

**Martinsville City Council--NEIGHBORHOOD TOUR**  
**Westside areas**

Meet at rear entrance to Municipal Building

**5:00 p.m.**, Monday, April 11, 2011

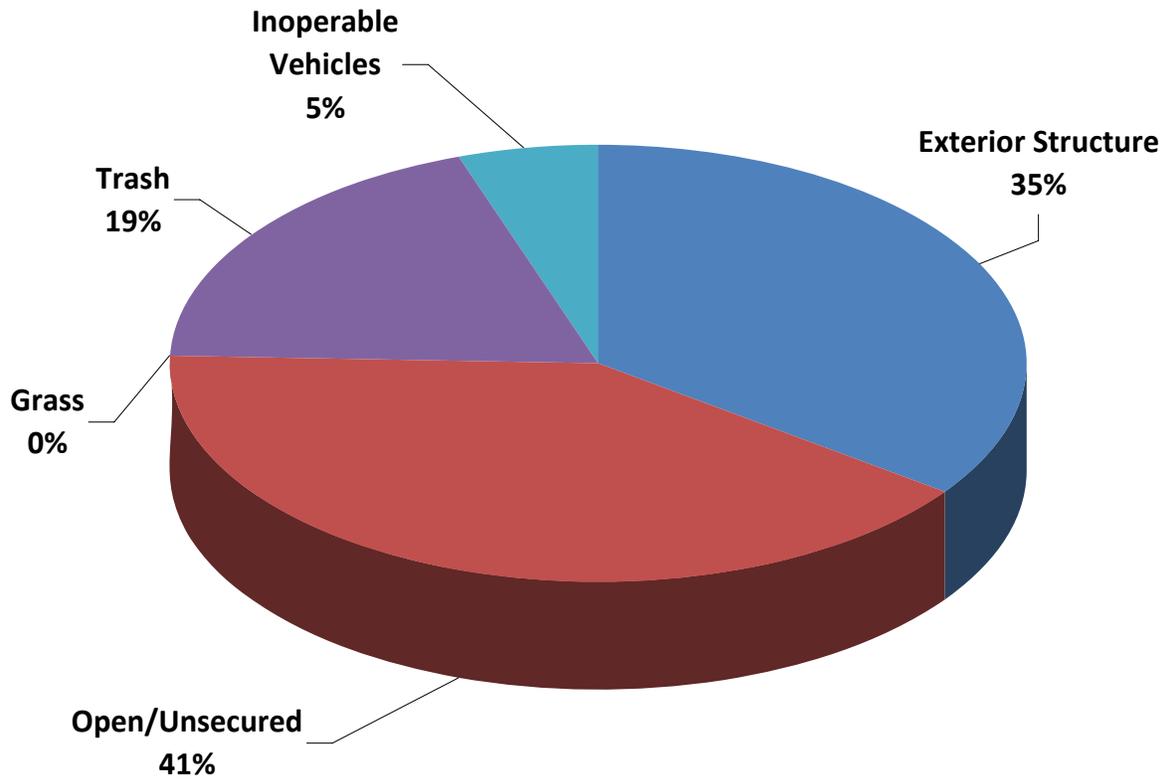
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AGENDA  
CITY COUNCIL  
**NEIGHBORHOOD COMMUNITY MEETING**  
CITY OF MARTINSVILLE, VIRGINIA  
at  
**Martinsville Housing Office, 605 Fourth Street**  
**7:30 p.m.**, MONDAY, April 11, 2011

**Welcome**

1. [Conduct the Community Meeting for the Westside area.](#) (30 minutes)

## Property Maintenance Concerns Neighborhood Council Meeting April 11, 2011



Exterior Structure (Disrepair)-13

Open/Unsecured-15

Grass-0

Trash-7

Inoperable Vehicles-2

**Property Maintenance**--Enforcement action was taken against 37 violations during this last quarter. Of these 37, 9 are still open.

**Contact to report violations:**

**Andy Powers**

**Property Maintenance/Fire Inspector**

**276-403-5205**

**apowers@ci.martinsville.va.us**



## City Council Agenda Summary

**Meeting Date:** April 11, 2011

**Item No:**

**Department:** Inspections

**Issue:** Property Maintenance-Westside area

### **Summary:**

**Property Maintenance**—since the February 7, 2011 Neighborhood meeting, 37 property maintenance violations have been addressed throughout the city along with 60 unfounded concerns that were inspected. For the Westside area, there are 4 outstanding violations for which notices of violation have been sent to property owners.

**Demolitions**—there are 12 properties currently being title searched by the City Attorney's office so required advertisement can go to Martinsville Bulletin. Two advertisements are required and then demolition can begin within 4 weeks of last advertisement. The Public Works Department reviewed the list of properties and they will demolish 6 of the properties. Anticipated project completion date for 6 of the 12 properties is June 30, 2011. The other 6 properties will be scheduled for demolition in July/August as soon as the new fiscal year budget begins.

The Property Maintenance/Fire Inspections offices works diligently to address all citizen concerns in a timely manner unless there are occurrences where the Property Maintenance/Fire Inspector has to address fire and arson issues which then take priority. The office may be reached at 403-5205 and is located in Room 217 on the second floor of the Municipal Building.

**Attachments:** [Graph of concerns](#)  
[List of Westside concerns](#)

**Recommendations:** For information

## Westside area list of concerns for Council Tour April 11, 2011

<b>Address</b>	<b>Concern</b>	<b>Status</b>
122 Pony Place	Trash at curb	Open
605 Fayette St.	Trash/Junk, Inoperable Vehicle	Open
1135 Wray St.	Roofing Material in yard	Open
1206 Roundabout	Construction Debris at curb	Open

AGENDA  
CITY COUNCIL MEETING--CITY OF MARTINSVILLE, VIRGINIA  
Council Chambers – Municipal Building  
**7:30 p.m. – Tuesday, April 12, 2011**

Invocation – Council Member Mark Stroud, Sr.  
Pledge to the American flag

1. [Consider approval of Council meeting minutes of March 21, 2011 and March 22, 2011.](#) (2 minutes)
2. [Consider authorizing refund for overpayment of Tangible Personal Property Assessment.](#) (2 minutes)
3. [Consider setting a public hearing for consideration of organization's local tax exemption requests.](#) (2 minutes)
4. [Consider authorizing refund of overpayment of 2009 business license fee.](#) (2 minutes)
5. [Hear an update from Tom Fitzgibbons regarding Community Technology Recycling Day.](#) (5 minutes)
6. [Hear report from Mark Heath, M-HC Economic Development Corporation.](#) (15 minutes)
7. [Hear an update from the Green Committee.](#) (10 minutes)
8. [Hear an update from SPCA.](#) (5 minutes)
9. [Consider setting a public hearing on a recommendation from the Martinsville Planning Commissions for Tuesday, April 26, 2011 regarding a request for a special use permit for property located at 1603 Church Street Extension, also known on the City's Tax Map as 35\(02\)B 01 02.](#) (5 minutes)
10. [Consider approval of consent agenda.](#) (2 minutes)  
A. Accept & appropriate budget adjustments FY11.
11. [Hear overview of Westside Neighborhood meeting and tour.](#) (5 minutes)

12. 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.

13. Comments by Members of City Council (10 minutes)
14. Comments by City Manager. (5 minutes)
15. 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. Appointments to Boards and Commissions as authorized by Subsection 1.
  - B. Consultation with legal counsel and briefings by staff members, attorneys or consultants pertaining to actual or probable litigation, or other specific legal matters requiring the provision of legal advice by such counsel, as authorized by Subsection 7.
  - C. A personnel matter as authorized by Subsection 1.



## City Council Agenda Summary

**Meeting Date:** April 12, 2011

**Item No:** 1.

**Department:** Clerk of Council

**Issue:** Consider approval of minutes of City Council meeting March 21, 2011 and March 22, 2011.

**Summary:** None

**Attachments:** [March 21, 2011](#)  
[March 22, 2011](#)

**Recommendations:** Motion to approve minutes as presented

March 21, 2011

A special called meeting of the Council of the City of Martinsville, Virginia, and the City Power Advisory Committee was held on March 21, 2011, in Council Chambers, Municipal Building, at 2:00 PM. 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, Leon Towarnicki, Brenda Prillaman, Eric Monday, Molly Shelton, Dennis Bowles, and Linda Conover. Duane Dalquist with Blue Ridge Power Agency and Mark Gerken with American Municipal Power were present. Representing the Power Advisory Committee were: Dave Maddox, Vince Stone, Rayford Smith, Lorene Martin, Joe Hundley, and Andrew Hynes.

Mayor Adkins called the Martinsville City Council meeting to order and Chairman Dave Maddox called the Power Advisory Committee to order.

Marc Gerken gave a presentation on the Fremont Natural Gas Facility as an AMPGS site replacement project and the EDI Landfill Project.

<p style="text-align: center;"><b>AFEC OVERVIEW</b></p> <ul style="list-style-type: none"> <li>• The AMP Fremont Energy Center is a natural gas combined cycle (NGCC) facility currently under construction by FirstEnergy (FE)             <ul style="list-style-type: none"> <li>- 512 MW summer base capacity, plus 163 MW duct firing (peaking capacity)</li> <li>- Located in Fremont, Ohio</li> </ul> </li> <li>• It was formerly owned by Calpine Corporation, which filed bankruptcy in 2005</li> <li>• The facility was auctioned in 2007</li> </ul> 	<p style="text-align: center;"><b>AFEC OVERVIEW</b></p>  <ul style="list-style-type: none"> <li>• AMP has conducted considerable due diligence since 2005 and placed a bid on the facility in 2007             <ul style="list-style-type: none"> <li>- FirstEnergy (FE) had the winning bid and continued construction</li> </ul> </li> <li>• Construction is largely complete and is expected to be commercially available by end-of-year 2011</li> </ul>
<p style="text-align: center;"><b>AFEC OVERVIEW</b></p> <ul style="list-style-type: none"> <li>• AMP entered into a non-binding Memorandum of Understanding (MOU) on February 3, 2011, with FirstEnergy (FE) regarding the potential purchase of the Fremont Energy Center</li> <li>• AMP entered into an Asset Purchase Agreement with FE on March 11, 2011             <ul style="list-style-type: none"> <li>- FE to reach Mechanical Completion by July 1, 2011</li> <li>- AFEC to successfully generate at least 675 MW (summer condition) or purchased price partially refunded by FE</li> <li>- Incentives to increase capacity up to 707 MW</li> <li>- AMP to close by July 1, 2011 (Can be extended to July 15, 2011, if notified by June 15, 2011)</li> </ul> </li> </ul>	<p style="text-align: center;"><b>AFEC OVERVIEW</b></p> <ul style="list-style-type: none"> <li>• Plant is currently 96-98% mechanically complete per Owner's Engineer</li> <li>• Final checkout activities to support commissioning are approximately 85% complete</li> <li>• Plant is interconnected with FirstEnergy (ATSI) system – to be part of PJM on June 1, 2011</li> </ul>

