

AGENDA--CITY COUNCIL -- CITY OF MARTINSVILLE, VIRGINIA
Council Chambers – Municipal Building
7:00 pm Closed Session 7:30 pm Regular Session
Tuesday, April 12, 2016

7:00 pm --Closed Session

1. 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 or consideration of the investment of public funds where competition or bargaining is involved where, if made public initially, the financial interest of the governmental unit would be adversely affected, as authorized by Subsection 6.
 - 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 Bowles

1. Consider approval of minutes of the March 21, 2016 Neighborhood Meeting and March 22, 2016 Council Meeting. (2 mins)
2. Recognize local resident Patricia Via & daughter Telesa Via for their work in regard to the MLC Cancer Foundation (10 mins)
3. Presentation of proclamation recognizing April as Sexual Assault Awareness Month (5 mins)
4. Conduct a public hearing regarding a request from Gordon Metz for the abandonment of a section of Lester Lane and a remnant of a parcel acquired for the Liberty Street project (10 mins)
5. Set a public hearing as required under the exemption ordinance enacted in January 2007 for consideration of the organization's local tax exemption request (10 mins)
6. Comments by members of City Council. (5 mins)
7. Comments by City Manager. (5 mins)
8. City Manager FY16 Proposed Budget presentation. (45 mins)

9. Business from the Floor (*not televised*)

This section of the Council meeting provides citizens the opportunity to discuss matters, which are not listed on the printed agenda. 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.



City Council Agenda Summary

Meeting Date: April 12, 2016

Item No: 1.

Department: Clerk of Council

Issue: Consider approval of minutes from March 21, 2016 Neighborhood Meeting and March 22, 2016 Council Meeting.

Summary: None

Attachments: March 21, 2016 Neighborhood Meeting minutes
March 22, 2016 Council Meeting minutes

Recommendations: Motion to approve minutes as presented.

March 21, 2016

Martinsville City Council toured the Northside and Chatham Heights area on March 21, 2016 beginning at 5:00pm. Those present for the tour were Council Member Teague, Mayor Turner, Vice Mayor Bowles, and Council Member Hodge. Council Member Stroud was absent from the tour. Staff present included City Manager Leon Towarnicki, Property Maintenance Inspector Andy Powers, Property Maintenance Inspector Mark Price, Assistant City Manager Wayne Knox, Fire Chief Ted Anderson, and Officer Coretha Gravely. Paul Collins of the Martinsville Bulletin was also present for the tour.

The tour went down Dillard Street and Warren Court to look at houses within the Northside CDBG project where they discussed the schedule and details related to several specific locations. The tour then went to Lester Lane to look at the area being considered for abandonment at the upcoming Council meeting. From there they went from Lester Lane north on Liberty Street where the Mayor briefly discussed the details related to the funeral and procession on Saturday for SFC Raymond McMillian which would be coming from Collinsville to Roselawn Cemetery. The tour traveled along Grayson Street from Liberty then east to Barrows Mill Road, noting a dog issue and an abandoned house in the 900 block. They then took Ainsley Street back down to Barrows Mill Road and then out Clearview Drive, cutting through Arden Circle by the landfill and transfer station, over Chatham Heights Road, over to Grandview by the water tank, then back out to Chatham Road. The tour traveled along Banks and Myrtle Roads, noting the City-owned house at 926 Myrtle Road that was purchased and rehabbed under the Neighborhood Stabilization Program then to Bethel Lane where the water tank demolition and condition of apartments at the end of Bethel Lane was discussed. The tour ended back at the Municipal Building around 6:00 pm.

The Northside and Chatham Heights Neighborhood Meeting was held at the Clearview Wesleyan Church, 925 Barrows Mill Road, Martinsville, VA at 7:30 PM, with Mayor Danny Turner presiding and Council Members present including: Vice Mayor Jennifer Bowles, Council Member Teague, Council Member Stroud, and Council Member Hodge. Staff present: City Manager Leon Towarnicki, Clerk of Council Karen Roberts, Assistant City Manager Wayne Knox, Police Chief Sean Dunn, Officer Coretha Gravely, Inspector Andy Powers, Inspector Mark Price, Fire Chief Ted Anderson and Commonwealth Attorney Clay Gravely.

Mayor Turner called the meeting to order.

Andy Powers introduced Mark Price who will be serving as the new Nuisance Ordinance Inspector. Powers then summarized the neighborhood tour and provided an update on the property maintenance report.

Turner asked about current burn laws. Powers stated that Martinsville is under the Governor's Burn Ban through April 30, which states that a resident cannot burn before 4pm and in the City limits the fire must be out by 8pm. Items that are acceptable to burn are ordinary yard waste and limbs smaller than 4" in diameter. Fires must be supervised, 300ft away from dead vegetation and resident must have some means of distinguishing the fire.

March 21, 2016

Ted Anderson shared his excitement to have Mark Price on board. He said the new Property Maintenance process is working well, explaining if a property is not compliant then it is posted then those locations will be added to the live link online. The minimum charge to cut grass on properties is \$225 so he advises people to check the computer link and vacant properties to be sure those have not been posted. He says his department welcomes comments and opinions on ways to improve. He advised that on March 22, 2016 the City will hold a tornado drill day. Code Red residents have already received an alert explaining the drill and at 9:45am March 22, 2016 all sirens around the City will run full blast for three minutes. The closest siren to Northside is on Clearview Drive.

Wayne Knox updated residents on the Dillard, Franklin, Ruffin and Warren Court projects which includes rehabilitating and replacing homes in that area. If residents know someone who needs a new home, please contact him and they can work out financing or a lease/purchase agreement. He stated there is also reconstruction of streets in that area with anticipated work on Franklin Street to be complete this summer. Once homeowner properties are complete then they will move onto rental properties since this is a neighborhood grant. He hopes the Northside project will be completed by January 2017. Turner asked where the next project would take place. Knox said his department is looking at other neighborhoods that meet the requirements and the area on Westend near the Paradise Inn is being considered next.

Chief Dunn said he doesn't have any updates but would be glad to answer any questions and thanked Officer Gravely for her continued help within the community. He stated that crime is down 18% from 2013. Council Member Hodge stated that she noticed a high volume of dog related calls on his previous report. Dunn confirmed there was an increase which makes things difficult on EC Stone. Stone is the only animal control officer and also oversees the pound. He asked that everyone be conscientious animal owners and take care of your animals. Dunn said if a dog gets loose and is not a danger then the officer will return the dog to the owner or will contact the owner if the dog has been taken to the pound. If the dog is dangerous or if it's a continuous problem the owner could be charged and fined. Officer Gravely said they will instruct the owner what they need to do and they will follow up with them a few days later to ensure they are compliant. Janet Mullins, 1000 block Owens Road asked if there was a time limit on having to listen to the dogs barking. Dunn suggested if she had contacted the owner with no luck then she should call the Police Department so they can get involved.

A resident reported a problem with noise in her apartment complex on Blankenship Road from visitors and their stereos being too loud. Gravely offered to talk to the apartment manager about adding a sign instructing visitors to turn the radio down when entering so that the Police Department could better enforce the rules.

March 21, 2016

A resident reported a problem with trash on the 900 block of Blankenship Road, stating that people are putting trash out on Monday before Thursday pickup. City Manager Towarnicki explained the City Code which states that trash should be put on the curb the morning of their scheduled pickup but they allow residents to put out the night before. He explained that Public Works has preprinted forms that can be left for those residents to remind them of the policy.

A resident asked what the policy was on trash laying in a neighbor's yard. