

June 12, 2018 Council Meeting

The regular meeting of the Council of the City of Martinsville, Virginia was held on June 12, 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 Chad Martin and Kathy Lawson. Staff present included City Manager Leon Towarnicki, City Attorney Eric Monday, Assistant City Manager Wayne Knox, Clerk of Council Karen Roberts, Finance Director Linda Conover, Police Chief Eddie Cassady, and Commissioner of Revenue Ruth Easley.

Mayor Teague called the meeting to order and advised Council would go into Closed Session beginning at 7:00 PM. Council convened in Closed Session to discuss the following matters: (A) Appointments to boards and commission, 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 and in accordance with section 2.1-344 (A) Code of Virginia (1950, and as amended) and upon a motion by Council Member Lawson, seconded by Council Member Bowles, with the following 5-0 recorded vote: Council Member Hodge, aye; Council Member Bowles, aye; Vice Mayor Martin, aye; Mayor Teague, aye; and Council Member Lawson, aye. At the conclusion of Closed Session, each returning member of Council certified that (1) only public business matters exempt from open meeting requirements were discussed in said Closed Session; and (2) only those business matters identified in the motion convening the Closed Session were heard, discussed, or considered during the Session. A motion was made by Council Member Lawson; seconded by Council Member Bowles, with the following 5-0 recorded vote in favor to return to Open Session: Council Member Bowles, aye; Mayor Teague, aye; Vice Mayor Martin, aye; Council Member Hodge, aye; and Council Member Lawson, aye.

Out of closed session; Vice Mayor Martin made a motion to reappoint James Hyler, Joseph Martin and Austin Roberson to the Planning Commission for 4-year terms ending June 30, 2022; Council Member Bowles seconded the motion with all Council Members voting in favor.

Mayor Teague read a statement regarding the medical school.

The proposed medical school in uptown Martinsville was a project the City supported, as it believed it could be an important economic development driver if successful.

The City required, and received, a guarantee from the medical school companies to repay this grant if the school failed. Now that it has failed, however, there are no corporate assets left to repay the grant.

As with all other Tobacco Commission grants, the City did not require a personal guarantee from individual investors, as such guarantees cannibalize the credit of the start-ups, which are needed to secure conventional financing, as was the case here, with River/Blue Ridge Bank. The City treated Dr. Boaz and the medical school no differently than any other start-up, allowing it to have unhindered access to conventional credit markets. Simply put, this is the way the City has approached all start-up ventures it has decided to support.

The medical school project has now failed, and there are no assets with which the medical school can pay back the tobacco grant. If this city were to pursue a civil judgment, there are no assets that could satisfy that judgment. It would simply be “throwing good money after bad.”

The City has negotiated a structured repayment plan with the tobacco commission where over the course of five years, the grant will be repaid with as little impact as possible to the City’s annual budget.

The City is currently conducting an investigation of the medical schools operations to assure itself that the grant monies were properly spent in pursuing this venture. The City attorney is conducting this investigation at the request of Council. The City Attorney has requested that the investigation process be kept sealed, but the investigation results will be made public—after the investigation is concluded, and free of outside interference, leaks and piecemeal releases of half-uncovered information.

If the City concludes that the money was spent illegally, it will take appropriate action, as determined by the outcome of the investigation.

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

Recognize sponsors of the Community Cookout event scheduled for June 23, 2018 at Baldwin Park – Vice Mayor Martin asked those sponsors in attendance to stand and explained how the cookout idea blossomed and how it was supported and funded. Martin challenged Police Chief Cassady to attend and allow children to soak him with water guns. Tony Martin said he was blessed to be able to donate back to the community. Tyrese Hairston appreciates the opportunity and wants to do what he can for the community to increase the peace. Scott Vernon says his organization wants to bring people back to the earth, share information and encourage residents to attend the event. Council Member Bowles thanked those sponsors for their contribution and participation to make this a successful event.

Conduct a public hearing for the purpose of receiving names of citizens interested in appointment for two 3-year terms on the Martinsville City School Board, beginning July 1, 2018 and ending June 30, 2021 – Mayor Teague explained the process to be considered for a school board vacancy then opened the public hearing. City Attorney Monday mentioned Joan Montgomery and James Hyler for the vacancy. Teague mentioned Sammy Redd requested reappointment. Vice Mayor Martin mentioned Rashawn Gravely would like to be considered for

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the vacancy. Mary Ruth Reynolds, 300B Thomas Heights expressed her interest also. Teague closed the meeting.

SCHOOL BOARD

SCHOOL BOARD – The School Board is declared a body corporate. In its corporate capacity, it is vested with all the powers and charged with all the duties, obligations, and responsibilities upon school boards by law. It may sue, be sued, contract, be contracted with, and in accordance with the provisions of this title, purchase, take, hold, lease, and convey school property both real and personal. The School Board has the following powers and duties: 1) to make rules for the governance of the schools within its jurisdiction; 2) to determine the curriculum, methods of teaching, methods of administration and governance, and the length of the school term; 3) to employ and dismiss teachers upon the recommendation of the superintendent; 4) to suspend or expel pupils when necessary; 5) to establish such schools as are necessary in the judgement of the Board to so constitute a complete and efficient system; 6) to control and manage funds made available to the Board for the purpose of conducting free public schools; 7) examine all claims for payment and authorize payment; and 8) to submit annually to City Council a budget request.

