

April 24, 2018 Council Meeting

The regular meeting of the Council of the City of Martinsville, Virginia was held on April 24, 2018 in Council Chambers, Municipal Building, at 7:30 PM with Mayor Gene Teague presiding. Council Members present included Gene Teague, Sharon Hodge, Jennifer Bowles, and Chad Martin. Council Member Kathy Lawson was not in attendance. Staff present included City Manager Leon Towarnicki, City Attorney Eric Monday, Assistant City Manager Wayne Knox, Finance Director Linda Conover, Fire Chief Ted Anderson, Police Captain Chad Rhoads, and Fleet Manager Lane Shively.

Mayor Teague called the meeting to order and advised Council would go into Closed Session beginning at 7:00 PM. In accordance with section 2.1-344 (A) Code of Virginia (1950, and as amended) and upon a motion by Council Member Bowles, seconded by Council Member Hodge, with the following 4-0 recorded vote: Council Member Hodge, aye; Mayor Teague, aye; Council Member Bowles, and Vice Mayor Martin, aye, Council convened in Closed Session to discuss the following matters: (A) Appointments to boards and commissions as authorized by Subsection 1, and (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. A motion was made by Council Member Bowles and seconded by Council Member Hodge with the following 4-0 recorded vote in favor to return to Open Session: Council Member Bowles, aye; Mayor Teague, aye; Council Member Hodge, aye; and Vice Mayor Martin, aye.

Vice Mayor Martin made a motion to reappoint Steve Draper to the Dan River ASAP Policy Board for a 3-year term expiring April 30, 2021; Council Member Hodge seconded the motion with all Council Members voting in favor.

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

Consider approval of minutes of February 12, 2018 Neighborhood Meeting, February 13, 2018 Council Meeting, February 27, 2018 Council Meeting, March 8, 2018 Work Session – Council Member Bowles asked that the wording be changed on the February 13 minutes reflecting that many residents did not support the route, not specifically the project as recorded. Council Member Hodge made a motion to approve all minutes as presented and amended; Vice Mayor Martin seconded the motion with all council members voting in favor.

Consider presentation of a proclamation declaring Wednesday, April 25, 2017 as “Ken Pace Day” – City Attorney Monday explained that there were several people in attendance representing the Martinsville Garden Club and gave details on the proclamation and the tour of homes April 25, 2018. Mayor Teague read the proclamation and presented it to the Pace family also in attendance. Teague thanked the family and Garden Club members for attending.



PROCLAMATION

Declaring Wednesday, April 25, 2018 to be KEN PACE DAY

WHEREAS since 1929 the Garden Club of Virginia has annually hosted the Virginia Garden Tour, showcasing outstanding homes and gardens across the Commonwealth, and raising funds for the restoration of landscapes across Virginia—including the Old Henry County Courthouse Square in Uptown Martinsville, and the Paw Path Pollinator Garden at the Smith River Sports Complex, and

WHEREAS the Garden Club of Virginia will hold its annual meeting in Martinsville on May 15 and 16 of this year, and this Council extends a sincere welcome to that prestigious, civic-minded and dedicated organization; and

WHEREAS this year's tour on April 25 includes three private homes, on Lakeview Trail, White Oak Court, and Corn Tassel Trail, which all feature the work of home designer Ken Pace; and

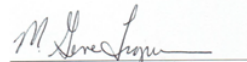
WHEREAS Charles Kenneth Pace was born in Martinsville in 1943, graduated from Martinsville High School and attended Virginia Tech before he returned to Martinsville for a career spanning almost four decades at both Martinsville Iron and Steel and his own Pace Drafting Studio; and

WHEREAS Ken Pace exhibited an extraordinary ability, largely self-taught, to translate the wishes of his clients into homes of gracious and easy livability, creating, with great attention to detail, a wonderful heritage of many dozens of elegantly comfortable residences in our City before his passing in 2015:

NOW THEREFORE BE IT RESOLVED on this 24th day of April, 2018, the City Council of Martinsville proclaims Wednesday, April 25, 2018 to be

“KEN PACE DAY”

and encourages all citizens to mark its observance by enjoying the Historic Garden Tour and visiting a small portion of the architectural legacy of refinement, beauty and joy Martinsville native Ken Pace bequeathed to our City.



M. Gene Teague
Mayor

Eagle Scout Austin Wade shared details on his Eagle Scout project related to installing stands at the local YMCA for swimmer timers.

