

AGENDA--CITY COUNCIL -- CITY OF MARTINSVILLE, VIRGINIA
Council Chambers – Municipal Building
7:00 pm Closed Session **7:30 pm regular session**
Tuesday, January 13, 2015

7:00 pm --Closed Session

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(A)—Closed Meetings, the following:

- A. Appointments to Boards and Commissions as authorized by Subsection 1.
- B. Discussion of the award of a public contract involving the expenditure of public funds, including interviews of bidders or offerors, and discussion of the terms or scope of such contract, where discussion in an open session would adversely affect the bargaining position or negotiating strategy of the public body as authorized by Subsection 29.
- C. 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.

7:30—Regular Session

Invocation & Pledge to the American Flag-Vice Mayor Jennifer Bowles

- 1. Consider approval of minutes October 14, 2014 and October 28, 2014 Council meetings.(2 mins)
- 2. Consider recognition of the Magna Vista High School football team for winning the State Group 3A High School Football Championship. (5 mins)
- 3. Recognition of Assistant Fire Chief Rodney Dan Howell, II, as an Executive Fire Officer. (5 mins)
- 4. Recognition of Ginny Wray and Mike Wray of Martinsville Bulletin. (5 mins)
- 5. Hear an update from Goodwill Industries. (10 mins)
- 6. Hear an update from Animal Control Officer E. C. Stone regarding animal control policies and procedures. (10 mins)
- 7. Hear staff update from Human Resources regarding diversity hiring. (10 mins)
- 8. Consider approval of required pre-contract documents regarding Northside Comprehensive Community Development grant. (5 mins)
- 9. Consider approval of consent agenda. (2 mins)
- 10. Business from the Floor
This section of the Council meeting provides citizens the opportunity to discuss matters, which are not listed on the printed agenda. In that 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 and state name and address;**
 - (2) state the matter that they wish to discuss and what action they would like for Council to take;**
 - (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 will be asked to leave the podium.**
Persons who refuse to comply with the direction of the presiding officer may be removed from the chambers.
- 11. Comments by members of City Council. (5 minutes)

12. Comments by City Manager. (5 minutes)



City Council Agenda Summary

Meeting Date: January 13, 2015

Item No: 1.

Department: Clerk of Council

Issue: Consider approval of minutes of City Council meetings October 14, 2014 and October 28, 2014.

Summary: None

Attachments: October 14, 2014 tour minutes
October 28, 2014 meeting minutes

Recommendations: Motion to approve minutes as presented.

October 14, 2014

The regular meeting of the Council of the City of Martinsville, Virginia, was held on October 14, 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, Wayne Knox, Jeff Joyce, 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 Sharon Brooks Hodge, 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) Discussion of the award of a public contract involving the expenditure of public funds, including interviews of bidders or offerors, and discussion of the terms or scope of such contract, where discussion in an open session would adversely affect the bargaining position or negotiating strategy of the public body as authorized by Subsection 29. (C) 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 Gene Teague, 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 actions taken: On a motion by Gene Teague, seconded by Mark Stroud, with 5-0 vote, Council appointed Bob Vogler, 301 Oakdale St. to a 4 year term ending 12/31/18 on the Transportation Safety Commission. On a motion by Danny Turner, seconded by Sharon Brooks Hodge, with a 5-0 vote, Council re-appointed Will Vaughn, 1015 Sheraton Court, to a 4 year term ending 10/31/18 on the Southern VA Recreation Facilities Authority.

Following the invocation by Mayor Adkins and Pledge to the American Flag, the Mayor welcomed everyone to the meeting and announced there will be an agenda item added.

Minutes: On a motion by Sharon Brooks Hodge, seconded by Mark Stroud, with a 5-0 vote, Council approved the minutes of the August 26, 2014 meeting.

Addendum-Hooker Field: Mr. Towarnicki briefed Council reporting the following information: In an effort to address unsatisfactory playing surface issues at Hooker Field resulting from extensive use of the facility, the City recently issued a request for proposals to replace the natural grass infield with artificial turf. After a review of proposals, Medallion Athletic Products from Mooresville, NC, has been selected as the contractor. The project is estimated to cost \$230,000 and will involve replacing the entire infield with an artificial turf product with a subsurface drainage system. The project will not only cover the grassed section of the infield but also a section of the warning track adjacent to the infield as well as the skinned (dirt) part of the infield, to the edge of the outfield grass. By no longer having to mow, maintain, water, fertilize, and line the infield, the City will realize a savings in the Hooker Field maintenance budget estimated to be approximately \$14,000. Patrick Henry Community College has secured financing for the project and will be contributing financially, along with other contributors. Recognizing the significant improvement to the field,

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it is recommended the annual savings from the Hooker Field budget be dedicated to the project debt service, currently estimated to be six years. The project will provide for a much better facility while essentially remaining budget-neutral for the City. On a motion by Gene Teague, seconded by Danny Turner, with a 5-0 vote, Council authorized staff to proceed with the project.

Proclamation-Extra Mile Day 2014: Mayor Adkins read a proclamation regarding Extra Mile Day and reported the document will be mailed to representatives.

Proclamation-Domestic Violence Awareness: Mayor Adkins read a proclamation regarding Domestic Violence Awareness Month October 2014 and the presentation was made to Citizens Against Family Violence representatives, Warren Rogers and Julia Scales.

Set public hearing re: 200 Sellers Street communications tower: Wayne Knox briefed Council with following information: The Planning Commission conducted a public hearing on September 18, 2014 on a request from GCS Electronics & Communications to approve a special use permit to allow construction of a 100 ft. communications tower on their property at 200 Sellers Street. As per Section XIII, G, 4, of the City of Martinsville Zoning Ordinance, telecommunication equipment including towers is a use permitted by special use permit in the M-1 District. The applicant desires to install the tower in order to provide a point-to-point link to a main microwave hub in Spencer, VA. No one spoke for or against the special use permit at the public hearing. The Planning Commission voted unanimously to recommend to City Council that the special use permit be granted with the following conditions:

- a. The tower shall either maintain a galvanized steel finish, or subject to any applicable standards of the FCC or FAA, or be painted a neutral color.
- b. The tower shall not be artificially lit, unless required by the FCC or FAA. If lighting is required, City Council may review and approve the design that would cause the least disturbance to surrounding views.
- c. No advertising of any type shall be allowed on the tower.
- d. The tower must meet or exceed current standards of the FAA, the FCC, and any other agency of the federal government with authority to regulate towers
- e. The tower shall be equipped with appropriate anti – climbing devices.
- f. The owner of the tower shall ensure that it is constructed and maintained in compliance with standards contained in applicable federal, state, and local building codes and regulations.
- g. If the tower is abandoned in the future, the owner shall remove the tower within ninety (90) days of receipt of notice from the building official or city manager notifying the owner of the removal requirement.
- h. A survey must be submitted consolidating the multiple parcels and combining them into one parcel on a plat of survey. This will make the tower setbacks to code. The plat of survey must be submitted for review by the City of Martinsville and recorded with the Circuit Court Clerk.

It was also noted that the proposed location of the tower is already within an area with secured fencing so there would be no need for additional fencing around the tower itself. Giles Smith of GCS Electronics also spoke briefly. On a motion by Danny Turner, seconded by Mark Stroud, with a 5-0 vote, Council agreed to set the public hearing to be held at the first meeting in November due to advertising requirements as described by the City Attorney.

Set public hearing re: renaming Chatham Road: Wayne Knox briefed Council with following information: The issue of renaming of Chatham Road has been discussed at length on several occasions in the recent past. The Planning Commission conducted a public hearing on October 7, 2014 and at the meeting, several residents from the Chatham Heights area spoke on the subject of the name change and its history. The Planning Commission voted unanimously to recommend that the City Council rename the road “Chatham Heights Road”. On a motion by Gene Teague, seconded by Sharon Brooks Hodge, with a 5-0 vote, Council agreed to set the public hearing for the first meeting in November.

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

BUDGET ADDITIONS FOR 10/14/2014				
ORG	OBJECT	DESCRIPTION	DEBIT	CREDIT
FY15				
General Fund:				
01101917	442701	Categorical Other State - Fire Programs Funds		7,358
01321102	506110	Fire Dept. - State Grant/Fire Programs Additional funds received in excess of budget	7,358	
01101917	442401	Categorical Other State - Confiscated Assets - PD		250
01311085	506078	Police - State Asset Forfeitures Additional funds	250	
01101917	442801	Categorical Other State - Street Maintenance		32,354
01103938	462103	Contrib from Reserve for Thorofare Construction		25,000
01413151	508220	Thorofare Construction - Physical Plant Expansion Funding for Uptown paving project - city share	57,354	
01102926	436401	Categorical - Federal - Confiscated Assets - Police		10,879
01311085	506079	Police - Federal Asset Forfeitures Receipts - July & August	10,879	
01100909	490139	Recovered Costs - CIT Program		21,750
01311085	501215	Police - O/T CIT Program	2,694	
01311085	502100	Police - Social Security	167	
01311085	502110	Police - Medicare	39	
01331108	501215	Sheriff Corrections - O/T CIT Program	13,133	
01331108	502100	Sheriff Corrections - Social Security	814	
01331108	502110	Sheriff Corrections - Medicare	190	
01217078	501215	Sheriff - Courts - O/T CIT Program	4,378	
01217078	502100	Sheriff - Courts - Social Security	271	
01217078	502110	Sheriff - Courts - Medicare Reimbursements from CIT Program	64	
01100909	490137	Recovered Costs - Public Safety		27,186
01311085	501200	Police Dept - Overtime	9,868	
01311085	502100	Police Dept - Social Security	612	
01311085	502110	Police Dept - Medicare	143	
01331108	501200	Sheriff Corrections - Overtime	7,559	
01331108	502100	Sheriff Corrections - Social Security	469	
01331108	502110	Sheriff Corrections - Medicare	109	
01217078	501200	Sheriff - Courts - Overtime	2,519	
01217078	502100	Sheriff - Courts - Social Security	156	
01217078	502110	Sheriff - Courts - Medicare	37	
01321102	501200	Fire Dept - Overtime	5,308	
01321102	502100	Fire Dept - Social Security	329	
01321102	502110	Fire Dept - Medicare Reimbursements for Public Safety Coverage	77	
Total General Fund:			124,777	124,777
Minet/Fiber Optic Fund:				
11100909	490104	Advance/Recovered Costs		5,438
11315308	505233	Telecom - Outside Customers Recovered costs from customers	5,438	
Total Minet/Fiber Optic Fund:			5,438	5,438
School Fund:				
18101918	404074	State Grant - School Security Equipment		57,661
80004600	566056	Security - Non-Capital Equipment Additional Funding	57,661	
Total School Fund:			57,661	57,661

Item #2 -

Refund - 2014 Business License - \$3,212.69

Business from floor: Mark Price, 936 Bethel Lane-concerns with citizen health issues regarding electromagnetic radiation from cell phone towers proposed for Bethel Lane water tank, neighborhood wants tank dismantled to eliminate blight. Council asked that staff investigate this issue: (1) how do other communities handle tank leases (2) cost to dismantle the tank (3) research historical significance of tank that over 100 years old (4) look into health considerations. Mr. Towarnicki will report on this at the first meeting in November. Donald Kirby-1178 Banner St.-concerns with the used car lot that is major blight to Boden

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Street due to having a salvage yard in back, wants No Parking signs on Boden St., need to look at zoning violation due to using residential lot for business. Mr. Knox with investigate the bring report to Council for recommendation. Eric Monday, resident of Mulberry-reported Martinsville was recognized for philanthropy.

Update on Voter ID requirements: Voting Registrar Cindy Barbour reported on photo ID requirements for voting and other information for voters in the upcoming election.

Council comments: Teague-comments on recent VA Municipal League conference information he passed along to city staff regarding renter certification programs and growing small business programs. Hodge-interested in Council again having worksessions in order to be more proactive and asked for a comprehensive review of the M-HC Economic Development Corporation with an evaluation measured against the MOU, list of detailed tasks and costs for each, report on marketing of city properties and schematic on revenue sharing lots so the new Council starting in January 2015 will have facts to discuss the city's economic development strategy. She also asked that information regarding VML If I Were Mayor contest be posted on the city website. Stroud-reported he also attended VML meeting and gave update on health concerns. Turner-commended success of recent Oktoberfest and reported on several upcoming local events.

City Manager comments: (1) reported VML conference was very worthwhile and noted during a VHCD roundtable discussion, Martinsville was used as a case study (2) noted the first Council meeting in November will be held on Veterans Day holiday, Tuesday, November 11, 2014. In response to Mr. Turner's suggestion of having WW11 veterans attend the November 11 Council meeting, Mr. Towarnicki asked Council to forward names and contact information of any they wish to attend. (3) responded to Lawrence Mitchell's questions on placement of campaign signs and reviewed general procedures.

There being no further business, the meeting adjourned at 9:35 pm.

Brenda Prillaman
Clerk of Council

Kim Adkins
Mayor

October 28, 2014

The regular meeting of the Council of the City of Martinsville, Virginia, was held on October 28, 2014, in Council Chambers, Municipal Building, at 7:30 PM, with Mayor Kim Adkins presiding. Council Members present included: Mayor Kim Adkins, Vice Mayor Gene Teague, Sharon Brooks Hodge, and Danny Turner. Mark Stroud was absent. Staff present included: Leon Towarnicki, Brenda Prillaman, Wayne Knox, Linda Conover, Sean Dunn, Ruth Easley and several City police officers.

Following the invocation by Vice Mayor Teague and Pledge to the American Flag, the Mayor welcomed everyone to the meeting and announced an addendum and change in agenda order.

Finance Report: Finance Director Linda Conover presented the following information: Exclusive of School and Special Revenue funds, for the first quarter of FY15, actual revenues were \$12,297,153, 7.8% greater than anticipated, due in part to higher recovered costs and miscellaneous revenues than is expected at this point in year. Actual expenditures, including encumbrances, were \$16,815,914, 6.8% greater than anticipated for the period. This is typical for this early in the new fiscal year due mostly to annual payments, semi-annual debt service, disbursements to outside agencies as budgeted, and issuance of purchase orders for various budgeted projects. Overall Utility Funds' actual revenues exceeded anticipated amounts by \$433,241, and actual expenses, including encumbrances and semi-annual debt service, exceeded anticipated amounts by \$624,642. Budget additions approved in October will account for some of these variances, and should level out the anticipated versus actual figures in future quarterly reports. Adoption of the re-appropriations requests for incomplete projects will also adjust the variances in expenditures as listed above. The final audit process for FY14 began the week of September 29th. With a few more adjustments to be made, final figures will be presented as soon as possible after completion. On a motion by Gene Teague, seconded by Sharon Brooks Hodge, with a 4-0 vote, Council approved the finance report.

Consent Agenda: On a motion by Gene Teague, seconded by Danny Turner, with a 4-0 vote, Council approved the following consent agenda items:

BUDGET ADDITIONS FOR 10/28/2014

ORG	OBJECT	DESCRIPTION	DEBIT	CREDIT
FY15				
General Fund:				
01100908	480410	Donations - Fire Department		1,000
01321102	506130	Fire Dept - Repair/Maint of Burn Building	1,000	
		Donation received		
Total General Fund:			1,000	1,000
Federal Programs Fund:				
20102926	401058	Title I		1,034,136
86011100	561120	Instructional S&W	459,748	
86011100	561151	Instructional S&W Aides	113,424	
86011100	562100	Social Security	43,828	
86011100	562210	Retirement	89,502	
86011100	562300	Insurance	76,110	
86011100	562400	Life Insurance	6,835	
86011100	562520	Disability	417	
86011100	563000	Purchased Services	112,450	
86011100	565503	Travel	34,054	
86011100	566013	Materials & Supplies	49,050	
86012160	561120	Admin S &W	38,674	
86012160	562100	Social Security	2,193	
86012160	562210	Retirement	4,462	
86012160	562300	Insurance	3,044	
86012160	562400	Life Insurance	324	
86012160	562520	Disability	21	
20102926	420175	Title I School Improvement Grant		352,414

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86831310	563000	Purchased Services	352,414	
86111100	561120	Instructional S & W	63,943	
86111100	562100	Social Security	4,892	
86111100	562210	Retirement	6,639	
86111100	562400	Life Insurance	499	
86111100	563000	Purchased Services	40,609	
86111100	562300	Health Insurance	5,074	
20102926	436585	Title III		10,967
86311100	563000	Purchased Services	10,967	
86311100	565503	Travel		
86311100	566013	Materials & Supplies		
20102926	435858	Title VI Rural Ed		41,485
86411310	563000	Purchased Services	41,485	
20102926	417368	Title VIB IDEA Pre School		5,722
86611100	561120	Instructional S&W	5,000	
86611100	562100	Social Security	310	
86611100	562150	Medicare	73	
86611100	566013	Materials & Supplies	339	
20102926	402758	Title VIB Flow Through		513,895
86511100	561120	Instructional S&W	121,437	
86511100	561151	Instructional S&W Aides	210,998	
86511100	562100	Social Security	20,611	
86511100	562150	Medicare	4,820	
86511100	562210	Retirement	48,203	
86511100	562300	Insurance	55,964	
86511100	562400	Life Insurance	3,956	
86511100	562520	Disability	383	
86511100	562750	retirement Credit	3,524	
86511100	563140	Purchased Services	15,000	
86511100	565503	Travel	14,999	
86511100	566013	Materials & Supplies	14,000	
20102926	404858	PERKINS		58,798
86721100	565503	Travel	17,531	
86721100	566013	Materials	41,268	

Total Federal Programs Fund:

2,139,073 2,139,073

RE-APPROPRIATIONS FY14 TO FY15					
DEPARTMENTAL REQUESTS					
ORG CODE	OBJECT	DEPARTMENT	ACCOUNT DESCRIPTION	DEBIT	CREDIT
GENERAL FUND					
01103938	462101		Contribution From Fund Balance		\$ 348,516
01217078	506047	Sheriff - Courts	Project Life Saver	\$ 11,560	rollover of prior years' appropriated donations
01217078	506104	Sheriff - Courts	Non-capital equipment	\$ 2,450	funds for weapons purchase/trade-in
01221082	506105	Commonwealth's Attorney	State - Confiscated Assets	\$ 3,705	forfeiture funds - carry-over
01221082	506079	Commonwealth's Attorney	Federal - Confiscated Assets	\$ 13,534	forfeiture funds - carry-over
01221082	506118	Commonwealth's Attorney	Local - Confiscated Assets	\$ 129	forfeiture funds - carry-over
01123035	501300	Commissioner of Revenue	Part-time Wages	\$ 2,425	rollover of NCI intern funding
01123035	502100	Commissioner of Revenue	Social Security	\$ 151	rollover of NCI intern funding
01123035	502110	Commissioner of Revenue	Medicare	\$ 35	rollover of NCI intern funding
01311085	501206	Police	Overtime - DMV Grant	\$ 28,202	grant funding
01311085	501214	Police	Overtime - Occupant Protection Grant	\$ 4,262	grant funding
01311085	506078	Police	State - Confiscated Assets	\$ 4,751	forfeiture funds - carry-over
01311085	506079	Police	Federal - Confiscated Assets	\$ 52,531	forfeiture funds - carry-over
01311085	506118	Police	Local - Confiscated Assets	\$ 1,260	forfeiture funds - carry-over
01311085	508165	Police	Construction - Animal Shelter	\$ 691	donated funds
01311085	506061	Police	Ammunition	\$ 8,178	incomplete project
01321102	506110	Fire	Fire Programs	\$ 62,921	grant funding
01321102	503171	Fire	Labor for Burn building	\$ 625	unspent reimbursements carried forward
01321102	506130	Fire	Maintenance for Burn Building	\$ 1,520	unspent reimbursements carried forward
01322105	506114	EMS	Four for Life	\$ 25,775	grant funding
01341135	506300	Inspections	Demolition	\$ 61,000	continuing program to clean-up more properties
01331108	506010	Sheriff - Corrections	Radios & Weapons	\$ 4,885	funds for weapons purchase/trade-in
01413151	503193	Thorofare Construction	Inspection Services/Fees	\$ 15,644	incomplete project - Liberty St Project
01413151	508220	Thorofare Construction	Physical Plant Expansion	\$ 13,400	incomplete project - Liberty St Project
01812245	506830	Uptown Master Plan Phase I	Supplies - Comfort Station	\$ 7,303	grant funding
01812245	506833	Uptown Master Plan Phase I	Supplies - North Lawn	\$ 810	grant funding
01812246	503136	Storm Water Program	Prof Serv - Consultant	\$ 13,972	grant funding
01812246	506010	Storm Water Program	Supplies	\$ 373	grant funding
01816244	505676	Contributions-Outside Agencies	Public Health Center	\$ 6,424	Carry forward year-end settlement
MEALS TAX FUND					
02103938	462101		Contribution from Fund Balance		\$ 157,623
02160270	508260	Meals Tax Adm	Maint/Improvement - High School	\$ 157,623	incomplete project - HS renovations
WATER FUND					
12303938	462101		Contribution From Fund Balance		\$ 181,142
12541311	508220	Water - Water plant	Physical Plant Expansion	\$ 81,142	incomplete project - equip, valve, caustic soda tank
12543313	508220	Water Maintenance	Physical Plant Expansion	\$ 100,000	on-going meter replacement program
REFUSE FUND					
09103938	462101		Contribution From Fund Balance		\$ 205,628
09424301	508205	Collection	Motor Vehicles	\$ 115,000	as budgeted in FY14 for garbage truck
09425302	503330	Landfill	Prof. Service - Repairs & Maint	\$ 10,000	unanticipated carbon credit sales in FY14 to cover maint/gas project
09425302	508220	Landfill	Physical Plant Expansion	\$ 80,628	FY14 proceeds from sale of REC's - generator project
MINET/FIBER OPTIC FUND					
11103938	462101		Contribution From Fund Balance		\$ 11,848
11315308	503136	Minet/Fiber Optic	Prof. Service - Consultant	\$ 11,848	incomplete project to carry forward

SEWER FUND						
13103938	462101		Contribution From Fund Balance		\$	138,438
13551326	503140	Wastewater Maintenance	Prof. Service - Eng & Arch	\$	138,438	incomplete project - inspection/Engineering for Main Intercept - 1st ha
ELECTRIC FUND						
14103938	462101		Contribution From Fund Balance		\$	214,202
14564339	508205	Electric Construction	Vehicles	\$	43,728	1st half bucket truck; 2nd half from FY15 budget
14561336	503140	Electric Generation	Prof. Service - Engineering	\$	36,500	Hydro dam - relicensing expense
14561336	506009	Electric Generation	Dam Repairs	\$	10,975	incomplete project - walkway replacement
14561336	508220	Electric Generation	Physical Plant Expansion	\$	18,000	incomplete project - Dam refacing
14563338	506007	Electric Maintenance	Substation Maintenance	\$	55,000	replacement of generator
14565340	506900	Electric General Expense	Disaster Recovery	\$	49,999	incomplete project - Hydro Automation
CAPITAL RESERVE FUND						
16103938	462101		Contribution From Fund Balance		\$	100,623
16575365	508120	Vehicles	Senior Citizens Services	\$	6,946	City's share of grant funded project - Van with ramp
16576366	508055	Computer Software/Hardware	Information Services	\$	18,099	Leftover funds agreed to be re-appropriated during budget process
16577367	508670	Physical Plant Expansion	Garage/Warehouse Complex	\$	55,578	incomplete project - Warehouse roof
16577367	508140	Physical Plant Expansion	City Hall	\$	20,000	prior year funds dedicated to roof repairs in fy15 (judge donation=20K)
TOTAL CITY FUNDS:					\$	1,358,020
SCHOOL FUNDS						
18100938	410510		Ops/Contrib from Fund Balance		\$	41,018
81621310	563000	HARVEST - ELEMENTARY	Purchased Services	\$	2,400	grant funding
81621310	563142	HARVEST - ELEMENTARY	Professional Development	\$	1,800	grant funding
81621310	565503	HARVEST - ELEMENTARY	Travel	\$	3,000	grant funding
81621310	565800	HARVEST - ELEMENTARY	Miscellaneous Expense	\$	520	grant funding
81631310	563000	HARVEST - SECONDARY	Purchased Services	\$	1,600	grant funding
81631310	563142	HARVEST - SECONDARY	Professional Development	\$	1,200	grant funding
81631310	565503	HARVEST - SECONDARY	Travel	\$	2,000	grant funding
81631310	565800	HARVEST - SECONDARY	Miscellaneous Expense	\$	346	grant funding
73001100	566013	HS - REG CLASSROOM INSTR	Instructional Materials	\$	1,000	grant funding
73001100	566056	HS - REG CLASSROOM INSTR	Non-Capital Equipment	\$	3,000	grant funding
61101100	561620	SEMAA - MS - SECONDARY	Supplemental S&W	\$	4,000	grant funding
61101100	562100	SEMAA - MS - SECONDARY	Social Security	\$	248	grant funding
61101100	562150	SEMAA - MS - SECONDARY	Medicare	\$	58	grant funding
61101100	563000	SEMAA - MS - SECONDARY	Purchased Services	\$	4,000	grant funding
61101100	566013	SEMAA - MS - SECONDARY	Instructional Materials	\$	6,387	grant funding
66501100	561620	SEMAA-MS-SECONDARY-SUMMER	Supplemental S&W	\$	6,000	grant funding
66501100	562100	SEMAA-MS-SECONDARY-SUMMER	Social Security	\$	372	grant funding
66501100	562150	SEMAA-MS-SECONDARY-SUMMER	Medicare	\$	87	grant funding
66501100	566013	SEMAA-MS-SECONDARY-SUMMER	Instructional Materials	\$	3,000	grant funding
18100938	410510		Ops/Contrib from Fund Balance		\$	154,988
80003250	568100	VEHICLE OPS - DIVISION-WIDE	Capital Outlay - Replacement	\$	78,995	funds to purchase buses
80003252	568100	VEHICLE OPS-DIV-WIDE-SPEC ED	Capital Outlay - Replacement	\$	75,993	funds to purchase buses
TOTAL SCHOOL FUNDS:					\$	196,006
TOTAL RE-APPROPRIATIONS FROM FY14 TO FY15					\$	1,554,026

After an explanation from City Manager, Leon Towarnicki, and Police Chief, Sean Dunn, Council approved the following Appropriation Request on a motion by Gene Teague, seconded by Danny Turner, with a 4-0 vote:

Body Worn Cameras - \$39,186

These funds will be used to purchase updated COBAN Body Worn Cameras for each officer. Approximately 3-4 years ago, VML donated body worn cameras for the officers of the Martinsville Police Department. These cameras are starting to have problems and some videos have been either lost or not collected due to these problems. The new COBAN cameras will work in conjunction with our in-car camera system. The Body Worn camera will download to a server that has already been purchased along with our in-car camera system. This server is also accessible by our Commonwealth's Attorney's office for court purposes. These Cameras have a flip up/flip down feature which makes it clearly visible to citizens and supervisors when the cameras are recording. The cameras also have security features which prevents officers/supervisors from making changes or deleting video. The current camera system cannot be altered or deleted by the recording officer. The system also has an automatic audio and video time/date stamp. The recorded videos will be uploaded to the server and be available to be viewed by Police Administration and Commonwealth Attorney's office for increased transparency and accountability.

Interview room renovations and additional equipment - \$20,000

Our current interview room has failed the city fire inspections for a number of years due to the design. This funding will allow us to refurbish the room to meet fire code inspections and also update interview equipment, i.e. cameras, server, mic, etc. This system will also be connected to our COBAN system and will allow interviews to be recorded on a server that will also be accessible to the Commonwealth's Attorney's office.

Introduction of Gayle Barts of Robert Hurt's office: Mayor Adkins recognized and formally introduced Ms. Barts to the audience.

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Minutes: On a motion by Sharon Brooks Hodge, seconded by Gene Teague, with a 4-0 vote, Council approved the minutes of September 9, 2014 meeting.

NCI update: Executive Director William Wampler and Dr. Leanna Blevins presented information on NCI recent and future activities and future educational plans in working with Patrick Henry Community College and K-12 students. A six minute video was shown to the audience and it was noted this was a segment of a 30 minute video being produced. Information was also provided regarding potential effect of budget cuts from the state funds.

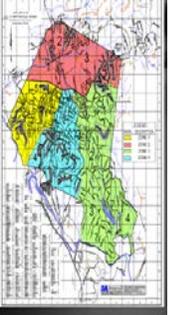
Addendum regarding refund resulting from amended bank franchise tax returns: Ruth Easley provided the following information: In August 2014, the Virginia Department of Taxation notified Virginia Commissioners of the Revenue that a local bank had amended their 2010, 2011 and 2012 Virginia Bank Franchise Tax returns and had requested a rather sizable refund based on the amended returns. The Virginia Department of Taxation audited the returns and reduced the amount of the refund. Local bank franchise tax is calculated on a percentage of the Virginia bank franchise tax. Affected localities were made aware of the amended returns and their allocated percentage of the refund. The bank had hoped to reach an agreement with all localities regarding interest calculation on the refund, but were advised by the Virginia Department of Taxation that the interest calculation from the localities would have to be agreed upon individually as each locality has differing ordinances that address the interest calculation. The Department of Taxation could not enter into an agreement on behalf of any Virginia locality. The City of Martinsville's Bank Franchise Tax does not require interest calculation on late payments of the bank franchise tax. Consequently, interest would not be paid on any refunds of this tax. The City's allocated portion of the refund for all years is \$13,090. 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 City Council must authorize the City Treasurer to issue the refund. City Council was briefed on the refund situation in a previous closed session meeting. On a motion by Gene Teague, seconded by Danny Turner, with a 4-0 vote, Council authorized the City Manager to sign refund payment agreement and authorize City Treasurer to issue refund to the bank on or before December 31, 2014 with no calculated interest.

Addendum authorizing refund plus interest regarding a Business Personal Property Assessment: Ruth Easley provided the following information: The Commissioner of the Revenue's office recently had a business appeal the assessment of their business personal property for tax years 2011, 2012 and 2013. The business had not been providing an itemized listing for each of these years and consequently they were statutorily assessed, and the assessment was paid. The business finally questioned the assessment this past spring when the COR's office returned an incomplete itemization to them and advised they would be statutorily assessed again in the absence of a complete listing. The requested itemization had been requested multiple times in prior years and the business failed to provide one. The business eventually appealed the assessment and a walk-through audit was conducted that resulted in clean itemizations for the years in question as well as going forward. 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, City Council must authorize the City Treasurer to issue the refund. On a motion by Sharon Brooks Hodge, seconded by Danny Turner, with a 4-0 vote, Council authorized the City Treasurer to issue refund of \$7,129.41 plus calculated interest to a city business for overpayment of taxes for the years noted.

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and concerns, but no scientific evidence that cell phone towers are definitely linked to cancer or any other health problems. Current scientific research does not provide clear evidence that the low levels of radiofrequency (RF) radiation from cell phone towers increases the risk of cancer or other health effects. RF exposures to those living near cell phone towers are well below federal safety limits. Research is ongoing to ensure that a current safety standard for RF radiation from cell phone towers is adequately protective of public health.” Dr. Hershey also addressed questions about community preparedness regarding Ebola.

Police Department update: Police Chief gave the update along with several other police department employees. The following information was presented:

<p>“The most important piece of modern day policing is having a mechanism for citizens to build relationships with officers for information sharing and problem solving.” Chief Sean L. Dunn</p>	<h3>Community Policing Goals</h3> <p>Partner with the community to work through quality of life issues, including broken windows, and send a strong signal to criminal elements that the community does care. Restore sense of pride and order in neighborhoods. Ensure police are also working on Traditional Law Enforcement issues that are important to the community. Increased citizen satisfaction with the police and city government.</p> 	<h3>Broken Windows Theory</h3> <p>Simply states an abandoned building with a broken window signals a careless attitude towards property and therefore an absence of respect for the law. The “broken window” is the first step in a neighborhoods deterioration and as time goes on there will be other signs of abandonment and decay...more broken windows, more trash, more overgrown weeds and ultimately more disorder. Broken windows demonstrate to the community that no one cares and criminal elements will be more emboldened in areas they feel no one cares about.</p>
<h3>Recent strategies that have positioned us to move forward!</h3> <ul style="list-style-type: none">• Power Shift – Dedicated proactive officers, extra personnel between 5-10 p.m.• Ghost Vehicles – Low cost initiative that raises presence while keeping officers in the field.• Administrative Officers Deployed to the Field – i.e. Uptown, schools, etc... keeps officers in our neighborhoods.• Expanded Special Investigation Division Personnel – by 2 investigators, 1 of which is long term training assignment• Expanded Investigations Hours – Criminal Investigators and Special Investigators are working evening shift. This increases field coverage by 2 officers after 5pm.	<h3>Recent strategies that have positioned us to move forward cont.</h3> <p>Rebalancing of shifts – Taking place in January 2015 to ensure each shift has an equal amount of skills & experience. Marketing Committee – This addition has helped us increase communications with the citizens of Martinsville. Increased Police Presence in and partnership with our Schools – In addition to the School Resource Officers, other officers are seen in the schools to remind students and employees of their safety. Officers attending Neighborhood Watch and Town Hall meetings to ensure concerns are being addressed. Working Closely with all other City Departments to include but not limited to Martinsville City: Sheriff's Office, Public Works, Inspections, Engineering, and the Fire Department.</p>	<h3>Training</h3>  <p>Community Policing Training – Sworn and Civilian Staff. Crisis Intervention Training – This training helps officers work with citizens who are having emotional crisis or mental illness issues that would typically be handled in the Criminal Justice System. Enhanced Patrol Techniques – Criminal Investigations, Drug Interdiction, Officer Safety, Gang Awareness, etc. Inspections Cross Training – we are now able to assist inspections with property maintenance issues and plan on expanding this training to every member of the department in the near future.</p>
<p>We have established a committee which was chaired by Captain Marshall Thomas and is comprised of all ranks, including a civilian employee. They have created a community policing concept that we think is most suitable for our city. We wanted city wide coverage so every community, neighborhood, business, religious organization and agency has a single point of contact for the police department. The city has been geographically divided into 20 distinct and manageable areas. Each patrol officer was given the opportunity to select his or her area.</p> 	<h3>Implementation</h3> <p>We are planning to kick off the Community Policing effort by introducing the first Neighborhood Resource Officer (NRO) on November 3 in the community, Zone 4 Area 6, consisting of Rivermont Heights, South Memorial Blvd., Starling Ave., Forest Lake Dr. and Rives Rd. This specific area will be assigned to NRO Chris Bell, as he requested this area. November 10 NRO Ben Peters will begin introducing himself to the second area, Zone 4 Area 4, consisting of Askin St., Park St., South Memorial Blvd., DuPont Rd., Clift St., Forest St. and Smith Lake Rd. Once again, he requested this area. We will be going door to door handing out business cards with the officers cell phone number during the week. NRO Chris Bell and Ben Peters will continue to work their patrol assignment but will focus on their NRO areas when they have time. Power Shift, Criminal Investigations, Special Investigations, and other city departments will be a resource for each NRO.</p>	<h3>What citizens will experience:</h3>  <ul style="list-style-type: none">• More responsive and friendlier policing.• A familiar officer out of their vehicle in your neighborhood knocking on your door asking you about community concerns.• An officer speaking with kids and residents more frequently.
<p>The Implementation that we have just discussed will be the blueprint on how we move into every area of the city. During this time we will also expand partnerships with the police and other agencies. The true success of Community Policing happens when citizens and police partner together as a team. Without citizen involvement, we are back to traditional reactive policing instead of being proactive in our communities.</p>	<h3>The police department belongs to the community. We want to ensure we are doing our best to serve you!</h3> 	<h3>Stay Up to Date</h3> <p>http://www.martinsvillepolice.org/ https://www.facebook.com/MartinsvillePD https://twitter.com/PDMartinsville</p> <p>facebook.com/MartinsvillePD</p>

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Authorization expenditures for assessment software: Mr. Towarnicki reported the following information: Replacement/upgrade of the real estate assessment program (software & hardware) was funded at approximately half of the full cost in the FY15 budget, with plans to fund the remaining amount in FY16. Timing on purchase and implementation is intended to occur in such a manner so as to best fit with the COR's office work schedule and to allow funds from both FY15 and FY16 to cover the full cost when invoiced, as follows: Commissioner of the Revenue/Real Estate Assessment Program– Capital Reserve Fund – FY15 budget: \$55,000; FY16 will require a match of approximately \$55,000, with firm costs determined for the FY16 budget. The current CAMA (Computer Assisted Mass Appraisal) system has been in use since 1995 and due to technology advances since that time, the program is no longer efficient nor does it allow for hardware upgrades since the system is not compatible with new operating systems in newer generation computers. Henry County currently uses the same CAMA system as the City, and recently issued an RFP for replacing their system. The RFP included language that allowed “piggybacking” on their RFP. The County selected a vendor and has started their conversion to a new system and after evaluating various options and products, the City COR's office plans on using the same vendor and system for the City, and desires to move forward with that project now. Given that purchase will require partial funding from a not-yet-approved FY16 budget, the City's auditing firm has suggested that approval be with the understanding of the required commitment of funds by Council in FY16. A motion was made by Gene Teague, seconded by Danny Turner, with a 4-0 vote; to grant approval to staff to proceed with the understanding the balance of funds required will be included in the FY16 budget.

Staff report on zoning ordinance update: Wayne Knox briefed Council with the following information: The update of our existing zoning ordinance is well underway. You may recall, this effort is being done and funded in consecutive fiscal years. The progress thus far includes the following:

Phase #1

- Stormwater management regulations
- Rewrite of residential, business and manufacturing district regulations
- Update districts and boundaries (I), Updated definitions section (II), Site development standards & regulations (IV), General dimensions (V), Nonconformity (VI), Special use procedures (VII), Changes and amendments (XX), other miscellaneous sections.

Material has been reviewed by staff and still needs to be presented to the Planning Commission.

Phase #2

- Update comprehensive zoning map, official map, and overlay districts
- Streetscape and transportation design guidelines
- Residential neighborhood design guidelines
- Business and commercial neighborhood design guidelines

Updating of Subdivision ordinance still to be done in next fiscal year.

City Legislative Agenda 2015: Eric Monday briefed Council on the Legislative Agenda and suggested changes. Council members gave feedback on additions for 2015 Legislative Agenda and Mr. Monday will draft a revised copy for Council approval at next meeting.

Business from Floor: Ural Harris, 217 Stuart St.—concerns regarding electric questions needing response, revenue sharing with the Patriot Centre and pointed out EDC analysis of revenue sharing should be

October 28, 2014

reported in January. Wayne Knox reported the CEDS list was distributed to Council for review and further action will be taken at November 11 Council meeting.

Council comments: Turner-reported ribbon cutting to be held at Snows Sandwich Shop and a Memorial Tree to be planted for Harry Oakes family. Hodge-reported she has received emails regarding the cell tower issue and she had spoken with Dr. Hershey at the Health Department and feels we should give weight to the public health official's opinion. She also encouraged all to vote on Tuesday. Teague-reported Council Member Stroud is home from hospital and expressed condolences to Cooper family in their loss.

City Manager comments: reported the Veteran of the Year Award to be presented Sunday, November 9; City Council will be held as scheduled on Tuesday, November 11, 2014, which is Veterans Day; General Dennis Via will be in the area on November 10 for an event at PHCC on Tuesday morning.

There being no further business, the meeting adjourned at 10:05 pm.

Brenda Prillaman
Clerk of Council

Kim Adkins
Mayor

Meeting Date: January 13, 2015

Item No: 2.

Department: City Manager

Issue: Consider recognition of the Magna Vista High School football team for winning the State Group 3A High School Football Championship.

Summary: On Saturday, December 13, 2014 Magna Vista High School won the Virginia High School League Group 3A State Football Championship, defeating Lafayette High School 25 – 19 in the championship game played at Liberty University in Lynchburg. The win capped off a 14 – 1 season with the school’s first state championship.

Members of the school/coaching staff and players have been invited to Council’s meeting to be recognized for this outstanding accomplishment.

Attachments: none

Recommendations: No action needed

Meeting Date: January 13, 2015

Item No: 3.

Department: Fire/EMS

Issue: Recognition of Assistant Fire Chief Rodney Dan Howell, II as an Executive Fire Officer

Summary: Assistant Chief Howell has completed a four year program at the National Fire Academy and tonight is being awarded his Executive Fire Officer Program certificate.

The Executive Fire Officer Program (EFOP) is an initiative of the United States Fire Administration/National Fire academy designed to provide officers in key leadership roles with:

- An understanding of:
 - the need to transform fire and emergency services organizations from being reactive to proactive; with an emphasis on leadership development, prevention, and risk reduction.
 - transforming fire and emergency services organizations to reflect the diversity of America's communities;
 - the value of research and its application to the profession; and
 - the value of lifelong learning.
- Enhanced executive-level knowledge, skills, and abilities necessary to lead these transformations, conduct research, and engage in lifelong learning.

The officers enhance their professional development through a unique series of 4 graduate and upper-division-baccalaureate equivalent courses spanning a 4-year period with 4 core courses. Each course is 2 weeks in length.

To graduate from the EFOP, participants must write and submit a graduate-level Applied Research Project (ARP) that relates to their organization after each course. Each ARP is highly scrutinized and graded by an external evaluator. The ARP must be completed within 6 months from the end of each EFOP class and must receive a minimum passing score before the student can take the next class in the series. Only after all 4 classes have been completed and all 4 ARP's have received passing grades is the EFOP certificate awarded to a student. To date, Chief Howell is the fourth Martinsville Fire & EMS employee to complete the Executive Fire Officer Program. Former Fire Chief and City Manager Clarence Monday, Deputy Chief Kris Shrader, and Fire Chief Kenneth Draper have also completed this program and all of our Chief Officers in the department are currently enrolled in the program.

Recommendations: For information.



City Council Agenda Summary

Meeting Date: January 13, 2015

Item No: 4.

Department: City Manager

Issue: Consider recognition Ginny Wray and Mike Wray of the Martinsville Bulletin.

Summary: City Council will honor Ginny and Mike Wray on the occasion of their retirement from the Martinsville Bulletin.

Attachments: Proclamation

Recommendations: No action needed



Proclamation

HONORING GINNY AND MIKE WRAY

WHEREAS, Ginny and Mike Wray are retiring from the Martinsville Bulletin, bringing to an end two distinguished careers in journalism that have spanned more than 43 years; and

WHEREAS, Ginny Wray has worked for the Martinsville Bulletin since 1974, fulfilling positions of Accent Editor, Writer, News Editor, City Editor, Design Editor, and Managing Editor; and

WHEREAS, Mike Wray has worked for the Martinsville Bulletin since 1971, fulfilling positions of Photographer and Lead Photographer; and

WHEREAS, in their official duties, Ginny and Mike Wray were guided by a keen sense of duty and their responsibility to their readers and their community; and

WHEREAS, Ginny and Mike Wray mentored many young reporters and photographers, molding them into high-quality journalists whose skills have greatly benefited numerous other organizations across this community and beyond; and

WHEREAS, Ginny and Mike Wray rendered faithful, conscientious and valuable service to the Martinsville Bulletin and the City of Martinsville as the storytellers of this community for the past 43 years; and

NOW, THEREFORE, BE IT RESOLVED, on this 13th day of January 2015, that the Martinsville City Council recognizes and commends Ginny and Mike Wray for their extraordinary contributions to our community and extend to them our best wishes for every future endeavor.

Danny Turner, Mayor



City Council Agenda Summary

Meeting Date: January 13, 2015

Item No: 5.

Department: City Manager

Issue: Hear an update from Goodwill Industries regarding activities and programs.

Summary: Misty Adams, Donated Goods Events Coordinator, will give this update.

Attachments: None

Recommendations: No action required

Meeting Date: January 13, 2015

Item No: 6.

Department: Police

Issue: Hear an update from Animal Control Officer E. C. Stone regarding animal control policies and procedures.

Summary: Animal Control Officer E. C. Stone will provide this update.

Attachments: None

Recommendations: No action required



City Council Agenda Summary

Meeting Date: January 13, 2015

Item No: 7.

Department: Human Resources

Issue: Hear an update from Human Resources regarding diversity hiring.

Summary: Human Resources Director Dave Brahmstadt will give this update and provide information at the meeting.

Attachments: None

Recommendations: This is being presented for Council's information. No action necessary.

Meeting Date: January 13, 2015

Item No: 8.

Department: Community Development

Issue: Consider approval of required pre-contract documents regarding Northside Comprehensive Community Development grant.

Summary: As in all CDBG revitalization projects, documentation is the life blood of its existence. In this instance, a resolution authorizing the contract documents starts the clock ticking on this 24-month endeavor. The program design is probably the most important document to review as it details the process and procedures by which this project will function. The documents for executing the contract for the official start of the Northside Neighborhood Comprehensive Community Development project are included in the City Council packet.

Attachments: City Council Resolution
Housing Rehabilitation Program Design
Program Income Plan
Members and Bylaws of the Oversight Board

Recommendations: Motion to approve all four contract documents to authorize City Manager to execute required contract for Northside neighborhood Comprehensive Community Development Project–CIG #14–13.

RESOLUTION

**APPROVING THE GOVERNING DOCUMENTS AND AUTHORIZING
THE EXECUTION OF ALL NECESSARY CONTRACT DOCUMENTS
FOR THE NORTHSIDE NEIGHBORHOOD COMPREHENSIVE COMMUNITY
DEVELOPMENT PROJECT**

WHEREAS, the City applied for and has been awarded a FY 2014 Community Development Block Grant-funded Community Improvement Grant in the amount of \$943,904.00 from the Virginia Department of Housing and Community Development (VDHCD) to undertake a neighborhood revitalization project in the Northside Neighborhood Project Area as defined by the grant application; and

WHEREAS, VDHCD has entered into negotiations with the City of Martinsville regarding a contract for a Northside Neighborhood Comprehensive Community Development Project grant award of \$943,904.00 as CIG Project #14-13;

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Martinsville, Virginia that:

1. The City of Martinsville hereby approves the following documents that will govern the Northside Neighborhood Comprehensive Community Development Revitalization Project:
 - a. Members and Bylaws of the Oversight Board, Northside Neighborhood Comprehensive Community Development Project, including the appointment of the members indicated therein.
 - b. Program Design, Northside Neighborhood Comprehensive Community Development Project.
 - c. Program Income Plan, Northside Neighborhood Comprehensive Community Development Project.
2. The City hereby authorizes the City Manager, the City's chief administrative official, to execute all contracts and other documents necessary for the implementation of the Northside Neighborhood Comprehensive Community Development Project including the pending contract with VDHCD for the grant award and separate contracts with the previously procured Grant Management Consulting firm, Community Planning Partners, and a Housing Rehabilitation Specialist being currently procured, each contract to be in the amount included in the previously approved Northside Neighborhood Comprehensive Community Development Project.

DATE:

City of Martinsville

ATTEST:

Danny Turner, Mayor

Brenda Prillaman, Clerk of Council

**NORTHSIDE
COMPREHENSIVE COMMUNITY
DEVELOPMENT PROJECT
CIG #14-13**

HOUSING REHABILITATION
PROGRAM DESIGN
CITY OF MARTINSVILLE, VIRGINIA

ADOPTED BY CITY COUNCIL
JANUARY 13, 2015

ASSISTANCE PROVIDED BY:
COMMUNITY PLANNING PARTNERS, INC.

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SECTION 1: PROGRAM ADMINISTRATION

PROGRAM OBJECTIVE

The overall objective of this program is to provide decent, safe, sanitary, and affordable housing in a suitable neighborhood living environment for the residents of the Northside Project Area.

The objective of **Housing Rehabilitation** is to provide financial and technical assistance to qualified residents and property owners, who are not financially able to resolve their housing deficiencies, to repair and maintain their homes to ensure lasting benefits for at least ten years. The Northside Comprehensive Community Development Project will target seven (7) owner-occupied homes for housing rehabilitation and three (3) owner-occupied homes for substantial reconstruction.

The objective of **Homeownership Creation** is to provide financial and technical assistance to qualified homebuyers who are capable and qualified for homeownership but need assistance to complete the purchase of the home. The Northside Comprehensive Community Development Project will target five (5) vacant units for homeownership creation of which three (3) will be acquired and rehabilitated and two (2) will be acquired, demolished, and replaced with new construction.

PROGRAM GUIDELINES

The Housing Rehabilitation Program for the Northside Neighborhood Comprehensive Community Development Project will operate according to written guidelines which will be established as local policies and procedures for the implementation of housing improvements as adopted by the Northside Neighborhood Comprehensive Community Development Project Management Team and Housing Rehabilitation Oversight Board. The adopted program standards will apply equally to each program applicant.

ELIGIBLE AREA

The project service area encompasses residential properties the designated Northside Comprehensive Community Development Project Area (see Appendix A: Project Area Map).

HOUSING OVERSIGHT BOARD

The Housing Rehabilitation Program will also be overseen by a Northside Comprehensive Community Development Project Oversight Board (Oversight Board) whose duties are outlined on page 14 of this Program Design. The members and bylaws of the Oversight Board are delineated in the separate document, "Members and Bylaws of the Housing Rehabilitation Oversight Board," subject to City Council approval.

HOUSING REHABILITATION PROGRAM STAFF

The Housing Rehabilitation and Production Program will be implemented by the following positions who will serve on a Project Management Team along with others who have

responsibilities for other components of Northside Comprehensive Community Development Project:

Grant Administrator & Certifying Officer – Mr. Leon Towarnicki, City Manager, is designated as the CDBG Grant Administrator and will be responsible for the overall implementation and management of the project. He is responsible for processing all contracts and other items requiring City Council approval. All positions involved in the project will report directly to the Grant Administrator and the Grant Administrator will receive and process complaints. Mr. Towarnicki will also serve as the Certifying Officer responsible for signing all documents of compliance for DHCD reporting and monitoring requirements.

Project Manager – Mr. Wayne Knox, Director of Community Development, will serve as the Project Manager responsible for general oversight of all project activities. He will lead the Project Management Team and Oversight Board. He will prepare and approve all receiving reports to be forwarded with appropriate invoices and other documentation to the Finance Director for payment. Mr. Knox will oversee the Project Engineer and provide general oversight to the planning and construction of water, drainage, and roadway improvements implemented as a part of this project.

Project Coordinator of Infrastructure – Mr. Jeff Joyce, Director of Public Works, will serve as the Project Coordinator responsible for general oversight of all project activities with specific responsibilities related to the infrastructure improvements to be implemented as a part of the project.

Assistant Coordinator of Infrastructure - Mr. Weldon Reynolds, GIS Coordinator for the City of Martinsville, will provide assistance with managing the implementation of infrastructure improvements.

Project Engineer – Mr. Chris Morris will serve as the Project Engineer and will coordinate development of the engineering plans and specifications for the drainage system improvements and other associated improvements implemented as a part of this project, assist in the bidding process for these projects, monitor progress and do inspections of the improvements, and certify pay requests to contractors and sub-contractors based on work progress.

Project Support – Leah Manning, Deputy Director and Economic Development Planner for the West Piedmont Planning District Commission will serve as a technical assistance resource for the Management Team. Ms. Manning is familiar with CDBG program policies and procedures and will provide a regional perspective to the project.

Homeownership Creation Support – Ms. Cecil Lowe, Housing Coordinator Martinsville Redevelopment and Housing Authority, will assist in the outreach, identification, and preparation of Qualified Homebuyers to fill the two rehabilitated and three new construction units. Ms. Lowe is a Certified Housing Counselor.

Housing Intake Counselor – Ms. Kelly Hall will coordinate all housing intake activities. She will be responsible for distributing information about the CDBG-funded Housing Rehabilitation Program, coordinating the solicitation of applications and assisting property owners in the completion and submission of Housing Rehabilitation Program applications and soliciting the initial data and other information needed for income verification.

Housing Rehabilitation Specialist – Mr. Earl Howerton of Southside Outreach Group will serve as the project’s Housing Rehabilitation Specialist. He will be responsible for developing and maintaining a list of pre-qualified contractors in coordination with the Oversight Board and Project Managers. He will serve as the liaison with participating residential property owners and residents and rehabilitation contractors. He will be responsible for monitoring the quality, cost, and HQS requirements of the housing rehabilitation activities. Mr. Earl Howerton will serve as the Lead Risk Assessor and will be responsible for ensuring “lead safe work practices” are followed by all project contractors/sub-contractors and for Lead-based Paint Clearance Testing. Mr. Earl Horton will also conduct the pre- and post-rehabilitation blower door tests.

Initial duties for each home to be rehabilitated include initial HQS inspections, blower door testing, lead-based paint notifications/approvals, work write-ups, and cost estimates. Mr. Earl Howerton will review the completed work write-up and the regulatory requirements with the property owner and tenant, if an investor-owned property. He will secure a signature from the property owner indicating approval of the proposed improvements. This shall be done prior to bidding the job.

Mr. Earl Howerton will prepare master specifications and necessary support materials, bid packages (both rehabilitation and substantial reconstruction); distribute the bid packages to the list of pre-qualified project contractors; conduct pre-bid and pre-construction conferences and walk-throughs; issue any addenda to the bid package; review and make recommendations for contract award, price negotiations, and any necessary change orders (with approvals as outlined in the Northside Neighborhood Comprehensive Community Development Project Program Design); monitor the work as it progresses to insure that specifications are met; and approve pay requests for all rehabilitation contractors.

Mr. Earl Howerton will serve in a support role to the City Building Inspector for intermittent and final inspections to monitor rehabilitation work and close-out of individual projects including certification that HQS violations have been alleviated. Mr. Earl Howerton is responsible for certifying that all work has been completed in compliance with work write-ups, construction plans, and other program requirements before progress and final payments can be made to project contractors.

City Building Inspector – Mr. Teddy Anderson, Building Inspector for the City of Martinsville, is responsible for issuing building permits for rehabilitation and substantial reconstruction projects and demolition permits as required for substantial rehabilitations and other property clearance activities.

Mr. Anderson is responsible for intermittent and final inspections to monitor rehabilitation work and close-out of individual projects including certification that all property maintenance code/building code requirements have been fulfilled. He is responsible for issuing certifications of completion/certificates of occupancy for all housing rehabilitation projects.

Mr. Anderson is also responsible for inspecting properties designated as relocation resources if they are needed to determine if they are decent, safe, and sanitary dwellings.

Finance Director/Loan Officer – Linda Conover, Finance Director for the City of Martinsville, will be responsible for managing the overall financial records for the project. Ms. Conover and her staff will be responsible for the day-to-day accounting activities including receiving and

assisting with payment of all invoices properly approved and forwarded by the Project Manager; ensuring the proper entry of all payments and receipts in the City's accounts and general ledger; tracking all loans and loan repayments generated by the project; and preparing a project financial report (monthly, bi-monthly, or quarterly as needed) for meetings of the Project Management Team.

Assistant Finance Director/Loan Officer – Ms. Mary Prillaman, Budget Analyst for the City of Martinsville, will assist Ms. Linda Conover with managing the overall financial records for the project including tracking all loans and loan repayments.

Neighborhood Sparkplug – Ms. Rhonda Murray, resident of the project area, will serve as the neighborhood representatives for the project. As an active member of the community, the Neighborhood Sparkplug will assist with resident interface, information gathering, and project morale. Ms. Murray understands the intent and content of the project and will be vital in assuring that all project area residents fully understand the program. Ms. Murray is a potential beneficiary of the project and therefore will not serve on the Housing Oversight Board.

Management Consultant – Ms. Kelly Hall, Project Manager, Community Planning Partners, Inc., will provide technical assistance services in the implementation of the project. This will include assisting the Project Manager and Project Specialists with day-to-day grant administration in compliance with DHCD requirements.

She will assist in all aspects of the project including, but not limited to, preparing for monthly meetings of the Project Management Team and Oversight Board, CDBG file maintenance, submitting reports to DHCD as needed, project marketing to neighborhood residents eligible for participation, application intake and verification, necessary acquisitions and any relocations in keeping with the Uniform Relocation Act, Labor Compliance records, compliance reviews, and project close-out.

Additionally, Ms. Hall will prepare Eligibility Verification & Certification of income level and LMI status of owner-occupants and tenants as required for completing the Housing Rehabilitation Program application and will oversee the preparation of the final "applicant package" for presentation to the Oversight Board for approval. She will also coordinate the preparation of loan closing documents and construction contract(s) with City staff and the City Attorney for the Housing Rehabilitation Program.

Ms. Hall will assist with tracking CDBG, City, and other expenditures in a manner consistent with DHCD policies; provide a periodic tracking report for DHCD and City purposes; prepare all drawdown requests and drawdown support materials; prepare any budget revisions; and generally monitor project finances offering suggestions and adjustments necessary to keep the project finances in order.

Liaison to City Council – The Honorable Danny Turner, Mayor of the City of Martinsville, will serve as liaison to the City Council. As such, it is anticipated that Mr. Turner will only occasionally attend meetings of the Project Management Team, but will be kept fully informed of project progress through regular updates by the Grant Administrator.

Consulting Attorney – Mr. Eric Monday, the City's contracted legal counsel, will serve in a consulting capacity reviewing all contract and loan document templates to be utilized in the

Housing Rehabilitation Program for appropriateness and accuracy and providing other legal services as deemed appropriate by the Grant Administrator and Certifying Officer. As such, it is not anticipated that Mr. Monday will attend meetings of the Project Management Team.

SECTION 2: HOUSING REHABILITATION

ELIGIBILITY FOR ASSISTANCE

Each applicant must reside or own property located within the boundaries of the Northside Neighborhood Comprehensive Community Development Project Area in order to apply for financial assistance for rehabilitation. The eligibility of an applicant is based on the beneficiary household's income, individual's term of residency or ownership of the property, rent affordability and feasibility of the property to be rehabilitated. The City of Martinsville will consider all eligible LMI applicants without regard to race, religion, sex, national origin, age, familial status, or disability. The program will not benefit moderate-income persons to the exclusion of low-income persons.

All procedures will be applied in a uniform manner. All owner-occupants and tenants will be asked for information on race, sex, national origin, age, familial status, and disability. The following eligibility considerations will be used to determine participants:

A. Income Eligibility

Households are eligible to participate in the housing rehabilitation program if they meet certain low- to moderate-income standards. LMI income standards are defined as:

1. 80% of median family income for the area based on family size for Community Development Block Grant (CDBG) funds:

Number of Persons in Household	Maximum Income*
1	\$29,300
2	\$33,500
3	\$37,700
4	\$41,850
5	\$45,200
6	\$48,550
7	\$51,900
8	\$55,250

* FY 2014 DHCD Income Limits (Henry County & Martinsville City)

For the purpose of this program, annual income is defined as all income from any source during the 12-month period prior to the application date or the date of annual re-examination for any person residing in the applicant property.

Income inclusions are: wages and salaries, overtime pay, commissions, fees, tips, and bonuses; paid alimony, child support and regular contributions or gifts received from persons not residing in the dwelling; interest and dividends; periodic payments from social security, SSI

benefit, annuities, insurance policies, retirement funds, pensions, lotteries, unemployment, workers compensation and severance pay, food stamps (SNAP), Temporary Assistance for Needy Families (TANF), and other sources of public assistance.

Income exclusions are: income from employment of children under the age of 18 years, foster care payments, medical reimbursements, income of live-in aid, student financial assistance paid directly to the student or educational institution, hostile fire pay, qualified training payments, temporary, nonrecurring or sporadic income, disabled PASS, temporary, non-recurring gifts, and housing assistance payments.

Additionally, eligible households must not possess liquid assets in excess of certain limits:

1. Both checking and savings bank accounts and liquid asset accounts will be verified to determine if applicant exceeds maximum cash assets of \$35,000. Applicants who have in excess of \$35,000 in net cash assets, but do meet the LMI Income Limits for City of Martinsville, will be ineligible for rehabilitation assistance, thereby permitting the structure to be rehabilitated without CDBG assistance.
2. Ten percent (10%) of net assets or actual interest earned, whichever is greater, shall be added to the annual gross income of household in determining eligibility.

B. Property Eligibility

Eligible properties include structures "Suitable for Rehabilitation" and structures "Unsuitable for Rehabilitation" (Substantial Reconstruction). Housing units in the Northside Neighborhood Comprehensive Community Development Project will be rehabilitated or substantially reconstructed with CDBG funds.

Properties defined as "Suitable for Rehabilitation" are not substandard or deteriorated beyond the point that they cannot be brought up to DHCD/HUD Housing Quality Standards (HQS) within the maximum allowable \$25,000 in CDBG financial assistance available under this program supplemented with additional financing provided by the property owner in order to make up the deficit between the CDBG maximum assistance level and the amount required to accept the lowest responsible bid or complete the rehabilitation. Up to \$45,000 in funding can be made available under certain conditions as defined under Financial Assistance Available.

Properties defined as "Unsuitable for Rehabilitation" or "Substantial Reconstruction" are defined as substandard units in such poor condition that it is not structurally or financially feasible to rehabilitate to HQS within the CDBG allowable per unit costs plus exceptions. Housing units "Unsuitable for Rehabilitation" also include units to be razed within the Project Area to remove deleterious use and blight. "Unsuitable for Rehabilitation" is further defined as a residential structure which has major structural conditions due to inadequate original construction or has failing foundation, floor, wall, ceiling, roof and exterior systems. The Housing Rehabilitation Specialist will document specific conditions and make a determination that more than 50 percent of the structure must be demolished in order to comply with HQS.

If identified as bid alternates, exceptions to the base construction cost limit may be granted by DHCD for the items listed below. Demolition costs are a separate, stand alone budget item, allowable for substantial rehabilitation projects only, and must be reasonable in cost as determined by the Housing Rehabilitation Specialist and DHCD. Following is a list of possible exceptions:

1. Bathrooms;
2. Water and/or sewer connections;
3. Accessibility improvements for elderly or disabled persons;
4. Provisions of one or more additional bedrooms to relieve overcrowding or other changes to the footprint of the house as needed;
5. Flood proofing including house elevations; the elevation and relocation of utilities; the addition of sump pumps with back-up generators; and the reinforcement of basement doors and dry flood proofing methods as appropriate with the City's building code;
6. Removal and disposal of asbestos;
7. Actual lab costs for evaluation of lead tests;
8. Soil evaluations; and
9. Property surveys.

Assistance will not be available to travel trailers or properties determined by the Housing Rehabilitation Specialist to be squatter shacks whereby residency has been established haphazardly and posthaste in order to take advantage of this financial assistance. In order to receive assistance the dwelling must be a year-round residential unit.

Debris removal is a pre-construction requirement to participate in the housing rehabilitation program. Property owners will be required to clear the exterior and interior rehabilitation site of all identified trash, debris, and inoperable vehicles prior to receiving rehabilitation assistance. If the owner is elderly or handicapped and cannot physically clear the property or arrange for the removal of the debris, the work will be added to the rehabilitation work write-up and included as part of the contractors' bid package and the subsequent lien on the property.

C. Ownership Eligibility of Owner-Occupied Structures

The housing rehabilitation program is available to single-family, owner-occupied structures within the target area. The applicant must legally own the property and maintain it as his/her principal residence. A principle residence is defined for purposes of this program as the housing unit in which the individual lives nine (9) months out of the year. Owner-occupants are required to maintain all-hazard insurance coverage to replace or repair the rehabilitated unit should there be a fire or other disaster. For residential units in the 100-year flood plain, insurance coverage must include flood insurance.

Eligibility as an owner will be verified by conducting a Title Search upon submission of the application with Income Eligibility confirmed by the Management Consultant and Oversight Board prior to property inspection and the completion of a work write-up. Owner income eligibility will be re-verified during the loan period on an annual basis or if the Oversight Board has sufficient cause such as missed loan payments.

The owner-occupant will be required to sign an agreement with the City specifying he/she will abide by the terms of the program during the loan period. During the term of the loan it is the responsibility of the owner-occupant, his/her heirs or the executor of the estate to notify the

Oversight Board immediately if ownership of the property changes or if the structure is no longer the principal residence of the applicant.

D. Ownership Eligibility of Investor-Owned Structures

The rehabilitation program funded via CDBG is available to investor-owned single-family and duplex structures within the target area. Investor-owners of properties in need of rehabilitation will qualify regardless of the investor-owner's income.

The rehabilitated properties must be rented to low- and moderate-income occupants, as defined by current DHCD LMI guidelines within three (3) months of completed rehabilitation. Extensions may be granted if the Housing Oversight Board is furnished sufficient evidence documenting good faith efforts to rent the property were initiated upon property availability and are on going. Displacement of an existing tenant not meeting the income standards by the investor-owner will not be allowed to make his property eligible for participation in the rehabilitation program. A landlord is prohibited from charging a tenant more than 35 percent of his or her adjusted annual income for rent and utilities for a structure assisted under this program. Investor-owners will be prohibited from unduly raising their rents. An annual percentage increase will be reviewed by the Housing Oversight Board and allowed for documented increased costs related to taxes and insurance as long as the rent plus utilities does not exceed more than 35 percent of the LMI tenant's adjusted gross annual income.

Eligibility as an investor-owner will be verified by conducting a Title Search upon submission of the application with the Income Eligibility of the tenant confirmed by the Assistant Project Manager and Oversight Board prior to property inspection and the completion of a work write-up. Tenant Income Eligibility will be re-verified during the loan period on an annual basis or if the Oversight Board has sufficient cause for investigation.

The investor-owner will be required to sign an agreement with the City specifying he will abide by these rent controls for the term of any lease signed during the loan period. Investor-owners are required to maintain the property to HQS, to provide income eligibility documentation, and to maintain all-hazard insurance coverage to replace or repair the rehabilitated unit should there be a fire or other disaster. For residential units in the 100-year flood plain, insurance coverage must include flood insurance. Rental properties which become vacant during the loan term must be rented within three (3) months of vacancy to a qualified tenant or the loan will be due and payable. Extensions may be granted if the Oversight Board is furnished sufficient evidence documenting good faith efforts to rent the property were initiated upon property availability and are on going. During the term of the loan it is the responsibility of the investor-owner to notify the Oversight Board (if still operating) or the City Manager when the unit becomes vacant and to submit an application and required documentation to verify income eligibility for the potential tenant. The City will solicit assume these duties after the Oversight Board and Management Consultant have completed their duties.

E. Heir Properties

Heirs of subject property are eligible to receive assistance provided they prove heirship and can document control over the property. In cases where ownership is clouded by questions of inheritance (heir properties), the following requirements are in effect:

1. A reasonable effort will be made to identify heirs and this effort will be documented. An effort will be made to contact each heir in writing to request transfer of their

interest to the beneficiary. The title will be recorded with City of Martinsville in the intended beneficiary's name or the landlord's name.

2. Where heirs are unknown or unable to be contacted, proof of control of the property for the previous three (3) years by the resident must be documented. Proof must include continued residence, payment of property taxes, payment of homeowner's insurance, and house payment by the resident
3. Where heirs or co-owners are known but unwilling to convey the property or it is undesirable to convey interest in the property to the intended beneficiary, a legally recorded Life Estate will be acceptable provided that the grantor(s) will execute an agreement to either (1) repay the outstanding balance upon death or removal of the resident or (2) agree to reside in the property and take over the obligation of the resident if the grantor(s) meets the program qualifications.
4. Properties held by occupants who have "life rights" to the property are eligible for program assistance if both the owner(s) of the property and the occupant who has the life rights sign the Deed of Trust. Should the individual who has the life rights cease to live in the property during the mandatory term of the loan, the owner(s) of the property must either buy-out the loan at full value, less what has been paid and/or forgiven, or find an eligible LMI occupant for the property.

F. Vacant Properties

CDBG funds may not be used to rehabilitate vacant properties unless the rehabilitated properties are sold or leased to low- and moderate-income occupants, as defined by current DHCD LMI guidelines, within three (3) months of completed rehabilitation and the eligible LMI tenant has agreed to maintain it as his/her principal residence. Extensions may be granted if the Oversight Board is furnished sufficient evidence documenting good faith efforts to rent the property were initiated upon property availability and are on going. Vacant structures are also eligible under the following conditions:

1. A consistent history of being occupied over the past five (5) years and been occupied six (6) months of the previous year to be eligible, or
2. Be available as a temporary relocation resource during the life of this rehabilitation program or a permanent relocation resource for any project area households, or
3. Owned by public body or non-profit community development group, or
4. In the process of being purchased by an LMI household as a primary residence.

During the term of the loan it is the responsibility of the investor-owner to notify the Oversight Board and/or City Manager when the unit becomes vacant and to submit an application and required documentation to verify income eligibility for the potential tenant.

FINANCIAL ASSISTANCE AVAILABLE

A. Owner-Occupied Housing Rehabilitation Assistance

If an eligible owner-occupant wishes to participate, the program will improve the property to

HQS expending no more than \$25,000 of CDBG funds (Basic Program Assistance). Up to \$20,000 of CDBG funds can be utilized beyond the base construction cost for exceptions such as: bathrooms; water and sewer connections; ramps and other accessibility features; additional bedrooms for large families; flood proofing; and asbestos removal and disposal. The property owner is required to provide any additional funds required to make up the deficit between the CDBG maximum assistance level made available (Basic plus exceptions) and the amount required to accept the lowest responsible bid. The property owner will be required to provide any required additional funds to the City for escrow prior to contract execution with the construction contractor. The amount of funds in escrow would reflect additional funds which exceed the CDBG maximum assistance level made available and which are required to meet lowest responsible bid or complete rehabilitation. If cost savings are incurred during the rehabilitation work, the program and the property owner would realize these savings proportionately.

Basic Program Assistance also provides for all necessary inspections; obtaining all necessary permits, inspections, authorizations, and certificates; bidding of the rehabilitation work; contract development with the selected contractor; processing of all contractor payments, and ensuring that all improvements have been made consistent with HQS and in accordance with program guidelines and requirements.

Under certain circumstances the maximum Basic Program Assistance for a single rehabilitation can be increased to \$35,000. If the Grantee tests for the presence of lead-based paint per DHCD regulations and all tested surfaces reveal no lead, or the Grantee has at least four (4) licensed lead abatement contractors who are qualified to bid on the job and one (1) of them was the successful bidder, or the unit was built after 1978 then the rehabilitation may be eligible for the increased maximum.

Eligible owner-occupants of the Northside Neighborhood Comprehensive Community Development Area interested in CDBG assistance will be provided a loan for a ten (10) year term at 0% interest. A lien must be recorded and tied to a promissory note requiring that the beneficiary make 120 monthly payments over ten (10) years. The lien can not be subordinated. The program will not require first lien position. There is no penalty for early payment of the lien.

Ability to Pay Determination. The amount the beneficiary pays will be determined by the Ability-to-Pay calculation. Homeowner beneficiaries will pay no more than 25% of their monthly income towards housing costs including current mortgage payments, insurance, real estate taxes, utilities, and any costs for the rehabilitation of the property. However, homeowner beneficiaries are subject to a \$25.00 per month minimum repayment for the length of the ten year term of the loan. This \$25.00 minimum monthly payment can exceed the 25% of monthly income threshold for housing costs.

The difference between what the beneficiary pays as determined by the Ability-to-Pay calculation and the actual amount of the amortized loan is forgiven each month. The forgivable term must run concurrent with the repayment period. The beneficiaries' Ability-to-Pay will be reviewed on an annual basis, or more frequently if requested by the beneficiary, and the monthly payment toward the loan payment adjusted accordingly (with the Deed of Trust Note similarly revised). Further:

1. Income counted toward the Ability-to-Pay is calculated on the aggregate gross household income of all occupants residing in the household who are 18 years of age or older utilizing a DHCD Ability-to-Pay worksheet.
2. Income of an occupant who is 18 years and under or is a full time student and is not the primary income recipient will not be counted toward the aggregate gross household income.
3. Lump sum payments will be deducted from gross income to determine adjusted gross income. Examples of lump sum payments are inheritances, insurance settlements, capital gains, one-time survivor benefits, insurance payments, etc.
4. Deductions from household income will be determined in accordance with the following guidelines:
 - a. \$480 for each dependent (under the age of 18 years of age; a fulltime student). A household head, spouse, foster child or live-in aid is not a dependent. A fulltime student is one carrying full time subject load (defined by the institution) at an institution with a degree or certificate program.
 - b. \$400 for any disabled or elderly household (age 62 years of age or older or a person with disabilities). Each household receives only one allowance even if both head and spouse are elderly.
 - c. Medical expenses in excess of 3% of gross annual income for disabled or elderly households.
5. Any missed monthly payment is deferred and becomes an account payable to the City of Martinsville. At the end of the ten year term of the loan, any remaining deferred payments constitute an outstanding debt obligation to the City of Martinsville. The Northside Neighborhood Oversight Board, if still operating, or the City Manager, if the Oversight Board is no longer functional, has the authority to renegotiate payment of the outstanding amount of deferred loans through extending the term of the loan, forgiving the balance in the event of extenuating circumstances, or through foreclosure.

B. Investor-Owner Housing Rehabilitation Assistance

If an investor-owner wishes to participate in the CDBG assistance, the program will improve the property to HQS expending no more than a maximum of \$25,000, exclusive of DHCD allowable exceptions not to exceed \$20,000. The property owner must provide any funds required to make up the deficit between the maximum CDBG assistance level and the amount required to accept the lowest responsible bid or complete the rehabilitation. The investor-owner may also be eligible for an increased maximum of \$35,000 under the circumstances previously outlined for lead-free rehabilitation. The landlord will contractually agree to rent the units to LMI tenants for a 10-year period. At the discretion of the Oversight Board (if still operating) or the City Manager, the 10-year period may be extended due to lengthy periods when the unit was not occupied by an eligible LMI household.

The property owner will be required to provide any required additional funds to the City for escrow prior to contract execution with the construction contractor. The amount of funds in escrow would reflect the additional funds which exceed the maximum CDBG assistance

amount and which are required to meet the lowest responsible bid or complete the rehabilitation, applicable City Codes, and additional funds required for change orders as deemed appropriate by the Housing Rehabilitation Specialist. If cost savings are incurred during the rehabilitation work, the program and the property owner would realize these savings proportionately.

Investor-owners of housing in the Northside Neighborhood Comprehensive Community Development Project Area interested in CDBG assistance will be provided a loan for a ten (10) year term at 0% interest with 1/120th of the principal portion of the loan forgiven each month that the unit is occupied by a tenant, with exceptions allowed for brief periods of vacancy. A lien will be placed on the property securing this loan. The rent plus utility costs cannot exceed 35% of the low- and moderate-income household's income. The lien can not be subordinated. The program will not require first lien position. There is no penalty for early payment of the lien.

Landlords must have an eligible tenant in the residence within three (3) months of the property being rehabilitated or be required to repay the loan in full immediately minus any forgiven portion of the monthly payments paid to date. Extensions may be granted if the Oversight Board is furnished sufficient evidence documenting good faith efforts to rent the property were initiated immediately upon property availability and are on going.

CDBG funding for rehabilitation will not be extended to those units presently occupied by tenants using Housing Choice vouchers without prior written approval by DHCD. Vouchers will be counted as income for the ability-to-pay calculation to derive a cost burden percentage which must be under 35% of adjusted gross income.

C. Substantial Reconstruction Assistance

If, during the implementation of the housing rehabilitation program, the City qualifies a family in a dilapidated dwelling which is determined "Unsuitable for Rehabilitation", the City will seek DHCD approval to substantially reconstruct the house on the same site at a cost not to exceed \$70,000 in CDBG funds including exceptions after all other options, including relocation, have been fully explored and documented as infeasible. Substantial reconstruction will be pursued only upon written approval from DHCD. The established policy of DHCD for substantial reconstruction noted below will be followed:

1. The occupants of the house must be the owner of the property.
2. Up to \$70,000 of CDBG funds are available for substantial reconstruction (Basic Program Assistance for Substantial Reconstructions) inclusive of exceptions as needed.
3. Strategies such as rehabilitation and relocation must be explored and documented as infeasible before using this option.
4. Dwelling must meet the definition of "Unsuitable for Rehabilitation" per the Program Design.
5. In the case where a contractor has physically begun rehabilitation and discovers that conditions are worse than expected, making the property "Unsuitable for Rehabilitation" by the local definition, the locality may terminate the contract and proceed with "substantial reconstruction" after submitting and having approved a written request which explains the situation to DHCD.

6. For properties which are determined to be "Unsuitable for Rehabilitation" following the submission of the application to DHCD or during the course of the project, but prior to actual construction, the following process must be followed:
 - a. The Housing Rehabilitation Specialist must prepare a written itemized cost estimate of the repairs needed to bring the house to Housing Quality Standards and the cost must clearly exceed the limitations in the Program Design, or the Housing Rehabilitation Specialist must document that a structural condition exists which clearly causes the property to meet the definition of "Unsuitable for Rehabilitation" as set forth in the Program Design.
 - b. The Housing Rehabilitation Specialist must prepare plans and specifications for the proposed substantially reconstructed house. The plans and specifications must meet local building codes. The Housing Rehabilitation Specialist must either prepare an itemized cost estimate or secure bids from contractors and suppliers of the cost of the proposed house.
 - c. Information concerning newly constructed houses either in the neighborhood or in similar neighborhoods which are comparable to the proposed substantially reconstructed house must be secured by the Project Manager and Housing Rehabilitation Specialist. The information should include the cost, square footage, acreage, and amenities.
 - d. A statement from an appraiser or someone experienced in real estate and familiar with the local housing market must be obtained to assess the estimated value of the proposed substantially reconstructed house.
 - e. The cost of the proposed substantially reconstructed house must be less than the estimated cost of rehabilitating the existing house.
 - f. A worksheet must be submitted to DHCD which provides the cost comparisons listed above. Attached to the worksheet must be i) the rehabilitation cost estimate (or description of the structural defect making the property unsuitable for rehabilitation), ii) the comparable newly constructed house information, iii) the basis for the cost estimate of construction of the reconstructed house, and iv) a copy of the statement of the projected appraised value of the reconstructed house.
7. The substantial reconstructed home must meet local ordinances and may be either: a) stick built or b) a modular home. The owner must be allowed to select which option will be provided.

D. Permanent Relocation Assistance

In instances where a property is encountered which is documented as "Unsuitable for Rehabilitation" based on the inability to physically stabilize and bring it into compliance with HQS, the City has the option to voluntarily relocate the family from the dilapidated housing unit. The relocation would be to a comparable housing unit which currently has no HQS violations or to a housing unit which can be rehabilitated to HQS. Relocation payments/down payment assistance plus rehabilitation costs cannot exceed the Basic Program Assistance cost limits for rehabilitation. This does not include reasonable moving expenses.

If the relocation involves a rental unit, the tenant can be relocated to a comparable available rental unit. Homeownership is an option as well and financing will be available for down payment and moving costs. However, the renter must obtain mortgage financing. The Rehabilitation Specialist and City Building Inspector may assist with identifying a unit for purchase.

There are two options for units which are owner-occupied and are documented "Unsuitable for Rehabilitation." The owner-occupant can be relocated to a comparable owner-occupied unit or his/her substandard property can be substantially reconstructed in accordance with local building codes.

The City's permanent relocation procedure will be applied to all program participants in a fair and consistent manner and in accordance with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970.

E. Temporary Relocation Assistance

Temporary relocation may be provided in a limited number of rehabilitations for either of the following two reasons:

1. Inconvenience to the occupant. In cases where the occupant will be severely inconvenienced by the rehabilitation activities, the City should make allowances for temporary relocation. Inconvenience shall be defined as the inability of the household occupant(s) to use the bathroom and/or kitchen for daily use due to rehabilitation efforts occurring within the structure.
2. Possible Lead-based Paint. In cases where it has been assumed that a house has lead-based paint (houses constructed prior to 1978) and there are deteriorated paint surfaces, paint dust/chips or painted surfaces which will be disturbed during the rehabilitation process, the occupants must be temporarily relocated. In such cases, temporary relocation is required for all properties receiving rehabilitation assistance.

