

September 25, 2012

The regular meeting of the Council of the City of Martinsville, Virginia, was held on September 25, 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, Gene Teague, Mark Stroud and Danny Turner. Staff present included: Leon Towarnicki, Interim City Manager, Brenda Prillaman, Eric Monday, Linda Conover, Mike Rogers, and Dennis Bowles.

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 Kimble Reynolds, seconded by Mark Stroud, with the following 5-0 recorded vote: Adkins, aye; Stroud, aye; Reynolds, aye; Teague, aye; and Turner, aye, Council convened in Closed Session, for the purpose of discussing the following matters: (A) Appointments to boards and commissions as authorized by Subsection 1. (B) Consultation with legal counsel and briefings by staff members, attorneys, or consultants pertaining to actual or probable litigation, or other specific legal matters requiring the provision of legal advice by such counsel, as authorized by Subsection 7. (C) A personnel matter as authorized by Subsection 1. (D) A prospective business or industry or the expansion of an existing business or industry where no previous announcement has been made of the business' or industry's interest in locating or expanding its facilities in the community as authorized by Subsection 5. At the conclusion of Closed Session, each returning member of Council certified that (1) only public business matters exempt from open meeting requirements were discussed in said Closed Session; and (2) only those business matters identified in the motion convening the Closed Session were heard, discussed, or considered during Session. On a motion by 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-Board appointments: Anchor Group Home-a motion was made by Kimble Reynolds, seconded by Mark Stroud, with a 5-0 vote, to appoint Lisa Smith, 803 Banks Rd., to an unexpired four year term ending 12/31/15.

Patrick Henry Community College Board-a motion was made by Gene Teague, seconded by Danny Turner, with a 5-0 vote to appoint Brian Mateer, 106 Mulberry Ct., to an unexpired four year term ending 6/30/16.

Southern Area Agency on Aging-a motion was made by Mark Stroud, seconded by Gene Teague, with a 5-0 vote, to re-appoint Madie Rountree, 1221 Mulberry Rd., to a three year term ending 9/28/15.

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

Minutes: On a motion by Gene Teague, seconded by Danny Turner, with a 5-0 vote, Council approved the minutes of August 14, 2012, August 28, 2012, September 10, 2012 Tour, and September 10, 2012 Neighborhood Meeting.

Joint resolution with Henry County: The following joint resolution with Henry County and City of Martinsville to rename rescue squad building Summerlin Station was approved on a motion by Kimble Reynolds, seconded by Gene Teague, with a 5-0 vote. Henry County Board of Supervisors took the same action at their meeting on September 25, 2012. Robin Summerlin, Benny's wife, and other representatives from Henry County were in attendance to accept the joint resolution:

WHEREAS, Benny Summerlin was a role model and mentor for many people in Martinsville and Henry County, through his various roles in public service; and

WHEREAS, among Mr. Summerlin's public life began as an 8th grader when he volunteered for the Martinsville-Henry County Rescue Squad, and culminated with his service as the Henry County Administrator from 2002 until his death on August 15, 2012; and

WHEREAS, during his public service career Mr. Summerlin impacted many projects that involved both localities, including the Dick and Willie Trail, the Smith River Sports Complex, the Patriot Centre Business Park, and the Commonwealth Crossing Business Centre; and

WHEREAS, Mr. Summerlin performed his duties with the utmost professionalism and dedication, and never once sought excessive public attention or credit for any of his accomplishments; and

WHEREAS, the Martinsville-Henry County community is better for having Benny Summerlin working diligently for it over the past 31 years and even back to his volunteer days with the Martinsville-Henry County Rescue Squad:

NOW THEREFORE BE IT RESOLVED, on this 25th day of September 2012, that the Henry County Board of Supervisors and the Martinsville City Council do hereby decree that the former Martinsville-Henry County Rescue Squad building on Hooker Street in the City now be known officially as the "Summerlin Station" in recognition of Benny Summerlin's lifelong dedication to the art of public service. He will forever be missed.

