

AGENDA--CITY COUNCIL MEETING--CITY OF MARTINSVILLE, VIRGINIA

Council Chambers – Municipal Building
7:30 p.m. – Tuesday, September 27, 2011

Invocation – Council Member Gene Teague
Pledge to the American flag

1. [Presentation of proclamation recognizing Domestic Violence Month.](#) (2 minutes)
2. [Consider adoption of Preliminary Ordinance on second reading and adoption of Ordinance on first reading, authorizing the issuance of a not to exceed \\$9,300,000 General Obligation School Bond for renovations at Martinsville High School.](#) (15 minutes)
3. [Consider adoption of a resolution setting the allocation percentage for personal property tax relief for qualifying vehicles in the City for tax year 2011.](#) (5 minutes)
4. [Hear a report from City staff on a building energy efficiency project.](#) (20 minutes)
5. [Consider approval on second reading an ordinance for City of Martinsville Water Supply Plan.](#) (5 minutes)
6. Consider approval of consent agenda. (2 minutes)
 - A. [Accept and appropriate budget adjustments FY11 and FY12.](#)
 - B. [Consider approval of Council meeting minutes of Aug. 23, Sept. 9, Sept. 12 tour, and Sept. 12, 2011.](#)
7. [Hear an update from Marc Gerken of American Municipal Power, Inc. \(AMP on Phase I Hydroelectric construction.](#) (20 minutes)

8. Business from the Floor

This section of the Council meeting provides citizens the opportunity to discuss matters that are not listed on the printed agenda. Since the Council meetings are broadcast on Martinsville Government Television, the City Council is responsible for the content of the programming. Thus, any person wishing to bring a matter to Council's attention under this Section of the agenda should:

- (1) come to the podium, state name and address;**
- (2) state the matter they wish to discuss and Council action requested;**
- (3) limit remarks to five minutes;**
- (4) refrain from making any personal references or accusations of a factually false and/or malicious nature.**

Persons who violate these guidelines will be ruled out of order by the presiding officer and asked to leave the podium. Persons who refuse to

comply with the direction of the presiding officer may be removed from the chambers.

9. Comments by Council Members. (5 minutes)
10. Comments by City Manager. (5 minutes)
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—Closed Meetings, the following:
 - A. Discussion of the award of a public contract involving the expenditure of public funds, including interviews or 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 as authorized by Subsection 29.
 - B. Discussion or consideration of the acquisition of real property for a public purpose, or the disposition of publicly held real property, where discussion in an open meeting would adversely affect the bargaining position or negotiating strategy of the public body as authorized by Subsection 3.
 - C. Discussion concerning 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.
 - D. Discussion or consideration of the investment of public funds where competition or bargaining is involved where, if made public initially, the financial interest of the governmental unit would be adversely affected as authorized by Subsection 6.

Meeting Date: September 27, 2011

Item No: 1.

Department: City Council

Issue: Presentation of proclamation regarding Domestic Violence Awareness Month.

Summary: Representatives from Citizens Against Family Violence, Deborah Menefee and Melissa Gravely, will be present to accept the proclamation.

Attachments: [Proclamation](#)

Recommendations: No action required

Proclamation

Establishing October 2011 as “Domestic Violence Awareness Month” In Martinsville

WHEREAS, domestic violence is at epidemic levels in the United States and other countries, and is a major issue in Martinsville and Henry County; and

WHEREAS, it is estimated that more than 3 million women experience domestic violence annually at the hands of their husbands or boyfriends; and

WHEREAS, it also is estimated that medical costs associated with domestic violence top \$5.8 billion annually, and that more than 3.3 million children witness domestic violence in their homes; and

WHEREAS, Citizens Against Family Violence is a Martinsville-Henry County agency that deals daily with domestic violence here, and works diligently on public education on this issue; and

WHEREAS, October is “National Domestic Violence Awareness Month” in the United States, as instituted by President Barack Obama:

NOW, THEREFORE, BE IT PROCLAIMED, on this 27th day of September, 2011 That the Martinsville City Council establishes October 2011 as “Domestic Violence Awareness Month” in the City of Martinsville. Furthermore, the City encourages all Martinsville citizens to embrace this cause and work together to wipe out domestic violence in our community and our nation.

Kim E. Adkins, Mayor
City of Martinsville

Meeting Date: September 27, 2011

Item No: 2.

Department: City Manager and Finance

Issue: Consider adoption of Preliminary Ordinance on second reading and adoption of Ordinance on first reading, authorizing the issuance of a not to exceed \$9,300,000 General Obligation School Bond for renovations at Martinsville High School.

Summary: After hearing public input during the September 13, 2011 Council meeting, the Council adopted a Preliminary Ordinance that is before the Council now for second reading. The council also approved a Resolution, setting a Public Hearing for October 11, 2011.

Also before the Council is another related Ordinance for consideration on first reading. This particular Ordinance authorizes issuance of up to \$9,300,000 as a General Obligation School Bond. This Ordinance will not be effective until after adoption on second reading which will occur after the Public Hearing.

September 27, 2011 – City Council meeting – adopt Preliminary Ordinance on second reading and adopt the School Bond Issuance Ordinance on first reading.

October 11, 2011 - City Council meeting – Conduct Public Hearing and adopt School Bond Issuance Ordinance on second reading.

Attachments: Two separate Ordinances:
[Preliminary Ordinance for second reading](#)
[School Bond Issuance Ordinance for first reading](#)

Recommendations: If it is the desire of the Council to authorize the renovation project, Council should adopt both Ordinances as outlined.

CITY OF MARTINSVILLE, VIRGINIA

AN ORDINANCE RECITING THE EXPEDIENCY OF THE ISSUANCE OF UP TO \$9,300,000 PRINCIPAL AMOUNT OF GENERAL OBLIGATION BONDS OF THE CITY OF MARTINSVILLE, VIRGINIA, AND SETTING FORTH THE PURPOSE, IN GENERAL TERMS, FOR WHICH THE BONDS ARE TO BE ISSUED, THE MAXIMUM AMOUNT OF THE BONDS TO BE ISSUED AND THE MAXIMUM LENGTH OF TIME SUCH BONDS WILL BE OUTSTANDING

Adopted on September 27, 2011 (second reading)

Be it Ordained by the Council of the City of Martinsville, Virginia:

Section 1 - Findings and Determinations

The City Council (**the "City Council"**) of the City of Martinsville, Virginia (**the "City"**) proposes to issue bonds for the purpose of assisting in the construction, expansion, renovation and equipping of Martinsville High School in the City for school purposes (**the "Project"**) and hereby finds and determines that: (i) the City is in need of funds to be used by the City for such construction and equipment needs for the Project and for costs of issuance of the Bonds (defined below); (ii) the obtaining of such funds will be for municipal purposes of the City, for the welfare of citizens of the City for purposes which will serve the City and its citizens pursuant to the authority of the City to provide funds for and otherwise support the City's public schools; (iii) the most effective, efficient and expedient manner in which to provide such funds to the City is through the issuance of general obligation bonds in an original principal amount not to exceed \$9,300,000 to be issued by the City as further described herein (**the "Bonds"**) to be used for the construction and equipping of the Project and for certain costs of issuance of the Bonds; (iv) the issuance of the Bonds is within the power of the City to contract debts, borrow money and make and issue evidence of indebtedness; and, (iv) the issuance of the Bonds is in the best interests of the City and its citizens.

Section 2 - Description of the Bonds

The City Council finds that it is expedient for the City to borrow money and issue the Bonds for the Project in a maximum amount not to exceed NINE MILLION THREE HUNDRED THOUSAND DOLLARS (\$9,300,000). The maximum length of time that the Bonds will be outstanding is twenty years and one month from the date of issuance of the Bonds. The form and details of the Bonds which are proposed to be issued will be more specifically set forth in a City Ordinance to be entitled "ORDINANCE AUTHORIZING THE ISSUANCE OF A NOT TO EXCEED \$9,300,000 GENERAL OBLIGATION SCHOOL BOND, SERIES 2011, OF THE CITY OF MARTINSVILLE, VIRGINIA TO BE SOLD TO THE VIRGINIA PUBLIC SCHOOL AUTHORITY AND PROVIDING FOR THE FORM, DETAILS AND PAYMENT THEREOF," which will be introduced before the Council and considered for passage following a public hearing on the issuance of the Bonds, as required by law.

Section 3 - Further Actions Authorized

The City Manager, Clerk of the Council, City Treasurer, City Attorney, Sands Anderson PC as bond counsel, Davenport & Company LLC as financial advisor to the City and all other officers, employees and agents of the City are hereby authorized and directed to take any and all such further action as shall be deemed necessary or desirable to facilitate consideration of the issuance of the Bonds. All actions of the City Manager, Clerk of the Council, City Treasurer, City Attorney, bond counsel, the City's financial advisor and all other officers, employees and

agents of the City in furtherance of the issuance of the Bonds and the financing of the Project are hereby approved and ratified.

Section 4 - Invalidity of Sections

If any section, paragraph, clause or provision of this Ordinance shall be held invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining portions of this Ordinance.

Section 5 - Headings of Sections

The headings of the sections of this Ordinance shall be solely for convenience of reference and shall not affect the meaning, construction, interpretation or effect of such sections of this Ordinance.

Section 6 - Effective Date and Filing of Ordinance

Council hereby declares in the public interest that this Ordinance shall become effective immediately upon its passage. A copy of this Ordinance, certified by the Clerk of the Council, shall be filed with the Clerk of the Circuit Court of the City of Martinsville, Virginia.