The exceptions to Lead-based Paint temporary relocations are:

- a. All household members are 62 years or older.
- b. All interior work will be completed in an eight-hour period;
- c. All interior work will be completed in 5 consecutive days and the bedroom(s), bathroom, and kitchen can be isolated from the rehabilitation work; or
- d. Only exterior work will be done.

The need for temporary relocation assistance will be determined by the Project Manager, Housing Counselors, Housing Rehabilitation Specialist, and Management Consultant. Temporary relocation assistance of up to \$2,000 per household will be provided to the occupant(s) for a temporary relocation resource, such as a motel, and/or for reasonable moving expenses, or for an on-site storage trailer used to store the occupant's personal property. When an on-site trailer is used the head of the household is required to work with the contractor in transferring household contents by preparing or approving an itemized content list.

Owner-occupant recipients of financial assistance for housing rehabilitation will be required

initially to relocate to the home of a relative or friend. If this is not feasible, financial assistance will be made available to pay for a motel or other reasonable relocation resource. At no time will a payment using grant funds be made to a beneficiary's family member or friend. Similarly, the beneficiary will not receive direct payments

Investor-owner recipients of financial assistance for housing rehabilitation will be required to relocate tenants to a vacant unit which meets HQS or request that the tenant relocate to the home of a relative or friend. If this is not feasible, financial assistance will be made available to pay for a motel or other reasonable relocation resource. At no time will a payment using grant funds be made to a tenant's family member, friend or for the use of a vacant unit.

The City's temporary relocation procedure will be applied to all program participants in a fair and consistent manner. The Rehabilitation Specialist and City Building Inspector may assist with identifying a unit for temporary rental.

SECURITY AND RESALE REQUIREMENTS

All properties rehabilitated with funds from the CDBG program will be secured with a lien granted to the City of Martinsville. The lien can not be subordinated without prior written approval from DHCD. If the property is sold, transferred, or otherwise conveyed to a non-LMI household the property owner must repay any unforgiven portion of the loan. If the property is sold, transferred, or otherwise conveyed to an LMI household, the outstanding balance of the lien shall be transferred to the LMI owners for the time remaining in the original loan term.

Payment calculations in the event the property is sold, transferred or otherwise conveyed to a non-LMI household will be computed based on the specific term of the lien. For a ten year lien, investor-owners (landlords) and owner-occupants of the improved property must agree that if the property is sold, transferred, or otherwise conveyed to pay the City a sum based on the loan amortization schedule under which 120th of the loan is forgiven monthly after any payments calculated under the Ability-to-Pay provisions are subtracted from the balance due. Similarly, these provisions apply to any liens of less than ten years in length.

The City of Martinsville's Finance Director will serve as the Loan Officer for the purpose of servicing all housing rehabilitation loans unless the City at a future date chooses to secure the services of a qualified agency to perform these duties. The City or a qualified agency designated by the City to service rehabilitation loans under the City's Housing Rehabilitation Program will be under no liability for loss of funds due to lack of repayment or default by program beneficiaries. The responsibility of the City or its designee servicing housing rehabilitation loans is to collect, defer and forgive payments monthly. The City or servicing agent is to maintain records of loan balances, final payment due dates, and to make a good faith effort to collect delinquent loans. The City or servicing agent must adhere to all requirements under the law related to the collection of delinquent or bad debts.

In the case of death or institutionalization of the owner, the outstanding balance of the loan becomes due as of the date of the death or institutionalization. In such cases, the following three options apply.

1. The balance of remaining indebtedness must be paid in full and the lien will be removed by the City.

2. A family member who qualifies as a low to moderate income (LMI) household may assume the outstanding balance of the loan, enter into an agreement with the City and reside in the property as an owner.
3. The heirs or their authorized agent may rent the property to a qualified LMI family. New loan documents must be executed to include the unpaid balance of the loan. The loan will structured as an investor-owner loan and will include the unpaid balance to date and rental requirements.

ESTABLISHING PROGRAM GUIDELINES

Basic decisions regarding the housing rehabilitation program will be approved by the Northside Neighborhood Comprehensive Community Development Project Management Team and Oversight Board. The Oversight Board will assist the Project Manager, Assistant Project Manager, and Housing Rehabilitation Specialist in overseeing all program activities to assure that they are carried out fairly and in conformance with this Program Design. The Oversight Board shall be appointed by City Council and consist of a minimum of five (5) voting members including the Grant Administrator, the Project Manager, the Assistant Project Manager, a City Council Member, and a non-benefitting community representative of the project area. The Board will review the Housing Rehabilitation Program Design and amend it as necessary; serve in an advisory and approval capacity in reviewing applications and work write-ups for bidding and contract award; review and approve the current list of eligible contractors for bidding on the project; monitor staff, consultant, and contractor work progress in accordance with this Program Design; assist the City in securing additional participation from potential applicants and qualified contractors; and address and take action on written complaints or disputes that may arise in the course of the grant implementation.

A. Basic Guidelines

1. Project related non-construction cost (e.g. application intake and processing, inspections, blower door tests, etc.) will be limited to 10 percent of construction cost. Inspection and specification writing are considered non-construction cost.
2. The program will not benefit moderate-income persons to the exclusion of low-income persons.
3. The program will not prioritize beneficiaries in such a manner as to discriminate against minority, elderly, large families and female-headed households.
4. The program will not require payment of unpaid taxes or fees as a precondition of assistance, though the City has the right to collect the taxes and fees owed to them.
5. The program will not subordinate the lien unless written approval is obtained from Virginia Department of Housing and Community Development (DHCD).
6. The program will not require first lien position.
7. The program will not require contractors to be bonded if adequate credit is established.
8. The program will execute a rehabilitation contract for all units which include work or materials specifications (as applicable), dollar amount of contract,

lead-based paint certification and federal contract inserts concerning Equal Opportunity.

9. The mortgage documents securing the ten-year lien on the rehabilitated property will require the occupants of the property to participate in a Housing Maintenance Education Training program.

B. Solicitation of Applications

Access to submit applications will be afforded to all persons regardless of age, disability, or income. A citizen meeting will be held to provide information on the program to residents within the target area. Additionally, materials describing the program will be distributed to property owners and residents in both English and Spanish. Households with literacy problems, upon notification to the Intake Counselors, will be assisted individually to explain the program. A statement regarding the Provision of the Privacy Protection Act of 1976 will be provided each applicant with the assurance that their rights under the Act will be abided by. Each applicant will be required to provide a statement indicating the names and ages of all household occupants, who will reside in the assisted property.

C. Application Period & Prioritization

Applications for housing assistance will be accepted during the initial neighborhood meeting that will outline the housing rehabilitation program and the application procedure. Additional applications will be accepted through outreach efforts in the Northside Neighborhood Comprehensive Community Development Project Area up until such time it is estimated that all project funds have been expended or committed to pending housing rehabilitation projects. Eligible applications will be scored according to the system shown below. Applications will be prioritized based on the number of accumulated points and rehabilitation activities will proceed in priority order as applicants are ready for commencement of construction.

Household Characteristics	Points
Long Term Vacant	0
Vacant, but Eligible under Program Design	1
Female-Headed Household (1 or more children)	2
Each Dependent Child	2
Each Elderly Household Member (62 years)	2
Disabled (other than elderly)	3
Very Low-Income (below 50% of median)	2
Owner	5

Structure Characteristics	Points
Minimal level of repairs required	1
Moderate level of repairs required	2
Major level of repairs required	3
Substantial reconstruction required	4

Following determination of income eligibility and Oversight Board application approval, the Project Manager or his designee will provide the Housing Rehabilitation Specialist with a list of homes for inspection including blower door testing. For those owners participating in Basic Program Assistance, the Housing Rehabilitation Specialist will prepare the work write-up with the owner's signature and a cost estimate. The Housing Rehabilitation Specialist will also prepare the bid packages. The Oversight Board will be provided with a summary of each applicant and rehabilitation job for its approval prior to notifying contractors for bidding (Basic Program Assistance) or prior to notifying owners that the lowest responsible bid(s) have been approved.

The applicant must establish clear title to the property as confirmed by a Title Search. The owner will have to provide a copy of the deed and mortgage. Life estate rights and "rent-to-own" arrangements are an acceptable form of ownership, but shall be recorded in a local court if not already recorded prior to execution of the loan documents. If title issues arise after the household has been ranked or if the beneficiary is otherwise not ready to proceed promptly, the Oversight Board may proceed to the next "rehabilitation ready" property owner on the list and return to the higher ranked beneficiary when he or she is ready.

Applications will be taken on an on-going basis as long as funds are available. All applicants will be notified by letter as to their application status. Persons whose applications are denied have 60 days from receipt of the letter to appeal the decision and will be notified of this in the letter. The Housing Rehabilitation Specialist will determine and document whether an applicant has an emergency situation and will be given priority. Properties found to be lacking complete indoor plumbing will also receive priority ranking.

Contractual agreements specifying the responsibilities of all parties will be executed prior to the issuance of a Notice to Proceed. Documents executed will include the deed of trust, deed of trust note, and a three-party construction contract.

PROPERTY REHABILITATION STANDARDS

All properties receiving rehabilitation assistance will be inspected by the Housing Rehabilitation Specialist in adherence to the Property Rehabilitation Standards of this program which are established as DHCD Housing Quality Standards (HQS). All housing units receiving rehabilitation improvements are restricted to the correction of HQS deficiencies and in accordance with the DHCD requirements for termite control, chimney safety, debris and trash removal, electrical components function, safety and weatherization, etc. Cosmetic improvements will be minimized and related to correcting substandard conditions. Items such as dens, garages, pools, greenhouses, decks, or extraneous landscaping will not be provided with funds from this program.

SECTION 3: HOMEOWNERSHIP CREATION

PROCEDURES

A. Housing Rehabilitation for Homeownership Creation

The rehabilitation of units will be prioritized over the construction of new units. Martinsville Redevelopment and Housing Authority will acquire the properties targeted for Homeownership Creation that are suitable for rehabilitation. After acquisition, the property will go through the Housing Rehabilitation Program detailed in Section 2 and be brought up to Housing Quality Standards. When the house has completed the program and is fully rehabilitated, the house will be available to eligible LMI homebuyers and sold by the Martinsville Redevelopment and Housing Authority. The City will make every effort to match a qualified, eligible LMI homebuyer for the property before acquisition. At the discretion of the Housing Oversight Board, any or all of the rehabilitated Homeownership Creation housing units may be occupied by persons contractually obligated to Martinsville Redevelopment and Housing Authority under a lease-purchase agreement, detailed in the Lease-Purchase Agreement section below.

B. New Construction for Homeownership Creation

Targeted Homeownership Creation properties that are unsuitable for rehabilitation will be acquired by the Martinsville Redevelopment and Housing Authority. The City of Martinsville will demolish the dilapidated housing units and clear the lot for new construction. The City of Martinsville and the Martinsville Redevelopment and Housing Authority will work together to identify and recruit one or multiple builder(s) to construct new homes on the lots. Potential builders include Southside Outreach Group and Habitat for Humanity. The homes will be available for eligible LMI homebuyers and will be sold by the builder. The City will make every effort to match a qualified, eligible LMI homebuyer for the property before acquisition.

C. Homeownership Assistance

Downpayment and Closing Cost Assistance will be made available to eligible LMI homebuyers that purchase a rehabilitated or newly construction home within the project area.

D. Lease-Purchase Agreement

At the discretion of the Housing Oversight Board, any or all of the rehabilitated Homeownership Creation housing units may be occupied by persons contractually obligated to Martinsville Redevelopment and Housing Authority under a lease-purchase agreement. There may be unforeseen circumstances (declining housing market, creditworthiness of potential purchasers, etc.) that may stall the purchase of the Homeownership Creation units. To prevent the new homes from being vacant over an extended period of time, the homes may be rented to LMI persons who have an intention and contractual agreement with Martinsville Redevelopment and Housing Authority to purchase the units at a pre-determined time (no longer than 1 year after executing a lease-purchase agreement). Before entering into such an agreement, the prospective purchaser must have completed Home Maintenance Education Program training, mortgage counseling, and have applied for financing with the assistance of Martinsville Redevelopment and Housing Authority.

Martinsville Redevelopment and Housing Authority shall recommend to the Housing Oversight Board any and all prospective homebuyers that qualify to participate in the lease-purchase

option. The Housing Oversight Board must approve all such agreements.

ELIGIBILITY FOR ASSISTANCE

New construction homes and rehabilitated homes will be made available to low- and moderate-income homebuyers with a prioritization on first-time homebuyers. Low- and moderate-income households are defined as 80% of median family income for the area based on family size as defined previously in this Program Design. The City of Martinsville will consider all eligible LMI applicants without regard to race, religion, sex, national origin, age, familial status, or disability.

All property sites acquired and improved as a part of the Northside Comprehensive Community Development Project through the use and assistance of CDBG funds for the purpose of neighborhood revitalization will be sold according to the provisions of this program design.

OUTREACH & COUNSELING

Martinsville Redevelopment and Housing Authority operates an active Homebuyer's Club. The Homebuyer's Club prepares interested low- to moderate-income individuals for homeownership through one-on-one training in credit counseling, strategies for saving for a down payment, and homeownership responsibilities. Eligible buyers are encouraged to work with a local housing agency to create a Virginia Independent Development Account available through VDHCD. Once adequately prepared, the Homebuyer's Club connects the potential homeowner to the Virginia Housing Development Authority, U.S. Department of Agriculture, or River Community Bank depending on the individual's qualifications and current available rates.

In addition to the current participants in the Homebuyer's Club, solicitation of eligible LMI households will begin in February 2015 during the kick-off of grant implementation with a particular focus on employees of the City of Martinsville and Martinsville School Board for workforce housing. The City of Martinsville will continue to market the opportunity to purchase and rehabilitate a home or build a new home and solicit additional candidates for homeownership through multiple recruiting efforts until such time that all five parcels have been sold for either housing rehabilitation or new construction.

It will be mandatory that the buyers of housing units will participate in homebuyers counseling and the Home Maintenance Education training conducted through either Martinsville Redevelopment and Housing Authority, Southside Outreach Group, or other qualified professionals. The counseling and educational programs will either be one-on-one training or include formal classroom instruction.

FINANCIAL ASSISTANCE AVAILABLE

A. Site Acquisition

All housing units in the project area targeted for Homeownership Creation are designated to be acquired utilizing CDBG funds at an average cost of \$11,705 per unit by the Martinsville Redevelopment and Housing Authority.

B. Rehabilitation

With the assistance of the City, the Martinsville Redevelopment and Housing Authority will utilize CDBG funding to rehabilitate homes to Housing Quality Standards.

C. Demolition

All housing units that have been acquired for the purpose of new construction will be demolished utilizing CDBG funds at an average cost of \$5,666 per unit by the City of Martinsville.

D. Lots Available for New Construction

The City of Martinsville will incentivize the development of new construction units to builders/contractors for the purposes of Homeownership Creation by reducing the cost of each lot to \$100. The builder/contractor is expected to pass along the savings to the LMI homebuyer to increase the affordability of the home.

E. Permits and Fees

The City will waive the building permit fees for the new construction housing units. New residential construction fee is \$0.08 per square foot with a minimum charge of \$40.80.

F. Down Payment and Closing Cost Assistance

Down Payment and Closing Cost Assistance funded through CDBG funds will be made available to eligible LMI buyers. Down Payment Assistance in the amount of \$5,000 will be made available for each of the housing units and will require a 100% match by the eligible homebuyer. Closing Cost Assistance will be made available in the amount of \$4,000 for each of the housing units.

TERMS OF FINANCIAL ASSISTANCE

A. Mortgage

Mortgages will be governed by the terms and interest rate set by the lending institution.

B. Downpayment & Closing Cost Assistance

100% of the Down Payment and Closing Cost Assistance will be secured with a lien against the property in a subordinate position. The lien will be in the form of a ten (10) year, 0% interest loan with 1/120th of the principal portion of the loan forgiven each month. Any remaining amount of the loan must be repaid if the property is sold, transferred, or otherwise conveyed during the ten (10) year period.

SECTION 4: CONTRACTING PROCEDURES

CONTRACTOR RECRUITMENT

Contractors will be solicited by the City of Martinsville via newspaper advertisement and direct correspondence to local contractors and other contractors who regularly work in the area from neighboring localities. Public notices and outreach efforts will be made to solicit participation of local, female-owned, and minority businesses.