Resolution honoring Martinsville Speedway: On a motion by Mark Stroud, seconded by Danny Turner, with a 5-0 vote, Council approved the following resolution honoring Martinsville Speedway's 65th Anniversary which was accepted by Speedway President Clay Campbell:

WHEREAS, the presence of the Martinsville Speedway in our community sets us apart from other communities, with its international reputation and its connection to NASCAR Sprint Cup racing, which is one of the most popular sports in the world; and

WHEREAS, in 1947, the first stock car race was held at Martinsville Speedway with over 6,000 fans in attendance which was a year before NASCAR was formed and two years before the first sanctioned NASCAR event was contested; and

WHEREAS, Martinsville Speedway continues to excel in giving the fans a great "guest experience" playing a significant role in tourism efforts for our community; and

WHEREAS, Martinsville Speedway hosts two NASCAR Sprint Cup races each year attracting millions of television viewers and thousands of race attendees drawing attention to our community worldwide; and

WHEREAS, Martinsville Speedway plays host to the community-based July 4th celebrations and additional race weekends for grass-roots racing fans and has graced our community with its presence for the past 65 years as a good corporate citizen;

NOW THEREFORE BE IT RESOLVED, on this 25th day of September 2012 that the Martinsville City Council applauds the immeasurable impact that the **Martinsville Speedway** has had on our community for the past 65 years and thanks the current and former employees and owners for all they have done for this community.

Mayor Adkins noted an adjustment to agenda moving the ordinance approval item. Ordinance approval, second reading, public nuisances: After a report from City Attorney advising this ordinance was approved by Council on first reading at the last meeting and staff recommendation is still to declare the public nuisances, a motion was made by Gene Teague, seconded by Kimble Reynolds, with the following 5-0 recorded vote: Adkins, aye; Stroud, aye; Reynolds, aye; Teague, aye; and Turner, aye, to approve the following ordinance on second reading:

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.

* * * * *

Attest:


Brenda Prillaman,
Clerk of Council

September 25, 2012
Date Adopted

October 5, 2012
Date Effective

September 25, 2012

Update from West Piedmont Workforce Investment Board—Executive Director of the West Piedmont Workforce Investment Board, Kim Adkins, gave a comprehensive update on the WPWIB history, organization, and activities. Ms. Adkins called on Martinsville-Henry County Chamber of Commerce President Amanda Witt to give an update the WPWIB’s services to employers as the WPWIB funds the Chamber to administer its services to the business community. Amanda Witt presented information on the Business Services Partnership and the Business Services Manager position services provided to assist the Workforce Investment Act (WIA) Program.

Update from staff on Martinsville Mustangs 2012 season: Leon Towarnicki presented an update for Council’s information on the 2012 season for the Martinsville Mustangs baseball team:

 <p>Season Highlights</p> <ul style="list-style-type: none"> • 2012 Attendance – 36,750 (43,880 in 2011, 26,534 in 2010, 27,833 in 2009, 25,792 in 2008, and 24,649 in 2007). 3 games cancelled, multiple games with rain prior to/during the game. 2 nights (6/14 & 7/5 over 3000) Attendance ranked 24th in Summer Collegiate Top 50 for 2012 • Game day revenue -\$84,651 (\$93,403 in 2011, \$86,055 in 2010) 	 <p>Financial Summary</p> <ul style="list-style-type: none"> • Covers period from 9/1/11 – 8/31/12 • Revenue projected to be \$120,732 • Expenses projected to be \$188,245, for net cost of operations of \$67,513 (*) • FY12 budgeted net cost is \$51,374; FY13 budgeted net cost is \$79,885 • 2007 NC \$55,699; 2008 NC \$60,000; 2009 NC \$56,888; 2010 NC \$44,365, 2012 NC \$58,464 	 <p>Financial Summary</p> <ul style="list-style-type: none"> • What impacted 2012 costs? • Weather – game day revenue down \$8,752 • Travel Expenses - \$5,013 (unexpected) • GM Transition in March • Supply costs (Rawlings/currently under review through League office)
 <p>2013 Season</p> <ul style="list-style-type: none"> • At the conclusion of the 2011 season, Council committed to 2 seasons, 2012 and 2013, after which the team’s status will be evaluated and a decision made regarding team’s future. • 2012 General Manager, Dean Hennis, has decided to not return for the 2013 season. GM position has been advertised, applications have been received. 	 <p>2013 Season</p> <ul style="list-style-type: none"> • Due to interest in a possible public/private partnership, a Request For Proposals is being advertised. Proposals due Oct. 5th, with evaluation and recommendation(s) shortly thereafter. 	 <p>Recommendation</p> <ul style="list-style-type: none"> • Review proposals from RFP for privatization • Continue to work with CPL office, Mustangs “advisory committee”, and local organizations to improve revenue while minimizing costs.
 <p>Acknowledgements</p> <ul style="list-style-type: none"> • Mustangs fans and supporters • Advertisers and sponsors • MHC Chamber of Commerce/EDC • Coach Matt Duffy; GM Dean Hennis • Doug & Sandy Christman • Mustangs “boosters” and fundraisers, host families, food donors, and numerous volunteers 	 <p>Team Highlights</p> <ul style="list-style-type: none"> • 8th Season in Coastal Plain League • Finished 24 -31; won 2nd half West Division with a record of 15 – 12 • 3 players named to CPL All-Star team; 2 players of the week; 1 first team and 2 second team all-conference players, Jake Stone lead league in batting with .375 average. 	