The Members of the Council voted as follows on the foregoing Ordinance:

Ayes

Nays

Absent

Abstentions

Adopted this 27th day of September, 2011 (second reading).

The undersigned Clerk of the City Council of the City of Martinsville, Virginia hereby certifies that the foregoing constitutes a true and correct extract from the minutes of a meeting of the City Council held on September 13, 2011, and of the whole thereof so far as applicable to the matters referred to in such extract. I hereby further certify that such meeting was a regularly called meeting and that, during the consideration of the foregoing Ordinance, a quorum was present.

Dated this ____ day of _____, 2011.

Clerk, City Council of
City of Martinsville, Virginia

**ORDINANCE AUTHORIZING THE ISSUANCE OF A NOT TO EXCEED
\$9,300,000 GENERAL OBLIGATION SCHOOL BOND, SERIES 2011,
OF THE CITY OF MARTINSVILLE, VIRGINIA, TO BE SOLD TO
THE VIRGINIA PUBLIC SCHOOL AUTHORITY
AND PROVIDING FOR THE FORM AND DETAILS THEREOF**

[First reading]

WHEREAS, the City Council (**the "Council"**) of the City of Martinsville, Virginia (**the "City"**), has determined that it is necessary and expedient to borrow an amount not to exceed \$9,300,000 and to issue its general obligation school bond (as more specifically defined below, the "Local School Bond") for the purpose of financing the construction, expansion, renovation and equipping of Martinsville High School in the City, which constitutes a capital project for public school purposes (**the "Project"**); and

WHEREAS, the City will hold a public hearing, duly noticed, on October 11, 2011, on the issuance of the Local School Bond in accordance with the requirements of Section 15.2-2606, Code of Virginia 1950, as amended (**the "Virginia Code"**); and

WHEREAS, the School Board of the City has, by Resolution, requested the Council to authorize the issuance of the Local School Bond and consented to the issuance of the Local School Bond; and

WHEREAS, the Virginia Public School Authority ("**VPSA**") has offered to purchase the Local School Bond along with the local school bonds of certain other localities with a portion of the proceeds of certain bonds to be issued by VPSA in the fall of 2011 (**the "VPSA Bonds"**); and

WHEREAS, VPSA intends to issue the VPSA Bonds as "qualified school construction bonds" (**referred to below as "QSCBs"**) within the meaning of Section 54F of the Internal Revenue Code of 1986, as amended (the "Tax Code"), which section was added to the Tax Code by the American Recovery and Reinvestment Act of 2009 (Pub. L. No. 111-5, 123 Stat. 355), enacted on February 17, 2009; and

WHEREAS, VPSA intends to elect to treat the VPSA Bonds as "specified tax credit bonds" under Section 6431 of the Tax Code, as amended by the Hiring Incentives to Restore Employment Act (Pub. L. No. 111-147, 123 Stat. 301), enacted on March 18, 2010, which status enables an issuer of a QSCB to receive a direct payment of a refundable credit in lieu of providing a tax credit to the purchaser or holder of the QSCB; and

WHEREAS, the refundable credit payable with respect to each interest payment date will be equal to the lesser of (i) the amount of interest payable under the QSCB on such date or (ii) the amount of interest which would have been payable under the QSCB on such date if such interest were determined at the applicable credit rate determined under Section 54A(b)(3) of the Tax Code (that is, the rate used in computing the amount of tax credit that could be claimed by

the QSCB holder absent the "specified tax credit bond" refundable credit election); and

WHEREAS, subject to the terms and conditions set forth or referred to below, VPSA will transfer to the City the allocable portion of the refundable credit actually received in cash by VPSA with respect to the VPSA Bonds; and

WHEREAS, the allocation of QSCB volume cap pursuant to which VPSA will issue the VPSA Bonds will be made by Executive Order to be issued by the Governor of the Commonwealth of Virginia (**the "Executive Order"**), to finance the Project along with a number of other projects selected through a competitive evaluation process administered by the Virginia Department of Education; and

WHEREAS, the Bond Sale Agreement (as defined below) shall indicate that \$9,300,000 is the amount of proceeds requested (**the "Proceeds Requested"**) by the City from the VPSA in connection with the sale of the Local School Bond; and

WHEREAS, VPSA's objective is to pay the City a purchase price for the Local School Bond which, in VPSA's judgment, reflects the Local School Bond's market value (**the "VPSA Purchase Price Objective"**), taking consideration of such factors as the purchase price to be received by VPSA from the sale of the VPSA Bonds, the underwriters' discount and the other issuance costs of the VPSA Bonds and other market conditions relating to the sale of the VPSA Bonds; and

WHEREAS, such factors may result in the Local School Bond having a purchase price other than par and consequently (i) the City may have to issue the Local School Bond in a principal amount that is less than the Proceeds Requested in order to receive an amount of proceeds that is substantially equal to the Proceeds Requested, or (ii) because the maximum authorized principal amount of the Local School Bond set forth in paragraph 1 of this Ordinance cannot exceed the Proceeds Requested, the purchase price to be paid to the City, given the VPSA Purchase Price Objective and market conditions, will be less than the Proceeds Requested.

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

1. **Authorization of Local School Bond and Use of Proceeds.** The Council hereby determines that it is advisable to contract a debt and issue and sell its general obligation school bond in a principal amount not to exceed \$9,300,000 (**the "Local School Bond"**) for the purpose of financing the Project and the City's allocable share of (A) VPSA's costs of issuing the VPSA Bonds and (B) any upfront flat fees of VPSA as determined by VPSA to be necessary to compensate VPSA for the on-going costs related to administering the local school bonds purchased with the VPSA Bonds, including the City's Local School Bond (such upfront fees may be in lieu of the Annual Administrative Fee described in paragraph 4 in this Ordinance). The Council hereby authorizes the issuance and sale of the Local School Bond in the form and upon the terms established pursuant to this Ordinance and the Bond Sale Agreement.

2. **Sale of the Local School Bond.** The sale of the Local School Bond, within the parameters set forth in paragraph 4 of this Ordinance, to VPSA is authorized. Given the VPSA

Purchase Price Objective and market conditions, the City acknowledges that the limitation on the maximum principal amount on the Local School Bond set forth in paragraph 1 of this Ordinance restricts VPSA's ability to generate the Proceeds Requested, however, the Local School Bond may be sold for a purchase price not lower than 90% of the Proceeds Requested. The Mayor of the City, the City Manager, or either of them and such other officer or officers of the City as either may designate are hereby authorized and directed to enter into an agreement with VPSA providing for the sale of the Local School Bond to VPSA (**the "Bond Sale Agreement"**). The Bond Sale Agreement shall be in substantially the form submitted to the Council at this meeting, which form is hereby approved.

3. **Details of the Local School Bond.** The Local School Bond shall be dated the date of its issuance and delivery; shall be designated "General Obligation School Bond, Series 2011;" shall bear interest from the date of delivery thereof payable semi-annually on dates specified by VPSA (**each, an "Interest Payment Date"**) at the rates established in accordance with paragraph 4 of this Ordinance; and shall mature annually in the years (**each a "Principal Payment Date," and together with any Interest Payment Date, a "Payment Date"**) and in the amounts (**the "Principal Installments"**) determined by the City Manager, subject to the provisions of paragraph 4 of this Ordinance.

4. **Interest Rate and Principal Installments.** The City Manager is hereby authorized and directed to accept the interest rate on the Local School Bond established by VPSA, provided that each interest rate may be up to five one-hundredths of one percent (0.05%) over the interest rate to be paid by VPSA for the corresponding principal payment date of the VPSA Bonds, a portion of the proceeds of which will be used to purchase the Bonds, to the extent required by VPSA (**the "Annual Administrative Fee"**), and provided further that the true interest cost of the Local School Bond does not exceed seven and a half percent (7.50%) per annum. The Payment Dates and the Principal Installments shall be specified by VPSA. The City Manager is hereby authorized and directed to accept the final Payment Dates and the Principal Installments at the request of VPSA based on the final term to maturity of the VPSA Bonds, requirements imposed on VPSA by the nationally-recognized rating agencies and the final principal amount of the Local School Bond; provided, however, that the principal amount of the Local School Bond shall not exceed the amount authorized by this Ordinance and the final maturity of the Local School Bond shall be no later than the earlier of December 31, 2031 and the latest maturity date permitted under Section 54A of the Tax Code. The execution and delivery of the Local School Bond as described in paragraph 10 hereof shall conclusively evidence the approval and acceptance all of the details of the Local School Bond by the City Manager as authorized by this Ordinance.

5. **Certain Acknowledgements.** The City acknowledges that the interest rate on the Local School Bond will be set at the level necessary to pay the interest on the allocable portion of the VPSA Bonds plus the Annual Administrative Fee, if any, and that the City will be obligated to pay interest on the Local School Bond at the stated taxable rate thereon regardless of the elimination or reduction of the refundable credit to be received by VPSA due to (i) any amendments by Congress to Sections 54A, 54F or 6431 or any other applicable sections of the Tax Code, (ii) any failure or determination by Congress not to appropriate funds necessary to pay the refundable credit, (iii) any guidance or changes to guidance provided by the U.S. Department of Treasury or the Internal Revenue Service, or (iv) any action or omission by VPSA, the City or

any other locality selling local school bonds to VPSA in connection with the VPSA Bonds that causes the VPSA Bonds to lose their status as QSCBs and/or specified tax credit bonds in whole or in part. It is also acknowledged that the City has the right to effect an extraordinary optional redemption of the Local School Bond in whole or in part upon the occurrence of any of these events as provided in the form of Local School Bond.

