

September 28, 2010

The regular meeting of the Council of the City of Martinsville, Virginia, was held on September 28, 2010, 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, Jr., Gene Teague, Mark Stroud, Sr., and Danny Turner. Staff present included: Clarence Monday, City Manager, Brenda Prillaman, Eric Monday, Leon Towarnicki, Linda Conover, Bobby Phillips, Wayne Knox, Donna Odell, Wanda Jessup, Mary Kay Washington, Lisa Holiday, and Robert Ramsey.

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

On a motion by Gene Teague, seconded by Danny Turner, with a 5-0 vote, Council approved the minutes of the August 24, September 13 tour, and September 13, 2010.

Mayor Adkins presented a proclamation to Jeannie Frisco of Activate designating October as International Walk to School Month. The Mayor also presented a proclamation to Barbara Parker recognizing Piedmont Arts Big Read events in October.

Jim Tobin of Piedmont Community Services Board updated Council on his concerns for the agency and how the loss of funding will affect programs. He reported on the increase in crisis situations with family and children's services and the fact that the long term unemployment crisis causes many mental health difficulties.

Mayor Adkins recognized Finance staff members, Clarence Monday, Donna Odell, Linda Conover, Lisa Holiday, Mary Kay Washington, and Wanda Jessup for receiving the Certificate of Achievement for Excellence in Financial Reporting for the City of Martinsville by the Government Finance Officers Association of the United States and Canada (GFOA) for its FY2009 Comprehensive Annual Financial Report. The Certificate is the highest form of recognition in the area of governmental accounting and financial reporting and its attainment represents a significant accomplishment by a government and its management. This achievement was attained through the collective efforts of the Finance Department staff, the full cooperation of other city departments and our auditing firm, Robinson, Farmer & Cox. Finance Director, Clarence Monday, pointed out this award assures the citizens that our Finance Department staff are watchdogs of taxpayer dollars in the \$83-\$90 million a year budget.

Bobby Phillips reviewed The City of Martinsville Emergency Operations Plan (EOP) noting that it directs actions intended to preserve life and protect property from further destruction in the event of an emergency. The document establishes an emergency

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organization to direct and control operations during an emergency situation by assigning responsibilities to specific entities. Due to the nature of constant change, regarding the needs, threats and response capabilities of the community, it is necessary for the EOP to be considered a living document and regularly updated. The Virginia Emergency Services and Disaster Law as amended in 2008 requires that the plan be reviewed and formally adopted by City Council every four years. Such review shall be certified in writing to the Virginia Department of Emergency Management. On a motion by Gene Teague, seconded by Kimble Reynolds, with a 5-0 vote, Council adopted the following resolution to approve the updated EOP:

**WHEREAS**, there exists many dangers of many types, including man-made disasters, natural disasters, and possible hostile actions of an unknown enemy; and  
**WHEREAS**, the safety and protection of the citizens and property is of foremost concern to the City Council of the City of Martinsville, Virginia; and  
**WHEREAS**, the City Council desires and the Commonwealth of Virginia statutes require the adoption of appropriate planned protective measures and  
**WHEREAS**, by Resolution adopted on April 13, 2004, City Council adopted the current City of Martinsville Basic Emergency Operations Plan and now it has become necessary to update said plan; now, therefore,  
**BE IT RESOLVED** by the Council of the City of Martinsville, Virginia, in regular session assembled September 28, 2010, that said Council does hereby adopt the updated City of Martinsville Basic Emergency Operations Plan.

City Attorney, Eric Monday, briefed Council on the proposed graffiti ordinance noting that at the most recent community meeting, citizen concerns were raised about removal of graffiti. He reported that after reviewing ordinances from communities around the state, the proposed draft ordinance provides the most comprehensive response to the issue. Section 13-18 expands our current graffiti ordinance to add docketing the fine as a civil judgment. The new code sections add parental liability for the actions of their juvenile children, and procedures for removing graffiti. After lengthy discussion, Council directed staff and the City Attorney to work with the Planning Commission to vet the ordinance and get further input for future development and implementation and bring the recommendation back to Council for consideration.

