

July 22, 2014

The regular meeting of the Council of the City of Martinsville, Virginia, was held on July 22, 2014, in Council Chambers, Municipal Building, at 7:30 PM, Closed Session beginning at 7:00pm, with Mayor Kim Adkins presiding. Council Members present included: Mayor Kim Adkins, Vice Mayor Gene Teague, Sharon Brooks Hodge, Mark Stroud and Danny Turner. Staff present included: Leon Towarnicki, City Manager, Brenda Prillaman, Eric Monday, Linda Conover, Wayne Knox, Andy Lash, Dennis Bowles, Durwin Joyce, Bobby Phillips, E. C. Stone, Ruth Easley, Coretha Gravely and Sean Dunn.

Mayor Adkins called the meeting to order and advised Council will go into Closed Session. In accordance with Section 2.1-344 (A) of the Code of Virginia (1950, and as amended) and upon a motion by Danny Turner, seconded by Mark Stroud, with the following 5-0 recorded vote: Adkins, aye; Teague, aye; Hodge, aye; Stroud, aye; and Turner, aye, Council convened in Closed Session, for the purpose of discussing the following matters: (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. 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. On a motion by Mark Stroud, seconded by Sharon Brooks Hodge, with the following recorded 5-0 vote: Adkins, aye; Teague, aye; Hodge, aye; Stroud, aye; and Turner, aye, Council returned to Open Session.

Board appointments action taken: On a motion by Mark Stroud, seconded by Sharon Brooks Hodge, with a 5-0 vote, Council appointed Will Pearson of 1034 Mulberry Road to a 4 year term on the Planning Commission ending 6/30/18.

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

Minutes: On a motion by Sharon Brooks Hodge, seconded by Mark Stroud, with a 5-0 vote, Council approved the minutes of the May 13, 2014 meeting.

Proclamation National Night Out: Mayor Adkins read and presented a proclamation regarding August 5, 2014 National Night Out to Officer Coretha Gravely and captains of several city neighborhood watch groups.

Public Comment regarding urban chickens: Eric Monday briefed Council. In response to citizen requests to allow keeping chickens in the City (currently, poultry and livestock are banned: Code § 5-18), the Planning Commission vetted the issue. By a vote of 5-1, the Planning Commission forwarded the proposed draft ordinance to Council for adoption in the event Council decides to allow chickens. The Commission, however, by the same vote did not endorse the concept of allowing chickens. The draft ordinance is modelled on the City of Salem, but unlike Salem, it imposes the requirement of obtaining a special use permit. Planning Commission discussion noted the permit's cost (\$200), the requirement to notify neighbors, and the review process would deter those with only a casual interest, would offer surrounding property owners the opportunity to voice any objection, and would give the City the opportunity to assess the ability of any person interested in keeping chickens to abide by the requirements imposed. Mayor Adkins asked for public comment: (1) Patricia Wardzala of Morningside Lane- against allowing chickens beside her home due to predators attracted and smells if not properly kept up. (2) Dawn Moser of Spruce Street-thanked Council for

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their time and efforts in allowing the process to go forward from the petition, to the Planning Commission, and to ordinance consideration. She noted her family is for the urban chickens, but they do not want to add another burden to the city and will respect the city's decision. (3) E. C. Stone, City Police Animal Control Officer, briefed Council with statistics and need for law changes to address the urban chickens issue as far as predators being attracted and officers having to either kill or impound the predators and factors like health risks and costs involved. (4) Elaine Hedrick commented that police need to spend their time getting drug dealers instead of chasing chickens. (5) Janet Mullins of Owens Road commented on problem she has with cats on her street and adding chickens will just cause more problems. Council members voiced they had received numerous citizen contacts opposed to allowing chickens in the city and there was discussion regarding the financial burden this will add to the city finances. The chicken ordinance will not proceed as there is no support from Council at this time.

Resolution approval National Incident Management System (NIMS): On a motion by Mark Stroud, seconded by Danny Turner, with a 5-0 vote, Council approved the following resolution confirming support and continued use of the National Incident Management System (NIMS) as the City standard for incident management:

RESOLUTION
ESTABLISHING NIMS AS THE CITY STANDARD
FOR INCIDENT MANAGEMENT

WHEREAS, the President in Homeland Security Directive (HSPD)-5, directed the Secretary of the Department of Homeland Security to develop and administer a National Incident Management System (NIMS), which would provide a consistent nationwide approach for Federal, State, and local governments to work together more effectively and efficiently to prevent, prepare for, respond to and recover from domestic incidents, regardless of cause, size or complexity; and

