

August 25, 2009

The regular meeting of the Council of the City of Martinsville, Virginia, was held on August 25, 2009, in Council Chambers, Municipal Building, at 7:30 PM, with Mayor Kathy Lawson presiding. Council Members present included: Mayor Kathy Lawson, Vice Mayor Kimble Reynolds, Gene Teague, Mark Stroud, Sr., and Danny Turner. Staff present included: Clarence Monday, City Manager, Brenda Prillaman, Eric Monday, Susan McCulloch, Tim Porter, Ruth Easley, Linda Conover, Leon Towarnicki, and John Dyches.

Following the invocation by Council Member Danny Turner and Pledge to the American Flag, Mayor Lawson welcomed everyone to the meeting.

On a motion by Gene Teague, seconded by Kimble Reynolds, with a 5-0 vote, Council approved the minutes of the July 14, 2009 and August 11, 2009 Council meetings.

Mayor Lawson read a proclamation proclaiming the month of September 2009 as Baby Safety Month and presented the proclamation to Michelle Stone-Agee representing the Martinsville Exchange Club.

After hearing an explanation by John Dyches, and on a motion by Gene Teague, seconded by Danny Turner, with a 5-0 vote, Council adopted the following resolution authorizing pursuit of grant funding to assist with updating water line mapping for portions of the City's water system:

GRANT APPLICATION 2009 DRINKING WATER STATE REVOLVING FUND

WHEREAS, the City of Martinsville has a need for continued assistance in mapping portions of the City of Martinsville water system,

WHEREAS, the Drinking Water State Revolving Fund (DWSRF) has Planning/Design grant funding available that might be applied to such water projects in the City of Martinsville service area,

WHEREAS, the City of Martinsville has previously applied for and received funding applicable to the initial phase of mapping the City of Martinsville water system,

THEREFORE, BE IT RESOLVED, the City Council hereby votes to seek funding from the DWSRF for the following project: 2009 Virginia Department of Health Planning Grant-Mapping of a portion the City Water System

THEREFORE, BE IT RESOLVED, the City Manager will immediately begin to process funding applications for this project and be authorized to sign any and all documents to accept such funding contingent upon review and concurrence by the City Attorney.

After hearing an explanation by John Dyches, and on a motion by Gene Teague, seconded by Kimble Reynolds, with a 5-0 vote, Council adopted the following resolution authorizing pursuit of grant funding toward preparation of a Preliminary Engineering Report and Design for the replacement of the Lanier Road water line:

GRANT APPLICATION 2009 DRINKING WATER STATE REVOLVING FUND

WHEREAS, the City of Martinsville has a need to replace an old transite problem-plagued water main located in Lanier Road within the City of Martinsville water system,

WHEREAS, the Drinking Water State Revolving Fund (DWSRF) has Planning/Design grant funding available that might be applied to such water projects in the City of Martinsville service area,

THEREFORE, BE IT RESOLVED, the City Council hereby votes to seek funding from the DWSRF for the following project: 2009 Virginia Department of Health Planning Grant-Preliminary Engineering Report and Design for the replacement of the existing transite waterline along Lanier Road.

THEREFORE, BE IT RESOLVED, the City Manager will immediately begin to process funding applications for this project and be authorized to sign any and all documents to accept such funding contingent upon review and concurrence by the City Attorney.

August 25, 2009

Susan McCulloch reported on the expansion of boundary lines of the existing Cherry Street CDBG Project for the purposes of including Boden Street noting that no action is required from Council other than to conduct the public hearing at this meeting which is a requirement of DHCD for state funding. The Mayor opened the public hearing and having no public comments, the Mayor closed the public hearing.

