

April 28, 2015

The regular meeting of the Council of the City of Martinsville, Virginia was held on April 28, 2015 in Council Chambers, Municipal Building at 7:30pm, Closed Session beginning at 7:00pm with Mayor Danny Turner presiding. Council Members present included: Mayor Turner, Vice Mayor Jennifer Bowles, Gene Teague, Sharon Brooks Hodge and Mark Stroud. Staff present included: Leon Towarnicki, City Manager, Karen Roberts, Eric Monday, Wayne Knox, Linda Conover, Mary Prillaman, Sean Dunn, Robert Fincher, Eddie Cassady, Patrick Agee, Kenneth Draper, Ted Anderson, Jeff Joyce, Michael Scaffidi, and Dennis Bowles.

Mayor Turner 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 Mark Stroud, seconded by Sharon Brooks Hodge with the following 5-0 recorded vote: Turner, aye; Bowles, aye; Hodge, aye; Teague, aye; Stroud, aye; Council convened in Closed Session for the purpose of discussing the following matters: (A) Appointments to Boards and Commissions as authorized by Subsection 1. (B) Consultation with legal counsel and briefings by staff members, attorneys or consultants pertaining to actual or probable litigation, or other specific legal matters requiring the provision of legal advice by such counsel, as authorized by Subsection 7. At the conclusion of Closed Session, each returning member of Council certified that (1) only public business matters exempt from open meeting requirements were discussed in said Closed Session/ and (2) only those business matters identified in the motion convening the Closed Session were heard, discussed, or considered during the Session. On a motion by Mark Stroud, seconded by Sharon Brooks Hodge with the following roll-call recorded 5-0 vote: Hodge, aye; Teague, aye; Stroud, aye, Turner, aye; Bowles, aye. Council returned to Open Session.

Dan River ASAP Board: Steve Draper, 1911 Dundee Lane, appointed to a 3 year term ending 4/30/18 on a motion by Mark Stroud, seconded by Sharon Brooks Hodge with a 5-0 vote.

Henry-Martinsville Department of Social Services Board: Ron Ferrill, 917 Hunting Ridge Rd, appointed to a 4 year term ending 5/31/19 on a motion by Gene Teague, seconded by Vice Mayor Jennifer Bowles with a 5-0 vote.

Henry-Martinsville Department of Social Services Board: Brenell Thomas, 101 Crescent St. #B4, appointed to a 4 year term ending 5/31/19 on a motion by Vice Mayor Jennifer Bowles, seconded by Sharon Brooks Hodge with a 5-0 vote.

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

Minutes: On a motion by Gene Teague, seconded by Vice Mayor Jennifer Bowles, with a 5-0 vote, Council approved the minutes of February 10, February 23 Tour, February 23 Neighborhood Meeting and February 24 meeting with a 5-0 vote.

Recognition of Martinsville City Police Department for Re-accreditation: Mayor Turner turned the meeting over to Sheriff Steve Draper and Chief Roach, Pulaski Virginia to make the

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presentation and recognize Chief Sean Dunn, Deputy Chief Eddie Cassady, Capt. Robert Fincher and Sgt. Patrick Agee.

Proclamation – National Correctional Officers and Employees Week: Mayor Turner turned the meeting over to Council Member Mark Stroud to read the proclamation; Proclamation presented to Sheriff Steve Draper by Council Member Stroud, Mayor Danny Turner and Vice Mayor Jennifer Bowles.

Proclamation – Corrine Autumn Hilton Day: Mayor Turner turned the meeting over to Vice Mayor Jennifer Bowles to read the proclamation; Proclamation presented to Miss Hilton by Mayor Danny Turner and Vice Mayor Jennifer Bowles. Miss Hilton presented Chief Sean Dunn a donation of Foster Buddies to aid with children his officers may come in contact with.

Conduct public hearing on FY16 Budget and consider approval of FY16 Budget Ordinance on first reading: Mayor Turner turned the meeting over to Leon Towarnicki, City Manager to recount budget status. City Manager Towarnicki stated that there had been four work sessions so far with department head and individual presentations. Staff was asked to present an additional \$300,000 in cuts and there were questions regarding MINet. City Manager Towarnicki presented the following suggested budget reductions and physical plant expansion breakdown.



DATE: April 28, 2015  
TO: Honorable Mayor and Members of Council  
FROM: Leon Towarnicki, City Manager  
SUBJECT: FY16 Budget – Discussions from April 23 Work Session

**Suggested Budget Reductions**

At the April 23, 2015 budget work session, Council requested that an additional \$300,000 be reduced from the proposed FY16 budget, and for the recommended reductions to be presented at the April 28, 2015 FY16 budget public hearing.

In response to Council's request, the following reductions are recommended:

- Schools - \$75,000; non-specific to be determined by School Administration/Board
- Police - \$50,000; non-specific, to be determined by Police Department
- Fire - \$25,000; non-specific, to be determined by Fire Department
- Sheriff - \$25,000; non-specific, to be determine by Sheriff's Office
- Public Works - \$49,000; capital (salt spreader, arrow board, park paving)
- Henrv Hotel - \$20,000; commercial space lease
- Warehouse - \$25,000; capital (electric upgrades, reduction in security system project)
- Miscellaneous line items throughout General Fund - \$31,000.