TERMS: The Board consists of five members serving **three-year terms** appointed by City Council. **School Board members can serve a maximum of three 3-year consecutive terms.**

Meetings are held on the second Monday of each month.

CONTACT: Dr. Zeb Talley, Superintendent, 403-5820, 746 Indian Trail, Martinsville, VA 24112

Name & Address	Initial Appointment	Term Expires	Full Term
Eric Hruza, 707 Mulberry Rd	6/30/16	6/30/19	1
Donna Dillard, 912 Forest Lake Dr. (reappt 6/27/17)	8/24/16	6/30/20	0
Tonya Jones, 752 Stultz Road	6/27/17	6/30/20	0
Sammy Redd, 303 Oakdale Street (appt 1/23/18)	1/23/18	6/30/18	
Joan Montgomery, 807 Corn Tassel Tr.	6/16/15	6/30/18	1

Mayor Teague welcomed Benjamin Stafford, a Boy Scout in attendance working on two merit badges.

Hear information from the Town of Bedford and Bedford County regarding the transition of Bedford from city to town – City Manager Towarnicki summarized localities in Virginia that had shared details of their reversion. Bart Warner, Bedford Town Manager and Carl Boggess, Chairman of the Bedford County Board of Supervisors shared details of Town of Bedford and Bedford County’s reversion explaining the joint/contracted services including tourism, E911 Dispatch, schools, health department, social services, courts, sheriff’s office and regional library. Specific goals and benefits of a reversion were identified early. Consolidation of water and sewer systems – was an additional positive move. Council Member Bowles expressed concern about employee positions affected by a reversion. Immediately after reversion, Bedford officials found new positions for most employees who were losing their positions because of the reversion, retiring employees in some positions were not replaced and ultimately Bedford only settled three unemployment claims. Most negotiations were handled in closed session which received a lot of negative feedback from the community because of lack of transparency; the Board Chairman and Mayor were only brought into the discussion on two concerns that couldn’t easily be resolved, it was suggested to let the City Manager and City Attorney handle the negotiations. Another downfall was they did not ask enough

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questions and the lines drawn on the map were never finalized. Outcomes of the reversion were summarized and overall, it was a positive experience and outcome. Bedford did away with the B-POL tax with reversion. Mayor Teague and Council expressed their appreciation for the information shared.

Hear an update from Robert Bencini, Executive Director of West Piedmont Workforce Investment Board – Mr. Bencini thanked Council Member Hodge and Assistant City Manager Wayne Knox for serving on the board. Bencini detailed his prior experience before coming to Martinsville West Piedmont Workforce Investment Board and his plans now as the Executive Director. His role is to spread the word on what is available and where to go for assistance. For the first time in memory, WPWIB has spent all funds so some people have to wait until more funds are received in July. They also have their first certified one-stop location. Bottom line is they are here to help people and there is a process called supportive services including financial coaching and how individual lives are being impacted. Anyone interested in applying for services were directed to visit the one stop location.

Hear a presentation concerning the planning portion of the process to apply for a Community Development Block Grant in the spring of 2019, from the Commonwealth of Virginia for revitalization of the West Side neighborhood – Community Development Director Wayne Knox introduced Janet Jonas, of Summit Design and Engineering and Community Planning Partners. Knox recognized project managers and others who participate and manage individual projects. This planning grant is worth \$30,000 and funds are paid out as the project moves forward. Surveys will need to be completed in every home of the targeted project area. To fit the guidelines of state and federal guidelines, average household income as well as home conditions in the area are taken into consideration. If a resident wanted to participate in the project committee, they can contact him directly. Knox pointed out that this is a planning grant to build a case to receive the grant money, not a revitalization grant. Janet Jonas said she enjoys visiting Martinsville. After all other applications and processes are completed, construction would begin hopefully at the end of 2020. Participation in the Community Development Block Grant program is voluntary. Knox said the word is out that people will be visiting those households with questions related to the project.