6. **Certain Investment Earnings.** The Council hereby acknowledges that VPSA will (i) issue the VPSA Bonds with multiple maturities or with a single "bullet" maturity, in either case, with a final maturity date on or shortly before the latest maturity date permitted for the VPSA Bonds under Section 54A of the Tax Code, (ii) invest the Principal Installments for the benefit of the City until they are applied to pay the principal of the VPSA Bonds and (iii) either remit the investment earnings periodically to the City or credit the investment earnings against the City's obligation to make Principal Installments, at the option of VPSA. The Council further acknowledges that VPSA may cause a portion of such earnings to be deposited into a reserve fund or account to be applied by VPSA for use to pay the costs, fees and expenses described in paragraph 15 below. Any balance in such reserve fund or account attributable to investment earnings on the City's Principal Installments as reasonably determined by VPSA will be remitted or credited to the City on the final maturity date of the VPSA Bonds.

7. **Form of the Local School Bond.** The Local School Bond shall be initially in the form of a single, temporary typewritten bond substantially in the form attached hereto as Exhibit A.

8. **Payment; Paying Agent and Bond Registrar.** The following provisions shall apply to the Local School Bond:

(a) For as long as VPSA is the registered owner of the Local School Bond, all payments of principal of and interest and premium, if any, on the Local School Bond shall be made in immediately available funds to, or at the direction of, VPSA at, or before 11:00 a.m. on the applicable Payment Date or date fixed for prepayment or redemption, or if such date is not a business day for Virginia banks or for the Commonwealth of Virginia, then at or before 11:00 a.m. on the business day next succeeding such Payment Date or date fixed for payment, prepayment or redemption.

(b) The Bond Registrar and Paying Agent for the Local School Bond shall be the banking institution selected by VPSA for such purposes.

9. **Prepayment or Redemption.** The Principal Installments of the Local School Bond may be subject to optional prepayment or redemption prior to their stated maturities as determined by VPSA. The Principal Installments of the Local School Bond will be subject to extraordinary mandatory redemption (i) if certain proceeds of the Local School Bond have not been spent within three years after the date of its issuance and delivery (which three year period may be extended by the U.S. Secretary of the Treasury or his delegate), (ii) due to a loss of "qualified tax credit bond" and "qualified school construction bond" status of the VPSA Bonds corresponding to the Local School Bond under Sections 54A and 54F of the Tax Code, and (iii) if due to (a) any amendments by Congress to Sections 54A, 54F or 6431 or any other applicable sections of the Tax Code or (b) any guidance or changes to guidance provided by the U.S.

Department of Treasury or the Internal Revenue Service, there is a reduction or elimination of the direct payment of the refundable credit to be received by VPSA with respect to the VPSA Bonds. The Principal Installments of the Local School Bond shall be redeemed at the redemption prices and upon the other terms set forth in the Local School Bond.

10. **Execution of the Local School Bond.** The Mayor or Vice Mayor of the City and the Clerk or any Deputy Clerk of the Council are authorized and directed to execute and deliver the Local School Bond and to affix the seal of the City thereto.

11. **Pledge of Full Faith and Credit.** For the prompt payment of the principal of and interest and premium, if any, on the Local School Bond as the same shall become due, the full faith and credit of the City are hereby irrevocably pledged, and in each year while any of the Local School Bond shall be outstanding there shall be levied and collected in accordance with law an annual ad valorem tax upon all taxable property in the City subject to local taxation sufficient in amount to provide for the payment of the principal of and interest and premium, if any, on the Local School Bond as such principal and interest and premium, if any, shall become due, which tax shall be without limitation as to rate or amount and in addition to all other taxes authorized to be levied in the City to the extent other funds of the City are not lawfully available and appropriated for such purpose.

12. **Use of Proceeds Certificate and Tax Compliance Agreement.** The Mayor or Vice Mayor of the City, the City Manager and such other officer or officers of the City as either may designate are hereby authorized and directed to execute and deliver on behalf of the City a Use of Proceeds Certificate and Tax Compliance Agreement (**the "Tax Compliance Agreement"**) setting forth the expected use and investment of the proceeds of the Local School Bond and containing such covenants as may be necessary for the VPSA Bonds to qualify as and to remain as "qualified tax credit bonds," "qualified school construction bonds" and "specified tax credit bonds" under Sections 54A, 54F and 6431 of the Tax Code and the applicable regulations. The Council covenants on behalf of the City that (i) the proceeds from the issuance and sale of the Local School Bond will be invested and expended as set forth in the Tax Compliance Agreement and that the City shall comply with the other covenants and representations contained therein and (ii) the City shall comply with the provisions of the Tax Code so that the VPSA Bonds will not lose their status as "qualified tax credit bonds," "qualified school construction bonds" and "specified tax credit bonds" under Sections 54A, 54F and 6431 of the Tax Code.

13. **State Non-Arbitrage Program; Proceeds Agreement.** The Council hereby determines that it is in the best interests of the City to authorize and direct the City Treasurer and Director of Finance to participate in the State Non-Arbitrage Program in connection with the Local School Bond. The Mayor or Vice Mayor of the City, the City Manager and such officer or officers of the City as either may designate are hereby authorized and directed to execute and deliver a Proceeds Agreement with respect to the deposit and investment of proceeds of the Local School Bond by and among the City, the other participants in the sale of the VPSA Bonds, VPSA, the investment manager and the depository, substantially in the form submitted to the Council at this meeting, which form is hereby approved.

14. **Continuing Disclosure Agreement.** The Mayor or Vice Mayor of the City, the City Manager and such other officer or officers of the City as either may designate are hereby authorized and directed to execute a Continuing Disclosure Agreement, as set forth in Appendix D to the Bond Sale Agreement, setting forth the reports and notices to be filed by the City and containing such covenants as may be necessary in order to show compliance with the provisions of the Securities and Exchange Commission Rule 15c2-12, under the Securities Exchange Act of 1934, as amended, and directed to make all filings required by Section 3 of the Bond Sale Agreement should the City be determined by the VPSA to be a MOP (as defined in the Continuing Disclosure Agreement).

15. **Fees, Costs and Expenses.** The City agrees to pay the following fees, costs and expenses incurred by VPSA in connection with its purchase and carrying of the Local School Bond within thirty days after receipt by the City Manager of a written bill therefor:

(A) The City's allocable share of (i) the fees, costs and expenses of the trustee, paying agent and bond registrar under the indenture pursuant to which VPSA will issue the VPSA Bonds and (ii) any fees, costs and expenses payable to third parties in connection with such indenture or VPSA's School Tax Credit Bond Program, as determined by VPSA; and

(B) To the extent permitted by law, the reasonable fees, costs and expenses, including reasonable attorneys' fees, if any, incurred by VPSA in connection with any false representation or certification or covenant default by the City or any City or School Board official, employee, agent or contractor under the Local School Bond, the Continuing Disclosure Agreement, the Tax Compliance Agreement, the Proceeds Agreement and/or any document, certificate or instrument associated therewith (**collectively, the "City Documents"**), or in connection with any extraordinary mandatory redemption of the Local School Bond as described in paragraph 9 above and the corresponding VPSA Bonds, any amendment to or discretionary action that VPSA makes or undertakes at the request of the City under any of the City Documents or any other document related to the VPSA Bonds.

16. **Filing of Ordinance.** The appropriate officers or agents of the City are hereby authorized and directed to cause a certified copy of this Ordinance to be filed with the Circuit Court of the City.

17. **Election to Proceed under Public Finance Act.** In accordance with Section 15.2-2601 of the Virginia Code, the Council elects to issue the Local School Bond pursuant to the provisions of the Public Finance Act of 1991, Chapter 26 of Title 15.2 of the Virginia Code (**the "Act"**).

18. **Further Actions.** The members of the Council and all officers, employees and agents of the City are hereby authorized to take such action as they or any one of them may consider necessary or desirable in connection with the issuance and sale of the Local School Bond and any such action previously taken is hereby ratified and confirmed.

19. **Effective Date.** This Ordinance shall take effect immediately as provided for in the Act and pursuant to Section 3 of Chapter 3 of the City Charter.

* * *

The undersigned Clerk of the City Council of the City of Martinsville, Virginia, hereby certifies that the foregoing constitutes a true and correct extract from the minutes of a meeting of the City Council held on September 27, 2011, and of the whole thereof so far as applicable to the matters referred to in such extract. I hereby further certify that such meeting was a regularly scheduled meeting and that, during the consideration of the foregoing Ordinance, a quorum was present. Members present at the meeting were: _____. Members absent from the meeting were: _____. Members voting in favor of the foregoing Ordinance were: _____. Members voting against the foregoing Ordinance were: _____. Members abstaining from voting on the foregoing Ordinance were: _____.

WITNESS MY HAND and the seal of the City Council of the City of Martinsville, Virginia, this ___ day of _____, 2011.