March 21, 2011

## AMP POWER SUPPLY STRATEGY

- Fremont Energy Center fits well with AMP's overall power supply strategy
  - Development of diverse generation assets
  - Reduce members' reliance on wholesale power markets
    - 90% of AMP members' intermediate needs come from power markets
  - Fremont facility would provide a cost-effective, safe, environmentally friendly, asset-based alternative to wholesale energy and capacity markets

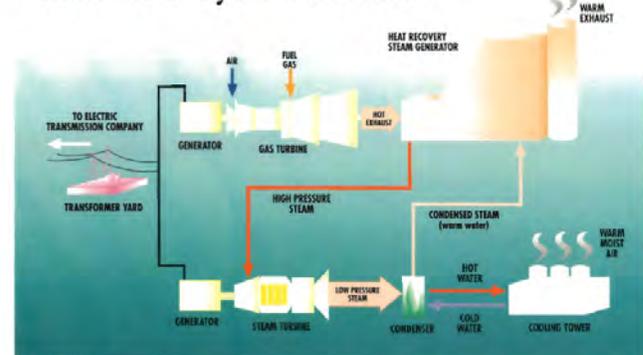
## COMPARISON TO NGCC ALTERNATIVES

- AFEC Project was compared to self-build and other third party options
- AFEC resulted in considerably higher value compared to all other alternatives

## NATURAL GAS COMBINED CYCLE

- A **combined cycle** is an assembly of engines that convert heat into mechanical energy, which in turn drives electrical generators
- Natural Gas Combined Cycle
  - A **Gas turbine** generator generates electricity and the waste heat is used to make steam to generate additional electricity via a **Steam turbine**
  - Enhances the efficiency of electricity generation
  - Most new gas power plants are of this type
- Typically a base-load or intermediate power supply resource

## Combined-Cycle Generation



## PLANT CONFIGURATION

- Two (2) 180 MW Each Siemens Combustion Turbine Generators
- Two (2) Nooter/Erickson Heat Recovery Steam Generators
  - Equipped with 163 MW duct firing (peaking capacity)
  - Selective Catalytic Reduction (SCR) for NOx control
  - Oxidization Catalyst for CO emissions control
- One (1) Siemens 360 MW Steam Turbine Generator (including the duct firing capabilities)



## PLANT OVERVIEW



## PLANT OPERATION

- Redundant design
  - Two (2) Combustion Turbines and HRSGs
  - Redundant pumps
  - Gas compressors
- Flexible operation
  - Minimum load of 179 MW (summer) can increase incrementally to 512 MW (base capacity), plus 163 MW peaking
- Asset purchase and AMP will own/operate
  - Agreement allows flexibility to hire current employees

## PROJECT SCHEDULE

- Project is between 96 and 98% mechanically complete
- Per the Asset Purchase Agreement, FirstEnergy committed to reach mechanical completion by July 1, 2011
- Anticipate plant commissioning to begin in July 2011
- Performance testing expected to begin in the August-September 2011 timeframe
- Performance testing expected to be completed by December 2011
- On-line operation by January 2012

### PURCHASE PRICE AND ESTIMATED OWNERS COSTS

DESCRIPTION	COST
Purchase Price	\$485,000,000
Cost Reimbursement for Period from 2/1/11 to 7/1/11 (not to exceed)	\$ 25,300,000
<b>Total Purchase Price</b>	<b>\$510,300,000</b>
Estimated AMP Owners Cost through 12/31/11	\$ 58,597,000
Performance Testing Fuel (less Energy Sales during Testing), Gas Pipeline Capacity Payment and Water/Wastewater For Testing	\$ 5,788,000
<b>Total Estimated AMP Owners Cost to COD</b>	<b>\$ 64,385,000</b>
Total Estimated Costs for Purchase and Owner's Cost to COD (excluding financing and interest)	\$574,685,000

### TOTAL ESTIMATED BOND AMOUNT AND DEBT SERVICE

DESCRIPTION	BASE CASE
Estimated Bond Amount	
Construction Costs	\$574,685,000
Forward Contract Buy-Outs	\$ 35,351,000
Net Interest During Construction	\$ 9,235,000
Deposit to Reserve Account	\$ 49,043,000
Issuance Expense	\$ 6,751,000
<b>Total Estimated Bond Amount</b>	<b>\$675,065,000</b>
Estimated Annual Debt Service	
Annual Debt Service	\$ 49,043,000
Annual Net Debt Services	\$ 48,707,000

### PROJECT FINANCING

- AMP intends to finance all costs incurred in 2011 associated with the AFEC Project by its bank line of credit
- The total amount of the bank line of credit required during 2011 is estimated to be approximately \$619.3 million
- AMP plans to repay the bank line of credit through fixed-rate bonds to be issued in 2012
- Obtaining tax-exempt financing dependent upon receiving Qualified Service Territory Certificates from Participants

### PRELIMINARY DELIVERED NATURAL GAS PRICE FORECAST

(NOMINAL \$/MMBTU)

YEAR	MAUMEE HUB	PIPELINE TRANSPORT DOMINION EAST OHIO	PIPELINE LATERAL	LOAD BALANCING CHARGE	TOTAL FREMONT DELIVERED PRICE
2011	4.66	0.16	0.02	0.10	4.94
2015	5.78	0.16	0.02	0.10	6.06
2020	7.25	0.16	0.02	0.10	7.53
2025	9.30	0.17	0.02	0.11	9.60
2030	12.78	0.19	0.02	0.12	13.12
2035	15.38	0.21	0.03	0.14	15.76

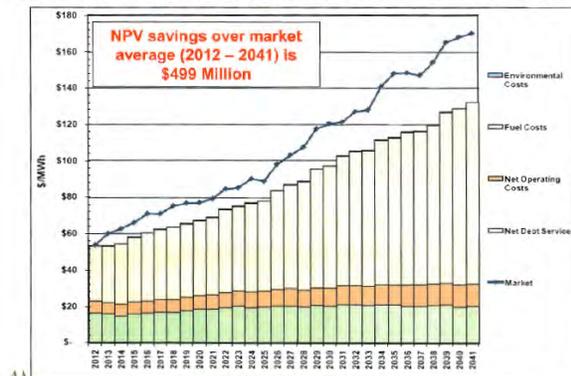
### NATURAL GAS SUPPLY

- Site location has excellent optionality for gas delivery from multiple suppliers
- Existing FirstEnergy agreements for transportation are assignable
- Evaluating gas supply options:
  - Objective to lower cost/risk of gas supply
  - Short term – financial gas contracts (today lower than forecast)
  - Long term – physical gas reserves

### NATURAL GAS PIPELINES



### AFEC VS. MARKET COMPARISON

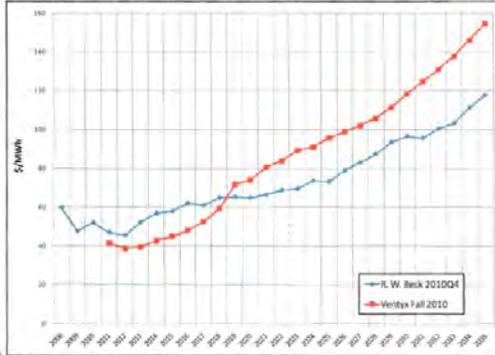


### AFEC VS. THIRD PARTY MARKET

- Purchased third party market projection for PJM (Ventyx)
- Net Market Value (2012-2041)
  - R. W. Beck: \$499 million
  - Ventyx: \$445 million\*

\* For this purpose, the net market revenues for 2036-2041 were assumed to be the same as 2035.

### POWER MARKET PRICE FORECAST

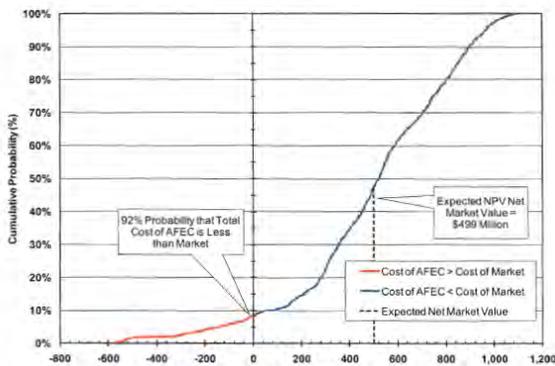


### PROJECT RISKS

Risk Factors Contribution to STD for the Base Case

Description	Contribution to STD	
	\$/MWh	% of Total
Natural Gas Prices	41.98	98%
Interest Rates	0.84	2%
SO <sub>2</sub> , and NO <sub>x</sub> Costs	0.00	0%
CO <sub>2</sub> Costs	0.00	0%
<b>Total</b>	<b>42.82</b>	<b>100%</b>

### AFEC MARKET VALUE



### BENEFITS

- Minimal construction risk
- Negligible permitting risk
  - Project fully permitted for construction: Title V Operational Permit to be applied for per normal process
- Minimal interest during construction
- AFEC project provides long-term cost stability to the members
- Net present value (2012 – 2041) of almost \$500 million value over market projections
- Project includes 675 MW of installed capacity for Participants
- 10 year 75% tax abatement on personal property once project on-line

### KEY PROVISIONS IN POWER SALES CONTRACTS

- 35 Year Take or Pay Contracts (lowest cost financing)
- Participants will subscribe for **fixed shares** (in kW and %) of the output of the Project
- All Participants will receive their shares of the Project (**Contract Resources**) at the Fremont LMP at the same **“Project Rate”**
- 25% Step Up Provision (mitigate “weak link” analysis)
- Project Costs are O&M Expense of the Member
- Members pledge rates to cover costs
- A committee of Participants will have both decision making and advisory roles on Projects

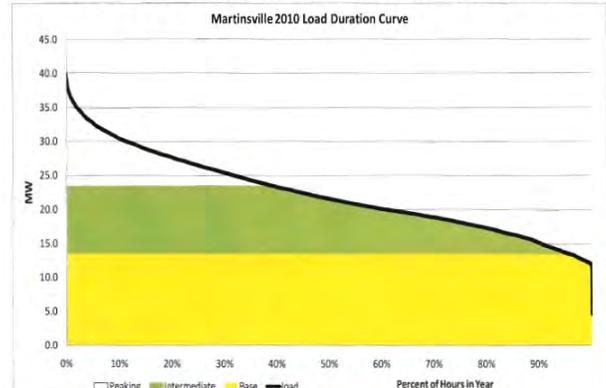
### PARTICIPANTS’ COMMITTEE

- Participants choose members of Committee
- Members must include at least 51% of Shares
- Minimum of 8 members on Committee
- Participants control Committee size
- Weighted voting according to % Share
- Meets not less than quarterly
- Elects Chair and Vice-Chair
- Chair appoints sub-committees

### SUPER MAJORITY OF PARTICIPANTS

- 75% of all Project Shares (in kW)
- Approval required for:
  - Issuance of any bonds associated with the purchase of long term gas reserves
  - Any sale or transfer to third parties by AMP of any interest in Project, except as specifically permitted
  - Termination of Power Sales Contract after Bonds paid

### LOAD DURATION CURVE



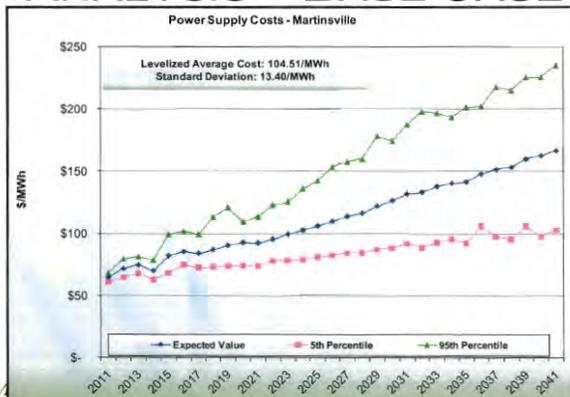
### RW BECK BENEFICIAL USE ANALYSIS

The City of Martinsville's Initial AFEC allocation, based on the results of the September 2010 Optimal Power Supply Plan = 14,781 kW

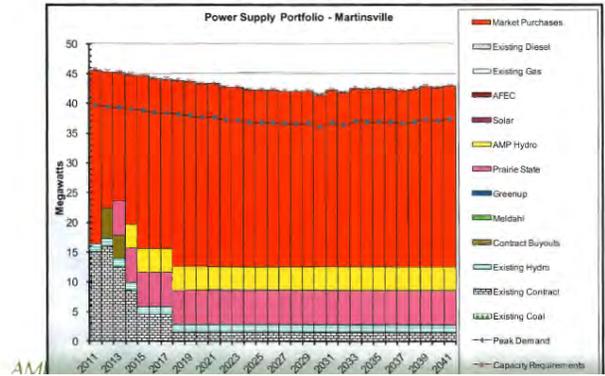
- Includes 11,114 kW of base capacity and 3,667 kW of peaking capacity

Initial Ordinance/Resolution up-to amount = 11,100 kW

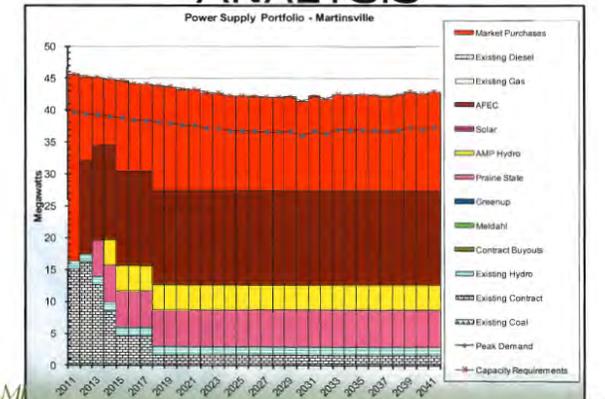
### RW BECK BENEFICIAL USE ANALYSIS – BASE CASE



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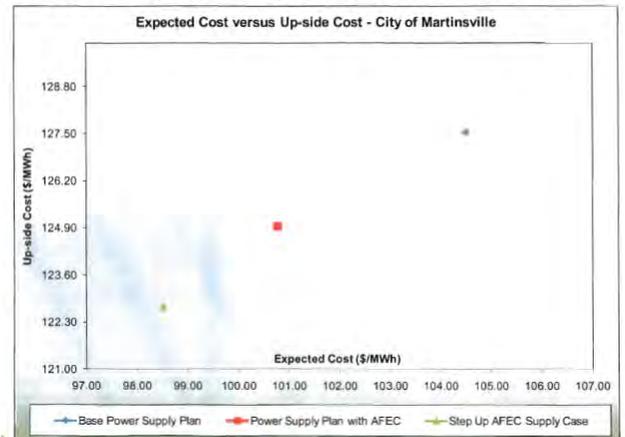
### RW BECK BENEFICIAL USE ANALYSIS



### RW BECK BENEFICIAL USE ANALYSIS



### RISK VS. COST ANALYSIS



### BENEFICIAL USE ANALYSIS

- Includes buy-out of some existing contract in 2012 and 2013
- The financial loss from this sale to be financed as part of AFEC
- Additional buy-outs could be added, if requested by Martinsville

### MARTINSVILLE CONTRACTS BUY-OUT

- 5 MW Exelon 5x16 for 2012
- 4 MW Exelon 5x16 for 2013
- Loss on resale = \$70,000
- Financed amount = \$5,000 per year
  - Based on 6% interest, 30 year term

### AFEC SUMMARY

- AFEC provides both intermediate and peaking capacity
- Participation in the AFEC project diversifies power supply to help lower risk and cost
- The AFEC project provides long-term cost stability
- Economies of Scale and Tax-Exempt financing are major benefits for AMP members
- AFEC is a low-risk project due to the mitigation of construction and permitting costs/risks
- Reduces members' reliance on wholesale power markets
  - Provides a cost-effective, safe, environmentally friendly, asset-based alternative to wholesale energy and capacity markets

### NEAR-TERM NEXT STEPS

- March 15, 2011 – Subscription packets to members
  - Including sample Ordinance/Resolution, Power Sales Contract, Member Beneficial Use Analysis and Project Feasibility Study
- March 15 – June 15, 2011 – Subscription Period
- June 15, 2011 – Target for final executed power sales contracts from participating members
- July 1, 2011 – Target for AMP financial closing on purchase

## EDI LANDFILL PROJECT



### EDI LANDFILL GAS PROJECT

- All three sites located in FirstEnergy service territory (PJM as of 6/2011)
- Existing Contract with EDI started 2001, expires 2011
- Plan to expand to 56 MW from 30 MW during 2012
  - Expansions of Carbon and Lorain sites.

### EDI LANDFILL ENERGY RATES

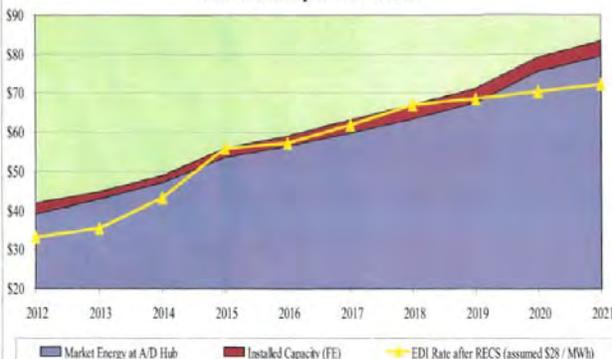
Year	Calendar	Summer/ Winter Peak Per MWh	Spring/ Fall Peak Per MWh	All Months Off Peak Per MWh	PPA Average Per MWh
1	2012	\$58.39	\$44.00	\$25.00	\$40.29
2	2013	\$59.84	\$47.00	\$27.00	\$42.39
3	2014	\$60.29	\$48.00	\$28.00	\$43.21
4	2015	\$76.49	\$59.00	\$39.00	\$55.90
5	2016	\$78.11	\$60.00	\$40.00	\$57.16
6	2017	\$81.96	\$65.00	\$45.00	\$61.73
7	2018	\$87.79	\$70.00	\$50.00	\$67.00
8	2019	\$88.81	\$72.00	\$52.00	\$68.68
9	2020	\$89.86	\$74.00	\$54.00	\$70.39
10	2021	\$89.90	\$76.00	\$57.00	\$72.15

On-Peak hours are HE 08-23 EPT, Monday through Saturday  
Average rate assumes 100% load factor delivery.

### MASTER AGREEMENT

- AMP signed a power purchase agreement (PPA) with EDI for the purchase up to 56 MW (43 x 1.3 MW)
  - PPA = AMP only pays for generated power
- 10-year agreement starting in 2012
- AMP receives all Installed Capacity from units
- AMP receives 25% of RECS in 2012-2013
  - Members can keep or sell RECS
  - Decision made on contract form

### EDI Rate Compared to Market



### AMP/MEMBER AGREEMENT

- All Members in the project will receive power on a 7x24 schedule
  - Energy will be a mix of landfill generation and replacement power
    - Landfill availability factor expected at 85%
    - Replacement power purchased daily
    - Allows members to plan portfolio based on 7x24
  - Installed Capacity credited to members at FE rate
  - Delivery point of power will be at the Landfill busses in FirstEnergy (PJM)
    - Members responsible for congestion and losses

March 21, 2011

<b>MEMBER DEADLINE</b>	<b>BENEFITS TO MEMBERS</b>
<ul style="list-style-type: none"><li>• AMP Members have until April 30, 2011 to contract with AMP for share of EDI Landfill Project<ul style="list-style-type: none"><li>– Fixed date in AMP/EDI Agreement</li></ul></li><li>• Martinsville submitted a letter of interest for 2,000 kW</li></ul>	<ul style="list-style-type: none"><li>• 2012-2014 price is below market</li><li>• Provides installed capacity</li><li>• No credit or margin posting</li><li>• Renewable energy</li><li>• Diversifies resources portfolio</li></ul>

After the AMP presentation, City Manager Clarence Monday briefed Council on staff actions to this point as far as seeking costs for blocks of power for a ten-year time period with several municipalities going in together on an RFP and they will now need to compare prices.

Council agreed to direct the Power Advisory Committee to study the Fremont plant after staff and consultants have reviewed. The PAC is also to vet and make recommendations on the EDI Landfill project if time allows after staff and consultants have reviewed, noting that a letter requesting an extension on the EDI decision may become necessary. Another joint meeting of the Power Advisory Committee and City Council will be scheduled.

Mayor Adkins reminded citizens to forward any questions to the City Manager's office to be forwarded to the Power Advisory Committee.