Update on Electric Rate Stabilization Plan: Dennis Bowles provided the following information to Council on the Electric Rate Stabilization Plan:

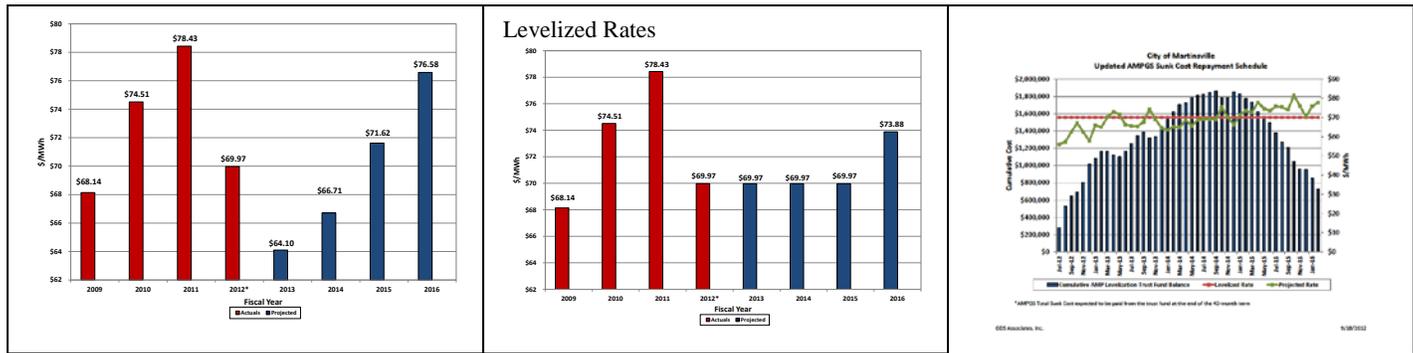
During the FY13 budget review process and at later Council meetings, there have been questions regarding the City’s strategy for repayment of the AMPGS project stranded costs. The City is entering a period of time where purchased power costs are projected to decrease and by keeping retail power costs at a level or stable rate through use of a rate stabilization plan with American Municipal Power, funds accumulated from the difference between actual market costs and AMP’s wholesale rate to the City would be allocated to an interest-earning trust fund. The fund will be used to levelize the City’s wholesale power rate over an extended period of time, and at the end of the levelization term to pay the City’s portion of the AMPGS stranded costs. The “average” power costs are projected to be lower during FY13 and FY14 and the implementation of the Rate Stabilization Plan levelizes the power cost at \$69.97 per megawatt-hour (MWh) producing funds needed for repayment of the AMPGS stranded cost. The accumulated funds also are used to maintain the \$69.97 per MWh rate as the actual rate fluctuates from month to month both above and below the levelized rate.

Since approval of the budget and earlier discussions regarding the original rate stabilization plan in June, updated power cost projections indicate a need to extend the Rate Stabilization Plan beyond the original plan’s term of 24 months covering FY13 and FY14, to a term of 42 months into FY16. In order to participate in this plan, AMP requires the City to enter into a rate stabilization agreement for the term necessary to reach a trust fund balance that will cover both the payment of the AMPGS stranded cost and result in a zero balance in the trust fund after that payment. Based on current power cost projections, participation in this plan will cover the City’s share of AMPGS stranded costs and provide level electric rates into FY16, unless other changes are made.

GDS Associates projected power costs through FY-2016 and, along with Blue Ridge Power Agency and staff, have reviewed the revised plan and encourage the extension of the levelized rate to mid- FY 2016 (December 2015) to offset increasing power costs projected for FY15 and FY16 and make full repayment of AMPGS stranded cost at the end of the 42-month term.

The rate stabilization plan that AMP offers its members (a service AMP has offered for some time), deposits member funds that are in excess of the monthly AMP power bill into a trust fund for the purpose of stabilizing future power cost and as a means to set aside funds necessary for repayment of AMPGS stranded cost. There are fees associated with the trust fund and the City, as the beneficiary of the trust fund, would have access to funds as needed and either party can terminate the agreement with 60 days written notice. The trust funds may be used to pay power invoices when the power bill is above what the levelized rate will cover and/or to pay the AMPGS sunk cost.