Clerk, City Council of the City of Martinsville,
Virginia

[SEAL]

EXHIBIT A

[FORM OF TEMPORARY BOND]

NO. TR-1

\$ _____

**UNITED STATES OF AMERICA
COMMONWEALTH OF VIRGINIA
CITY OF MARTINSVILLE
General Obligation School Bond
Series 2011**

The **CITY OF MARTINSVILLE, VIRGINIA** (the "City"), for value received, hereby acknowledges itself indebted and promises to pay to the **VIRGINIA PUBLIC SCHOOL AUTHORITY** ("VPSA") the principal amount of _____ DOLLARS (\$ _____), in annual installments in the amounts set forth on Schedule I attached hereto commencing on June 1, 20__ and continuing each June 1 thereafter to and including June 1, 20__ (each a "Principal Payment Date"), together with interest from the date of this Bond on the unpaid installments, payable semi-annually on June 1 and December 1 of each year, commencing [December 1, 2011] (each an "Interest Payment Date," and together with any Principal Payment Date, a "Payment Date"), at the rate of ___% per annum, subject to redemption as hereinafter provided. The principal of and interest and premium, if any, on this Bond are payable in lawful money of the United States of America.

For as long as VPSA is the registered owner of this Bond, U.S. Bank National Association, as bond registrar and paying agent (the "Bond Registrar"), shall make all payments of the principal of and interest and premium, if any, on this Bond, without the presentation or surrender hereof, to or at the direction of VPSA, in immediately available funds at or before 11:00 a.m. on the applicable Payment Date or date fixed for redemption. If a Payment Date or date fixed for redemption is not a business day for banks in the Commonwealth of Virginia or for the Commonwealth of Virginia, then the payment of the principal of and interest and premium, if any, on this Bond shall be made in immediately available funds at or before 11:00 a.m. on the business day next succeeding the scheduled Payment Date or date fixed for payment or redemption. Upon receipt by the registered owner of this Bond of said payments, written acknowledgment of the receipt thereof shall be given promptly to the Bond Registrar, and the City shall be fully discharged of its obligation on this Bond to the extent of the payment so made. Upon final payment, this Bond shall be surrendered to the Bond Registrar for cancellation.

The full faith and credit of the City are irrevocably pledged for the payment of the principal of and interest and the premium, if any, on this Bond. The Ordinance adopted by the City Council of the City on _____, 2011 (the "Local Ordinance"), authorizing the issuance of this Bond provides, and Section 15.2-2624, Code of Virginia 1950, as amended (the "Virginia Code"), requires, that there shall be levied and collected an annual tax upon all taxable property in the City subject to local taxation sufficient to provide for the payment of the principal of and

interest and premium, if any, on this Bond as the same shall become due which tax shall be without limitation as to rate or amount and shall be in addition to all other taxes authorized to be levied in the City to the extent other funds of the City are not lawfully available and appropriated for such purpose.

This Bond is duly authorized and issued in compliance with and pursuant to the Constitution and laws of the Commonwealth of Virginia, including the Public Finance Act of 1991, Chapter 26, Title 15.2, of the Virginia Code, and the Local Ordinance and a Resolution duly adopted by the School Board of the City to provide funds for capital projects for school purposes.

This Bond is registered in VPSA's name on the books of the City kept by the Bond Registrar, and the transfer of this Bond may be effected by the registered owner of this Bond only upon due execution of an assignment by such registered owner. Upon receipt of such assignment and the surrender of this Bond, the Bond Registrar shall exchange this Bond for a substitute Bond, and register such substitute Bond on such registration books in the name of the assignee or assignees named in such assignment.

The principal installments of this Bond are not subject to optional prepayment or redemption prior to their stated maturities without the prior written consent of VPSA, except as set forth below.

Upon not less than 45 days' written notice from VPSA to the Bond Registrar and the City, this Bond is subject to mandatory redemption in whole or in part in an amount to be specified by VPSA on a date to be fixed by VPSA in the event that VPSA determines that a redemption of all or a portion of the VPSA Bonds allocable to this Bond is necessary to maintain the status of the VPSA Bonds as "qualified tax credit bonds" and "qualified school construction bonds" under Sections 54A and 54F of the Internal Revenue Code of 1986, as amended (the "Code"). Circumstances under which VPSA may make such a determination may include, but are not limited to, the failure of the City to cause 100% of the Available Project Proceeds to be expended by the end of the Expenditure Period for Qualified Purposes, or there occurs a Determination of Loss of QSCB Status with respect to all or any portion of the VPSA Bonds due to a default by the City under the Use of Proceeds Certificate and Tax Compliance Agreement dated the dated date hereof (the "Tax Compliance Agreement").

The redemption price shall be equal to (i) the redemption price VPSA will be obligated to pay in connection with the optional redemption or extraordinary optional redemption of the allocable portion of the VPSA Bonds under Section 3.1 of the Fourth Supplemental Trust Indenture dated as of November 1, 2011 (the "Fourth Supplemental Indenture"), between VPSA and U.S. Bank National Association, as trustee, and (ii) any outstanding fees, costs and expenses for which the City is or will become obligated to pay under paragraph 15 of the Local Ordinance, all as determined by VPSA.

Upon not less than 90 days' written notice from the City to VPSA, this Bond is also subject to extraordinary optional redemption in whole or in part, as determined by the City, on a date to be fixed by VPSA if, due to (i) any amendments by Congress to Section 54A, 54F or

6431 or any other applicable sections of the Tax Code, or (ii) any guidance or changes to guidance provided by the U.S. Department of Treasury or the Internal Revenue Service, there is a reduction or elimination of the refundable credit to be received by VPSA with respect to the VPSA Bonds. The redemption price shall be equal to (i) the redemption price VPSA will be obligated to pay in connection with the optional redemption or extraordinary optional redemption of the allocable portion of the VPSA Bonds under Section 3.1 of the Fourth Supplemental Indenture and (ii) any outstanding fees, costs and expenses for which the City is or will become obligated to pay under paragraph 15 of the Local Ordinance, all as determined by VPSA.

Unless otherwise defined, each of the capitalized terms used in the foregoing three paragraphs has the meaning given it in the Tax Compliance Agreement.

No notation is required to be made on this Bond of the redemption of principal. In such circumstance, the outstanding principal balance of this Bond shall be equal to \$_____, less the aggregate amount of any and all redemptions of principal which may have been made on this Bond. **HENCE, THE FACE AMOUNT OF THIS BOND MAY EXCEED THE PRINCIPAL SUM REMAINING OUTSTANDING AND DUE HEREUNDER.**

All acts, conditions and things required by the Constitution and laws of the Commonwealth of Virginia to happen, exist or be performed precedent to and in the issuance of this Bond have happened, exist and have been performed in due time, form and manner as so required, and this Bond, together with all other indebtedness of the City, is within every debt and other limit prescribed by the Constitution and laws of the Commonwealth of Virginia.

THE REMAINDER OF THE PAGE INTENTIONALLY LEFT BLANK

IN WITNESS WHEREOF, the City Council of the City of Martinsville has caused this Bond to be issued in the name of the City of Martinsville, Virginia, to be signed by its Mayor or Vice-Mayor, its seal to be affixed hereto and attested by the signature of its Clerk or any of its Deputy Clerks, and this Bond to be dated _____, 2011.

**CITY OF MARTINSVILLE,
VIRGINIA**

Mayor
City of Martinsville, Virginia

(SEAL)

ATTEST:

Clerk, City Council of the
City of Martinsville, Virginia

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto

(PLEASE PRINT OR TYPEWRITE NAME AND ADDRESS, INCLUDING ZIP CODE, OF ASSIGNEE)

PLEASE INSERT SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER OF ASSIGNEE: _____

the within Bond and irrevocably constitutes and appoints

_____ attorney to exchange said Bond for definitive bonds in lieu of which this Bond is issued and to register the transfer of such definitive bonds on the books kept for registration thereof, with full power of substitution in the premises.

Date: _____
_____ Registered Owner

<p>Signature Guaranteed:</p> <p>_____</p> <p>(NOTICE: Signature(s) must be guaranteed by an "eligible guarantor institution" meeting the requirements of the Bond Registrar which requirements will include Membership or participation in STAMP or such other "signature guarantee program" as may be determined by the Bond Registrar in addition to, or in substitution for, STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.</p>	<p>(NOTICE: The signature above must correspond with the name of the Registered Owner as it appears on the front of this Bond in every particular, without alteration or change.)</p>
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SCHEDULE 1

AMORTIZATION SCHEDULE

Meeting Date: September 27, 2011
Item No: 3.
Department: Commissioner of the Revenue
Issue: Consider adoption of a resolution setting the allocation percentage for personal property tax relief for qualifying vehicles in the City of Martinsville for tax year 2011.

Summary: On December 13, 2005, Council adopted an ordinance that established a local program of personal property tax relief that requires City Council to annually set the relief allocation percentage that is anticipated to fully use the PPTRA relief funds provided to the city by the state.

The commissioner of the revenue has completed the annual assessment of motor vehicles that have a Martinsville tax situs for tax year 2011. By ordinance, qualifying vehicles assessed at \$1,000, or less, receive 100% relief. 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 the revenue estimates that a percentage rate of 60.17% will fully use all state PPTRA funds allocated to the city for Tax Year 2011.

Attachments: [Resolution](#)

Recommendations: Motion to adopt resolution

RESOLUTION
SETTING THE ALLOCATION PERCENTAGE FOR PERSONAL PROPERTY
TAX RELIEF IN THE CITY OF MARTINSVILLE FOR TAX YEAR 2011

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 2011; and

WHEREAS, the commissioner of the revenue estimates that a percentage of relief of 60.17% 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 2011.