Commissioner of Revenue Ruth Easley briefed Council on the need for the proposed ordinance to change setting the allocation percentage for tax relief in the City of Martinsville for tax year 2009. Under the current ordinance, City Council sets the PPTRA reimbursement rate as part of the annual budget process based on an early estimate provided by the Commissioner of the Revenue. Once the actual assessments are completed in late August, an actual percentage rate can be calculated that fully expends the state allocation to the locality for the PPTRA reimbursement. Council must then come back at the last August Council meeting and adopt a resolution that sets the actual percentage rate rather than the estimated percentage rate that was adopted as part of the city's annual budget. The ordinance change would omit the requirement that the PPTRA percentage rate be set as part of the annual budget process. Instead, the percentage rate would be adopted by resolution once the Commissioner of Revenue has a firm calculation of the rate necessary to fully expend the state's reimbursement. On a motion by Kimble Reynolds, seconded by Mark Stroud, with the following 5-0 recorded vote: Mrs. Lawson, aye; Mr. Reynolds, aye; Mr. Stroud, aye; Mr. Teague, aye; and Mr. Turner, aye, Council approved the following ordinance, on first reading, to change setting the allocation percentage for tax relief in the City of Martinsville for tax year 2009: **Sec. 21-10. Personal Property Tax Relief**

(a) *Purpose; Definitions; Relation to other Ordinances.*

The purpose of this Ordinance is to provide for the implementation of the changes to PPTRA affected by legislation adopted during the 2004 Special Session I and the 2005 Regular Session of the General Assembly of Virginia.

- (1) Terms used in this Ordinance that have defined meanings set forth in PPTRA shall have the same meanings as set forth in Va. Code § 58.1-3523, as amended.
- (2) To the extent that the provisions of this Ordinance conflict with any prior Ordinance or provision of the City Code, this Ordinance shall control.

(b) *Method of Computing and Reflecting Tax Relief.*

- (1) For tax years commencing in 2006, the City of Martinsville adopts the provisions of Item 503.E of the 2005 Appropriations Act, providing for the computation of tax relief as a specific dollar amount to be offset against the total taxes that would otherwise be due but for PPTRA and the reporting of such specific dollar relief on the tax bill for qualifying vehicles obtaining situs within the City of Martinsville as of January 1st of each tax year.
- (2) Qualifying vehicles shall receive personal property tax relief in the following manner:
 - a. Personal use vehicles valued at \$1,000 or less will be eligible for 100% tax relief;
 - b. Personal use vehicles valued at \$1,001 to \$20,000 will be eligible for the annually adopted percentage of local tax relief;

August 25, 2009

- c. Personal use vehicles valued at \$20,001 or more shall only receive the annually adopted percentage of local tax relief on the first \$20,000 of assessed value; and
 - d. All other vehicles that do not meet the definition of "qualifying" (business use vehicles, farm use vehicles, motor homes, etc.) will not be eligible for any form of tax relief under this program.
- (3) The City Council shall set ~~as part of its annually adopted budget~~ *by resolution* the percentage of tax relief at such a level that it is anticipated fully to exhaust PPTRA relief funds provided to the City of Martinsville by the Commonwealth.
 - (4) Personal property tax bills shall set forth on their face the specific dollar amount of relief credited with respect to each qualifying vehicle, together with an explanation of the general manner in which relief is allocated.
- (c) *Allocation of Relief among Taxpayers.*
- (1) Allocation of PPTRA relief shall be provided in accordance with the general provisions of this section, as implemented by the specific provisions of the City's annual budget relating to PPTRA relief.
 - (2) Relief shall be allocated in such a manner as to eliminate personal property taxation of each qualifying vehicle with an assessed value of \$1,000 or less.
 - ⇒ Relief with respect to qualifying vehicles as identified and assessed by the Commissioner of the Revenue with an assessed value of more than \$1,000 shall be provided at a percentage, annually fixed and applied to the first \$20,000 in value of each such qualifying vehicle, that is estimated fully to use all available state PPTRA relief. The percentage shall be established ~~annually as a part of the adopted budget for the City of Martinsville.~~ *by resolution after the Commissioner of the Revenue has completed the annual personal property assessment.*
- (d) *Transitional Provisions.*
- (1) Pursuant to authority conferred in Item 503.D of the 2005 Appropriations Act, the City Treasurer is authorized to issue a supplemental personal property tax bill, in the amount of 100 percent (100%) of tax due without regard to any former entitlement to state PPTRA relief, plus applicable penalties and interest, to any taxpayer whose taxes with respect to a qualifying vehicle for tax year 2005 or any prior tax year remain unpaid on September 1, 2006, or such date as state funds for reimbursement of the state share of such bill have become unavailable, whichever earlier occurs. Supplemental assessments for tax years 2005 and prior that are made on or after September 1, 2006 shall be deemed 'non-qualifying' for purposes of state tax relief and the local share due from the taxpayer shall represent 100% of the tax assessable.
 - (2) Penalty and interest with respect to bills issued pursuant to subsection A of this section shall be computed on the entire amount of tax owed. Interest shall be computed at the rate provided in 21-3 from the original due date of the tax. (Ord. No. 2005-8, 12-13-2005)