Wayne Knox briefed Council on the amendment to the zoning ordinance related to electronic game rooms as recommended by the Planning Commission. The legalizing of internet cafés, aka internet sweepstakes, in the Commonwealth of Virginia, along with the impending ban of the same type of use in the State of North Carolina as of December 2010, has focused attention on our community. The owner/operators are seeking to relocate to our area and several of the vendors have opened and are conducting business already. At present the City of Martinsville allows such uses identified as electronic game rooms as a use permitted by right. Due to concerns reported by other communities regarding the negative effects of these businesses, the Planning Commission felt that a

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special use process would safeguard existing and future businesses. Several work sessions were held by the Planning Commission to develop definitions for electronic game rooms and the like, while also developing conditions for special use permits for electronic game rooms, and exclusion from the C-2, Commercial District (Uptown). The City Council endorsed Uptown Master Plan recommends residential, retail, and professional enterprise in Uptown. The Planning Commission held a duly advertised public hearing on September 16, 2010 and there were 4 people in attendance at the public hearing with one person speaking in favor of the amendment to the Zoning Ordinance and no one speaking against the proposed amendment. City staff recommends amending the proposed definitions and some of its uses in order to meet current and future needs. The request for this action is based upon safeguarding the already existing businesses and future businesses from being unduly inconvenienced. It would also ensure that the newly arriving entities have any necessary health and safety amenities in place to safeguard their customers as they partake of the new enterprise in town. On a motion by Kimble Reynolds, seconded by Gene Teague, with a 5-0 vote, Council agreed to set a public hearing to consider amending the zoning ordinance for the October 26, 2010 Council meeting.

Council had brief discussion on the semi-annual reports submitted from outside agencies that received FY11 funding. Piedmont Arts' report was commended as a good example and will be posted on the city website.

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

**FY10 – Combined Balance Sheet – UNAUDITED**

The total of combined fund balances for FY10 is \$12,353,910, representing a difference of \$1,229,047 from FY09. This month's report reflects an increase of \$559,381 over last month's reported year-end fund balance. As stated in previous reports, this figure is still subject to change as the audit process progresses, with several annual adjustments yet to be made.

**FY11 – July & August Revenue & Expenditure Reports**

In July, total expenditures exceeded revenues by \$2,155,809. In August, expenditures continued to exceed revenues by an additional \$3,599,065, for a cumulative difference of \$5,924,760. This activity is typical for the first few months of the new fiscal year, due to receipt of the majority of revenues one to two months in arrears. Also, real estate tax revenues will not begin to trickle in until early November. In July and August, many annual one-time expenditures are processed along with a major share of our annual debt service payments. This gap will narrow as we continue into the fiscal year when quarterly and biannual revenues are received, such as real estate taxes and street maintenance payments.

**FY11 – Combined Balance Sheet**

The total of combined fund balances for FY11 at the end of July is \$8,766,146, representing a difference of \$3,587,764 from the unofficial FY10 year-end fund balances. The total of combined fund balances for FY11 at the end of August is \$6,819,415, representing a difference of \$5,534,495 from the unofficial FY10 year-end fund balances. **Again as stated before, the main contributing factors are the many annual one-time expenditures and the timing of the receipt of funds.** Also, remember that the FY10 year-end fund balance is still unaudited and not the absolute final balance with which to calculate current year standing. **The current year fund balance changes several times throughout the day, and is therefore nearly impossible to predict this early in the new fiscal year.** FY10 re-appropriations are being evaluated by staff and should be ready for presentation to Council at the October 12<sup>th</sup> meeting.

Clarence Monday pointed out to Council that staff has been working for months knowing that AMP would be offering AMPGS replacement project(s) and it was time to

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evaluate our options. He briefed Council on four electric power options the city will have to compare and evaluate for what is best for the city: (1) the natural gas combined cycle facility, (2) APCO formula rate, (3) general RFP for 8MW of baseload power, (4) baseload 100 MW replacement strategy for AMPGS. He noted that if the Power Advisory Committee reviews all 4 options, there would most likely be another \$40,000 cost for consultants' work in addition to the \$40,000 cost already in the existing budget for consultants' work through GDS and Blue Ridge Power. Council agreed by consensus on the following Scope of Work for the Power Advisory Committee:

**City of Martinsville--Power Advisory Committee—October 2010**

**Purpose:**

This is a citizen committee selected by application to City Council and appointed to serve as members of the Power Advisory Committee for the purpose of evaluating City participation in a Natural Gas Combined Cycle (NGCC) generation plant being built by American Municipal Power Inc. (AMP) in Meigs County, Ohio.

