

September 11, 2012

The regular meeting of the Council of the City of Martinsville, Virginia, was held on September 11, 2012, in Council Chambers, Municipal Building, at 7:30 PM, Closed Session beginning at 7:00PM, with Mayor Kim Adkins presiding. Council Members present included: Mayor Kim Adkins, Vice Mayor Kimble Reynolds, Mark Stroud and Danny Turner. Gene Teague arrived at 7:05pm. Staff present included: Leon Towarnicki, Interim City Manager, Brenda Prillaman, Eric Monday, Linda Conover, Eddie Cassidy, Wayne Knox, Andy Powers, and Ted Anderson.

Mayor Adkins called the meeting to order and advised Council will go into Closed Session. In accordance with Section 2.1-344 (A) of the Code of Virginia (1950, and as amended) and upon a motion by Danny Turner, seconded by Mark Stroud, with the following 4-0 recorded vote: Adkins, aye; Stroud, aye; Reynolds, aye; and Turner, aye, (Teague not present for roll call vote in to closed session), Council convened in Closed Session, for the purpose of discussing the following matters: (A) Appointments to boards and commissions as authorized by Subsection 1. (B) Consultation with legal counsel and briefings by staff members, attorneys, or consultants pertaining to actual or probable litigation, or other specific legal matters requiring the provision of legal advice by such counsel, as authorized by Subsection 7. At the conclusion of Closed Session, each returning member of Council certified that (1) only public business matters exempt from open meeting requirements were discussed in said Closed Session; and (2) only those business matters identified in the motion convening the Closed Session were heard, discussed, or considered during Session. On a motion by Danny Turner, seconded by Mark Stroud, with the following recorded 5-0 vote: Adkins, aye; Reynolds, aye; Teague, aye; Stroud, aye; and Turner, aye, Council returned to Open Session. Action taken: A motion was made by Danny Turner, seconded by Kimble Reynolds, with a 5-0 vote, to appoint Ellen Wood, 1800 Mulberry Rd., to the Planning Commission for an unexpired 4 year term ending 6/30/16.

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

Recess City Council and convene MRHA: A motion was made by Gene Teague, seconded by Mark Stroud, with a 5-0 vote, to convene the Martinsville Redevelopment & Housing Authority.

Resolution regarding SEMAP: Wayne Knox reported to the Authority that annually all Public Housing Agencies must submit information certifying that its program is being operated according to the guidelines established by HUD. This was done within the 60 days as directed by HUD. On a motion by Gene Teague, seconded by Kimble Reynolds, with a 5-0 vote, the Martinsville Redevelopment & Housing Authority approved the following resolution regarding Section 8 Management Assessment Program (SEMAP) Certification:

<p style="text-align: center;">MARTINSVILLE REDEVELOPMENT & HOUSING AUTHORITY</p> <p style="text-align: center;"><u>RESOLUTION</u></p> <p style="text-align: center;">SECTION 8 MANAGEMENT ASSESSMENT PROGRAM (SEMAP) CERTIFICATION</p> <p>Whereas, 24CFR 985.101 requires a Public Housing Agency administering a tenant-based assistance program to submit an annual SEMAP Certification within 60 days after the end of its fiscal year;</p> <p>Whereas, SEMAP requires HUD to rate the performance of Public Housing agencies by assessing 14 performance indicators subject to HUD verification by an on-site confirmation review at any time;</p> <p>Whereas, The Housing Authority is required to submit certification to HUD for the 14 performance indicators, and;</p> <p>Whereas, The Certification must be approved by the PHA board and signed by the PHA Executive Director; now, therefore,</p> <p>BE IT RESOLVED, by the Board of Commissioners of the Martinsville Redevelopment and Housing Authority,</p> <ol style="list-style-type: none">1. That the Section 8 Management Assessment Program Certification for the Fiscal year ending June 30, 2012 shall be completed as stipulated by HUD and;2. That the Executive Director is hereby authorized to sign and submit the certification require <p>Adopted: September 11, 2012</p> <p style="text-align: center;"> Kim E. Adkins, Chairperson Martinsville Redevelopment</p>

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Adjourn MRHA & re-convene Martinsville City Council: On a motion by Mark Stroud, seconded by Danny Turner, with a 5-0 vote, the Martinsville Redevelopment & Housing Authority adjourned and re-convened as Martinsville City Council.

Proclamation U.S. Constitution signing: Mayor Adkins presented a proclamation commemorating the 225th Anniversary of the Signing of the United States Constitution. Helms Monday, son of the City Attorney Eric Monday, accepted the proclamation on behalf of the Colonel George Waller Chapter of the Sons of the American Revolution.