NOW, THEREFORE BE IT RESOLVED by the Martinsville City Council that 60.17% 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.

Adopted this 27th day of September 2011.

Kim E. Adkins, Mayor

ATTEST:

Clerk of Council

VOTE

Kim E. Adkins

Kimble Reynolds, Jr.

Mark C. Stroud, Sr.

M. Gene Teague

Danny Turner

Meeting Date: September 27, 2011

Item No: 4.

Department: Public Works

Issue: Hear a report from City staff on a building energy efficiency project.

Summary: Since February of this year, City staff have been working with Trane and the Virginia Department of Mines, Minerals, and Energy (DMME) staff on the completion of a detailed energy audit for various City buildings and facilities. The energy audit has been completed, identifying a variety of projects that if implemented will result in substantial energy savings over time while addressing needed building infrastructure improvements. The City has received a grant in the amount of \$400,000 from DMME to apply toward this project. The results of the study will be reviewed at the meeting and recommendations will be presented for moving forward with this project.

Attachments: None. More detailed information will be passed along to Council members before the September 27th meeting.

Recommendations: Staff will present options and recommendations at the meeting.

Meeting Date: September 27, 2011
Item No: 5.
Department: Utilities\Water Resources
Issue: Consider approval on second reading an ordinance for City of Martinsville Water Supply Plan.

Summary: As part of the mandated Regional Water Supply Plan, all localities in the West Piedmont Planning District Commission region must hold a public hearing to adopt the water supply plan and adopt an ordinance which implements the Drought Response and Contingency Plan, which is part of the overall plan.

The local public hearing was advertised and conducted at the September 13, 2011 Council meeting. The resolution adopting the plan and the adopted ordinance will become part of the formal submittal of the Plan to the State Water Control Board. The Ordinance was approved September 13, 2011 on first reading and the following amendment (note strikethrough words) is included in Ordinance to be approved on second reading at this meeting:

(d) Drought Emergency – Stage 2: As drought conditions continue to worsen, a drought emergency – stage 2 may be declared by the City Manager or their designee in accordance with the Drought Response and Contingency Plan. When a drought emergency – stage 2 exists, in addition to the restrictions imposed under the drought emergency – stage 1, the following will be prohibited:

- ♦ Watering lawns, grass, shrubbery, trees, or flowers, except persons regularly engaged in the sale of plants shall be permitted to use water for irrigation of their commercial stock ~~and golf courses may water greens;~~

Attachments: [Ordinance](#)

Recommendations: Consider a motion for approval of approval of ordinance on second reading.

CITY OF MARTINSVILLE, VIRGINIA

ORDINANCE NO. 2011-___

Sec. 23-4 Currently reserved, is hereby enacted as follows:

Sec. 23-4 Water Emergencies

A. Authority to declare water emergencies.

During the continued existence of climatic, hydrological and other extraordinary conditions the protection of the health, safety and welfare of the residents of the City of Martinsville may require that certain uses of water, not essential to public health, safety and welfare, be reduced, restricted or curtailed. As the shortage of raw or potable water becomes increasingly more critical, conservation measures to reduce consumption or curtail nonessential water use may be necessary. The definitions, water emergency criteria, and water use restrictions referenced in this ordinance are presented in greater detail in the City of Martinsville Drought Response and Contingency Plan, which is incorporated herein by reference.

The City Manager or their designee is authorized to declare a water emergency in the City restricting the use of water in any area of the City. All water stages are built upon and require compliance with previous water stages. For example when a Drought Emergency – Stage 1 is declared all provisions of a Drought Warning are in effect. Also the City Manager or their designee may declare any of the four stages; they do not have to be declared sequentially.

B. Publication of declaration.

Upon the declaration of a water emergency, the City Manager or their designee shall immediately post a written notice of the emergency at the front door of City Hall and shall place a notice in a newspaper of general circulation in the area in which such emergency has been declared.

C. Water use considerations.

Upon the declaration of a water shortage or emergency, the City Manager or their designee is authorized and directed to implement conservation measures by ordering the restricted use or absolute curtailment of the use of water for certain nonessential purposes for the duration of the water shortage or emergency in the manner hereinafter set out. In exercising this discretionary authority, and making the determinations set forth hereof, the City Manager or their designee shall give due consideration to water levels, streamflow conditions, available/usable storage on hand, draw down rates and the projected supply capability in the City; system purification and pumping capacity; daily water consumption and consumption projections of the system's customers; prevailing and forecast weather conditions; fire service requirements; pipeline conditions including breakages, stoppages and leaks; supplementary source data; estimates of

minimum essential supplies to preserve public health and safety and such other data pertinent to the past, current and projected water demands.

D. Limitation of restrictions.

The provisions of this article shall not apply to any governmental activity, institution, business or industry which shall be declared by the City Manager or their designee, upon a proper showing, to be necessary for the public health, safety and welfare or the prevention of severe economic hardship or the substantial loss of employment. Any activity, institution, business or industry aggrieved by the finding of the City Manager or their designee may appeal that decision to the City Council.

E. Water conservation measures.

Upon a determination by the City Manager or their designee of the existence of the following conditions, the City Manager or their designee shall take the following actions that shall apply to all water users in the City:

(a) Drought Watch: When moderate but limited supplies of water are available and a drought watch is declared in accordance with the Drought Response and Contingency Plan, the City Manager or their designee shall, through appropriate means, call upon the general population to employ prudent restraint in water usage. Public outreach activities shall be identified to inform the general population of the potential for drought conditions to intensify and potential water conservation activities that may be utilized.

(b) Drought Warning: The drought warning stage includes voluntary water conservation actions due to imminent onset of a significant drought event. When a drought warning exists, the following voluntary water restrictions are requested:

- ◆ Voluntary, commercial, manufacturing, institutional and residential conservation measures will be strongly encouraged and recommended including the following:
 - Inspect and repair all faulty and defective parts of faucets and toilets.
 - Use shower for bathing rather than bathtub and limit shower to no more than five minutes.
 - Do not leave faucets running while shaving, rinsing dishes, or brushing teeth.
 - Limit use of clothes washers and dishwashers and when used, operate fully loaded.
 - Limit lawn watering to that necessary for plant survival.
 - Water shrubbery the minimum required, reusing household water when possible.
 - Limit vehicle washing.
 - Do not wash down outside areas such as sidewalks, patios, driveways, etc.
 - Install water flow restrictions in showerheads and other water saving devices.
 - Use disposable and biodegradable dishes where possible.
 - Install water saving devices in toilets, such as early closing flapper valves.
 - Do not fill swimming pools.

- ◆ An extensive publicity campaign will be initiated using public media and specialized methods to inform the public of an impending water shortage.
- ◆ Water supply line pressure should be reduced where feasible to reduce water consumption if it will not affect operation of fixtures, equipment or public safety devices.
- ◆ Conservation in public buildings, institutions, dormitories, and similar facilities is encouraged by reducing pressure at plumbing fixtures and by installation of restricting devices.
- ◆ All residents, business, and institutions are requested to delay new landscape work until the water shortage has ended.
- ◆ Water conservation should be followed during all phases of construction related activities. Where appropriate, water needed should be obtained from supplemental sources and construction related activities, which require water, should be delayed until such time as the water emergency has ended.

All industrial, manufacturing, and commercial enterprises shall reduce consumption to any degree feasible with a goal of a reduction of 10%.

(c) Drought Emergency – Stage 1: As drought conditions continue to worsen, a drought emergency – stage 1 may be declared by the City Manager or their designee in accordance with the Drought Response and Contingency Plan. When a drought emergency – stage 1 exists, the following will be prohibited:

- ◆ Watering lawns, grass, shrubbery, trees, flower, and vegetable gardens except by hand held hose, container, or drip irrigation system, except persons regularly engaged in the sale of plants will be permitted to use water for irrigation of their commercial stock and golf courses may water greens;
- ◆ Filling of newly constructed swimming pools and/or wading pools or refill swimming and/or wading pools, which have been drained;
- ◆ Operating water-cooled air conditioners or other equipment that does not recycle cooling water, except when health and safety are adversely affected;
- ◆ Washing automobiles, trucks, trailers, boats, airplanes, or any other type of mobile equipment, except persons regularly engaged in the business of washing motor vehicles and any commercial car wash facility will be permitted to use water for such purposes;
- ◆ Washing down outside areas such as streets, driveways, service station aprons, parking lots, office buildings, exteriors or existing or newly constructed homes or apartments, sidewalks, or patios or to use water for similar purposes;
- ◆ Operation of ornamental fountain, pool, or pond or other structure making similar use of water;
- ◆ Serving drinking water in restaurants, cafeterias, or other food establishments, except as requested by the customer;
- ◆ Using public or private fire hydrants for any purpose other than fire suppression or other public emergency or Utility Department need ;
- ◆ Using water for dust control or compaction; and

- ◆ Using water for any unnecessary purpose or intentionally waste water.

All industrial, manufacturing, and commercial enterprises shall reduce consumption to any degree feasible with a goal of a reduction 10-15%.