CONTRACTOR'S QUALIFICATIONS

Contractors wishing to contract housing rehabilitation activities will be required to complete a pre-qualification form requesting information regarding experience and references to determine their qualifications and eligibility to perform rehabilitation work. Contractors must be Commonwealth of Virginia Class A or B or C registered. Minimum liability insurance requirements are at least \$100,000 proper damage and \$300,000 personal injury. Contractors will also be required to demonstrate creditworthiness. The program will not require contractors to be bonded if adequate credit is established. A list of approved contractors will be established and approved by the Oversight Board and maintained by the Housing Rehabilitation Specialist. Additional pre-qualified contractors may be added to the list with Board approval during the course of the project. No contract will be awarded to a contractor until he/she has met all qualification criteria.

Failure to perform under and comply with the terms of the construction contract will be documented by the Housing Rehabilitation Specialist and City Building Inspector. The Housing Oversight Board can vote to bar a contractor from future bidding based on staff recommendation and/or public complaint. A correspondence to the contractor from the Housing Rehabilitation Specialist and City Building Inspector will be sent by certified mail detailing the problems and the specific reasons for this action. The Complaint and Appeals Procedure, as adopted by the Housing Oversight Board, will be given to all applicants, beneficiaries and contractors.

PRE-BID ACTIVITIES

An informational meeting will be held by the Housing Rehabilitation Specialist for interested contractors. All Federal, State and local guidelines and requirements will be discussed. DHCD Housing Quality Standards, master specifications, bidding procedures, work process and payment schedules will be reviewed. The rehabilitation and housing production projects may be grouped together in phases for bidding purposes in the most effective manner to ensure timely implementation of the program.

BIDDING

All work and materials will be procured through competitive bidding. Bid packages will be provided to all contractors which will include detailed bidding procedures for contractors to follow in preparing and submitting their bids, and rehabilitation specifications with cost

estimates. The Housing Rehabilitation Specialist will conduct a mandatory walk-through of the structure under consideration for bid. The Oversight Board will review and approve the bids prior to the award of the contracts.

HOUSING REHABILITATION CONSTRUCTION CONTRACT

For those property owners participating in the Basic Program Assistance for housing rehabilitation, the property owner, contractor, and the City will enter into a three-party construction contract, which includes an agreement, general conditions, and Federal construction contract conditions. All local and state licenses and permits will be required for each job. All work must be completed within sixty (60) days of the contract date, or within ninety (90) days for a substantial reconstruction projects. Extensions of this time period are subject to the Housing Rehabilitation Specialist's approval and shall be for causes beyond the contractor's control such as inclement weather or material availability.

Change orders are deletions or additions to the specifications made through an addendum to the rehabilitation contract. Change orders will be initiated only by the Housing Rehabilitation Specialist with concurrence by the City Building Inspector for work that was not foreseen prior to construction (conditions obscured by walls, floors, etc.). Change orders will not be executed without signed authorization and agreement of the specified work and cost by the property owner, contractor, and Housing Rehabilitation Specialist. Any and all change orders must be approved by DHCD prior to their execution.

SECTION 5: REHABILITATION CONSTRUCTION PROCESS

PRECONSTRUCTION CONFERENCE

For those property owners participating in the Basic Program Assistance for housing rehabilitation, after bids have been received and a contract has been awarded to the lowest responsible bidder, the Housing Rehabilitation Specialist will arrange a walk-through of the property with the owner and/or tenant and the contractor to ensure that: all work to be done is understood between the parties; pertinent questions are answered; the owner/tenant and the contractor are acceptable to each other; the schedule of work is acceptable to all parties; disruption of utilities is discussed; the removal of debris by the property owner or tenant and other clean-up responsibilities are discussed. Property owner preference in colors and styles shall be clarified and documented. Disagreements about the work to be performed shall be resolved by the Housing Rehabilitation Specialist.

INSPECTIONS

For those property owners participating in housing rehabilitation, the Housing Rehabilitation Specialist will make periodic inspections, at a minimum once a week including an inspection made at approximately 50 percent completion in order to authorize partial payment to the Prime Contractor for work completed and approved. The Prime Contractor is responsible for payments to all sub-contractors.

At the conclusion of the rehabilitation, the Housing Rehabilitation Specialist shall perform a final inspection to make sure that construction activities are completed to his satisfaction and in compliance with the construction contract. Any work items not completed to the Housing Rehabilitation Specialist's satisfaction shall be enumerated on a punch list and delivered to the contractor.

Once the contractor has completed the items on the punch list, another HQS inspection and Lead-based Paint Clearance Test by dust swipe method shall be performed by the Housing Rehabilitation Specialist to assure completion of all work and compliance with Lead-based Paint procedures and requirements.

The City Building Inspector will perform the standard building inspection at the final completion of the rehabilitation and provide a certification of completion/certificate of occupancy.

PROGRESS PAYMENTS

Payment to the Prime Contractor will be made when the work specified in the contract is 50% complete and approved by the Housing Rehabilitation Specialist, City Building Inspector, and property owner. A final payment will be made at the completion of the job and final inspection approval. All work must be completed to the satisfaction of the Housing Rehabilitation Specialist and the City Building Inspector.

A 10% retainage based on the total contract amount will be withheld from the final progress payment and released when the homeowner final release is obtained. If the property owner

refuses to sign for the release of the final payment, the Project Manager may sign for the property owner in cases where the refusal is related to program administration and not related to the quality of the work performed. Portions of work completed and progress payments will be based upon complete work items, not materials delivered to the project, start-up costs, or partial completions.

Payments to the contractor will be made within thirty (30) days of inspections for work performed except as follows. Release of the final payment will not be made until the Rehabilitation Specialist has certified that all of DHCD's required paperwork has been entered into the property owner's project file, as stipulated below.

1. Electrical inspection report by a certified electrical inspector;
2. Exterminator Inspection/Treatment Report;
3. Chimney Inspection Report, if applicable;
4. Initial and Final Blower Door Test Reports;
5. Initial and Final HQS Inspection Reports, signed and dated;
6. Progress Inspection Reports;
7. Payment Approval Inspection Reports;
8. Punch List Inspection Report;
9. Lead-based Paint Clearance Test;
10. Building Permit;
11. Building Code Inspection Report;
12. Affidavit of Release of Liens;
13. Affidavit of Payment of Debts and Claims; and
14. Register of Assigned Employees, Contractors, Subcontractors and Suppliers.

COMPLAINT AND APPEALS PROCEDURE

Oral complaints of any nature and by any party shall be documented and resolved by the Project Manager as informally and quickly as possible. If the complainant requires assistance in putting his or her complaint or appeal in writing, staff will make such assistance available. Written complaints received by the Project Manager or the City of Martinsville will be resolved and documented in consultation with the Oversight Board. The person making the complaint will be notified in writing of the decision. All written complaints will be addressed within thirty (30) days of receipt and resolved within the subsequent thirty (30) day time period and documentation retained for review.

Barring a resolution of the complaint by the Oversight Board, the complaint may be taken to the Northside Neighborhood Comprehensive Community Development Management Team with the same requirements as above. Barring a resolution of the complaint by the Management Team, the complaint may be taken to the City Council where a non-legal resolution is final.

Any final appeal will be addressed in writing to DHCD where a non-legal resolution is final. Appeals to DHCD should include a copy of all correspondence that has taken place to date. The appeal should identify the problem and the desired solution. DHCD will investigate the complaint and respond in writing in a timely manner. All involved parties will be copied. Beyond this step, the complainant may seek a legal remedy in the local court of jurisdiction at

complainant's own cost.

Once a job is Inspectorly closed out and the one-year warranty period is in effect, the property owner should address complaints, in writing, directly to the contractor involved in the rehabilitation.

LEAD-BASED PAINT

Lead-based paint may be found in properties constructed prior to 1978 and any owner and tenant of such properties will be appropriately notified of this potential health hazard, especially for children under the age of six (6) and pregnant women. All properties receiving rehabilitation assistance will be required to comply with the federal lead-based paint regulation found in 24 CFR Part 35.

All properties constructed prior to 1978 are presumed to have the presence of lead paint and are required to have a visual inspection, conducted in conjunction with initial HQS inspection by Housing Rehabilitation Specialist assisted by a contracted Lead Risk Assessor to determine the presence of deteriorated paint surfaces, paint dust, chips or residue, or rehab activity which will disturb a paint surface and which exceeds the allowable 'de minimus' levels permitted by HUD regulations.

If a visual inspection reveals such conditions, the property must undertake the following "interim measures" or "standard treatments" to protect occupants and workers during rehabilitation:

1. All contractors, subcontractors and crew, including volunteer workers, must attend the "Lead Safe Work Practices" training class conducted by a licensed trainer or provide documentation of valid certification. This class will be offered at least one time during the project;
2. For each contractor working on a property constructed prior to 1978 there must be one individual per contractor certified by the Environmental Protection Agency as a Certified Renovator through completion of the EPA's Renovation, Repair and Painting training course.
3. Occupants must be protected during the course of the work;
4. Lead-based Paint Clearance Testing by the dust swipe method must be performed by the Housing Rehabilitation Specialist at the conclusion of the work; and
5. All houses must successfully pass the Lead-based Paint Clearance Test.

SECTION 6: HOME MAINTENANCE EDUCATION

It is mandatory that the occupants of each household receiving housing rehabilitation, purchasing a newly constructed home, or purchasing a rehabilitated home participate in a Home Maintenance Education training course in order to receive instruction and direction in the day-to-day use and routine maintenance of the newly provided facilities and improvements, housekeeping matters, and household budgeting. The program will include two booklets, which provide information covering the three areas listed above. The educational program will include formal classes to disseminate information.

All beneficiaries will be required to participate in the educational program following participation in the assistance program under the following guidelines:

1. All households must have one adult present for the entire training session. Each training session shall be "hands on" in nature and take at least four hours, including one hour on budgeting. It will explain how to establish and use checking and savings accounts, how to selection and purchase insurance coverage, and how to establish and follow a household budget.
2. There is no exemption for elderly households or households receiving less than \$10,000 in assistance. If the homeowner is physically unable to attend the home maintenance education class, then the training shall be offered at the homeowner's residence. All beneficiaries will receive some aspect of in-home training.
3. Sign-in sheets must be used to document attendance by beneficiaries.

SECTION 7: PROGRAM DESIGN AMENDMENTS

During the implementation of the housing assistance program, City staff responsible for the project may find it necessary to make minor changes and refinements as the program proceeds. Examples of these administrative decisions would be annual updates of the DHCD LMI guidelines and interpretation of eligible income adjustments.

If a major alteration to the program design is deemed necessary to better achieve the intent of the program, the staff will provide the proposed changes to the Oversight Board, Project Management Team, and City Council for consideration and adoption. Any major change will be submitted to DHCD for review and approval. Items constituting a major change in the program would include modification of the types of assistance to be provided or the eligibility criteria for assistance. This housing assistance program will be implemented to assure that consistent and equitable assistance is provided to all program participants.

SECTION 8: ADOPTION BY CITY COUNCIL

Reviewed and adopted by the Martinsville City Council in session:

Leon Towarnicki, City Manager & Certifying Officer
City of Martinsville

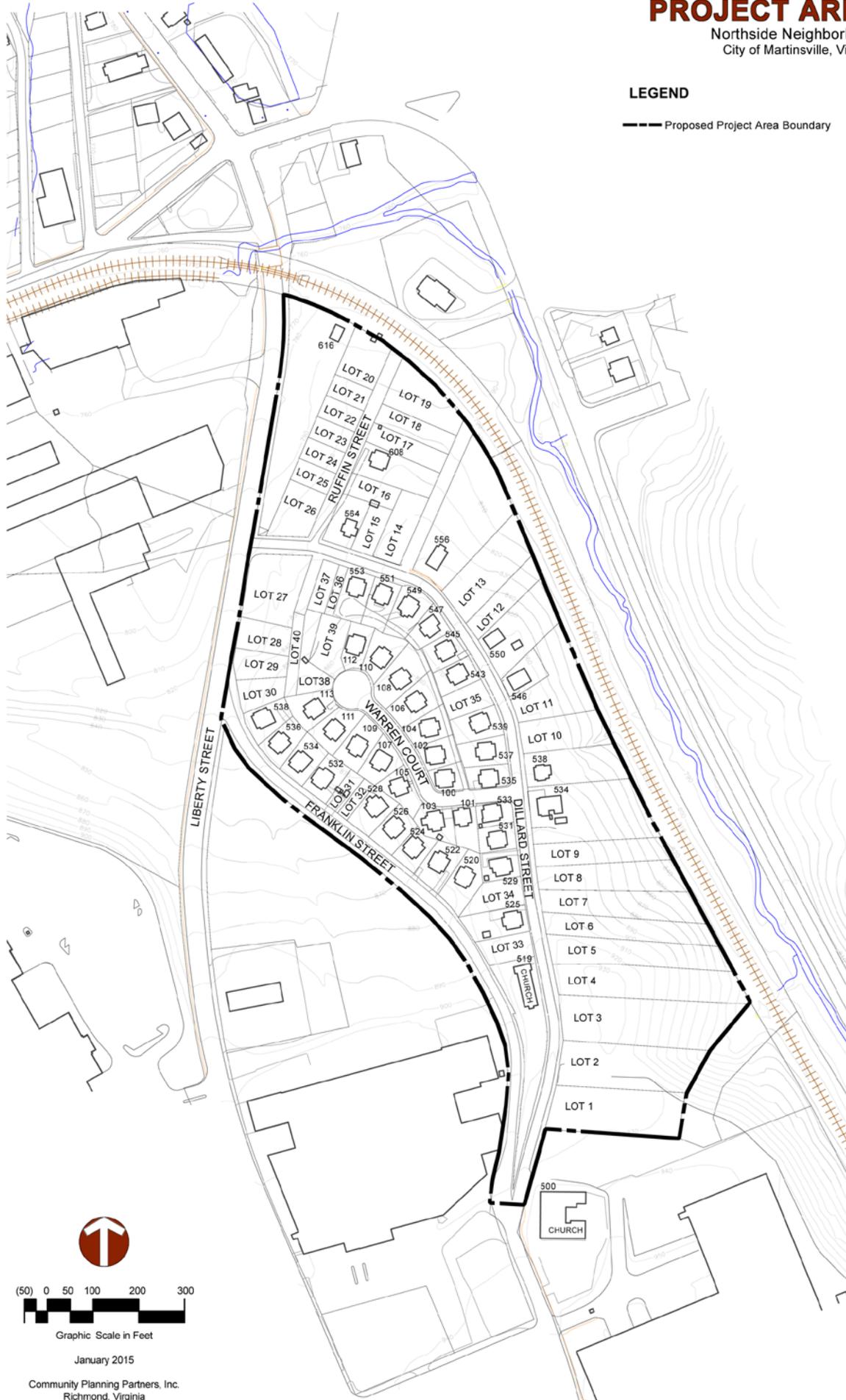
Date

PROJECT AREA

Northside Neighborhood
City of Martinsville, Virginia

LEGEND

--- Proposed Project Area Boundary



Graphic Scale in Feet

January 2015

Community Planning Partners, Inc.
Richmond, Virginia

**VIRGINIA COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)
PROGRAM INCOME PLAN**

**Northside Comprehensive Community Development Project (CIG #14-13)
City of Martinsville, Virginia**

OBJECTIVE

The City of Martinsville (City) is committed to facilitating rehabilitation of substandard housing, creating home ownership opportunities, and to addressing related community development needs in targeted areas. Martinsville is interested in continuing to rehabilitate housing, creating home ownership opportunities, acquiring and/or clearing blighted properties, and implementing community development efforts with future Community Development Block Grant (CDBG) projects. Doing so will involve recapturing Active Program Income, Inactive Program Income, and Miscellaneous Revenue from the Northside Comprehensive Community Development Project to be used in support of these activities.