Proclamation National Adult Education & Family Literacy Week: Mayor Adkins presented a proclamation to Dr. Cynthia Ingram regarding National Adult Education & Family Literacy Week.

Proclamation regarding Day of Service: Mayor Adkins presented a proclamation proclaiming September 29, 2012 as a Day of Service at the request of Governor McDonnell.

Overview of September 10 Neighborhood Tour and meeting: Mayor Adkins gave an overview of the September 10, 2012 tour of the Druid Hills/Uptown area and reported on citizen concerns voiced at the Neighborhood meeting held at Forest Hills Presbyterian Church.

Update on IRF grant funds: Wayne Knox briefed Council on the IRF funding for the Henry Hotel reporting that the second round of funding for IRF projects is available at present, with a deadline of September 26, 2012. The object of this application is the Henry Hotel. This round of funding has \$1 million available statewide versus the \$3million that was in the first round and our goal is to obtain \$500,000 toward the redevelopment of the Henry Hotel. The following resolution supporting the City's application for Industrial Revitalization Funds for the Henry Hotel was approved by Council with a 4-1 vote (Turner voted nay), on a motion by Gene Teague, seconded by Kimble Reynolds:

WHEREAS, the City of Martinsville is the owner of record of the historic "Henry Hotel Building," located on 50 E Church Street in Uptown Martinsville, and;

WHEREAS, the building was purchased by the City of Martinsville to both preserve the historic structure and to make the building available for redevelopment, and to be a catalyst for new investment in the Uptown area, and;

WHEREAS, the purchase price for the "Henry Hotel Building" was a total of \$425,000, with a cash payment of \$95,000 and the balance in the form of a loan from The Harvest Foundation (for \$330,000), and;

WHEREAS, Phoenix Community Development Corporation (Phoenix CDC) was formed to facilitate redevelopment and new investment in distressed areas of the City of Martinsville and Henry County, and;

WHEREAS, The Harvest Foundation has committed a \$265,000 Grant to Phoenix CDC to assist in covering Predevelopment or Soft-Cost for the initial projects it undertakes, and;

WHEREAS, Phoenix CDC has already made considerable effort and expended significant funds to complete Environmental, Engineering, Architectural, Market Analysis and Financial Analysis into the feasibility of renovating the Henry Hotel, and;

WHEREAS, The City of Martinsville desires to work with Phoenix CDC toward the renovation of the Henry Hotel Building and is willing to transfer the ownership of the building to Phoenix CDC, with Phoenix CDC assuming the outstanding debt on the property, and;

WHEREAS, the analysis by Phoenix CDC shows that it is feasible to renovate the building from a physical standpoint, it would not economically feasible without the use of both various Tax Credit programs and other Grants to fill the financial gaps caused by the local economic conditions, and;

WHEREAS, considering the City's previous purchase of the building and Phoenix CDC committing \$225,000 of its \$265,000 Harvest Pre-Development Grant toward the renovation of the Henry Hotel Building and together bring the current local funds committed to the renovation project totaling \$650,000, and;

WHEREAS, This amount meets the minimum required local matching funds for an "2013 Industrial Revitalization Fund (IRF) Grant" at the maximum grant amount of \$500,000, now then;

HEREBY BE IT RESOLVED, that the City Council of City of Martinsville, does hereby authorize the City Staff to prepare and submit on behalf of the City of Martinsville a "2013 Industrial Revitalization Fund (IRF) Grant Application" to the Virginia Department of Housing and Community Development (DHDC) on behalf of the renovation of the Henry Hotel Building which is owned by the City of Martinsville. Such grant request to total \$500,000, and;

BE IT ALSO RESOLVED, that if approved by DHDC, the IRF Grant Funds would be used to financially assist in the physical renovation of the Henry Hotel Building, with Phoenix Community Development Corporation (Phoenix CDC), a 501c3 Non-Profit organization, incorporated in the Commonwealth of Virginia, serving as the Project Developer.

This Resolution was read and approved by majority vote of the City Council of the City of Martinsville, at its Council Meeting, held on the 11th Day of SEPTEMBER in the Year 2012, and recognized by the Authorized Signature(s) below:



Signature of Authorized Official

Attest:



Brenda Prillaman, Clerk of Council

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Public Nuisances ordinance: City Attorney Eric Monday briefed Council on the three properties for consideration as public nuisances and Ted Anderson and Andy Powers provided details:

Three properties have been identified as appropriate to be declared a nuisance under state law. These properties have been in violation of the City code for a considerable amount of time and also have title issues that complicate enforcement:

763 Indian Trail (Druid Hills Pool):

The Corporation that owns the property no longer exists; continual issues of standing water/mosquitoes, soil erosion; an abandoned pool is a hazardous attraction.