(d) Drought Emergency – Stage 2: As drought conditions continue to worsen, a drought emergency – stage 2 may be declared by the City Manager or their designee in accordance with the Drought Response and Contingency Plan. When a drought emergency – stage 2 exists, in addition to the restrictions imposed under the drought emergency – stage 1, the following will be prohibited:

- ◆ Watering lawns, grass, shrubbery, trees, or flowers, except persons regularly engaged in the sale of plants shall be permitted to use water for irrigation of their commercial stock ~~and golf courses may water greens;~~
- ◆ Watering any vegetable garden, except by hand held hose, container, or drip irrigation system;
- ◆ All nonessential use of water for commercial or public use;
- ◆ Using water outside a structure for any use other than an emergency use involving fire or as needed by the water utility to maintain the water system;
- ◆ Operating an evaporative air conditioning unit which recycles water, except as may be required for health and safety; and
- ◆ Other restrictions as may be deemed appropriate and adopted by the City Council.

All industrial, manufacturing, and commercial enterprises shall reduce consumption to any degree feasible with a goal of a reduction of at least 15-25%.

F. Penalty and enforcement.

(a) Any person who violates any provision of this article shall be subject to the following civil penalties:

(1) For the first offense, violators shall receive a written warning delivered in person or posted by a representative of the City.

(2) For the second offense, violators shall be fined fifty dollars (\$50.00), the fine to be imposed on the violator's next water bill, or in the case of violators not on the public water system, in a written notice.

(3) For the third and each subsequent offense, violators shall be fined one hundred dollars (\$100.00) for each offense, the fine to be imposed on the violator's next water bill, or in the case of violators not on the public water system, in a written notice.

(4) Each violation by a person shall be counted as a separate violation by that person, irrespective of the location at which the violation occurs.

(b) Persons who have been assessed a penalty shall have the right to challenge the assessment by providing a written notice to the City Manager or their designee within ten (10) days of the date of the assessment of the penalty. The City Manager or their designee shall determine that the penalty was properly assessed and notify the complaining person in writing of his determination.

(c) The City Manager or their designee may waive the penalty if he determines that the violation occurred due to no fault of the person.

G. Notification of end of water emergency.

The City Manager or their designee, following discussions with the Authority, shall notify the City Council when, in his opinion, the water emergency situation no longer exists. Upon concurrence of the City Council, the water emergency shall be declared to have ended. When this declaration is made, the information shall be conveyed to the general public through the news media.



City Council Agenda Summary

Meeting Date: September 27, 2011
Item No: 6-A. Consent Agenda Finance
Department: Finance
Issue: Accept and appropriate budget adjustments FY11 and FY12.

Summary:

The attachments amend the FY11 and FY12 Budgets with appropriations in the following funds:

FY11:

General Fund: \$7,865 –reimbursements for Liberty St. & National Guard Armory; recovered costs for Project Lifesaver

FY12:

General Fund: \$4,690 – reimbursement for Liberty St; recovered costs-Parks & Recreation

Attachments: [Spreadsheet FY11](#)
[Spreadsheet FY12](#)

Recommendations: Motion to approve

BUDGET ADDITIONS FOR 9/27/11

ORG	OBJECT	DESCRIPTION	DEBIT	CREDIT
<u>FY11</u>				
<u>GENERAL FUND</u>				
01101917	442810	Categorical Other State - Highway Projects		2,808
01413151	503140	Thorofare Construction - Prof. Service Engineering state reimbursements-Liberty St.	2,808	
01100909	490132	Recovered Costs - Project Lifesaver		980
01217078	506047	Sheriff - Courts - Project Lifesaver additional recovered costs	980	
01101917	490110	Categorical Other State - Nat'l Guard Armory		4,077
01715213	506007	Armory - Repairs & Maintenance Additional Reimb	4,077	
Total General Fund:			7,865	7,865

BUDGET ADDITIONS FOR 09/27/11

ORG	OBJECT	DESCRIPTION	DEBIT	CREDIT
<u>FY12</u>				
<u>GENERAL FUND</u>				
1100909	490134	Recovered Costs - Parks & Recreation		106
1711210	506091	Parks & Recreation - Special Events/Cruise In Costs recovered from various sponsors	106	
1101917	442810	Categorical Other State - Highway Projects		4,584
1413151	503140	Thorofare Construction - Prof. Service Engineering state reimbursements-Liberty St.	4,584	
Total General Fund:			4,690	4,690

Meeting Date: September 27, 2011

Item No: 6-B. Consent Agenda-Minutes

Department: Clerk of Council

Issue: Consider approval of City Council meeting minutes of August 23, September 9, September 12 tour, and September 12, 2011.

Summary: None

Attachments: [August 23, 2011](#)
[September 9, 2011](#)
[September 12, 2011 tour](#)
[September 12, 2011](#)

Recommendations: Motion to approve consent agenda

August 23, 2011

The regular meeting of the Council of the City of Martinsville, Virginia, was held on August 23, 2011, in Council Chambers, Municipal Building, at 7:30 PM, with Mayor Kim Adkins presiding. Council Members present included: Mayor Kim Adkins, Vice Mayor Kimble Reynolds, Gene Teague, Mark Stroud, Sr., and Danny Turner. Staff present included: Clarence Monday, City Manager, Brenda Prillaman, Eric Monday, Linda Conover, Leon Towarnicki, Donna Odell, Kathy Vernon, Kenneth Draper, Tony Beal, and Mike Rogers.

Following the invocation by Vice Mayor Kimble Reynolds and Pledge to the American Flag, the Mayor welcomed everyone to the meeting.

City Employees eligible for Service Awards-July 1 through September 30, 2011 were recognized by the reading of the following list:

Terry Morton	30	Circuit Court Clerk's Office
Jean Nunn	30	Circuit Court Clerk's Office
David Wallace	30	Sheriff's Department
Karen Mays	30	Purchasing
Marshall Thomas	30	Police Department
Michael Mabe	30	Electric
Ashby Pritchett	25	Circuit Court Clerk's Office
Reggie Gravely	25	Police Department
William Fabinski	25	Public Works
Bernie Gray	25	Fire Department
Ercell Cowan	20	Registrar
Kenneth McFarling	20	Sheriff's Department
Roy Prillaman	20	Sheriff's Department
Jackie Dillard	20	Sheriff's Department
Pam Gill	20	Sheriff's Department
Bart Hampton	20	Sheriff's Department
Mark Stroud	20	Sheriff's Department
Mildred Spence	20	Sheriff's Department
Steve Hairston	20	Sheriff's Department
Patti Farmer	20	Circuit Court
Betty Wagoner	15	Circuit Court Clerk's Office
Erika Hamilton	15	Circuit Court Clerk's Office
Pamela Shoemaker	15	Commissioner of Revenue's Office
Cindy Dickerson	15	Treasurer's Office
Sheila Clark	15	Treasurer's Office
Gina Shelor	15	Treasurer's Office
Laura Hopkins	15	Sheriff's Department
Ruth Easley	10	Commissioner of Revenue's Office
Jody Duncan	10	Commissioner of Revenue's Office
Joan Ziglar	10	Commonwealth Attorney's Office
Sandra Gentry	10	Commonwealth Attorney's Office
Renay Hairston	10	Commonwealth Attorney's Office
Connie Marshall	10	Sheriff's Department
Mildred Montgomery	10	Sheriff's Department
Kevin Turner	10	Sheriff's Department
Ed Gower	10	Sheriff's Department
Tonija Hairston	10	Sheriff's Department
Teresa George	10	Sheriff's Department
Brenda Eggleston	10	Sheriff's Department
Lenny Noel	10	Sheriff's Department
Michael Watkins	10	Sheriff's Department
Bonnie Hammock	10	Sheriff's Department
Dean Comer	10	Sheriff's Department
Robbin Acord	10	Sheriff's Department
Michael Eggleston	10	Sheriff's Department
Doug Hardy	10	Sheriff's Department
Jonathan Barker	10	Sheriff's Department
Tim Gary	10	Sheriff's Department
Dwight Robertson	10	Sheriff's Department
James Cooper	10	Sheriff's Department
Vicky Belcher	10	Victim Witness
Keith Hudson	10	Fire Department
Robin Legus	10	Purchasing
Kris Bridges	10	Inspections
Donald Martens	10	Public Works
Carol Schmidt	5	Commissioner of Revenue's Office
Dallas Hairston	5	Commissioner of Revenue's Office
Kimberly Boyd	5	Commissioner of Revenue's Office

Wanda Jessup	5	Finance Department
Mark LaPrade	5	Fire Department
Joseph Washburn	5	Police Department
Jeff Corcoran	5	Sheriff's Department
Earl Preston	5	Sheriff's Department
Marietta Harmon	5	Sheriff's Department
Rodney Smith	5	Sheriff's Department
Trina Snead	5	Sheriff's Department
Darla Crigger	5	Sheriff's Department
Casey Wilson	5	Sheriff's Department
Joseph Haynes	5	Fire Department
Paula Bowen	5	Commonwealth Attorney's Office
Donald Goodman	5	Commonwealth Attorney's Office
Justin Taylor	5	Public Works
Jane Toler	5	Fire Department
Dale Davis	5	Fire Department
Eddie Dillard	5	Police Department
"Cricket" Hankins	5	Parks & Rec
Nancy Sherman	5	Commonwealth Attorney's Office
Mark Spencer	5	Sheriff's Department
Christopher Penn	5	Public Works

A proclamation recognizing National Payroll Week as September 5-9, 2011 was presented by Mayor Adkins to Donna Odell, Human Resources Director.

A proclamation recognizing Baby Safety Month was presented by Mayor Adkins to representatives of the Martinsville Exchange Club.

A proclamation was read by Vice Mayor Kimble Reynolds recognizing the City of Greensboro's Human Relations Commission for their generosity and sharing of knowledge with the City's Human Relations Advisory Commission when the group visited Greensboro August 16.