Commissioner of Revenue Ruth Easley briefed Council on the need to adopt the resolution setting the allocation percentage for tax relief in the City of Martinsville for tax year 2009. By ordinance, qualifying vehicles with assessed values between \$1,001 and the first \$20,000 receive a calculated annual percentage of relief based on the number of qualifying vehicles and their associated assessments. The commissioner of revenue estimates that a percentage rate of 57.65% will fully use all state PPTRA funds allocated to the city for tax year 2009. On a motion by Gene Teague, seconded by Kimble Reynolds, with the following 5-0 recorded vote: Mrs. Lawson, aye; Mr. Reynolds, aye; Mr. Stroud, aye; Mr. Teague, aye; and Mr. Turner, aye, Council adopted the following resolution setting the allocation percentage for tax relief:

RESOLUTION SETTING THE ALLOCATION PERCENTAGE FOR PERSONAL PROPERTY TAX RELIEF IN THE CITY OF MARTINSVILLE FOR TAX YEAR 2009

WHEREAS, on December 13, 2005 by Ordinance 2005-8 the Martinsville City Council established a local program of tax relief that serves the best interests of its citizens regarding personal property tax on qualifying use vehicles, pursuant to modifications made by the General Assembly of Virginia to the Personal Property Tax Relief Act of 1998 (PPTRA); and

WHEREAS, the city's relief program requires the city council to adopt an annual percentage of local tax relief for personal use vehicles valued between \$1,001 and the first \$20,000 that will fully exhaust the PPTRA relief funds provided to the city by the Commonwealth of Virginia; and

WHEREAS, the commissioner of the revenue has completed the annual assessment of motor vehicles with Martinsville tax situs for Tax Year 2009; and

WHEREAS, the commissioner of the revenue estimates that a percentage of relief of 57.65% applied to the first \$20,000 of assessed values for qualifying vehicles valued over \$1,000 will fully use all available state PPTRA relief allocated for tax year 2009.

NOW, THEREFORE BE IT RESOLVED by the Martinsville City Council that 57.65% shall be the percentage of relief to be applied to the first \$20,000 in value of each qualifying vehicle with an assessed value more than \$1,000 pursuant to and in accordance with provisions of Sec. 21-10 of the Martinsville City Code.

After brief discussion noting that positive comments had been received from Southside residents and on a motion by Kimble Reynolds, seconded by Danny Turner, with the following 5-0 recorded vote: Mrs. Lawson, aye; Mr. Reynolds,

August 25, 2009

aye; Mr. Stroud, aye; Mr. Teague, aye; and Mr. Turner, aye, Council approved the following ordinance, on second reading:

ORDINANCE 2009-_____ (uncodified)

BE IT ORDAINED by the Council of the City of Martinsville, Virginia, in regular session held on August 25, 2009 and pursuant to Chapter 3 of Title 24.2 and specifically Section 24.2-307 of the Code of Virginia, that the following precinct polling places located in the City of Martinsville be established as follows:

Precinct 001, located at 605 Fourth Street and currently named "Piedmont Regional Criminal Justice Training Academy" is renamed "Martinsville City Housing Office" to reflect its current use.

Precinct 003, located at 1001 Douglas Avenue and currently named "Virginia Museum of Natural History" is relocated to 21 Starling Avenue and named "Virginia Museum of Natural History" to reflect the unavailability of the current location and the relocation of the Museum to the new address.

Precinct 005, located at 746 Indian Trail and currently named "Druid Hills School" is re named "Martinsville City Schools Administrative Offices" to reflect its current use.

Leon Towarnicki updated Council on the Lester Street Rail Trail pedestrian crossing noting that the present signal is installed according to the manufacturer's instructions. Leon pointed out the way the present signal is installed is not consistent with what Virginia law allows to protect pedestrians and it is staff's recommendation to change the signal light to trigger traffic to stop for the pedestrians. After discussion, Council agreed to the staff recommendation that the signal will be switched to be consistent with what Virginia law allows.