125 Askin Street:

Condemned as structurally unsound and irreparable. Parts of the structure are open to the elements and unsecured; unauthorized attempts at repair and possibly residency have occurred.

122 Summit Street:

Extensively damaged by fire and condemned; open, unsecured and a hazardous attraction; title to the property is divided among numerous heirs and has many judgment creditors.

After lengthy Council discussion, a motion was made 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, and Council approved the following ordinance on first reading:

ORDINANCE 2012-UC-2---BE IT ORDAINED by the Council of the City of Martinsville, Virginia, in regular session held on September 25, 2012 that, pursuant to sections 15-2-900 and 15.2-906 of the Code of Virginia, the following properties are declared to be public nuisances, to be abated in the manner set forth herein: The following properties constitute a menace to and endanger the public health and safety of the residents of the City of Martinsville: 763 Indian Trail (former Druid Hills Pool): Is an unsecured attractive nuisance and presents a continual hazard to the public health and safety through the accumulation of unsanitary standing water, breeding of insects, and soil erosion creating unsafe ground surface. 125 Askin Street: Has previously been condemned by this City as structurally unsound and irreparable and requiring demolition; demolition has yet to occur. The property is unsecured and constitutes a dangerous attractive nuisance. 122 Summit Street: Has been extensively damaged by fire and has been condemned. The property is unsecured and constitutes a dangerous attractive nuisance. All three properties must be demolished within 30 days of the effective date of this ordinance.

Monthly finance report: Finance Director Linda Conover gave the following monthly finance report which was approved by Council on a motion by Mark Stroud, seconded by Danny Turner, with a 5-0 vote:

FY12 – PRELIMINARY YEAR-END FINANCIAL REVIEW

FY12 officially ended on June 30, 2012; however, all year-end transactions will not be finalized until mid-October in order to realize all earned revenue and incurred expenses for the fiscal year. The annual audit process will occur in late October. Based upon these facts, a summary of FY12 revenues and expenditures, and a combined balance sheet with estimated re-appropriations, reflecting the estimated fund balance has been provided for your review. The final audit will provide an exact accounting of the fiscal year.

FY12 – Revenues & Expenditures - UNAUDITED

Upon examination of the City's Funds, exclusive of School and Special Revenue Funds, unaudited figures are provided for actual versus anticipated revenues and expenditures. These numbers include transactions recorded through August 31st. Several year-end audit adjustments, including accrued/unbilled utilities, street maintenance and engineering calculations, and asset capitalizations are not yet included in this report. Currently, there is an excess of expenditures, including estimated re-appropriations, over revenues of \$742,520. The aforementioned calculations, other year-end adjustments, and additional re-appropriations will impact both revenues and expenditures before FY12 is officially closed.

FY12 – Combined Balance Sheet – UNAUDITED

The current total combined fund balance for FY12 is \$25,741,122, which would initially be an increase over FY11 of \$11,481,938. However, when estimated current re-appropriation requests are factored in, the current revised FY12 fund balance is \$14,751,865, an increase of \$2,291,747. Remember, many year-end adjustments have yet to be made so this figure is still a moving target and should not be interpreted as final. The re-appropriations requests include \$8,731,416 for the continuing High School Renovation Project in the Meals Tax Fund, \$768,824 for the Energy Efficiency Project in the Capital Fund, \$493,257 for the Uptown Master Plan Phase I, and \$57,503 for the balance of the Commonwealth Crossing water/sewer line commitment. The majority of the balance is composed of various grant programs and incomplete projects. The requests are still being tabulated at this time, and a final list will be submitted to Council for your approval at a later meeting.

Projected Fund Balance for FY12 - UNAUDITED

Based on actual figure and anticipated re-appropriations as presented to date, the overall Fund Balance at the end of Fiscal Year 2012 is projected to be \$13,634,471, a decrease of \$624,713 over the prior fiscal year. The unassigned Fund Balance, exclusive of Utilities, is estimated to be \$3,370,549.

Business from floor: Ural Harris, 217 Stuart St., comments on cable and Henry Hotel; Doug Sharpe, 206 Clearview Dr., comments on littering of cigarette butts; Wayne Knox, City Community Development Director, announced the City was recognized as the 2012 Agency of the Year by the VA Association of Housing Counseling Agency.

Council comments: Turner-reminders about events Uptown and encouraged participation; Stroud-encouraged re-stocking food banks and blood donations; Adkins-reported receiving email response from Don Merricks regarding Council's recent resolution regarding aid to localities reduction; Eric Monday reminded citizens to use local contractors, be wary of contractors going door to door and call his office before signing any contracts.

There being no further business, the meeting adjourned at 9:00 pm.

Brenda Prillaman, Clerk of Council

Kim Adkins, Mayor