There being no further business, Mayor Adkins and Chairman Maddox adjourned the meeting at 3:50 pm.

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Clarence C. Monday  
Clerk of Council

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Kim Adkins  
Mayor

March 22, 2011

The regular meeting of the Council of the City of Martinsville, Virginia, was held on March 22, 2011, in Council Chambers, Municipal Building, at 7:30 PM, with Mayor Kim Adkins presiding. Council Members present included: Mayor Adkins, Vice Mayor Kimble Reynolds, Gene Teague, Mark Stroud, Sr., and Danny Turner. Staff present included: Clarence Monday, City Manager, Eric Monday, Brenda Prillaman, Mike Rogers, Ruth Easley, Donna Odell, and Kathy Vernon.

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

On a motion by Gene Teague, seconded by Danny Turner, Council approved with a 5-0 vote, the minutes of the March 8, 2011 meeting.

Mayor Adkins presented a proclamation recognizing Child Abuse Prevention Awareness Month for the Martinsville Exchange Club.

Human Resources Director, Donna Odell, briefed Council on the success of the 2011 City of Martinsville Government Academy and publicly acknowledged Kathy Vernon, H R Specialist, for the work she did on this project.

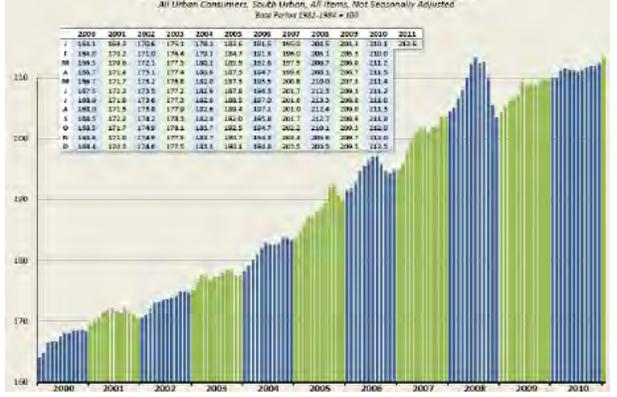
Clarence Monday, City Manager/Finance Director, gave a presentation regarding pre-budget information for FY12 budget and options for funding Commonwealth Crossing:

 <p><i>City of Martinsville</i></p> <p><b>FY 2011-2012 PRE-BUDGET INFORMATION</b></p> <p><small>FY 12 Martinsville VA City Manager Pre-Budget Information</small></p>	<p><b>During Budget Season...</b></p> <p><i>“While talking budget, it is easy to be distracted and only focus on money. Budgets can be balanced. Let’s reflect on the positives that we have going for us in this great community.”</i></p> <p><i>Clarence Monday, City Manager</i></p>																																
<p><b>FY 11 BUDGETED GF Expenditures</b></p>  <table border="1"><tr><td>Schools</td><td>Judicial</td><td>Public Works</td><td>Health/Welfare</td><td>Law Enforcement /Public Safety</td><td>Parks/Culture</td><td>Non-Dept</td><td>Gen. Admin &amp; Comm Dev</td></tr><tr><td>20.9%</td><td>7%</td><td>14.2%</td><td>0.6%</td><td>32.1%</td><td>4.7%</td><td>1.4%</td><td>19.1%</td></tr></table>	Schools	Judicial	Public Works	Health/Welfare	Law Enforcement /Public Safety	Parks/Culture	Non-Dept	Gen. Admin & Comm Dev	20.9%	7%	14.2%	0.6%	32.1%	4.7%	1.4%	19.1%	<p><b>FY 10 AUDITED GF Expenditures</b></p>  <table border="1"><tr><td>Schools</td><td>Judicial</td><td>Public Works</td><td>Health/Welfare</td><td>Law Enforcement &amp; Public Safety</td><td>Parks/Culture</td><td>Non-Dept</td><td>Gen. Admin/Comm Dev</td></tr><tr><td>20.5%</td><td>5.7%</td><td>13.0%</td><td>3.9%</td><td>28.6%</td><td>3.5%</td><td>1.2%</td><td>23.6%</td></tr></table>	Schools	Judicial	Public Works	Health/Welfare	Law Enforcement & Public Safety	Parks/Culture	Non-Dept	Gen. Admin/Comm Dev	20.5%	5.7%	13.0%	3.9%	28.6%	3.5%	1.2%	23.6%
Schools	Judicial	Public Works	Health/Welfare	Law Enforcement /Public Safety	Parks/Culture	Non-Dept	Gen. Admin & Comm Dev																										
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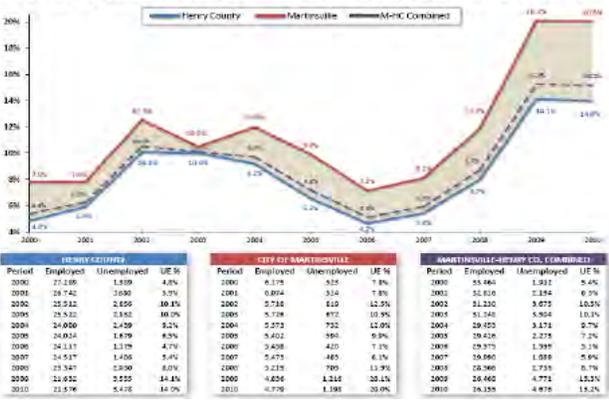
## General Fund Trend



## CONSUMER PRICE INDEX: 2000 to 2011



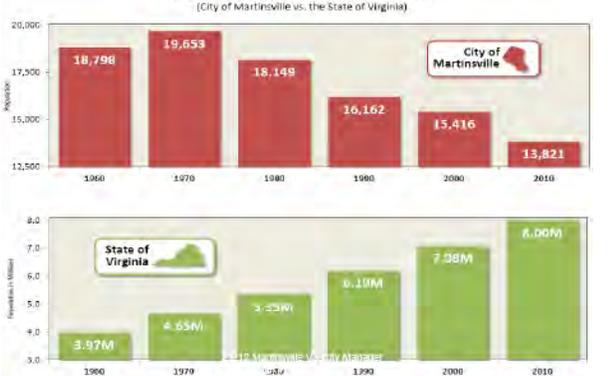
## MARTINSVILLE-HENRY COUNTY ANNUAL UNEMPLOYMENT RATES



## CITY OF MARTINSVILLE AND STATE OF VIRGINIA ANNUAL UNEMPLOYMENT RATES



## POPULATION: 1960 to 2010



## DECENNIAL POPULATION CHANGE BY PERCENTAGE

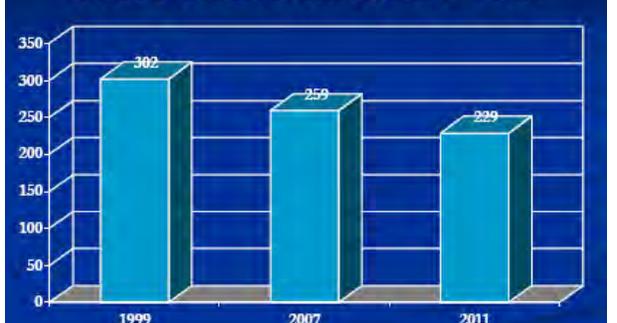


## Top 10 Virginia Localities in Percent of Population Decline

Locality	Percent Loss, 2000-2010
Accomack County	-13%
Danville	-11%
Buchanan County	-11%
Martinsville	-10%
Highland County	-8%
Grayson County	-8%
Henry County	-7%
Bath County	-6%
Hampton	-6%
Alleghany County	-6%

Source: Virginia Town & City, February 2011 edition

## City Employee Trend, 24.1% Reduction in 13 Years



## Although the Population Has Declined

- Utilities must be provided
  - Personnel reductions have occurred in Water, Sewer, Electric, and Refuse Departments.
  - Operational costs have been cut as much as possible.
- Public Safety must be maintained
  - Fire/EMS call volume increased 45% since 2004.
  - Police call volume increased 14% since 2000.
- Citizens demand and expect vital services.
  - Personnel eliminated in all City Departments.

## Assessed Property Values

FY	RE	PP	M&T	PS RE	PS PP	Total
2010	693,122,800	103,067,671	6,124,366	23,411,431	242,044	825,968,312
2009	645,748,787	113,874,992	6,715,547	22,318,052	*	788,657,378
2008	639,192,692	108,609,168	11,452,777	26,072,969	*	785,327,606
2007	593,669,976	100,582,016	15,146,780	21,340,984	*	730,739,756
2006	588,988,194	98,478,170	12,831,665	25,709,402	*	726,007,431
2005	559,497,600	101,861,411	12,083,426	27,043,443	*	700,485,880
2004	556,169,600	94,124,537	13,754,159	29,719,298	*	693,767,594
2003	531,125,500	89,785,700	13,854,533	27,763,786	*	662,529,519
2002	500,132,200	91,886,053	17,253,822	27,821,178	*	637,093,253
2001	499,376,500	87,362,958	47,211,356	27,313,555	*	661,264,369

## Real Estate Reassessment

- The purpose of a reassessment is NOT to raise revenue.
- Prior to the most recent reassessment, Real Estate Property Value \$694,312,500.
- These numbers are NOT final and will change!
  - After reassessment, City's Overall Taxable Value \$667,722,500.
  - Represents reduction of \$26,590,000 in assessed value, or a 3.83% reduction.

## Real Estate Reassessment

- Potential Revenue loss of approximately \$270,000.
- To make the reassessment revenue neutral, tax rate must be increased from current rate of \$1.01816 per \$100 of assessed value to \$1.058705 at a 100% collection rate.
- One penny generates \$66,772.
- No tax increase has been recommended at this time...for information only!