WHEREAS, the collective input and guidance from all Federal, State, and local homeland security partners has been, and will continue to be, vital to the development, effective implementation and utilization of a comprehensive NIMS; and

WHEREAS, it is necessary and desirable that all Federal, State, and local emergency agencies and personnel coordinate their efforts to effectively and efficiently provide the highest levels of incident management; and

WHEREAS, to facilitate the most efficient and effective incident management it is critical that Federal, State, and local organizations utilize standardized terminology, standardized organizational structures, interoperable communications, consolidated action plans, unified command structures, uniform personnel qualification standards, uniform standards for planning, training, and exercising, comprehensive resource management, and designated incident facilities during emergencies or disasters; and

WHEREAS, the NIMS standardized procedures for managing personnel, communications, facilities and resources will improve the city's ability to utilize federal funding to enhance local agency readiness, maintain first responder safety, and streamline incident management processes, and

WHEREAS, the Incident Command System components of NIMS are already an integral part of various city/county incident management activities, including current emergency management training programs; and

WHEREAS, the National Commission on Terrorist Attacks (9-11 Commission) recommended adoption of a standardized Incident Command System; now, therefore

BE IT RESOLVED by the City Council of the City of Martinsville, Virginia, in regular session assembled July 22, 2014 that the National Incident Management System (NIMS) is established as the City standard for incident management.

Attest: 
Brenda Prillaman, Clerk of Council

July 22, 2014
Date Adopted

Staff update on Utilities, Electric, Water & Sewer: Dennis Bowles and Andy Lash provided the following information for fourth quarter FY 14 Utilities:

<p>Production: Average flow at the Sewage Treatment Plant was 4.362 MGD for FY'14 Plant Capacity 8 MGD Water production was 1.667 MGD for the same period Plant Capacity 7.5 MGD</p>	<p>Total Water Revenue = \$3,163,111 Total Water Expense = \$2,856,610* *Includes transfer to GF = \$696,152 *Includes transfer to Minet = \$354,605 Net Revenue = \$306,501** Total WW Revenue = \$3,866,396 Total WW Expense = \$4,252,751* *Includes transfer to GF = \$1,354,692 Net Revenue = (\$386,355)**Preliminary budget estimate based on Finance Dept. projection as of last week.</p>
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<p>Current Water Projects: Hydrant Flushing: A meter and pressure sensor are mounted on the back of the Service Truck Data is Digitally Recorded on a PC The system needs some tweaking but appears to be successful City Reservoir: A new dock has been added to help load & unload boats; maintained as a family oriented facility; have held 4 Bass Tournaments & 2 Catfish Tournaments; new playground has been added.</p>	<p>Water Plant: The Health Department has mandated additional testing for numerous chemicals and additional testing for disinfection byproducts; currently meeting all standards. Wastewater Projects: started online catalogue of manholes and sewer</p>
<p>ELECTRIC SUMMARY Purchased power = 177,266 MWh/ +1.98% Hydroelectric Plant = 2,358 MWh/ +32% Landfill Gas Generator = 4,858 MWh/ +8.6% Total FY '14 power needs = 184,482 MWh/ +2.44%</p>	<p>FINANCIAL BENEFITS OF HYDRO GENERATION FY '14 Hydroelectric Plant Generation in MWh = 2,358 FY '14 Average Rate For Purchased Power = \$78.13 Total Avoided Cost: \$78.13 x 2,358 MW = \$184,231 Less O&M expense = \$98,512 Net Avoided Energy Cost = \$85,718</p>
<p>FINANCIAL BENEFITS OF LFG FY '14 Landfill Gas Generation in MWh = 4,858 Average rate for purchased power = \$78.13 Total Avoided Cost: \$78.13 x 4,858 = \$379,556 Less plant O&M expense & debt service = \$396,303 Sale of REC's from power generation = \$80,628 Net Avoided Energy Cost = \$63,881</p>	<p>REVENUE/EXPENDITURES Total Revenue = \$17,146,314.59 Total Expense = \$18,138,017* *Includes transfer to GF = \$1,660,564 Estimated Net Revenue = (\$275,426)** **Preliminary budget estimate based on Finance Dept. projection as of last week.</p>
<p>PURCHASED POWER Purchased power ended the fiscal year with a deficit of (-\$773,611) as a result of increased power cost in the second half of the year. The increased power cost was a direct result of excessive transmission and congestion charges due to the polar vortex's grip on the northeastern US in the winter causing excessive demand on the electric transmission grid.</p>	<p>PROJECTS LF Mall demolition/construction NCI service installation Hydro automation Forest Park customer transfer from APCo Line upgrades in Forest Park and Northside areas Automated Metering Infrastructure (AMI): Staff is currently working with an Energy Services Co. conducting evaluation of water & electric metering systems to determine feasibility of installing an AMI system.</p>

Mayor Adkins commended Mr. Bowles for the thorough detailed report given.