("non-specific" – department directors/staff use their discretion regarding how to allocate reductions; park paving - \$20,000 was initially included under 16577367 508127 to pave courts at Southside and Wilson Parks – courts at Southside, Wilson, and West End will be repaired and sealed in lieu of paved, paid from maintenance; Henry Hotel contract with Waukeshaw requires City to cover cost of unleased first floor commercial space up to \$40K/year and initial budget covered worst-case scenio).

**Telecommunications**

At the April 23 work session, there were questions related to the Telecommunications Department presentation on April 22<sup>nd</sup>. The specific questions were in regard to the use of consultants and the use of \$185,000 in line item 11315308 508220/Physical Plant Expansion regarding continued growth of the telecom system and return on investment.

**Consultants**

The April 22<sup>nd</sup> Telecom presentation described the use of consultants in regard to on-going operations. The telecom operation has in the past or currently uses on an as-needed basis several consultants; Eric Page, attorney with the law firm of LeClairRyan who specializes in SCC regulatory issues, was used initially regarding review of the business plan prepared by CCG Consulting; Skyline Networks in regard to networking issues, troubleshooting, Munis, etc – not only used by Telecom but also the City's MIS department; and Ronco Communications regarding hardware/technical issues, equipment recommendations and support/repairs.

**Physical Plant Expansion**

Line item 11315308 508220/Physical Plant Expansion includes \$185,000 for continued expansion of the City's Telecom system. Of that amount, approximately \$90,000 is dedicated toward customer contracts for construction related to new service or expansion for existing customers. A component of the system expansion includes additional work needed in regard to the City/School partnership on the E-Rate program and it should be noted the construction work anticipated for FY16 accounts for over \$600,000 in revenue in the Telecom budget. The balance of funding is for new expansion and capital needs throughout the year, on an as needed basis.

For FY16, it is essential that this funding remain in the Telecom budget to complete the City/School E-Rate project, and to honor commitments/contracts made with customers. In addition to a number of smaller customers, the contract commitments include ICF, Monogram, J G Edelen, Piedmont Community Services, Norris Funeral Home, Memorial Hospital, and American Global. Should Council desire to slow-down or even cease further expansion of the Telecom program, that change would be reflected in the FY17 budget with reductions in a variety of line items.

The attached sheet provides a brief summary of currently planned construction for FY16, along with associated costs, revenue, ROI, and contract period.

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## FY16 PHYSICAL PLANT EXPANSION

Customer	Costruction Charge	Monthly Revenue	Monthly Recurring Charge	Net Monthly Revenue	Yearly Net Revenue	Payback in months	Contract Period
Industrial Park 1	14,000.00	4,675.00	2,720.00	1,955.00	23,460.00	7.2	Five Years
Industrial Park 2	8,000.00	1,600.00	0.00	1,600.00	19,200.00	5.0	Three Years
Schools Network and Phone	7,400.00	39,200.00	850.00	38,350.00	460,200.00	0.2	Five Years
Schools Internet	0.00	13,600.00	10,000.00	3,600.00	43,200.00	0.0	Five Years
Martinsville Circuit 1	8,700.00	2,080.00	500.00	1,580.00	18,960.00	5.5	Three Years
Martinsville Circuit 2	8,500.00	1,015.00	90.00	925.00	11,100.00	9.2	Three Years
Martinsville Circuit 3	3,500.00	550.00	210.00	340.00	4,080.00	10.3	Five Years
Martinsville Circuit 4	9,500.00	1,200.00	0.00	1,200.00	14,400.00	7.9	Three Years
Martinsville Upgrade 1	8,750.00	1,425.00	120.00	1,305.00	15,660.00	6.7	Five Years
Four Small Circuits	10,400.00	915.00	0.00	915.00	10,980.00	11.4	Two Years
<b>Subtotal</b>	<b>78,750.00</b>	<b>66,260.00</b>	<b>14,490.00</b>	<b>51,770.00</b>	<b>621,240.00</b>		

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Internal Savings	Non Recurring	Savings (Monthly)	Recurring Mo. Expense	Net Monthly Savings	Yearly Net Savings	Fund Reduction	Year	Return in Months
Eliminate ISDN	6,000.00	683.33	0.00	683.33	8,200.00	01217078 505231	FY17	8.8
SIP Long Distance	5,500.00	2,583.33	0.00	2,583.33	31,000.00	01431162 505230	FY17	2.1
<b>Subtotal</b>	<b>11,500.00</b>	<b>3,266.67</b>	<b>0.00</b>	<b>3,266.67</b>	<b>39,200.00</b>			

<b>TOTAL FY16</b>	<b>90,250.00</b>
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Sharon Hodge requested a quarterly analysis from MINet over the next year. City Manager Towarnicki explained that the MURA board had voted to merge with CPEG and that this budget could be called something different on the budget going forward but the funding should remain the same. Vice Mayor Bowles requested that the Council not vote on the EDC funding at this time. Mayor Turner made a motion to fund the EDC per capita, Sharon Brooks Hodge seconded that motion and asked for additional discussion. Gene Teague made a subsequent motion to table the discussion, Vice Mayor Bowles seconded that motion stating that she preferred to discuss with the citizens more before making a final decision. 4-1 in favor with Mayor Turner opposing the motion. Mayor Turner made a motion to eliminate the 3% utility increase and cut an additional \$400,000. Council Member Teague requested that they deal with current budget cuts first and would prefer to hear from those being cut including the schools.