## Misc. Revenue History

Source	FY 07	FY 08	FY 09	FY 10	FY11 Budget/Projected
Local Sales & Use Tax	2,279,517	2,054,228	2,015,151	1,759,239	1,900,000 1,900,000
E911 / Telecomm	794,015	1,031,174	968,924	937,786	1,000,000 908,964
Rental Tax	2,949	2,523	2,112	880	0
599 Funds	995,980	1,000,553	962,941	841,344	872,133 872,180
Mach & Tools Tax	249,222	210,024	115,193	112,242	99,931 103,814
Business Equipment	877,610	1,011,680	1,059,712	1,023,797	857,761 882,595

## State Revenue for Constitutional Offices

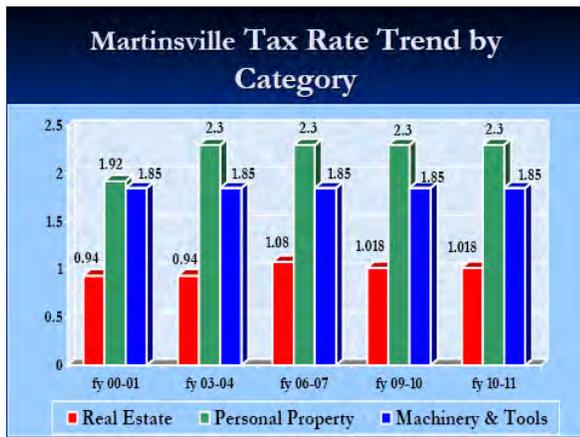
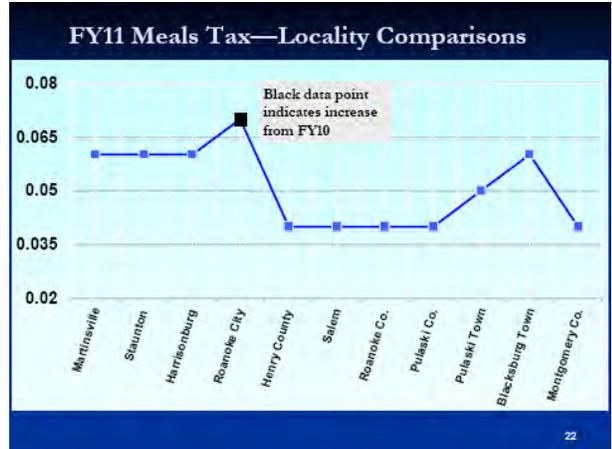
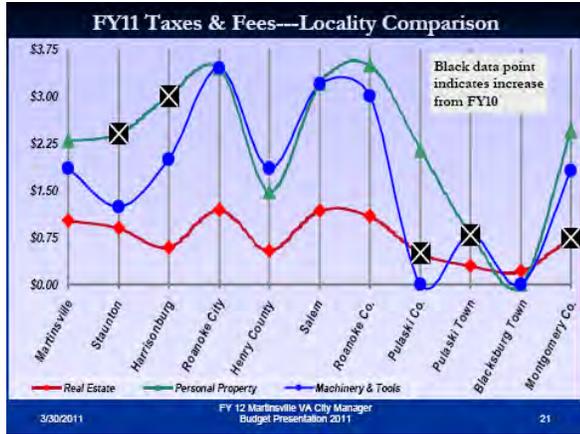
YEAR	BUDGET	ACTUAL	% REC'D
2011	2,703,684	incomplete	N/A
2010	2,960,777	2,579,668	87.13%*
2009	3,083,104	2,428,796	78.78%*
2008	2,958,040	2,948,004	99.66%
<b>Difference</b>	<b>(\$254,356)</b>		<b>(8.6%)</b>

## Utility Transfer History

Fund	FY99	FY09	FY10	FY11 as Budgeted	Difference
Refuse	\$2,085,944	\$46,995	\$339,027	\$341,574	(84%)
Water	\$462,396 <small>*not a typical year</small>	\$1,431,070	\$949,568	\$1,301,691	N/A
Sewer	N/A	1,149,780	936,401	989,990	(13.9%)
Electric	\$3,769,390	\$1,021,597	\$578,025	\$104,076	(97%)

## Impact on City Residential Taxpayer From FY11 Rate Increases

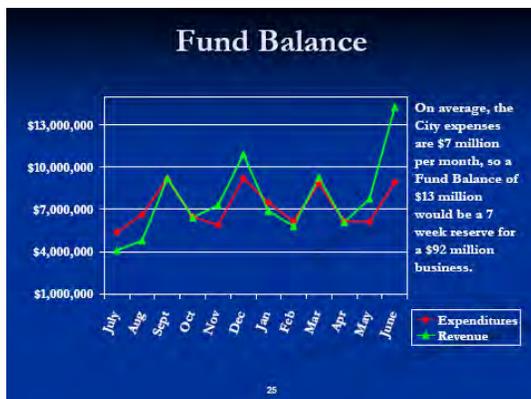
	Average Monthly Increase as Approved
Water Rate Increase	\$3.39
Power Cost Adjustment	\$6.80
<b>Monthly Increase for Average Household in the City of Martinsville</b>	<b>\$10.19</b>



### Fund Balance

	Audited Fund Balance	Reappropriations
<b>FY 2006</b>	10,967,723	1,065,811
<b>FY 2007</b>	13,304,837	796,448
<b>FY 2008</b>	15,717,064	1,950,516
<b>FY 2009</b>	13,582,957	2,121,342
<b>FY 2010</b>	13,127,213	2,201,634

24



### FY11 and Year-End FB

- FY11 Budget approved with the use of \$639,751 Fund Balance.
- Once all budgeted/reappropriated FY11 expenditures are incurred, not including unanticipated revenue and unexpended funds, the FY11 year-end combined Fund Balance is estimated to be \$10.5M, as of the January 2011 mid-year budget analysis.

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### Summary

- Population loss and continued high unemployment levels have caused loss of tax base.
- Inflation and increased fuel costs drive up operational costs.
- \$270,000 potential revenue loss as a result of most recent reassessment.
- State funding for constitutional offices has been reduced by nearly 9% in three years.

27

### Summary

- Local revenue continues declining.
- Transfers from City Utilities down, especially Refuse and Electric.
- City's workforce has been reduced over 24% in the past 13 years.
- Staffing in every department reduced, especially Government Administration.

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### Summary

- Fund Balance remains strong but must be protected.
- Current City-wide expenditures exceed revenue by nearly \$640,000.
- FY12 starting out with a deficit, holding all else constant.
- Must align spending with available revenue.

### Summary

- With declining revenue and increasing expenditures, cannot continue using fund balance on a regular basis.
- Impossible to continue offering full range of services without tax/fee increases.
- Tough choices must be made again!
- Open for suggestions.

### Harvest Grant

- \$654,957 for implementing Uptown Master Plan, Phase I.
- In concert with the CDBG funds.
- Physical improvements will be funded, in addition to site assessment for the Baldwin Block and the area behind the historic courthouse.
- All of these physical improvements will help make the Uptown more attractive, welcoming, and useable for residents, tourists, merchants, and potential investors.

### City CDBG Project

- \$ 691,325 in DHCD funds
- Eliminate blight and create jobs
- Fayette Street and the Courthouse Square
- 27 properties will have façade upgrades
- Enhance pedestrian connections with new crosswalks, curb ramps, and landscaping
- Expansion of the Courthouse Square plaza
- Install wayfinding signage and install new streetlights

### City and County Partnerships

- Economic development
- 9-1-1 Communications Center
- Health Department
- Social Services
- Blue Ridge Regional Library
- Magistrate
- Fund MANY “outside organizations” such as
  - Police Academy
  - Business incubator

### During Budget Season...

“While talking budget, it is easy to be distracted and only focus on money. Budgets can be balanced. Let’s reflect on the positives that we have going for us in this great community.”

*Clarence Monday, City Manager*

### Commonwealth Crossing Site

Grading Project Cost \$16.5M

#### Funding Partners

VTIC (new)	5,000,000
VTIC (previous)	1,500,000
Harvest Foundation	5,000,000
Henry County	3,300,000
Martinsville	<u>1,700,000</u>

**Total                    \$16,500,000**

### Commonwealth Crossing Site

- County staff working to obtain permits for grading.
- Site aggressively marketed already.
- No City payment expected in FY12.
- City funds to be paid in FY13, on or after July 1 2012.

<p style="text-align: center;"><b>Option #1</b></p> <p style="text-align: center;"><b>\$500,000 from Fund Balance and Finance Remaining Portion</b></p> <table border="0"> <tr> <td>Project Cost</td> <td>\$1,700,000</td> <td></td> </tr> <tr> <td>Fund Balance</td> <td><u>-500,000</u></td> <td></td> </tr> <tr> <td>Finance</td> <td>\$1,200,000</td> <td></td> </tr> </table> <p>I = 3.5%                      Ignores Closing Costs</p> <table border="0"> <tr> <td>Term 3 years = \$428,321</td> <td>Total Cost \$1,784,963</td> </tr> <tr> <td>Term 4 years = \$326,701</td> <td>Total Cost \$1,806,804</td> </tr> <tr> <td>Term 5 years = \$265,778</td> <td>Total Cost \$1,828,890</td> </tr> </table> <p style="text-align: right;">47</p>	Project Cost	\$1,700,000		Fund Balance	<u>-500,000</u>		Finance	\$1,200,000		Term 3 years = \$428,321	Total Cost \$1,784,963	Term 4 years = \$326,701	Total Cost \$1,806,804	Term 5 years = \$265,778	Total Cost \$1,828,890	<p style="text-align: center;"><b>Option #2</b></p> <p style="text-align: center;"><b>Total Financing</b></p> <table border="0"> <tr> <td>Project Cost</td> <td>\$1,700,000</td> <td></td> </tr> </table> <p>I = 3.5%                      Ignores Closing Costs</p> <table border="0"> <tr> <td>Term 3 years = \$606,788</td> <td>Total Cost \$1,820,364</td> </tr> <tr> <td>Term 4 years = \$462,827</td> <td>Total Cost \$1,851,308</td> </tr> <tr> <td>Term 5 years = \$376,518</td> <td>Total Cost \$1,882,590</td> </tr> </table> <p style="text-align: right;">48</p>	Project Cost	\$1,700,000		Term 3 years = \$606,788	Total Cost \$1,820,364	Term 4 years = \$462,827	Total Cost \$1,851,308	Term 5 years = \$376,518	Total Cost \$1,882,590												
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<p style="text-align: center;">It is the Council's decision on how to fund the City's share of the grading work for CCBC</p>																																					

Mr. Monday stated that as Finance Director of the City, he urged Council to align spending with revenue. The City Manager will make the FY12 budget presentation to City Council on April 28, 2011.

On a motion by Kimble Reynolds, seconded by Danny Turner, with a 5-0 vote, Council approved the updated 2010-2011 Goals & Initiatives as follows:


Martinsville  
Virginia

**Goals and Initiatives 2010-2011  
Strategic Plan**

**VISION**

Martinsville-Henry County is a nationally recognized success story. Once a thriving industrial center, the region has been renewed as a diverse community, but one that has never lost its small town appeal. With a vibrant "destination uptown", numerous entrepreneurial, career, cultural and recreational opportunities, a comprehensive education system, and a varied, technologically advanced economy, Martinsville, an All American City, has consistently ranked for over a decade among the top cities under 25,000 in which to live in the Southeast. Near both the Blue Ridge Mountains and the metropolitan areas of Virginia's Roanoke Valley and North Carolina's Piedmont Triad, Martinsville-Henry County offers the best of tightly knit, highly affordable, neighborly life with easy access to the amenities of the urban cities.