Update BPOL rates: At the April 23, 2014 budget worksession, Council made an adjustment to the FY15 BPOL revenue line to reflect changing the city's threshold for applying the gross receipts rates for the City's Business, Professional and Occupational License tax to match that of Henry County. Currently Henry County does not charge a tax rate on the gross receipts of a business for business license purposes until the gross receipts are \$100,000 or more. Henry County does assess a minimum license fee of \$30 for businesses with gross receipts below \$100,000. Council requested revenue impact data for different rate scenarios for moving the city's BPOL rates to either align with Henry County or lower the current City rates. Commissioner of Revenue, Ruth Easley, and intern Ginny Whitener presented the following information:

<p>Localities That Use the BPOL Tax</p> <ul style="list-style-type: none"> All 38 cities <ul style="list-style-type: none"> Every city has a maximum rate in at least one classification, if not multiple classifications 48 of the 95 counties 114 towns Of the cities, 20 reported requiring a license fee, either by business or location Of the counties, 24 reported requiring a license fee of some kind <p><small>Source: Weldon Cooper Virginia Local Tax Rates 2013, 32nd Edition</small></p>	<p>Median BPOL License Fee and Tax Rate Per \$100 in 2013</p> <table border="1"> <thead> <tr> <th>Item</th> <th>Cities</th> <th>Counties</th> <th>City of Martinsville</th> <th>Henry County</th> <th>State Maximum</th> </tr> </thead> <tbody> <tr> <td>License Fee</td> <td>\$50.00</td> <td>\$30.00</td> <td>None</td> <td>None</td> <td>Varies by population</td> </tr> <tr> <td>Contracting</td> <td>\$0.16</td> <td>\$0.12</td> <td>\$0.10</td> <td>\$0.025</td> <td>\$0.16</td> </tr> <tr> <td>Retail</td> <td>\$0.20</td> <td>\$0.15</td> <td>\$0.20</td> <td>\$0.15</td> <td>\$0.20</td> </tr> <tr> <td>Repair, personal & bus.</td> <td>\$0.36</td> <td>\$0.20</td> <td>\$0.36</td> <td>\$0.15</td> <td>\$0.36</td> </tr> <tr> <td>Financial, real est. & prof.</td> <td>\$0.58</td> <td>\$0.31</td> <td>\$0.58</td> <td>\$0.25</td> <td>\$0.58</td> </tr> <tr> <td>Wholesale (purchases)</td> <td>\$0.12*</td> <td>\$0.05</td> <td>\$0.05</td> <td>\$0.05</td> <td>\$0.05</td> </tr> </tbody> </table> <p><small>*Many cities are presumed to operate under grandfather clauses that allow them to impose higher rates or to have misinterpreted the state statute.</small></p>	Item	Cities	Counties	City of Martinsville	Henry County	State Maximum	License Fee	\$50.00	\$30.00	None	None	Varies by population	Contracting	\$0.16	\$0.12	\$0.10	\$0.025	\$0.16	Retail	\$0.20	\$0.15	\$0.20	\$0.15	\$0.20	Repair, personal & bus.	\$0.36	\$0.20	\$0.36	\$0.15	\$0.36	Financial, real est. & prof.	\$0.58	\$0.31	\$0.58	\$0.25	\$0.58	Wholesale (purchases)	\$0.12*	\$0.05	\$0.05	\$0.05	\$0.05	<p>Percentage of Businesses With Gross Receipts Under \$100,000</p> <p>Licenses</p> <ul style="list-style-type: none"> Licenses w/ gross receipts over \$100,000: 34% Licenses w/ gross receipts \$100,000 or less: 66% <p><small>*A little over half of the 66% are businesses with gross receipts under \$10,000.</small></p>
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Advantages of \$100,000 Threshold and \$30 Minimum License Fee