Consider approval of refunds resulting from verification updates of estimated BPOL tax for 2 local businesses for tax years 2017 and 2016 – Commissioner of Revenue Ruth Easley explained that two businesses need to update their estimated business license and overestimated their taxes. The Commissioner of Revenue's office is required to obtain permission from the City Council to issue refunds to these two businesses. Council expressed concern on the impact on the budget. Finance Director Linda Conover explained that the impact would be hard to determine since she does not have final numbers but she does not feel that it will have a significant impact on the budget. Council Member Lawson made a

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motion to authorize the City Treasurer to issue a refund of \$3,392.33 in overpaid 2016 business license fees prior to July 5, 2018 to a local business identified in abatement #49990 of the Commissioner of the Revenue Bill Adjustment Report dated June 5, 2018. Council Member Bowles seconded the motion with all Council in favor. Council Member Lawson made a motion to authorize the City Treasurer to issue a refund of \$112,375.03 in overpaid 2017 business license fees prior to July 5, 2018 to a local business identified in abatements #49991, #49992, #49993 and #49994 of the Commissioner of the Revenue Bill Adjustment Report dated June 5, 2018. Council Member Bowles seconded the motion with all Council voting in favor

Consider approval of Consent Agenda – Council Member Lawson made a motion to approve the consent agenda as presented; Council Member Bowles seconded the motion with all Council Members voting in favor.

BUDGET ADDITIONS FOR 6/12/18				
ORG	OBJECT	DESCRIPTION	DEBIT	CREDIT
FY18				
BUDGET ADDITIONS				
General Fund:				
01100909	490104	Advanced/Recovered Costs		29,127
01413147	501200	Traffic Signals - Overtime wages	937	
01413147	503310	Traffic Signals - Prof Serv - Repairs & Maintenance	1,630	
01413147	506010	Traffic Signals - Signal Maintenance	26,560	
		Insurance Reimbursement from wind storm damage		
01100905	450209	Sale of Salvage/Surplus		3,862
01311085	506008	Police Dept. - Vehicle Equipment & Maintenance	3,862	
		GovDeals sale of police vehicle		
01100905	450209	Sale of Salvage/Surplus		1,309
01311085	506008	Police Dept. - Vehicle Equipment & Maintenance	1,309	
		GovDeals sale of police vehicle		
01100909	490104	Advanced/Recovered Costs		1,785
01311085	506008	Police Dept. - Vehicle Equipment & Maintenance	1,785	
		Insurance Reimbursement from damaged vehicle		
Total General Fund:			36,083	36,083
Telecom Fund:				
11100909	490104	Advanced/Recovered Costs		16,078
11315308	506007	Telecom - Repair & Maintenance Supplies	16,078	
		Insurance Reimbursement from wind storm damage		
Total Telecom Fund			16,078	16,078

Business from the Floor – Jim Peverall, 215 Aaron Street thanked Council for allowing him to speak and City Attorney Monday for meeting with him the previous week and his actions to collect past due property taxes. Peverall thanked Mayor Teague, Council Member Lawson and City Manager Towarnicki for responding to his concerns. He witnessed an incident recently regarding City employees painting a fire hydrant but he feels that it was an isolated event. He said two employees came to Aaron Street at 2:30, taking over an hour to paint one hydrant. It took two trips to complete since someone had to return to paint the caps. Mayor Teague asked Towarnicki to investigate the procedure to do this specific work. Police Chief Eddie Cassidy explained that neighborhood resources officers would be visiting residents and providing surveys about the police department and other city departments.

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Comments by Members of City Council – Mayor Teague revealed that he has decided not to run for reelection in the next City Council election. Council Member Bowles thanked the Sheriff’s department and Police department for motivating their camp members. Vice Mayor Martin thanked Teague for being a great mentor and touched on the community cookout details again. Martin was contacted by a resident regarding damage to her property caused by heavy rains and asked City Manager Towarnicki to look into any assistance the City could provide. Council Member Lawson thanked Vice Mayor Martin for his effort towards the community event June 23. Lawson shared that the Police Department would hold training involving safety and security tips for retail businesses at the New College. Lawson said there are free swimming lessons available through the Delvin Hairston Memorial Fund for qualified individuals and reminded residents to sign up at the YMCA for classes starting next week. Lawson mentioned that on Danville’s website, they have partnered with the library to make available thermal energy monitors to save residents on heating and cooling bills and asked if our Electric department uses thermal monitors when auditing homes. Towarnicki said he was not sure if those are used in the community but that the Electric Department does use them for other projects. Teague received a letter from Kyle Petty and was complimentary of the Sheriff’s Department for their support of the Victory Junction Ride.

Comments by City Manager – City Manager Towarnicki explained that the work session on June 19 would be rescheduled. There will be a Southside Neighborhood meeting on Monday June 25 at Fuller Memorial Church. The citizen’s survey being handed out by the resource officers is a combined survey for the police department and city services and asked residents to make suggestions. The city is still compiling documentation on the flooding and looking at around \$123-\$130,000 in damage and repairs. Nationwide Homes sustained an excessive amount of damage to facilities and materials so the City will be working with them again to prevent this from happening again and to keep the business within the City. The Cherokee Trail flooding rebuild will be taken out of the street maintenance fund.

There being no further business, Council Member Bowles made a motion to adjourn the meeting; the motion was seconded by Vice Mayor Martin with all Council Members voting in favor. The meeting adjourned at 9:35pm.

Karen Roberts
Clerk of Council

Gene Teague
Mayor