<ul style="list-style-type: none"> • A rate stabilization plan provides a means to stabilize future power costs by using funds accumulated in fiscal years 2013 and 2014, when power cost are lower and applying the savings to offset higher cost power in 2015 and 2016, effectively stabilizing purchase power cost for a 42 month term. • Another benefit of the rate stabilization plan is the accumulation of funds over the term of the plan are used to repay the AMPGS stranded cost. • The plan is based on a 42 month term beginning July 1, 2012 and continuing through December 31, 2015 	<ul style="list-style-type: none"> • Purchase Power rates in the fiscal years 2013 - midterm 2016 are stabilized as follows: <table border="1" data-bbox="665 1816 941 1900"> <thead> <tr> <th></th> <th>Projected rate</th> <th>Stabilized rate</th> </tr> </thead> <tbody> <tr> <td>• 2013</td> <td>\$64.40</td> <td>\$69.97</td> </tr> <tr> <td>• 2014</td> <td>\$66.71</td> <td>\$69.97</td> </tr> <tr> <td>• 2015</td> <td>\$71.62</td> <td>\$69.97</td> </tr> <tr> <td>• Midterm - 2016</td> <td>\$76.58</td> <td>\$69.97</td> </tr> </tbody> </table> <ul style="list-style-type: none"> • The savings accumulating in 2013-2015 are deposited into a interest bearing trust fund by AMP on the City’s behalf through the payment of the monthly power bill. • AMP requires City Council approval of the plan and Council’s authorization to allow the City Manager to enter into a written agreement to set up the trust fund and rate stabilization plan. 		Projected rate	Stabilized rate	• 2013	\$64.40	\$69.97	• 2014	\$66.71	\$69.97	• 2015	\$71.62	\$69.97	• Midterm - 2016	\$76.58	\$69.97	<p>The accumulating funds are used to maintain the average monthly power cost of \$69.97 as actual power cost fluctuates above and below the stabilized rate and at the 42 month term end to repay AMPGS stranded cost. Stabilizing power cost from 2013 - midterm 2016 in turn allows customer rates to remain stable forgoing the need for a rate increase to customers during the 42 month term. The purchase power rate for the remainder of 2016 is projected to be higher and may require some alteration to the plan at a later date to extend the stabilization through the end of FY2016.</p>
	Projected rate	Stabilized rate															
• 2013	\$64.40	\$69.97															
• 2014	\$66.71	\$69.97															
• 2015	\$71.62	\$69.97															
• Midterm - 2016	\$76.58	\$69.97															



- Staff along with GDS Associates and Blue Ridge Power agency representatives recommend approval of the Rate Stabilization Plan.
- Benefits:**
 - Stable power cost through mid-term 2016
 - Stable rates for customers through the term
 - Repayment of AMPGS stranded cost with no increased cost to our customers.

After lengthy Council discussion, Mr. Bowles was directed to find out the fee for administrative services of AMP for the plan and further consideration of the plan will be given at the next meeting, October 9.

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

			BUDGET ADDITIONS FOR 9/25/12	
ORG	OBJECT	DESCRIPTION	DEBIT	CREDIT
FY13				
General Fund:				
01100909	490104	Adv/Recovered Costs		5,405
01311085	506008	Police Dept - Vehicle Equip & Maint	5,405	
		Insurance for repairs to patrol car		
01100904	442401	Local Confiscated Assets - Police		145
01311085	506118	Police Dept - Local Confiscated Assets	145	
01100904	442402	Local Confiscated Assets - Comm. Attorney		145
01221082	506118	Comm. Atty. - Local Confiscated Assets	145	
		Local confiscated assets		
Total General Fund:			5,695	5,695
Electric Fund				
14100908	482901	Misc - Unclassified Revenue		7,870
14563338	501200	Electric Maintenance - Overtime	7,310	
14563338	502100	Electric Maintenance - Social Security	454	
14563338	502110	Electric Maintenance - Medicare	106	
		Reimb from APCO - Wind Storm Clean-up - 7/3-7/6/12		
Total Electric Fund:			7,870	7,870

Review outside agencies semiannual reports: No comments from Council regarding reports.

Business from floor: Ural Harris, 217 Stuart St., comments on AMP, fiber optic system and Henry Hotel. Chad Martin-thanked Council for their work and encouraged participation in the community ballgame at Hooker Field.

Council comments: Stroud-encouraged about ball game at Hooker Field; Turner-reminder about tree dedication on Spur Trail.

There being no further business, the meeting adjourned at 9:45 pm.

Brenda Prillaman, Clerk of Council

Kim Adkins, Mayor