Consider presentation of a proclamation recognizing Friday, April 27, 2018 as National Arbor Day – Vice Mayor Martin read the proclamation then presented it to Community Development Director Wayne Knox. Knox said he hopes residents take Arbor Day seriously.



P R O C L A M A T I O N

WHEREAS, in 1872, J. Sterling Morton proposed to the Nebraska Board of Agriculture that a special day be set aside for the planting of trees; and

WHEREAS, this holiday, called Arbor Day, was first observed with the planting of more than a million trees in Nebraska; and

WHEREAS, Arbor Day is now observed throughout the nation and the world; and

WHEREAS, trees can reduce the erosion of our precious topsoil by wind and water, lower our heating and cooling costs, moderate the temperature, clean the air, produce oxygen and provide habitat for wildlife; and

WHEREAS, trees are a renewable resource giving us paper, wood for our homes, fuel for our fires and countless other wood products; and

WHEREAS, trees in our city increase property values, enhance the economic vitality of business areas, and beautify our community; and

WHEREAS, trees, wherever they are planted, are a source of joy and spiritual renewal;

NOW, THEREFORE, I, Gene Teague, Mayor of the City of Martinsville, do hereby proclaim April 27, 2018 as

ARBOR DAY

in the City of Martinsville, and I urge all citizens to celebrate Arbor Day and to support efforts to protect our trees and woodlands, and

FURTHER, I urge all citizens to plant trees to gladden the heart and promote the well-being of this and future generations.

Gene Teague
Mayor

Hear an update from Lisa Fultz of the M-HC Chamber of Commerce regarding activities related to the City/C-PEG Small Business Development contract – Lisa Fultz provided a CPEG Update, stating they continue to look for ways to use the 2nd floor of the Incubator. The website has been updated and brochures reprinted. CPEG offered a franchising workshop in January, 2018 and interest continues in that. CPEG continues to research and offer activities for Uptown Martinsville which has increased local sales tax. Over the next few weeks residents will see a promotional campaign with a theme related to the artifacts on display at the Virginia Museum. Martinsville Uptown website is getting an increase in traffic, page views and followers. The Start Up Martinsville-Henry County has partnered with Patrick Henry Community College to make the program more successful; the program continues to grow each time it's offered Fultz confirmed that two of the previous recipients have failed unfortunately; however the other participants are doing well and are still following required steps to stay compliant in the program. The Farmer's Market continues to grow and be successful for the coming season. Farmer's Market vendors can accept SNAP on fresh produce. Cinco de Mayo will be May 5th and Council was provided information on that event. Fultz provided dates for the TGIF concert series. Fultz said there are some exciting announcements coming soon. City Manager Towarnicki addressed the CPEG agreement and asked Council to forward him any changes or additions that need to be made.

MEMORANDUM OF UNDERSTANDING

THIS MEMORANDUM OF UNDERSTANDING, (the "MOU") made and entered into this the 30th day of June, 2018 by and between the City of Martinsville, a municipal corporation created and existing under and by virtue of the laws of the State of Virginia (hereinafter referred to as "City"), party of the first part, and the Martinsville-Henry County Chamber of Commerce's Partnership for Economic Growth (C-PEG), party of the second part;

WITNESSETH:

THAT, WHEREAS the City of Martinsville desires to allocate resources toward small business development to include (but not limited to) recruitment, marketing, expanded technical support and services, incentive programs, etc., for the purpose of expanding the City's tax base, job creation, and increased business growth and activity in the Uptown and other commercial areas; and,

WHEREAS, C-PEG has agreed to contract with the City to provide those and related services for the FY19 fiscal year;

NOW, THEREFORE, in consideration of the mutual and respective covenants and agreements contained herein and made with respect to the performance of the services by C-PEG, the parties to this MOU hereby agree as follows:

1. Term - The term of this MOU shall cover one (1) year period from July 1, 2018 through June 30, 2019. During and as part of the FY20 City budget deliberations, City Council and C-PEG will evaluate the results/success of the program and mutually agree regarding extension of the program for additional periods of time and/or any changes or modifications as may be needed in regard to the scope of work.
2. Payment - The City will compensate C-PEG for the services described in this MOU in the amount of \$60,000 for the FY19 fiscal year, payable in two installments of \$30,000 each in July, 2018 and January, 2019.
3. Council Updates - C-PEG will provide updates to City Council no less than on a quarterly basis, and more frequently if necessary to keep Council apprised of activities and efforts in regard to the execution of this MOU.
4. Scope of Work - The scope of work included under this MOU shall include at a minimum, the following:
 - a) CPEG will partner with PHCC in the development of certification programs, utilizing space in the business incubator as may be needed. CPEG will seek funding to plan and implement this process. CPEG officials will continue to research top incubators regionally and nationally to gain insight into best practices and how those practices may be applicable to Martinsville.
 - b) CPEG will continue to maintain a comprehensive list of incentives currently available through the City, MURA, CPEG, EDC, and others; will evaluate how effective those incentives are in

fostering new and expanded small business development; will evaluate incentives offered in other communities; and will provide recommendations/suggestions regarding changes that might be beneficial. This information will be made available to businesses/prospective businesses, entrepreneurs, etc. as it currently exists in written and electronic format. Additional microloan funding will be sought as an additional benefit for businesses in Martinsville. CPEG will also continue to craft an aggressive incentive package for new businesses willing to locate in the City of Martinsville to include startup costs, utilities, telecom/MINET, staggered tax plan, etc. Efforts will be directed toward targeting selected "anchor" stores or businesses to complement what currently exists.

- c) CPEG will continue to research and create new activities and events other than those that currently exist for the Uptown area to help draw visitors/shoppers. CPEG will also discuss longer or altered hours for uptown merchants during such events. C-PEG will continue to facilitate an uptown planning process to determine appropriate ways to target incentives to assist with the development of unused/underutilized properties. CPEG will continue with efforts to develop and grow new businesses, partnering with PHCC (and other groups as may be appropriate) for business development training. CPEG will also review prior retail strategy studies and make changes/additions/corrections to those studies to meet changing market conditions as well as to meet City needs and initiatives.
- d) CPEG will continue to work diligently to reach out to small businesses within the city limits to make them aware of any opportunities to assist with business development. This includes bulk mail, phone calls, one-on-one meetings, email blasts as well as utilizing MGTV as a conduit to deliver these messages. CPEG will also provide data regarding city businesses, the opportunities available for them, how the information is communicated to small businesses, and how many have taken advantage of any such opportunities.
- e) CPEG and the Chamber will continue providing mentoring assistance for small businesses in both the City and the County and will develop a process to assign or match a staff contact with individual cases to assist in navigating through small business development issues. This process will move to a more intensive level with efforts geared toward development of a one-stop-shop/start-up-in-a-day concept for communicating from start to finish what it takes to have a successful business in our community. This includes business plan assistance, financial planning, permitting issues, legal, business licensing, zoning, efforts to identify a suitable space for start-up, parking/loading/unloading, etc. C-PEG will also continue to follow up with businesses on a regular basis.
- f) C-PEG will continue efforts related to the development and startup of new businesses, providing follow-up as needed with those businesses awarded grants to ensure maximum opportunity for success. C-PEG will continue discussions with those businesses not awarded grants, seeking opportunities for funding and/or other start-up assistance as may be available for those specific situations. C-PEG will also annually implement a "business launch program," expanding the footprint to include all commercial areas of the City.

5. Changes/Additions - During the execution of tasks related to this MOU, through frequent interaction between C-PEG, City Staff, and Council, there may be opportunities or need to refocus or redirect efforts. The City will provide assistance as needed in regard to information available through City records.

6. The City will maintain one seat on C-PEG's Board.

IN WITNESS WHEREOF, Martinsville City Council, party of the first part, has caused this MOU to be executed in its name by its City Manager; and C-PEG, party of the second part, has caused this MOU to be executed in its name by its Board President; this the day and year first above written.

MARTINSVILLE CITY COUNCIL

C-PEG

BY: _____

BY: _____

City Manager

Board President

Conduct a public hearing on the FY18-19 budget and consider approval of the FY19 budget ordinance on first reading – City Manager Towarnicki summarized the steps involved in adjusting and approving the budget as well as some highlighted adjustments made recently. Mayor Teague opened the public hearing. Ural Harris, 217 Stuart Street expressed concern

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about the electric increase and its effect on seniors in the City who are on a fixed income.