Strategic Priorities	Key Outcomes	Success Indicators	SUPPORTING GOALS achievement oriented	Performance Measure and Target	Lead Responsibility	PRIORITY
Government 1. Ensure a government that is efficient, transparent, accessible and collaborative	1.1 Improved customer satisfaction.	Completed survey	1.1.1 311 EDC Complete & analyze a customer satisfaction survey. Develop action plan for surveys	Completed surveys articulated within 30 days of survey. Incorporate 7 311 city programs	City Manager and Department Heads	Immediate
	1.2 Increase community participation and number of citizens qualified and interested in being on Boards & Commissions. (Strategic community inclusion)	More frequent MOTV programming. Use website to make an annual community list.	1.2.1 1 Board MOTV usage Use website and social media	# new programs 1/41 new programs 1st year	City Manager, MLC and Human Resources	Immediate
	1.3 Improved communications with the citizens and public to communicate and reinforce the government's accountability.	A citizen academy with excellent participant reviews. Use website to make an annual community list.	1.3.1 1 citizen academy 1.3.2 Citizen academy reviews. Use website to make an annual community list.	# citizens completing the academy 1/101 per year	Human Resources	Immediate
	1.4 Successfully partner with our governmental neighbors and private groups to bring new business and create entrepreneurial opportunities to our community.	More job, stronger tax base	1.4.1 100% supporting the EDC and other appropriate organizations	Adequately fund economic development activities	Council	Immediate
	1.5 Increase internal and external cooperation to complete programs, services, processes and departments, etc. to create a more efficient and effective government.	An independent and objective analysis of programs, services, processes and departments has been completed. All employees are trained and equipped to perform their jobs.	1.5.1 Explore opportunities to coordinate programs, services, processes, and/or departments	Amount of cost savings and/or program benefits	Council, City Manager, City Clerk	Immediate
	1.6 Explore the implications of new technology.	Analysis of the implications of new technology is completed.	1.6.1 Report generated for distribution to stakeholders.	Cost savings to City residents to be quantified.	City Manager, Department Heads, and Council	Immediate
	1.7 Opportunities for citizens.	Public participation and support increased participation on all boards, commissions and public meetings.	1.7.1 1.7.1.1 Promote citizen's participation in the City	# public participation in community activities	Public Information Office	mid range
1.8 Public and private partnerships.	Cooperative programs are developed. (JC, PHCC, National College, Memorial Hospital, Capital, Mountain, etc.)	1.8.1 1.8.1.1 Identify, encourage and support existing and new partnerships for citizens.	# public/private partnerships and cooperative programs	Council and City Manager	long term	

Strategic Priorities	Key Outcomes	Success Indicators	SUPPORTING GOALS achievement oriented	Performance Measure and Target	Lead Responsibility	PRIORITY
Community Development 2. Provide an attractive, safe, active and vibrant community with a great quality of life	2.1 Creation of a Web Site Community Center	Community Center built	2.1.1 100% web site groups to determine design, programming, functionality, and public activities	2.1.1 100% web site groups to determine design, programming, functionality, and public activities	Council	Immediate
	2.2 Clean, attractive and green neighborhoods and communities	More green spaces	2.2.1 100% green spaces program to be implemented and evaluation of progress.	2.2.1 100% green spaces program to be implemented and evaluation of progress.	Council	Immediate
	2.3 Expand regional transit system	Transit program	2.3.1 100% transit program to be implemented and evaluation of progress.	2.3.1 100% transit program to be implemented and evaluation of progress.	Council	Immediate
	2.4 An environmentally responsible community.	Regional Recycling or Green Society	2.4.1 100% Green Society	2.4.1 100% Green Society	Council	Immediate
	2.5 Increased variety of retail, dining, culture and educational opportunities.	Community Center built	2.5.1 100% community center built	2.5.1 100% community center built	Council	Immediate

Strategic Priorities	Key Outcomes	Success Indicators	SUPPORTING GOALS achievement oriented	Performance Measure and Target	Lead Responsibility	PRIORITY
Recreation and Culture 3. Develop, enhance and promote recreation and cultural opportunities for all citizens in Harrison-Henry County	3.1 Broad citizen and visitor participation in recreation and leisure services activities.	Completed and returned surveys	3.1.1 100% citizen-community recreation survey	# responses and quality of information	Parks and Recreation	Immediate
		Well attended event.	3.1.2 100% Expand the concept of senior health fair to various age groups	# and age groups of participants	Parks and Recreation	Immediate
		Seek senior center accreditation.	3.1.3 100% Receive national senior center accreditation	Accreditation received.	Parks and Recreation	Immediate
		Variety of new programs offered.	3.1.4 100% Develop additional programs, encourage elder participation	# and age groups of participants	Parks and Recreation	mid range
		Youth center options proposal ready for review.	3.1.5 100% Explore feasibility of a youth center.	Analysis completed and presented to Council.	Parks and Recreation	mid range
	3.2 Safe, affordable, diverse, accessible activities and facilities.	Accessible and utilized skateboard park.	3.2.1 100% Pursue skateboard park development.	usage and how community accepts park.	Parks and Recreation	Immediate
	3.3 Partnerships with outside agencies to assist citizens in making healthy lifestyle choices.	Completed master plan.	3.3.1 100% Develop a community recreation/leisure services master plan.	Creation of community master plan and program guide.	Parks and Recreation and Activate MHC	mid range
	3.4 Partner with and maximize existing facilities and programs.	Partnerships developed and maximized.	3.4.1 100% Create MOU, MOA, MOU, MOA, and LOI with outside agencies to begin or continue using programs and facilities.	MOU, MOA, and LOI created and signed.	Parks and Recreation	Immediate
	3.5 Active citizen participation in a wide variety of cultural events.	Quality events and festivals that are supported by the community.	3.5.1 100% Encourage art festivals, performing arts, annual concerts, festivals, and competitions.	# events and # participants	Piedmont Arts, Arts and Culture Commission, EDC Tourism, MVNH	mid range
		Quality events that are supported by the community.	3.5.2 100% Encourage ethnic cultural activities.	# events and # participants	Piedmont Arts, Arts and Culture Commission, EDC Tourism, MVNH	mid range
3.6 An environment for new and upcoming artists.	Art work displayed in municipal building.	3.6.1 100% Develop a plan to display local artists work in municipal building.	# of participating artists and comments from the public.	Piedmont Arts, Arts and Culture Commission, EDC Tourism, MVNH	Immediate to mid range	
3.7 An environment that enhances cultural opportunities.	A plan that enhances Uptown cultural activities that are enjoyed by those participating.	3.7.1 100% Create a plan to enhance and support cultural activities in the Uptown area so that the number of people visiting the Uptown area increases.	# of people visiting the Uptown area and feedback from the initiative.	Piedmont Arts, Arts and Culture Commission, EDC Tourism, MVNH	long term	

Strategic Priorities	Key Outcomes	Success Indicators	SUPPORTING GOALS achievement oriented	Performance Measure and Target	Lead Responsibility	PRIORITY
Education 4. Create, establish and improve a high quality educational system that meets the needs of our citizens and acts as a driver for economic development.	4.1 High quality education system.	Continued effective and efficient management of city school system.	4.1.1 100% Evaluate efficiency of operations.	Student test scores and quality of services.	Council and School Board	Immediate
		Work with School Board to explore the possibilities of a combined (City/City School) system.	4.1.2 100% Evaluate efficiency of operations.	Student test scores and quality of services.	Council and School Board	Immediate
		Support schools where an educator's career is a viable level and great "Admission" (early progress) (AVM) at the Uptown area.	4.1.3 100% Support schools where an educator's career is a viable level and great "Admission" (early progress) (AVM) at the Uptown area.	Admission status and # of teachers hired (100%)	School Board	Immediate
	4.2 State-of-the-art facilities and learning edge technology.	Facilities maintained and learning edge technology.	4.2.1 100% Support adequate infrastructure to meet (or going needs).	Adequacy of adequate infrastructure.	School Board and other relevant City Departments	Immediate
	4.3 Opportunities for personal and professional development for all ages and levels.	Availability of programs meeting public demand.	4.3.1 100% Expand programs to meet public demand.	# participating in new programs.	School Board	Immediate
		Senior educated minority students.	4.3.2 100% Increase the percentage of minority students who obtain an advanced diploma and seek post-secondary educational opportunities.	# students with advanced diploma and seeking post-secondary study.	School Board, PHCC, NCI, National College, Workforce Investment Board	Immediate
4.4 Prepare future leaders.	City/School cooperative MFL, participation at all levels, and public programs.	4.4.1 100% Establish youth leadership programs at all school levels.	At least 10% of students included.	School Board, Mayor, City Council	long term	
4.5 Support HGI becoming a satellite campus of an accredited 4-year institution.	NCI established as a satellite.	4.5.1 100% Work with NCI staff and board to establish campus.	Campus established.	School Board, Business Administration, City Council, City Manager	Immediate	

Strategic Priorities	Key Outcomes	Success Indicators	SUPPORTING GOALS achievement oriented	Performance Measure and Target	Lead Responsibility	PRIORITY
Self-Image 5. Improve our self-image both internally and externally	5.1 Strong community spirit and pride.	Establish plan, develop schedule and budget for improvements.	5.1.1 100% Develop and execute a plan for interior and exterior improvements to municipal buildings.	Completed plan.	Public Works	Immediate
	5.2 Diverse and energetic community with multiple volunteer oriented opportunities.	Opportunities promoted and increased spirit of volunteerism.	5.2.1 100% Promote community volunteer opportunities (using MOTV) and other social venues.	Increased number of willing and qualified volunteers.	Public Info, Office and Dept Heads	Immediate
	5.3 Positive and optimistic community.	Increased pride and self-image of community.	5.3.1 100% Create and implement a community pride initiative that aims to improve the area's self-image.	Completed initiative.	Council	Immediate
		Seek All American City designation.	5.3.2 100% Create and implement a plan to seek the All American City designation.	Completed initiative.	Council	Immediate
	5.4 Establish an employee suggestion committee.	Committee Established	5.4.1 100% Suggestions being received and committee meeting to determine their implementation.	Suggestions implemented.	City Manager, Department Heads, Committee Members	Immediate
	5.5 Improve Employee morale.	Clear, open and transparent dialogue and communication.	5.5.1 100% Use employee suggestion committee to determine best communication modalities.	Suggestions implemented.	City Manager, Department Heads, Committee Members, Council	Immediate
		Live term accountability from City Schools to show fair and equitable fund distribution.	5.5.2 100% Establish working committee with City Schools to determine best possible way to distribute accountability.	Accountability report created.	Council	Immediate
		Employee awards and recognition opportunities established.	5.5.3 100% Awards and recognition opportunities created.	Awards and recognition opportunities given.	Council and City Manager	Immediate