Linda Conover briefed Council on the monthly finance report as follows:

Since the last report dated July 21, revenues for FY09 have increased slightly by \$459,220, due to the recapturing of revenues received in FY10 that were anticipated in the prior year. The expenditures for FY09 have also increased by \$560,224 due to the payment of prior year invoices. We still have until August 31 to account for additional anticipated revenues, although most have now been accounted for. FY09 expenditures should be completed within that timeframe also, along with various audit adjustments that cannot be prepared until all the outstanding bills are paid and accounted for.

Overall revenues were \$1,806,261 less than anticipated due to factors cited in last month's report. Overall expenditures were \$5,010,411 less than anticipated through the end of June. In this figure are various projects to be completed in FY10. Impending factors that will significantly reduce this total are the estimated depreciation adjustments of \$1.37 million and yet-to-be-determined reappropriations. The necessary adjustments will be completed by mid-September, which is when the auditors will return to complete their work.

Currently, the overall fund balance for FY09 increased by \$953,258 when compared to the beginning of the fiscal year, bringing our total combined fund balances to \$16,670,327. Again, these figures are incomplete and should not be considered final. Outstanding year-end adjustments will also impact the overall fund balance.

On a motion by Kimble Reynolds, seconded by Gene Teague, with a 5-0 vote, Council approved the monthly finance report.

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

BUDGET ADDITIONS FOR 08/25/2009

ORG	OBJECT	DESCRIPTION	DEBIT	CREDIT
<u>FY10</u>				
<u>GENERAL FUND</u>				
01100908	480410	Miscellaneous - Donations/Fire Department		500
01322105	505500	EMS - Travel/Training	500	
		Appropriate donation to Fire Department		
01100904	442401	Fines & Forfeitures - Local Conf Assets - Police		79
01311085	506118	Police Dept - Local Confiscated Assets	79	
01100904	442402	Fines & Forfeitures - Local Conf Assets - Comm Attorney		79
01221082	506118	Commonwealth's Attorney - Local Confiscated Assets	79	

August 25, 2009

		Appropriate local confiscated assets	
Total General Fund:		657	657
CDBG FUND			
47101917	447046	Categorical Other State - Paradise Planning Grant	10,000
47824284	503130	Paradise Planning Grant - Prof. Serv. - Mngmt/Consult	10,000
		Appropriate grant funding received from state	
Total CDBG Fund:		10,000	10,000

City Attorney briefed Council on the proposed dog defecation ordinance for Council's consideration. After discussion, Council directed the City Attorney to rewrite the ordinance and confine it to the Uptown area for their consideration on first reading at the September 22, 2009 meeting.

Business from the floor: no comments were made.

Comments by Council members: Teague—thanked Council Member Turner for the DVD of area photos; Turner—appreciates the sports complex initiative and encouraged the public to use the facility; Stroud-enjoyed the sports complex during the grand opening; Lawson-advised new Leisure Services brochure is available and encouraged citizens to participate in the activities offered.

Comments by City Manager: (1) reminder about August 27 Uptown restructuring update session (2) reminder about city/county joint meeting on August 31 (3) announced the City new Human Resources Director will come on board on September 21, 2009 and Sam Brantingham was introduced to Council as the new director.

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: Mrs. Lawson, aye; Mr. Reynolds, aye; Mr. Stroud, aye; Mr. Teague, aye; and Mr. Turner, aye, Council convened in Closed Session, for the purpose of discussing the following matters: (A) 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. (B) The condition, acquisition, use or disposition of real property as authorized by Subsection 3.

At the conclusion of Closed Session, each returning member of Council certified that (1) only public business matters exempt from open meeting

August 25, 2009

requirements were discussed in said Closed Session; and (2) only those business matters identified in the motion convening the Closed Session were heard, discussed, or considered during said Session. On a motion by Gene Teague, seconded by Kimble Reynolds, with the following 5-0 recorded vote: Mrs. Lawson, aye; Mr. Reynolds, aye; Mr. Stroud, aye; Mr. Teague, aye; and Mr. Turner, aye, Council returned to Open Session. No action was taken.

There being no further business, Mayor Lawson adjourned the meeting at 9:20 pm.

Clarence C. Monday
Clerk of Council

Kathy C. Lawson
Mayor