Participation in the project will consist of City Council authorizing the execution of a Power Sales Contract which will obligate the City to purchase power from the generation plant for a pre-determined time frame.

**Scope of Work**

**Review of NGCC Offering**

Over the next few weeks AMP will release member packets containing information related to participation in the NGCC generation project including:

- A NGCC Feasibility Study (not for public release)
- A subscription letter from AMP recommending a level of participation (KW) by the City in the project
- A Beneficial Use Analysis by R. W. Beck (not for public release)

Much of the information provided by AMP is confidential and cannot be shared publically as doing so could affect AMP's negotiating position on this project and future projects. Committee members will be required to honor the confidentiality agreement between the City and AMP and withhold from public release certain information deemed confidential by AMP and its membership.

Additional information will be made available to the Power Advisory Committee after a thorough analysis of the project offering is conducted by GDS Associates Inc. GDS will provide an overview of the project and recommendation to the Committee upon completion of its review.

The Power Advisory Committee will be charged with the task of analyzing the provided data, selecting a committee spokesperson and delivering a recommendation to City Council.

**Power Advisory Committee Support Staff**

The committee will have access to City staff consisting of City Manager, Clarence Monday, Director of Electrical Operations, Dennis Bowles and professional support by Duane Dahlquist P.E., General Manager of Blue Ridge Power Agency which will be available to provide a project overview and answer questions as necessary.

**AMP Project Proposal Review Process**

1. Scope Defined/Power Advisory Committee (PAC) defined.
2. AMP releases member packets to City of Martinsville.
3. Detailed information provided to GDS/Blue Ridge Power (BRP).
4. GDS, BRP and staff presents to City Council and Power Advisory Committee (PAC)
  - a. Information available in packet, and Executive Summary of all the information reviewed that recommendation is based upon.
  - b. Recommendation.
5. Power Advisory Committee meets to review:
  - a. GDS/BRP Recommendation
  - b. Request any additional information not reviewed by GDS/BRP related to the specific project.
  - c. Review any information in member packets that PAC wishes to dive further into.
  - d. PAC supported by Staff, GDS, and BRP.
6. CC schedules Public Hearings.
7. PAC makes presentation to CC on its recommendation and logic behind it. Public Hearings conducted.
8. After input from Staff, GDS, BRP, PAC and the public, CC makes informed decision.

Business from the floor: Ural Harris, 217 Stuart St., pointed out he would be in favor of spending another \$40,000 for the Power Committee to look at all 4 options.

Comments from City Manager: City staff and Council will attend the 2 day VML Annual Conference and the Council/staff strategic planning session is set for Oct.15 & 16 at the VMNH using a local facilitator.

In accordance with Section 2.1-344 (A) of the Code of Virginia (1950, and as amended) and upon a motion by Danny Turner, seconded by Kimble Reynolds, with the following 5-0 recorded vote: Adkins, aye; Reynolds, aye; Teague, aye; Stroud, aye; and

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Turner, aye, Council convened in Closed Session, for the purpose of discussing the following matter: (A) Appointments to Boards and Commissions as authorized by Subsection 1. (B) 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. (C) 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 said Session. On a motion by Danny Turner, seconded by Gene Teague, with the following recorded 5-0 vote: Adkins, aye; Reynolds, aye; Teague, aye; Stroud, aye; and Turner, aye, Council returned to Open Session.

The following action was taken on appointments to Boards and Commissions:

Southern Virginia Recreation Facilities Authority: on a motion by Mark Stroud, seconded by Gene Teague with a 5-0 vote, Ron Epperly, 1704 Meadowview Lane, and Jay Wilson (Harvest Foundation recommendation), 1239 Sam Lions Trail, were appointed to four terms ending 10/31/2014. Transportation Safety Commission: on a motion by Danny Turner, seconded by Gene Teague, with a 5-0 vote, John R. (Tripp) Smith III was appointed to an unexpired 4 year term ending 12/31/2013. Industrial Development Authority: on a motion by Kimble Reynolds, seconded by Gene Teague, with a 5-0 vote, Natalie Harder, 722 Corn Tassel Trail, and Doug Goldstein, 816 Mulberry Road, were appointed to unexpired 4 year terms ending 9/26/2013. No other action was taken. There being no further business, Mayor Adkins adjourned the meeting at 10:30 PM.

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Clarence C. Monday  
Clerk of Council

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Kim E. Adkins  
Mayor