Strategic Priorities	Key Outcomes	Success Indicators	SUPPORTING GOALS achievement oriented	Performance Measure and Target	Lead Responsibility	PRIORITY
Economic Development 6. Aggressively create and develop an environment for job creation, development, retention and capital investment.	6.0 Support holistic approach of EDC in growing our economic base. This would include retention, recruitment, entrepreneurship, small business dev., and tourism.	Increased number of businesses and jobs	6.0.1 100% Business growth, retained, growth, started, and supported. Amount of tourism revenues generated.	# of businesses and # of jobs created. Tourism revenues generated.	MHCEDC and Council.	Immediate
	6.1 Vibrant Uptown with increased residential opportunities.	Available apartments and condos; and increased number of retail shops and restaurants.	6.1.1 100% Explore opportunities that increase the number of people living, shopping, and dining in the Uptown area.	% vacancy of residential properties, # of retail shops, increased traffic Uptown.	Community Development, MURA, MHCEDC, and Phoenix CDC.	Immediate
	6.2 Cooperative regional partnerships for job creation.	Increased occupancy in all City owned and revenue sharing sites.	6.2.1 100% Explore potential new ventures for job creation such as bio-medical, information technology, research, fiber optic, bio-energy, tourism, etc.	# jobs created, reduction in electric rates, growth of tax base, reduction in unemployment rate and landfill tipping fees.	Council and MHCEDC.	Immediate
	6.3 A quality and available area workforce.	Increased number of jobs & available educational opportunities.	6.3.1 100% Expand educational opportunities to educate workforce for new job creation.	# jobs created.	Council, MHCEDC, NCI, and National College	Immediate
	6.4 Targeted development for specific sections of the City.	Increased number of jobs & available educational opportunities.	6.4.1 100% Business incentive packages created.	# jobs created.	Council, MHCEDC, and Phoenix CDC.	Immediate
	6.5 Environment rich in entrepreneurship and innovation.	Increased number of jobs & entrepreneurial opportunities.	6.5.1 100% Businesses created.	# jobs created.	Council and MHCEDC.	Immediate

March 22, 2011

Strategic Priorities	Key Outcomes	Success Indicators	SUPPORTING GOALS achievement oriented	Performance Measure and Target	Lead Responsibility	PRIORITY
City of Martinsville, Virginia Strategic Plan 2010-2011 Budget and Finance 7. Ensure that the City of Martinsville remains a financially viable and sustainable community.	7.1 Balanced budget.	Each year the City Council and Manager create and adopt a balanced budget.	7.1 Working group created for pre-budget related discussions. Working group to include Department Heads, City Manager and Council.	Working group has met. Balanced budget created.	Council, City Manager, Department Heads	Immediate
			7.1 Working group reconvened with City Schools to create a budget for the school appropriation. - Creating a transparent process by which the City and School Administrators jointly develop a school budget. - Creating line-item accountability for both the City Council and School Board regarding the school budget. - Forming panel of members between the two organizations. - Improve communication between the two organizations. - Continuous review process with the working group meeting periodically throughout the year to review the budget and compare it to actuals. - Creating trust between the organizations. - Explore the possibility of using a funding formula.	Working group would seek to accomplish: - Creating a transparent process by which the City and School Administrators jointly develop a school budget. - Creating line-item accountability for both the City Council and School Board regarding the school budget. - Forming panel of members between the two organizations. - Improve communication between the two organizations. - Continuous review process with the working group meeting periodically throughout the year to review the budget and compare it to actuals. - Creating trust between the organizations. - Explore the possibility of using a funding formula.	Council, City Manager, Superintendent, School Board	Immediate
	7.2 Priority based budgeting.	Each year the Council and City Manager meet to determine the Council's top priority for the year. A budget is then developed around those priorities.	7.2 Priorities determined.	Budget created.	Council and City Manager	Immediate
	7.3 Maintain strong financial rating.	City maintains strong rating through continued conservative fiscal management and low debt loads.	7.3 Balanced budget created within revenue constraints.	A+ rating maintained.	Council and City Manager	Immediate
			7.3 Revenue projections for the next 5 years are created.	Projections present to Council	Council and City Manager	Immediate
			7.3 20-year capital improvement plan created.	Plan present to Council	Council and City Manager	Immediate

Strategic Priorities	Key Outcomes	Success Indicators	SUPPORTING GOALS achievement oriented	Performance Measure and Target	Lead Responsibility	PRIORITY
City of Martinsville, Virginia Strategic Plan 2010-2011 8. Public Safety 8.1 Maintain a safe environment for City-Maryland County residents.	8.1 Maintain safe neighborhoods	Designation as crime-revention city	8.1 Maintain or increase crime-revention city	1. Become a certified crime-revention city.	Police Department	mid-range
		Active neighborhoods/grates.	8.1 Maintain or increase neighborhoods with grates.	2. # of active groups.	Police Department	mid-range
		Neighborhood being an active role in the community.	8.1 Support neighborhood initiatives to include school-based and community neighborhood programs.	3. # of school-based programs and number of community neighborhood programs.	Police Department	mid-range
	8.2 Provide adequate training for police and fire departments.	Resources allocated and devoted to training.	8.2 Training programs initiated and taken.	4. # of trainees.	Police and Fire Departments	Immediate
	8.3 Insure adequate staffing levels per professional designations for police and fire departments employees.	Resources secured and staff hired. Work with City Manager and Council on budget.	8.3 Actively recruiting new police and fire personnel.	5. # of hires.	Police and Fire Departments	Immediate
	8.4 Ensure equipment is available and maintained.	Resources secured, equipment maintained, new equipment purchased.	6. # of items set aside for new purchase truck, ambulances, and police cruisers.	Equipment purchased with budgetary constraints.	Police and Fire Departments	Immediate
		8.4 Items set aside for street required equipment.	Equipment purchased with budgetary constraints.	Police and Fire Departments	Immediate	
8.5 Eliminate gang activities	Create and implementation of gang prevention and mitigation program.	8.5 Program created and implemented.	7. # of gang activities have declined (level on # of incidences of gang violence/criminal activity)	Police Department	Immediate	

Council discussed the Virginia Municipal League's request to submit nominations for the membership on the 2011 Policy Committees. Council agreed to submit the following for membership on the VML 2011 Policy Committees and will be forwarded to VML:

- Community & Economic Development-Mayor Kim Adkins
- Environmental Quality-Eric Monday, City Attorney
- Finance-Clarence Monday, City Manager
- General Laws-Gene Teague, Council Member
- Human Development & Education-Mark Stroud, Sr., Council Member
- Transportation-Vice Mayor Kimble Reynolds

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

**BUDGET ADDITIONS FOR 3/22/11**

ORG	OBJECT	DESCRIPTION	DEBIT	CREDIT
<b>FY11</b>				
<b>GENERAL FUND</b>				
01100909	490134	Recovered Costs - Parks & Recreation		1,500
01711210	506091	Parks & Recreation - Special Events/Cruise In Costs recovered from various sponsors	1,500	
01100908	480410	Donations/Fire Department		500
01322105	506049	EMS - Vehicle Fuels appropriation of donation	500	
01102926	442304	Categorical Federal - Terrorism Prevention Program		29,740
01311085	506044	Police Dept - Terrorism Prevention Program appropriation of federal funds	29,740	
01101918	443156	State Grants - VDEQ Environmental Site Assessments		25,000
01812242	503143	Miscellaneous Expense - Environmental Evaluations	25,000	
<b>Total General Fund:</b>			<b>56,740</b>	<b>56,740</b>
<b>CAPITAL RESERVE FUND:</b>				
16100909	490104	Recovered Costs - Insurance Payment		11,400
16575365	508105	Motor Vehicles - Public Works appropriate ins from wrecked dump truck	11,400	
<b>Total Capital Reserve Fund:</b>			<b>11,400</b>	<b>11,400</b>

March 22, 2011

Business from the floor: Ural Harris, 217 Stuart, commented on school budget, AMP facilities, budget cuts to EDC, city schools, and parks and recreation.

Comments-Council: Stroud-encouraged blood donations and prayer for Japan disaster victims; Reynolds-comments encouraging Council members participation in VML Legislative Committee, noted that VA First Cities has done well with General Assembly regarding brownfields, thanked police chief for patronizing new business; Turner-thanked Mayor for help on an employee search and reminded citizens of race weekend; Mayor Adkins asked Council to form the Human Relations Advisory Committee. On a motion by Gene Teague, seconded by Kimble Reynolds, with a 5-0 vote, Council agreed to form the committee as outlined in the memo from the Mayor and begin accepting applications.

**City of Martinsville  
Advisory Committee on Human Relations  
March 22, 2011**

**Facilitator: Mayor Kim Adkins**

**Chairman: Vice-Mayor Kimble Reynolds**

**Vision:** To create a culture of public decision-making and problem-solving that is forward thinking, accountable and inclusive.

**Mission:** To advance strategies in the City that expands opportunity, reduces poverty and builds inclusiveness.

**Goals:**

- Ensure open and accountable government that hears and values all voices.
- Develop the civic capacity to address identified City challenges and opportunities.
- Bridge the fault line of race and class that inhibit community progress and erode civic health.

**Objectives:**

- Analyze economic, workforce and demographic trends to identify challenges that impede progress for the City and its residents.
- To address these challenges, help City Council to develop or suggest responsive public policies at the local, state and/or federal levels; demonstrate effective programs; and build institutional and community capacity for progress.

There being no further business, Mayor Adkins adjourned the meeting at 8:55pm.