City Manager, Clarence Monday, presented the following information to Council:

During a joint work session with the City Council and School Board on August 11, 2011, the City Council requested specific information be provided to the Council at its next meeting. The follow-up included:

1. Capital improvements needs of the City and School Board for the next 5-10 years.
2. Determine if it is possible to pursue the QSCBs at another offering, thus passing on the Fall issuance.
3. Detailed report of various options and alternatives that were considered other than what was recommended to the Council.
4. How the City plans to fund its commitment for work at the Commonwealth Crossing Business Center site.
5. How borrowing \$10.5M would affect the City's creditworthiness.

Information held by the City, pertaining to items #1 and 4 was included in your council packets. At tonight's meeting, school officials are present who can provide other information, as requested.

Before answering questions about the City's five-year CIP and funding options for work at the Commonwealth Crossing site, I would like to address other points for your consideration.

Section 2 of the City Charter grants certain powers and responsibilities to the City Manager. Among these duties, it is stated that the City Manager shall "...keep the city council fully advised as to financial conditions and needs of the city." This duty is enacted by various methods including memos, conferences, one-on-one meetings, and during public presentations. The City Manager relies on other key staff for input including but not limited to the Assistant City Manager, City Attorney, Finance Department staff, and other relevant personnel.

Because of me doing my job and other staff members pursuing work as directed by the Council, I have been labeled as being opposed to the MHS renovation project. Furthermore, while informing the Council as to the financial conditions of the City, an elected official questioned why information was distributed to the Council at 2:00 in the afternoon, the day of the August 11th meeting, instead of weeks and weeks before that meeting.

I will now discuss issues that I have advised the Council on many times before, not weeks or moments prior to this particular meeting. It is my responsibility to advise the Council on such matters that will affect this City this year, next year, and years into the future.

1. In May 2009, I took part in a financial re-rating process for the City. Although our rating was determined to be "average" there were concerns identified for our future including our continued loss of population, shrinking tax base, compounded job losses, and an approved budget exceeding available revenue. Since that time, the budgets for fiscal years 2010, 2011, and 2012 have been adopted with the use of fund balance. By taking on more debt commitment and continued economic challenges, I suspect that our cost of borrowing for city projects beyond the MHS project could cost more in interest charges, making future borrowing more expensive.
2. Council must consider its ability to fund future capital needs with our remaining debt capacity AND available revenue. Starting with infrastructure, there are and will be other needs in the City.

- a. The water treatment plant is over 60 years old.
 - b. Many water lines were installed in the late 1800s, and to borrow a statement from the Supt of Water Resources, "our newer lines were installed in the 1930s."
 - c. Maintenance of electric substations is expensive and must be performed on a regular cycle.
 - d. Street paving is behind schedule with routine street paving needs exceeding annual street maintenance funds.
 - e. Capital improvements for our utilities have often been made on a pay-as-you-go basis, but recent policy has been to hold the line on utility rates, thus making investment in infrastructure nearly impossible with revenue recovery not even totally recouping our cost of operation in the electric enterprise.
3. City facilities are aging and no funds have been set aside for such work that WILL become necessary in the immediate future.
- a. Fire station #2 was constructed in 1948 and barely allows a modern fire engine to fit inside the station.
 - b. Fire Station #1 was built in 1968 and does not allow all apparatus to be inside, and there are no separate sleeping quarters for females that surely will work there someday.
 - c. City Hall was built in 1968, the same year as MHS that must be renovated because lighting, heating, cooling, and space has become obsolete. May I remind you that our City Hall jointly serves as our courthouse?
 - d. The City Shop and Garage is aging with the most recent renovation of the City Shop area occurring following a fire that caused extensive heat and smoke damage.
4. Let's don't forget routine equipment needs. In FY09, the City's Capital Budget was \$1.5M for vehicles and equipment such as police cars, fire trucks, etc. When the recession hit, capital was one of the first areas cut, after personnel, to minimize the use of our rainy day funds to balance the budget. In this fiscal year, only \$810,612 is budgeted for capital, other than in the enterprise funds, while the capital review committee identified \$1.6M in needs. Of the budgeted amount, over \$278,000 is for annual debt service while only \$531,630 is budgeted for new projects. One ambulance is \$200,000 of this new money, leaving little funds for other routine equipment. Staff has tried for four years to purchase a fire truck; however, funds run out quickly and another year has gone without this vital equipment being purchased. The City's five year CIP identifies over \$15M in normal, routine equipment needs and does not include the needs of the School system or for major renovations to our facilities, whether the same age or older than MHS.

In conclusion, our City is like many other municipalities. Infrastructure is aging, and there always will be needs that exceed available financial resources. However, it is not a matter of if, but when will our position catch up with us? Think about the impact of a garbage truck going out of service due to us ignoring that purchase. Let us lose a fire truck, like the 1979 model that we have been trying to replace for four years. Until new revenue opportunities develop, lingering capital needs cannot be met without a tax increase, fee increases, expenditure adjustments, and/or a combination of these measures, unless the savings account is hit harder.

Therefore in advising the City Council, my message is simple. When you make your decision about the MHS project, remember there are other needs in our City that must be addressed in a balanced manner. Finally the staff is only doing its job in advising you of the needs of the City, and these thoughts are not a strike against the needs at MHS.

The City Attorney summarized the legal aspects of incurring the debt requested by the School Board, and the options available for securing public input on the debt:

The Virginia constitution limits debt capacity to 10% of the total value of city real estate. The total debt capacity is \$67M in round figures. Outstanding debt is \$18M, leaving \$49M available debt. The school request is 21% of that \$49M, and 1.6% of the total real estate value.

The City Charter, chapter 11, section 2, requires a referendum for any bond issue, except that section 5-D states that a public hearing may be held if the bonds are less than 2% of the total real estate value. The requested bonds are less than that amount and a public hearing, instead of referendum, is an available option. A referendum is not possible in 2011, and never was possible if the QSCB bonds were to be used, because (1) state law requires an ordinance and court order for the referendum to be entered at least 81 days out from the election, which was August 19, and (2) the QSCB bonds are scheduled for sale on the same day as the general election, November 8, and action approving them would have to be taken prior to that date. Any local special election can no longer be held on a day other than a general election. Therefore if a referendum is desired, it must be held on the 2012 general election day.

There was lengthy discussion between Council and School Board members regarding different scenarios for the proposed renovations and their costs. Mayor Adkins then opened the floor for public comment on this issue. Monty Ridenhour, 1231 Mulberry Rd., read a letter from Geri Ridenhour asking that Council make it public as to financial concerns of city manager; Tim Byrd, 707 Druid Lane, urged city to move forward with the \$10.5 million renovation; Rebecca Moore, Corn Tassel Trail, spoke on behalf of student body advising updates are needed; Mike Rogers, Police Chief, voiced his concerns on the overall financial needs of the city and the tight

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budget situation facing the city; Bennie Gray commented that the schools need to be more creative in funding rather than using all of meals tax and stated that if schools can find money to give school employees raises, then they can find money to do this project; Bill Manning, school board chairman, asked for Council's support for the \$10.5 million renovation project and he noted that \$150,000 has already been invested with architects on this project. By consensus, Council agreed to schedule a joint work session with the school board to discuss and understand components of the project and options for lowering costs. Mr. Manning requested that Council provide specific questions to the school board in writing. On a motion by Gene Teague, seconded by Kimble Reynolds, with a 5-0 vote, Council agreed to set a public hearing for September 13, 2011 for comments from the public on financing the renovation.

Clarence Monday explained the need for the proposed Resolution recognizing the efforts of the Martinsville Fire Company for purposes of the Line of Duty Act. On August 23, 1949, Martinsville City Council approved the Constitution and By-Laws of the Martinsville Volunteer Fire Company and all of the provisions and regulations set forth. The first organizational meeting of the Volunteer Company was held September 7, 1949 between City Manager Kent Mathewson and a number of interested citizens of the City. After training, the volunteer members began answering fire calls on October 12, 1949 and there are currently 23 members on roll. On a motion by Gene Teague, seconded by Danny Turner, with a 5-0 vote, Council adopted the following resolution which is to be sent by Human Resources to appropriate state entities:

WHEREAS, those who work tirelessly by donating their time and skills to give back to their communities and perform a valuable service deserving of public recognition; and

WHEREAS, the Martinsville Volunteer Fire Company, which has been authorize and chartered to perform public service in the City of Martinsville is recognized as an integral part of the official safety program for the Martinsville Fire Department and

NOW, THEREFORE, BE IT RESOLVED that Martinsville City Council, through the adoption of this resolution and pursuant to Code of Virginia (Section 9.1-400 et seq.); hereby recognizes the members of the Martinsville Volunteer Fire Company for their valuable service and dedication.

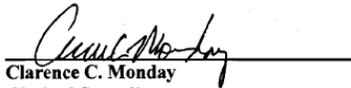
Adopted in Martinsville, Virginia this 23rd day of August, 2011.



Kim E. Adkins
Mayor, City of Martinsville

* * * * *

Attest:


Clarence C. Monday
Clerk of Council

8-23-11
Date Adopted

After discussion Council agreed to hold the Tuesday, November 8, 2011, Council meeting as previously scheduled instead of changing date due to it being Election Day.