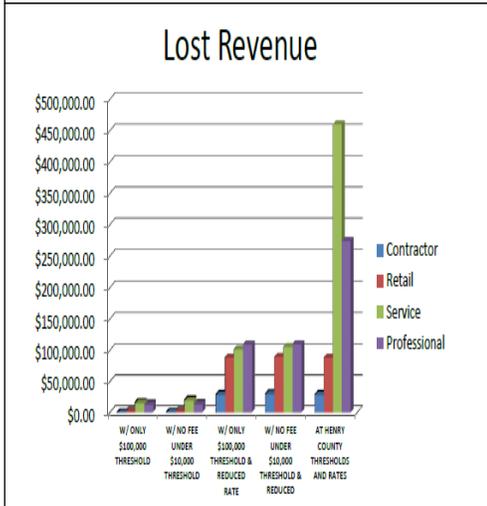
- Threshold is consistent with current Henry County practice
- Positively impacts 66% of the city's businesses, which are primarily smaller businesses
- Additional threshold of \$10,000 with no fee, but continued filing requirement, affects a little over half of the businesses with gross receipts under \$100,000
- Not having a threshold amount has been the cause of the biggest complaint regarding the licensing differences between the city and county
- Will reduce billing costs for Treasurer by reducing the need for additional billing or refunds once gross receipts are verified
- Revenue loss to city is minimal (approximately \$44,000 if additional no fee, \$10,000 threshold is adopted)

Ways to Reduce Revenue by Approximately \$100,000

Current Contractor Rate: \$0.10	Lower by \$0.075 to equal \$0.025 and match Henry County rate	Revenue reduced by \$30,553.07
Current Retail Rate: \$0.20	Lower by \$0.05 to equal \$0.15 and match Henry County rate	Revenue reduced by \$89,175.00
Current Service Rate: \$0.36	Lower by \$0.04 to equal \$0.32	Revenue reduced by \$101,728.00
Current Professional Rate: \$0.58	Lower by \$0.12 to equal \$0.46	Revenue reduced by \$109,351.00

Lost Revenue

Classification	Contractor	Retail	Service	Professional	Total
W/ Only \$100,000 Threshold	\$919.33	\$4,610.58	\$17,358.86	\$14,865.37	\$37,754.13
W/ No Fee Under \$10,000 Threshold	\$2,089.33	\$4,610.58	\$21,594.48	\$15,466.36	\$43,760.75
W/ Only \$100,000 Threshold & Reduced Rate	\$30,553.07	\$89,174.94	\$101,727.82	\$109,350.97	\$330,806.80
W/ No Fee Under \$10,000 Threshold & Reduced Rate	\$31,723.07	\$90,044.94	\$105,957.82	\$109,950.97	\$337,676.80
At Henry County Thresholds And Rates	\$30,553.07	\$89,174.94	\$460,271.98	\$274,699.03	\$854,699.02



Examples of Other Cities

Lynchburg	Danville	Salem
Under \$100,000: \$0-\$10,000 → No fee \$10,000-\$50,000 → \$30 \$50,000-\$100,000 → \$50	Under \$100,000: Flat \$50 fee	Home business → No fee for gross receipts under \$8,000 but \$25 Home Occupation Fee
Over \$100,000 gross receipts rates per \$100: Retail → \$0.20 Contractor → \$0.16 Service → \$0.36 Professional → \$0.58 Wholesale → \$20 plus \$0.28 per \$100 gross purchases	Over \$100,000 gross receipts rates per \$100: Retail → \$0.20 Contractor → \$0.16 Service → \$0.36 Professional → \$0.58 Wholesale → \$0.15	Over \$8,000: \$25 fee plus rates per \$100 Retail → \$0.20 Contractor → \$0.16 Service → \$0.36 Professional → \$0.58 Wholesale → \$0.20

On a motion by Gene Teague, seconded by Sharon Brooks Hodge, with a 5-0 vote, Council agreed to authorize staff to draft necessary documents for consideration to implement the \$100,000 threshold with the no fee, \$10,000 threshold.

Ordinance Water & Sewer Terms & Conditions 2nd reading: After a discussion regarding connection fees covering costs, a motion was made by Gene Teague, seconded by Mark Stroud, with the following 4-1 recorded vote, Adkins, aye; Teague, aye; Hodge, aye; Stroud, aye; and Turner, nay, Council approved the ordinance on second reading revising the Water & Sewer Services Terms and Conditions. The entire 100 page document is available in the Water Resources office and following is the signature page for the revision.

Water and Sewer Service Terms and Conditions

WHEREAS, Martinsville City Council first adopted "Water and Sewer Services Terms and Conditions" in February 1998.

WHEREAS, as further revision of said regulation is deemed advisable,

THEREFORE, BE IT RESOLVED by the Council of the City of Martinsville, Virginia, assembled in regular sessions held July 8, 2014 and July 22, 2014 that said Terms and Conditions be revised as shown on the attached copy of said Terms and Conditions.