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Clarence C. Monday  
Clerk of Council

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Kim Adkins  
Mayor

**Meeting Date:** April 12, 2011  
**Item No:** 2.  
**Department:** Commissioner of the Revenue; Treasurer  
**Issue:** Consider authorizing refund for overpayment of Tangible Personal Property Assessment

**Summary:** A local business filed tangible personal property forms in both Martinsville and Henry County and paid the assessments from both localities for tax years 2008 through 2010. Originally the taxpayer was picked up by the city prior to tax year 2008 due to a city garage jurisdiction for a company-owned vehicle. The business began reporting their tangible personal property to Henry County in 2008 while also reporting the same business personal property to the City of Martinsville. The business was taxed by both localities and paid both localities for 2008, 2009 and 2010. The error was discovered by the business and Henry County in late March 2011. A review of the account concluded that the business equipment has a Henry County situs and was properly taxed by Henry County. The Martinsville Commissioner of the Revenue office abated the assessment for tax years 2008, 2009 and 2010. However, due to the amount erroneously assessed, the City Treasurer needs authorization from City Council to issue the refund.

The refund amount is \$9,308.45 with interest of \$1,666.14 calculated by the City Treasurer through April 12, 2011 for a total refund of \$10,974.59. The Code of Virginia authorizes the City Treasurer to issue refunds up to \$2,500 without prior authorization of City Council. Because the refund amount is over this limit, Council must authorize the City Treasurer to issue the refund so that it does not adversely affect the city's cash flow.

**Attachments:** None

**Recommendations:** Authorize City Treasurer to Issue Refund Effective April 12, 2011 with calculated interest.

**Meeting Date:** April 12, 2011  
**Item No:** 3.  
**Department:** City Manager, City Attorney, Commissioner of the Revenue  
**Issue:** Consider setting a public hearing as required under the exemption ordinance enacted in January 2007 for consideration of the organization's local tax exemption request.

**Summary:** Under the provisions of the Exemption Ordinance enacted by Council in January 2007, any entity that does not clearly fall into any exemption category granted by the Code of Virginia must request an exemption approval from the city council in the form of an exemption ordinance. In order for the exemption request to be considered by council as part of the annual budget deliberations, the requesting entity must have submitted an exemption application to the Commissioner of the Revenue by November 1, 2010. The Commissioner of the Revenue referred the applications received to the City Manager along with a report of the revenue impact that any possible exemption may have. The City Manager appointed a review committee consisting of himself, Mayor Adkins, the City Commissioner of the Revenue, the City Treasurer, and the Assistant Finance Director to review the applications received.

**Attachments:** None

**Recommendations:** Set Public Hearing for April 26, 2011.



## City Council Agenda Summary

**Meeting Date:** April 12, 2011

**Item No:** 4.

**Department:** Treasurer

**Issue:** Consider authorizing refund of overpayment of 2009 business license fee.

**Summary:** A local business simply overpaid their 2009 business license by \$2,607.00. There is no interest involved. The Code of Virginia authorizes the City Treasurer to issue refunds up to \$2,500 without prior authorization of City Council. Because the refund amount is over this limit, Council must authorize the City Treasurer to issue the refund so that it does not adversely affect the city's cash flow.

**Attachments:** None

**Recommendations:** Authorize City Treasurer to Issue Refund effective April 12, 2011



## City Council Agenda Summary

**Meeting Date:** April 12, 2011

**Item No:** 5.

**Department:** City Council

**Issue:** Hear an update from Tom Fitzgibbons regarding Community Technology Recycling Day.

**Summary:** Tom Fitzgibbons from the Martinsville City Schools will present information on the May 7, 2011 Community Technology Recycling Day to be held at Martinsville High School.

**Attachments:** [Flyer](#)

**Recommendations:** No action required



Martinsville City Public Schools  
**Community Technology  
Recycling Day**



**Saturday, May 7, 2011**                      **Martinsville High School**  
**9 a.m. to 1 p.m.**    **Tennis Court/Rear Parking Lot**  
*Drive-Thru Drop Off*

Are any of these items taking up space in your home? This is your chance to get rid of them safely, without leaking harmful chemicals into the environment!

**Bring the following items for recycling:**

- |                                |                     |                            |
|--------------------------------|---------------------|----------------------------|
| Computer Monitors – CRTs       | Tape Players        | Printed Circuit Boards     |
| Computer Monitors – Flat Panel | CD Players          | UPS (personal & network)   |
| Televisions – CRTs             | Telephones          | Microwaves                 |
| Televisions – Flat Screen      | Cell Phones         | Small Household Appliances |
| Desktop Computers              | Fax Machines        | Servers                    |
| Laptop Computers               | Gaming Consoles     | Terminals                  |
| Keyboards/Mice                 | Radios              | Rechargeable Batteries     |
| Toner/Ink Cartridges           | Network Hubs        | Peripherals                |
| Printers                       | Switching boxes     | Military Equipment         |
| Scanners / Fax Machines        | Controllers         | Medical Equipment          |
| Copy Machines                  | Modems              | Telecommunications         |
| VCRs                           | Docking Stations    | Commercial Equipment       |
| Stereos                        | CD Roms             | Office Equipment           |
| Power & Network Cables         | Hard Drives         | Banking Equipment          |
| Mainframes                     | Household Batteries | Test Equipment             |



**Martinsville City  
Public Schools**

*“Learning for All,  
Whatever it Takes”*

**Unacceptable Equipment**

No items will be accepted that contain radioactive waste, mercury, manifested hazardous waste or biohazardous waste, including:

- |  |                     |
|--|---------------------|
| Devices containing or omitting radioactivity | Car batteries       |
| Light bulbs (fluorescent or Incandescent)    | Smoke alarms        |
| Large Household Appliances (White Goods)     | Thermostats         |
| Thermometers                                 | Air conditioners    |
| Fire extinguishers                           | Gas-powered engines |
| HID Bulbs                                    | Boat Switches       |



## **City Council Agenda Summary**

**Meeting Date:** April 12, 2011

**Item No:** 6.

**Department:** City Manager

**Issue:** Hear an update from the Martinsville-Henry County Economic Development Corporation.

**Summary:** Mark Heath of the EDC will give this update and answer any questions.

**Attachments:** None

**Recommendations:** No action required



## **City Council Agenda Summary**

**Meeting Date:** April 12, 2011

**Item No:** 7.

**Department:** City Manager

**Issue:** Hear an update from the Green Committee

**Summary:** Representatives from the Green Committee will present information on their activities.

**Attachments:** None

**Recommendations:** No action required



## **City Council Agenda Summary**

**Meeting Date:** April 12, 2011

**Item No:** 8.

**Department:** City Manager

**Issue:** Hear an update from the M-HC SPCA.

**Summary:** Leslie Hervey of the SPCA will give an update on the SPCA.

**Attachments:** None

**Recommendations:** No action required



## City Council Agenda Summary

**Meeting Date:** April 12, 2011  
**Item No:** 9.  
**Department:** Community Development

**Issue:** Consider setting a public hearing on a recommendation from the Martinsville Planning Commission for Tuesday, April 26, 2011 regarding a request for a special use permit for property located at 1603 Church Street Extension, also known on the City's Tax Map as 35(02)B 01 02.

**Summary:** The Planning Commission conducted a public hearing on March 17, 2011 on a request from Piedmont Community Services to approve a special use permit for construction of an Intermediate Care Facility. The Planning Commission voted to recommend to City Council that the special use permit be granted.

**Attachments:** [Letter of Recommendation from the Planning Commission.](#)

**Recommendations:** Set a public hearing for April 26, 2011 for consideration of this request.



April 5, 2011

The Honorable Mayor and City Council  
City of Martinsville  
Martinsville, Virginia

Dear Council Members:

The Planning Commission, at its regular meeting of March 17, 2011, conducted a duly advertised Public Hearing on a request by Piedmont Community Services, for a special use permit for property located at 1603 Church Street Extension, known on the City's Tax Map as 35(02)B 01 02, and located in the R-9 Residential District.

At the Public Hearing it was noted that Piedmont Community Services is proposing to construct an Intermediate Care Facility that would be the home to eight adults with intellectual disabilities. This type use is allowed only by special use permit in the R-9 Residential District. Several people attended the public hearing and spoke in favor of the project. There were no objections expressed from adjacent property owners.

In order to assure compliance with Virginia Code 15.2-2200, it is stated that the public purpose for which these Resolutions are initiated is to promote the public health, safety or general welfare of its citizens and to plan for the future development of the community.

Following evidence heard at the public hearing, the Planning Commission voted unanimously (4-0) to recommend to City Council the special use permit be granted with the following conditions:

1. A complete site plan and landscaping plan shall be submitted for approval by the Community Development staff.
2. Any plans for signage shall be submitted for approval by the Community Development staff.
3. A storm management plan shall be submitted for approval by the Engineering staff.
4. Any plans for earth disturbance shall be approved by the Engineering staff.
5. Any plans for construction of any structures on the site shall be submitted for approval by the Building Official and his staff.
6. A parking plan must be submitted for approval by Community Development staff. This plan should address delivery of goods to the facility.

April 5, 2011  
Page 2

The Planning Commission respectfully submits the above recommendation for Council's further consideration.

Sincerely,

James A. Crigger, Secretary

  
Wayne D. P. Knox  
Community Development Director

WDPK/tr

cc: Timothy Martin, Chairperson  
James A. Crigger, Sr., Secretary  
Jim Tobin, Piedmont Community Services



## City Council Agenda Summary

**Meeting Date:** April 12, 2011  
**Item No:** 10.  
**Department:** Finance  
**Issue:** Consider approval of consent agenda.

**Summary:**

The attachments amend the FY11 Budget with appropriations in the following funds:

**FY11:**

General Fund: \$5,150 – sponsorships/donations for Recreation

**Attachments:** [Spreadsheet](#)

**Recommendations:** Motion to approve

BUDGET ADDITIONS FOR 4/12/11

<b>ORG</b>	<b>OBJECT</b>	<b>DESCRIPTION</b>	<b>DEBIT</b>	<b>CREDIT</b>
<b><u>FY11</u></b>				
<b><u>GENERAL FUND</u></b>				
01100909	490134	Recovered Costs - Parks & Recreation		5,150
01711210	506091	Parks & Recreation - Special Events/Cruise In Costs recovered from various sponsors	3,150	
01713211	506014	Park Maintenance - Equipment & Supplies Donation towards Park Maint from EDC	2,000	
<b>Total General Fund:</b>			<b>5,150</b>	<b>5,150</b>



## **City Council Agenda Summary**

**Meeting Date:** April 12, 2011

**Item No:** 11.

**Department:** City Council

**Issue:** Hear an overview of April 11, 2011 Council Neighborhood Meeting and tour of Westside area.

**Summary:** Mayor Kim Adkins will give an overview of citizen input received at the April 11, 2011 Westside area Neighborhood Meeting.

**Attachments:**

**Recommendations:**