Mayor Turner opened the public hearing.

Alexis Lee-Sellers St-requested an increase in funding for the CAPS Program and expressed support for not increasing Patrick Henry Community funding.

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Mr. Joe Martin-27 E. Church St-requesting reduction or elimination of City fluoride program as a budget cut. Council Member Teague requested that City Manager Towarnicki follow-up to ensure that the City is following the federal recommended levels of fluoride in the public water system. Sharon Brooks Hodge made a motion to cut the \$15,000 fluoridation program from budget with Vice Mayor Bowles seconding the motion with a 2-3 vote: Vice Mayor Turner, nay; Gene Teague, nay; Mark Stroud, nay; Sharon Brooks Hodge, aye; Vice Mayor Bowles, aye.

Mr. Ural Harris-217 Stewart St-expressed concerns on the reversion study, the proposed 3% electric increase, the contribution to the EDC and the employee salaries compared to surrounding areas.

Pam Heath-Superintendent of Martinsville Public Schools-expressed concern about the school budget cuts.

Dianne Enniss-1216 Knollwood Place-expressed concerns about the fund balances and reserve accounts and that the City funding of EDC should be reduced to 8.5% capita rate same as Henry County.

Tom Marshall-Auburn Place-supports Mr. Martin's and Ms. Enniss's suggestions and requests that Council does the research to ensure we are within suggested guidelines.

Mayor Turner closed the public hearing at 8:55pm.

Mayor Turner motioned to cut the electric increase, Sharon Brooks Hodge seconded the motion with a 2-3 vote: Mayor Danny Turner, aye; Sharon Brooks Hodge, aye; Vice Mayor Jennifer Bowles, nay; Mark Stroud, nay; Gene Teague, nay.

Mayor Turner motioned to cut \$300,000 more from City Manager budget, Vice Mayor Bowles seconded the motion with a 4-1 vote: Mayor Danny Turner, aye; Sharon Brooks Hodge, aye; Vice Mayor Jennifer Bowles, aye; Mark Stroud, aye; Gene Teague, nay.

Gene Teague motioned to adopt budget with \$300,00 cuts as amended on first reading, Mark Stroud seconded the motion with a 3-2 vote: Vice Mayor Bowles, aye; Sharon Brooks Hodge, nay; Mark Stroud, aye; Mayor Turner, nay; Gene Teague, aye.

Consider approving award of a contract to Palmer Generator for installation of a 150KW emergency/backup generator at the City Shop and Warehouse Complex. Gene Teague made a motion to approve the contract from Palmer Generator; Mark Stroud seconded the motion with a 5-0 approval vote.

Mayor Turner asked Leon Towarnicki to give an overview of April 27<sup>th</sup> Westside Neighborhood Meeting and Tour. The concern was expressed at the Neighborhood meeting about the condition of Cardinal Lane. Leon Towarnicki confirmed that Cardinal Lane, Crestwood Court, Hickory Street, Roundabout Road and First Street are on the list for slurry seal this year.

Consent agenda – Council Member Teague made a motion to adopt the consent agenda with Vice Mayor Bowles seconding the motion; vote resulted in a unanimous 5-0 approval vote.

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Business from the floor: Faye Holland, FAHI - recommended that the Housing Office be added to the museum allowing space for an after school program, intern program, and reading program. City Manager Towarnicki suggested that Council needs to develop general specifications on a business plan and the need to advertise publically and accept proposals.

Patrick Wright, 1201 Spruce St – interested in history and church/state amendments.

Alexis Lee, Sellers St –who would be the appropriate contact on the College Board to contact with concerns. City Manager advised that she should contact the City Manager office and they can provide the contact information.

Ural Harris-commented on proposed 3% electric increase, Prairie State and AMP Ohio.

Council comments: Bowles-Congratulations Miss Estes for being a finalist in the National Miss Pageant; Turner-saddened by the loss of Sam Fowler-business man, longtime resident and great guy.

City Manager comments: District 3 NCBA at Hooker Field Friday, Saturday and Sunday, next weekend will be a different tournament. Bob Phillips is retiring at the end of April; Del. Adams will be at the Fire Department on Thursday at 9:30 to present him with a Resolution of Appreciation for his years of service.

Council comments: Turner-MURA will have a Cinco de Mayo party Uptown Saturday with merchants, music and food.

There being no further business, Vice Mayor Bowles made a motion to adjourn the meeting at 9:55pm with Council Member Stroud seconding the motion, all Council members in favor 5-0.

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Leon Towarnicki  
Deputy Clerk of Council

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Danny Turner  
Mayor