Harris also asked about his request for information on the County sewer responsibility and why the City is not requiring payment from Henry County on those services. Mrs. Walker of Ailcie Street expressed concern about the utility bills. No one else approached the podium so Mayor Teague closed the public hearing. Council Member Hodge made a motion to adopt the budget as amended on first reading; Mayor Teague seconded the motion. Council Member Bowles asked Council to reconsider her motion from last night to reallocate the money from the sewer camera to offset the electric rate increase. Council Member Hodge stated in her opinion that the money should stay in that specific budget for use by the department and that the prices for utility should reflect the city's expense. Teague explained that the electric rates should increase because the City's cost of transmission has increased by double digits the past two years, 22% and 28% respectively. Teague suggested that residents alter their electric use and suggested that residents contact the Electric Department for ideas and to request a free energy audit of the home usage. Council Member Hodges suggested unplugging appliances when not in use. Roll Call vote to approve the budget on first reading: Teague, aye; Martin, abstain; Bowles, nay; and Hodge, aye.

Pursuant to § 15.2-2506 of the Code of Virginia notice is hereby given of a Public Hearing on the proposed budget for the City of Martinsville, Virginia, for its fiscal year ending June 30, 2018. Martinsville City Council will conduct the public hearing in the Council Chamber, City Hall, 55 West Church Street, on Tuesday, April 24, 2018, beginning at 7:30 p.m., or as soon thereafter as practicable.

The amounts listed below, except for School Funds, are recommendations from the City Council and the City Manager. The Public Hearing is being conducted to allow citizens of the community an opportunity to comment regarding the proposed budget. Following the public hearing, City Council may take action to approve the recommended budget or modify the amounts as they deem appropriate.

SUMMARY STATEMENT OF BUDGET ESTIMATES			
2018-2019			
FUND	PROJECTED REVENUES	BUDGETED EXPENDITURES	CHANGES FUND BALANCE
General	\$29,243,832	\$30,885,893	(\$1,642,061)
Meals Tax	\$2,187,978	\$2,287,978	(\$100,000)
Capital Reserve	\$959,021	\$1,059,021	(\$100,000)
Refuse	\$2,242,000	\$2,442,000	(\$200,000)
Telecommunications	\$1,931,728	\$1,931,728	\$0
Water	\$3,599,279	\$4,223,949	(\$624,670)
Sewer	\$4,154,512	\$4,814,210	(\$659,698)
Electric	\$21,018,640	\$21,453,640	(\$435,000)
Cafeteria*	\$1,501,862	\$1,680,362	(\$178,500)
School Operating**	\$22,547,099	\$22,547,099	\$0
CDBG	\$10,930	\$300	\$10,630
TOTALS:	\$89,396,881	\$93,326,180	(\$3,929,299)
*Cafeteria - Provided by School Personnel			
**School Operating - As recommended by City Manager			
Tax Rates (unchanged):			
Real Estate:	\$1.0621 per \$100 assessed value		
Personal Property:	\$2.30 per \$100 assessed value		
Machinery & Tools:	\$1.85 per \$100 assessed value		
Proposed for Electric:			
Increase in Power Cost Adjustment (PCA) of \$.00556; average increase of 4.64%			

Consider setting a public hearing for Council's May 8 meeting regarding possible changes to the City's Zoning Ordinance related to the issue and use of open space -

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Community Development Director Wayne Knox summarized the need for the zoning ordinance changes related to open spaces. Council Member Bowles made a motion to set the public hearing for May 8, 2018; Vice Mayor Martin seconded the motion with all Council members voting in favor.

Business from the Floor – Ural Harris, 217 Stuart Street said he was approached by residents relating to trucks traveling Barrows Mill Road at high speeds, stating that residents have called numerous times with no resolution. Harris also said that the transmission charges are higher the farther it has to travel and that should have been considered.

Comments by members of City Council – Council Member Lawson had a family illness and was not able to attend the meeting but asked that Teague remind residents of the Hazardous Waste Day and the Drug Take-Back Day both to be held on Saturday. Council Member Hodge reminded residents that the Farmers Market would be opening Saturday and asked residents with gardens to purchase seedlings from the Annex to supplement the inmates and the jail. Council Member Bowles congratulated her former intern India Martin for being accepted into the Howard University Political Science graduate program. Bowles also congratulated Martinsville High Schools Marching Band on their recent overall win.

Comments by City Manager – City Manager Towarnicki pointed out mugs and coasters gifted to Council Members by the City Schools.

There being no further business, Council Member Bowles made a motion to adjourn the meeting; the motion was seconded by Council Member Hodge with all Council Members voting in favor. The meeting adjourned at 8:45pm.

Leon Towarnicki
City Manager

Gene Teague
Mayor