ACTIVITIES

Active Program Income, Inactive Program Income, and Miscellaneous Revenue realized from the Northside Comprehensive Community Development Project, funded as a Community Improvement Grant (CIG) Comprehensive Community Project through CDBG funds, will allow the City to accomplish housing rehabilitation, home ownership creation, acquisition and/or clearance of blighted properties, and related infrastructure improvements in designated areas throughout the City according to the priorities established under "PROJECT AREA" as a direct benefit to low- and moderate-income households and neighborhoods. Assistance provided through the use of Active and Inactive Program Income will be provided under Virginia Department of Housing and Community Development (VDHCD) guidelines effective at the time of project implementation.

PROGRAM INCOME

Active Program Income: Active Program Income is income received as a result of program activities prior to administrative closeout of the CDBG Grant Agreement. Active Program Income shall be used for current eligible project expenses and/or to reduce drawdowns for eligible project expenses. Active Program Income on-hand at the end of the project will be used to reduce the final drawdown or returned to DHCD. Active Program Income will be used for the same CIG activities as approved in the CDBG Grant Agreement.

Inactive Program Income: Inactive Program Income is proceeds received in a 12 month period of \$35,000 or more as a result of CIG activities after administrative closeout of the Grant Agreement. Any lump sum receipt of Inactive Program Income of \$35,000 or more during a state fiscal year (July 1 through June 30) must be reported to DHCD at the time it is received and transmitted to DHCD within 60 days. During the first five years after administrative closeout of the Grant Agreement, any Inactive Program Income received and accumulated in smaller amounts, but totaling \$35,000 or more during a state fiscal year, including Inactive Program Income received from any other CDBG-funded project, can be expended only after: a) the income is reported to DHCD via an Annual Inactive Program Report; b) a work plan and budget is submitted to DHCD; and c) DHCD approves the expenditure of the funds. Inactive Program Income shall be used to continue the same eligible CIG activities as long as substandard housing and infrastructure deficiencies exist in the Northside Comprehensive Community Development Project Area. After all needs are met in the project area, inactive income will be used for the following purposes:

1. Inactive Program Income may be used to address housing rehabilitation needs, to create home ownership opportunities, to acquire and/or clear blighted properties, and related infrastructure

improvements as a direct benefit to low- and moderate-income households and neighborhoods according to the priorities established under “PROJECT AREA.”

2. Inactive Program Income may be also used for actual administrative costs. At the time the Program Income is expended, 10 percent of the expended Program Income may be allocated for administrative purposes.

MISCELLANEOUS REVENUE

Miscellaneous Revenue is proceeds received in a 12 month period of less than \$35,000 as a result of CIG activities after administrative closeout of the Grant Agreement, including income received from any other CDBG-funded project. Miscellaneous Revenue is expended at the discretion of the City of Martinsville according to this Program Income Plan and is reportable via the Annual Inactive Program Report for the first five years after administrative closeout of the Grant Agreement. Miscellaneous Revenue shall be used to continue the same eligible CIG activities as long as substandard housing and infrastructure deficiencies exist in the Northside Comprehensive Community Development Project Area. After all needs are met in the project area, inactive income will be used for the following purposes:

1. Miscellaneous Revenue may be used to address housing rehabilitation needs, to create home ownership opportunities, to acquire and/or clear blighted properties, and related infrastructure improvements as a direct benefit to low- and moderate-income households and neighborhoods according to the priorities established under “PROJECT AREA.”
2. Miscellaneous Revenue may be also used for actual administrative costs. At the time the Program Income is expended, 10 percent of the expended Program Income may be allocated for administrative purposes.

TIMEFRAME

The City will make rehabilitation loans to owner-occupants and landlords of tenant-occupied housing units with 10-year terms. The City could make loans through 2016 as a part of this CDBG Grant Agreement and could receive Inactive Program Income and Miscellaneous Revenue from loan payments through the year 2026. Additional Inactive Program Income and Miscellaneous Revenue related to rehabilitation loans could be received upon property transfers.

The sale of lots to builders/developers, sale/transfer of rehabilitated homes to homeowners who will secure their own mortgage financing, and sale/transfer of rehabilitated homes as a part of a lease-purchase agreement with Martinsville Redevelopment and Housing Authority will occur during this CDBG Grant Agreement or as expeditiously as possible within the first several years after close-out of the Grant Agreement. At the time of sale/transfer, the CDBG funds expended for the purpose of home ownership creation would be returned to the City as Active Program Income, Inactive Program Income, or Miscellaneous Revenue. The funding of home ownership creation will not necessitate any additional time beyond the timeframe outlined above.

PROJECT AREA

Activities will be carried out in the project area identified in the 2014 CIG application for the Northside Comprehensive Community Development Project and affirmed under contract with VDHCD. All projects funded with Program Income generated from the Northside Comprehensive Community Development Project CIG will be located within the project area until there is no more need. All Program Income realized (active and inactive) from the Northside Comprehensive Community Development Project must be used according to the following priorities:

1. Within the Northside Comprehensive Community Development Project Area and used to continue the activity from which it was derived until all identified needs have been met.
2. Within the Northside Comprehensive Community Development Project Area and used on other eligible CDBG activities until all identified needs have been met.

3. Within the jurisdictional boundaries of the City of Martinsville and used for eligible CDBG activities, as permitted under the Housing and Community Development Act of 1974, as amended, until all identified needs have been met.

FUNDS TO BE AVAILABLE

1. Total Projected Active Program Income, Inactive Program Income, and Miscellaneous Revenue for Next 12 Years (2015 through 2026, inclusive): \$109,000
2. Number of Years Until Payback Complete for Each Loan: 10 years
3. Payback Schedule of Total Principle and Interest for Housing Rehabilitation: *

Year 1	\$1,000	Year 7	\$3,000
Year 2	\$2,000	Year 8	\$3,000
Year 3	\$3,000	Year 9	\$3,000
Year 4	\$3,000	Year 10	\$3,000
Year 5	\$3,000	Year 11	\$2,000
Year 6	\$3,000	Year 12	\$1,000

** Based on minimum required monthly repayments for 10 homes. Amounts may be higher based on the Ability-to-Pay calculations for actual beneficiaries.*

4. Sale of acquired lots to builders/developers for the purpose of new construction for homeownership creation: \$300*

**Based on the sale of three lots at the subsidized price of \$100 per lot.*

5. Sale of the acquired vacant units rehabilitated for home ownership creation: \$78,700*

**Based on the estimated cost of acquisition and rehabilitation.*

ADMINISTRATION

The Martinsville Finance Director will be responsible for receiving direct loan payments. The funds will be deposited in an interest-bearing escrow account and identified as revenue or expenditure. Funds will be accounted for separately on the City’s balance sheet. Records will be kept on a fiscal year basis. Records will show the amounts due and received monthly by client’s name, separated as Active or Inactive Program Income and by contract and the income expended according to this Program Income Plan. Copies of documentation will be placed in the appropriate client file.

The Finance Director will be responsible for filing an Annual Inactive Program Income Report with DHCD at the close of each City/State fiscal year for a period of five years after administrative closeout of the Grant Agreement.

The Martinsville City Manager may administratively approve specific proposals for use of accumulated Inactive Program Income and Miscellaneous Revenue. Specific proposals for use of Inactive Program Income or Miscellaneous Revenue may originate from the City Manager or any active management team or appointed oversight board assisting with the planning or implementation of a CDBG-funded project in accordance with an appropriate Project Management Plan and Program Design(s). The City Manager is responsible for managing the expenditure of said funds in compliance with CDBG regulations.

CERTIFICATION

I certify that this is the plan of this locality for use of income derived from the Community Improvement Grant Program after the current contract expires. I further certify that the City of Martinsville fully intends to carry out this plan, oversee its implementation, and assures that no other use of these funds will be allowed. I certify that this locality will budget Program Income funds in a separate, distinct account and will maintain records documenting the use of those under the *Home Investment Partnerships Act*, as amended and Title I of the *Housing and Community Development Act of 1974*, as amended. I understand that the Virginia Department of Housing and Community Development may review the receipt and expenditure of program income funds.

Leon Towarnicki, Manager, City of Martinsville
Certifying Officer for the Northside Comprehensive
Community Development Project

Date

**NORTHSIDE COMPREHENSIVE
COMMUNITY DEVELOPMENT PROJECT
CIG #14-13**

MEMBERS AND BYLAWS OF
THE OVERSIGHT BOARD
CITY OF MARTINSVILLE, VIRGINIA

ADOPTED BY CITY COUNCIL
ON JANUARY 13, 2015

ASSISTANCE PROVIDED BY:

COMMUNITY PLANNING PARTNERS, INC.

**BYLAWS OF THE OVERSIGHT BOARD
NORTHSIDE COMPREHENSIVE COMMUNITY DEVELOPMENT PROJECT**

ARTICLE I – THE BOARD

SECTION 1. Name of the Board. The name of the Board shall be the “Oversight Board to the Northside Comprehensive Community Development Project.” (Oversight Board or Board).

SECTION 2. Purpose of the Board.

1. The Board shall recommend policies and procedures that govern housing rehabilitation improvements and homeownership creation in the Northside Comprehensive Community Development Project.
2. The Board shall monitor staff, consultant, and contractor work progress in accordance with the Program Design.
3. The Board shall have the authority to approve pre-qualified contractors to perform work related to the project for all contracts.
4. The Board shall approve applicants seeking program assistance.
5. The Board shall review bids and make contract awards in consultation with City staff and the Project Management Team for all housing rehabilitation and homeownership creation activities.
6. The Board shall address and take action on written complaints or disputes that may arise in the course of the grant implementation. The Board shall respond in writing to all written appeals within 30 days of receipt and shall act to resolve the appeal within the subsequent 30 days.
7. The Board shall take other action, as permitted by the City Council of Martinsville, Virginia, and as necessary to the Housing Rehabilitation and Homeownership Creation Programs of the Northside Comprehensive Community Development Project.

SECTION 3. Office of the Board. The office of the Oversight Board shall be in the City of Martinsville, State of Virginia. The Board will hold its meetings in the Martinsville Municipal Building or at such place and time as it may designate.

SECTION 4. Board Members. The Oversight Board shall be appointed by City Council and consist of a minimum of five (5) voting members including the City Manager serving as the Grant Administrator, the Project Manager, the City Building Inspector involved in the project, a City Council Member, and a non-benefiting community representative of the project area.

Non-Voting Oversight Members. The Oversight Board shall appoint non-voting members to serve in an advisory capacity as deemed necessary. At a minimum these shall include the Assistant Project Manager, Management Consultant and Rehabilitation Specialist.

ARTICLE II – OFFICERS

- SECTION 1. Officers.** The officers of the Oversight Board shall be a Chairperson and Vice-Chairperson.
- SECTION 2. Chairperson.** The Chairperson shall preside at all meetings of the Oversight Board.
- SECTION 3. Vice Chairperson.** The Vice Chairperson shall perform the duties of the Chairperson in the absence or incapacity of the Chairperson; and in case of the resignation or death of the Chairperson, the Vice-Chairperson shall perform such duties as are imposed on the Chairperson until such time as the Oversight Board shall select a new Chairperson.
- SECTION 4. Secretary.** The Assistant Project Manager, or his/her designee, shall serve as Secretary to the Oversight Board and have the responsibility for keeping the minutes of the meetings, recording all votes of the Board, and keeping a record of the correspondence and proceedings of the Board. The records and minutes of the Board will be available for public review in the offices of the Town Manager or his/her designee.
- SECTION 5. Election or Appointment.** The Chairperson and Vice-Chairperson shall be elected by the members of the Oversight Board with a simple majority and shall hold office for the term of the project, or until their successors are elected and qualified.
- SECTION 6. Vacancies.** Should any of the offices become vacant, the Oversight Board shall elect a successor from its membership at the next regular meeting.

ARTICLE III – MEETINGS

- SECTION 1. Regular Meetings.** Regular meetings of the Oversight Board shall be held as necessary to progress project business; but will meet at least once per year. The Chairperson of the Board will call the meetings. All meetings will take place at the City Municipal Building or at such place and time as it may designate by the Project Administrator/Manager.
- SECTION 2. Special Meetings.** The Chairperson of the Oversight Board may, when deemed expedient, call a special meeting of the Board for the purpose of transacting any business designated in the call.
- SECTION 3. Interim Applicant Approvals/Denials & Contract Awards.** The Chairperson of the Oversight Board may, when deemed expedient, may conduct a poll of the members regarding specific applicant approvals/denials and housing rehabilitation contract awards by e-

mail or telephone, as long as the appropriate data and information have been made available to the members in a timely manner. A record of such interim decisions should be maintained in the Board's records and affirmed upon the first subsequent regular or special meeting of the Board.

SECTION 3. Quorum. The powers of the Oversight Board shall be vested in the members. Five (5) voting members shall constitute a quorum of the Board for the purpose of conducting its business and exercising its powers and for all other purposes, but a smaller number may adjourn until a quorum is obtained. When a quorum is in attendance, action may be taken by the Oversight Board upon a vote of a simple majority. Each member, including the Chairperson, shall have one vote.

SECTION 4. Attendance. Members are expected to attend all meetings and should notify the Secretary of any absence in advance.

ARTICLE IV – AMENDMENTS TO THE BYLAWS.

The Bylaws of the Oversight Board shall be amended only with approval of at least five (5) of the voting members of the Board at a regular or a special meeting, but no such amendment shall be adopted unless at least five (5) days written notice thereof has been previously given to all of the members of the Oversight Board.

ARTICLE V – PARLIAMENTARY PROCEDURE

Robert's Rules of Order Newly Revised, 11th Edition shall govern the conduct and procedures at all meetings of the Oversight Board.

APPROVAL

Reviewed and adopted by the City of Martinsville City Council in session on January 13, 2015.

Leon Towarnicki, City Manager & Certifying Officer
City of Martinsville

Date

MEMBERS APPOINTED BY ACTION OF TOWN COUNCIL:

Voting

1. Leon Towarnicki, City Manager serving as Grant Administrator
2. Wayne Knox, Director of Community Development serving as Project Manager
3. Ted Anderson, City Building Inspector

4. Sharon Brooks Hodge, Member of City Council
5. Weldon Reynolds, Asst. Project Coordinator of Infrastructure
6. Cecil Lowe, Homeownership Creation Support
7. Leah Manning, West Piedmont Planning District Commission

Non-Voting

8. Earl Howerton, Rehabilitation Specialist
9. Kelly Hall, Project Manager, Community Planning Partners, Inc. as Assistant Project Manager



City Council Agenda Summary

Meeting Date: January 13, 2015
Item No: 9.
Department: Finance
Issue: Consider approval of consent agenda.

Summary:

Item #1 –

The attachment amends the FY15 Budget with appropriations in the following funds:

General Fund: \$ 14,585 – Grant, Asset Forfeiture Proceeds
CDBG Fund: \$ 35,000 – Pass-through funds
School Operating Fund: \$ 22,365 – Sales of Surplus

Item #2 –

Business License refunds due to adjustments to original estimates:
Refund – 2011 Business License #819 - \$3,216.27
Refund – 2011 Business License #7240 - \$3,456.98

Attachments: Spreadsheet

Recommendations: Motion to approve.

BUDGET ADDITIONS FOR 1/13/15

ORG	OBJECT	DESCRIPTION	DEBIT	CREDIT
<u>FY15</u>				
<u>General Fund:</u>				
01102926	443403	Categorical Federal - LEMP Grant		7,500
01334122	506131	Safety Coordinator - LEMP Grant Supplies Local Emergency Mgmt Performance Grant	7,500	
01101917	442402	Categorical Other State - Confiscated Assets - C Atty		1,822
01221082	506105	Comm Atty - Conf Assets State	1,822	
01101917	442401	Categorical Other State - Confiscated Assets - Police		5,263
01311085	506078	Police Dept - Conf Assets State Asset Forfeiture Proceeds	5,263	
Total General Fund:			14,585	14,585
<u>CDBG Fund:</u>				
47102926	447061	Categorical Federal - NCI Comm. Improv. Grant		35,000
47833380	503191	NCI CIG - Prof. Services - Contractors NCI pass-through funding	35,000	
Total CDBG Fund:			35,000	35,000
<u>School Operating Fund:</u>				
18103905	489909	Sale of Other Equipment		22,365
80004500	568100	Vehicle Services - Capital Outlay Replacement Funds rec'd through GovDeals sales of surplus	22,365	
Total School Operating Fund:			22,365	22,365