Attest:

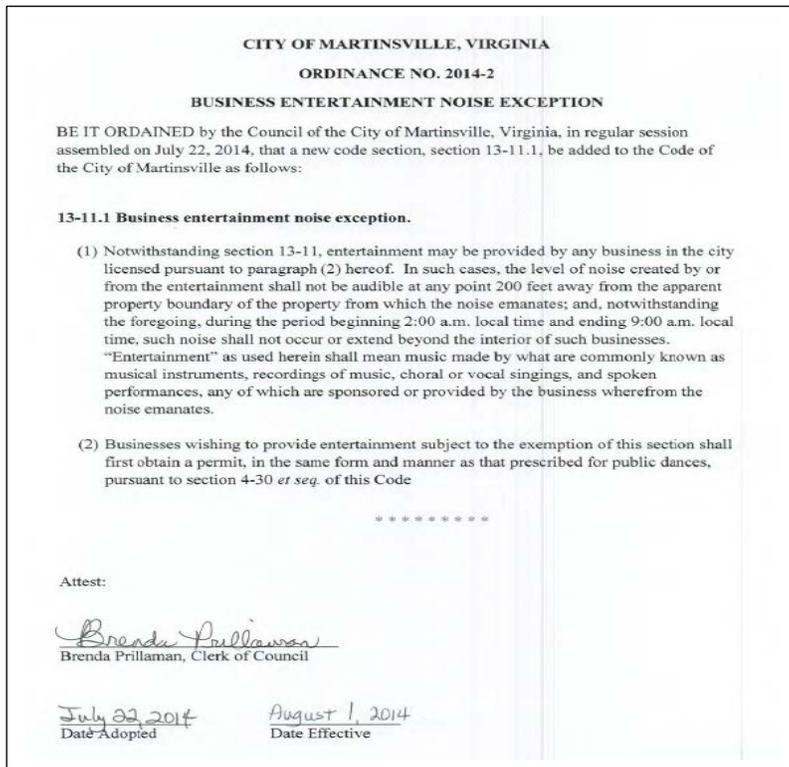
Brenda Prillaman
Brenda Prillaman, Clerk of Council

July 22, 2014
Date Adopted

July 22, 2014

July 22, 2014

Ordinance business entertainment exception to noise ordinance 2nd reading: On a motion by Sharon Brooks Hodge, seconded by Mark Stroud, with the following 5-0 recorded vote, Adkins, aye; Teague, aye; Hodge, aye; Stroud, aye; and Turner, aye, Council approved the following ordinance on second reading:



FY15 Council Neighborhood meetings: Council had brief discussion on scheduling Neighborhood Council meetings and Council directed city staff to confirm locations for dates specified.

Consent agenda: On a motion by Gene Teague, seconded by Sharon Brooks Hodge, with a 5-0 vote, Council approved the following consent agenda:

BUDGET ADDITIONS FOR 7/22/2014				
ORG	OBJECT	DESCRIPTION	DEBIT	CREDIT
FY14				
General Fund:				
01100909	490104	Advance/Recovered Costs		3,791
01331108	501300	Sheriff/Corrections - Part-time & Temporary Wages	2,760	
01331108	502100	Sheriff/Corrections - Social Security	171	
01331108	502110	Sheriff/Corrections - Medicare	40	
01331108	506008	Sheriff/Corrections - Vehicle Equipment & Maint.	552	
01331110	506200	Sheriff/Annex - Prisoner Allowance	268	
		Reimbursement from Henry County for litter pickup for May & June		
01100909	490801	Recovered Costs - Senior Citizens		3,796
01714212	506016	Senior Citizens - Program Supplies	2,895	
01714212	501300	Senior Citizens - Part-time Wages	498	
01714212	502100	Senior Citizens - Social Security	31	
01714212	502110	Senior Citizens - Medicare	7	
01714212	506049	Senior Citizens - Vehicle Fuels	365	
		Bingo & Trip receipts; Transportation Grant - June 2014		
01101917	442810	Categorical State Other - Highway Projects		62,987
01413151	508220	Thorofare Construction	62,987	
		Liberty St project reimbursement		
Total General Fund:			70,574	70,574

Business from floor: None

Council comments: Hodge-commended the City Manager and Community Development staff regarding the Fayette Square; Stroud-expressed regrets for not being able to attend several recent events due to health issues and asked for prayers for his niece's surgery; Turner-asked for prayers for Mr. Stroud.

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City Manager comments: announced August 9 Smith River Fest; reported Council Member Stroud has agreed to serve on VA First Cities board as a member of Council; reviewed future plans with several Uptown projects and advised details will be forthcoming at a future meeting; reported the “Ban the Box” issue on job applications has been addressed by the city’s Human Resources office and the front page of the city job application form will not include that box effective July 1, 2014.

There being no further business, the meeting adjourned at 9:45pm.

Brenda Prillaman
Clerk of Council

Kim Adkins
Mayor