Linda Conover, Budget Analyst, presented the following monthly finance report:

FY11 – PRELIMINARY YEAR-END FINANCIAL REVIEW

FY11 officially ended on June 30, 2011; however, all year-end transactions will not be finalized until at least the end of September in order to realize all earned revenue and incurred expenses for the fiscal year. Therefore the annual audit process will occur in mid-October. Based upon these facts, staff is hereby providing a summary of FY11 revenues and expenditures, and a combined balance sheet, reflecting the estimated fund balance. The final audit will provide an exact accounting of the fiscal year and can be expected in early 2012.

FY11 – 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 only include transactions recorded through August 8, 2011. Several year-end audit adjustments and Enterprise Funds' depreciations are not included in this report. Currently, there is an excess of revenues over expenditures of \$916,411. However, depreciation expense alone is estimated at \$1,440,000, reversing the excess to a deficit of \$523,589. Again other year-end adjustments will increase and decrease both revenues and expenditures before FY11 is officially closed.

FY11 – Combined Balance Sheet – UNAUDITED

The current total combined fund balance for FY11 is \$14,290,080, which would initially be an increase over FY10 of \$1,162,867. However, as shown on the enclosed spreadsheet, when both estimated depreciation and re-appropriation requests are factored in, the revised FY11 fund balance is \$13,392,080, representing a 2% increase over FY10's year-end fund balance. 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. Furthermore, prior commitments to special projects such as Commonwealth Crossing and the Landfill Methane Project will also reduce the anticipated fund balance before the completion of FY12.

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

BUDGET ADDITIONS FOR 8/23/11				
ORG	OBJECT	DESCRIPTION	DEBIT	CREDIT
<u>FY11</u>				
<u>GENERAL FUND</u>				
01102926	436401	Categorical Federal - Confiscated Assets		288
01311085	506079	Police Dept - Federal Asset Forfeitures appropriate fed asset forfeitures rec'd 6/10/11	288	
Total General Fund:			288	288

BUDGET ADDITIONS FOR 8/23/11				
ORG	OBJECT	DESCRIPTION	DEBIT	CREDIT
<u>FY12</u>				
<u>GENERAL FUND</u>				
01100908	482901	Misc. Unclassified Revenue		2,872
01122022	505502	HR - Employee Relations appropriate reimbursement	2,872	
Total General Fund:			2,872	2,872
<u>CAPITAL RESERVE FUND</u>				
16100908	432316	Misc. - Court Rpt/Judge		5,000
16577367	508140	Plant Expansion - City Hall appropriate Court funds	5,000	
Total General Fund:			5,000	5,000

Business from the floor: Reid Young, Knollwood Place, pointed out numerous issues of concern with littering in the area and laws that should be in place to deter littering. Council asked Mr. Young to attend the next Council meeting to discuss this as an agenda item. Phillip Van Cleve, representing VA Citizen Defense League, commented regarding the recent banning of guns in the municipal building which is also the courthouse. Mayor Adkins advised that Council has a prepared statement which was read aloud by Council Member Mark Stroud:

Statement on Guns in the Courthouse

The policy banning weapons possession in this building was set out by a court order. The order was requested by the Sheriff, who is a state constitutional officer. The order was entered by a state circuit court judge. The judge found that this entire building is a

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courthouse—there is no reasonable way to separate the local and court functions. State law says that no weapons are allowed in courthouses. Until there is a court order directing otherwise, the ban will remain in effect.

Tony Beal, City Fireman, encouraged citizen participation in the September 11 Remembrance Service planned. Ural Harris, 217 Stuart St., commented on school funding request. Bennie Gray commented regarding the traffic signal at Liberty and Clearview.

In accordance with Section 2.1-344 (A) of the Code of Virginia (1950, and as amended) and upon a motion by Gene Teague, seconded by Kimble Reynolds, with the following 5-0 recorded vote: Adkins, aye; Teague, aye; Reynolds, aye; Stroud, aye; and Turner, aye, Council convened in Closed Session, for the purpose of discussing the following matter: (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.

At the conclusion of Closed Session, each returning member of Council certified that (1) only public business matters exempt from open meeting requirements were discussed in said Closed Session; and (2) only those business matters identified in the motion convening the Closed Session were heard, discussed, or considered during Session. On a motion by Kimble Reynolds, seconded by Mark Stroud, with the following recorded 5-0 vote: Adkins, aye; Reynolds, aye; Teague, aye; Stroud, aye; and Turner, aye, Council returned to Open Session.

No was action taken.

There being no further business, Mayor Adkins adjourned the meeting at 10:32 pm.

Clarence C. Monday, Clerk of Council

Kim E. Adkins, Mayor

September 12, 2011

The City Council of the City of Martinsville, Virginia, assembled on September 12, 2011, at 5:30 P.M. to tour the Druid Hills/Uptown area neighborhoods prior to their quarterly Neighborhood Focus Meeting scheduled for September 12, 2011 at 7:30pm at Forest Hills Presbyterian Church, 725 Beechnut Lane.

Council Members present for the tour included: Mayor Kim Adkins, Vice Mayor Kimble Reynolds, Council Member Gene Teague, Council Member Mark Stroud, and Council Member Danny Turner. Others present included: Clarence Monday, Eric Monday, Andy Powers, Leon Towarnicki, and Ashley Jackson with the Martinsville Bulletin. One citizen, Barbara Kirk, also participated in the tour.

No other business was conducted during the tour and immediately after the tour ended, Council members disbursed.

Clarence Monday
Clerk of Council

Kim Adkins
Mayor

September 9, 2011

A special called joint meeting of the Council of the City of Martinsville, Virginia and Martinsville City School Board was held on September 9, 2011 at 2pm in Council Chambers with Mayor Kim Adkins and School Board Chairman Bill Manning presiding. Council Members present included: Kim Adkins, Kimble Reynolds, Jr., Gene Teague, Mark Stroud, Sr., and Danny Turner. Representatives present from School Board included: Bill Manning, Robert Williams, Carolyn McCraw, and J. C. Richardson. City staff present included: Clarence Monday, Leon Towarnicki, Eric Monday, Brenda Prillaman, Linda Conover and Karen Walker. Numerous school staff members were present. Mayor Adkins called the Council meeting to order, and School Board Chairman Bill Manning called the School Board meeting to order.

Mayor Adkins pointed out the purpose of this worksession was to answer specific questions from Council regarding the proposed Martinsville High School renovation. Also, she advised that former School Board member Bennie Gray will make remarks at end of the session and public comment time is scheduled for the September 13, 2011 meeting.

School board officials outlined the history of the project and reviewed the timeline of events after which the architect reviewed detailed information about the project and addressed the letter outlining Council's questions. The architect reviewed a detailed spreadsheet of all components of the project and the Mayor advised that the document is now a public document as this meeting was being aired live on MGTV. Lengthy discussion occurred between the school board and city council members on different aspects of the proposed project including needs vs. wants and financing options.

Bennie Gray made comments regarding his suggestions for changes in the plan that could put the money to better uses including roofs and HVAC materials.

Further discussion and public comments will be taken at Council's September 13, 2011 meeting. No formal action was taken at this meeting.

There being no further business, the meeting adjourned at 3:55 PM.

Clarence Monday
Clerk of Council

Kim Adkins
Mayor

September 12, 2011

Martinsville City Council Neighborhood Meeting for the Druid Hills/Uptown area was held on September 12, 2011, at Forest Hills Presbyterian Church, 725 Beechnut Lane, Martinsville, VA at 7:30 PM, with Mayor Kim Adkins presiding and Council members present including: Kimble Reynolds, Gene Teague, Mark Stroud, Sr., and Danny Turner. Staff present: Clarence Monday, Brenda Prillaman, Eric Monday, Mike Rogers, Kenneth Draper, Leon Towarnicki, and Andy Powers.

After the invocation was given by Ron Ferrill, Mayor Adkins asked Andy Powers to present his property maintenance report, and she then opened the floor for public comment. Sue Benfield of Susan Lane reported problems with neighbor's yard, weeds growing into street, and advised she is getting together a petition regarding the property. Monty Ridenhour, 1231 Mulberry Rd., commented regarding the MHS renovation spreadsheet and how to access it. The Mayor indicated it should be on the city schools' website and City Attorney Eric Monday will put in a FOIA request to the schools for Mr. Ridenhour. Mr. Ridenhour had lengthy comments regarding the cost of the renovations advising Council to re-establish priorities. Virginia King, 29 Jones St. commented about the graffiti Uptown and asked for Council to be more visible at Uptown events/stores to show their support. After hearing very brief comments from Council and there being no further business, Mayor Adkins adjourned the meeting at 8:20 pm.

Clarence Monday
Clerk of Council

Kim E. Adkins
Mayor

Meeting Date: September 27, 2011

Item No: 7.

Department: Electric

Issue: Hear an update from Marc Gerken of American Municipal Power, Inc. (AMP) on Phase I Hydroelectric construction

Summary: AMP currently has three separate hydroelectric projects under construction on the Ohio River and in various stages of completion with a total capacity of 208 megawatts (MW): Cannelton, Smithland and Willow Island.

Mr. Marc Gerken, President and CEO of AMP will make a presentation providing an update on the construction budgets for these generation facilities in which Martinsville is one of 79 participants at 4.3 MW or 2.1% of the project. He will review construction costs as they have evolved since the projects were subscribed, reductions achieved in budgets and comparisons to costs of power from the market as well as the long term, levelized cost from the project.

Attachments:

Recommendations: No action required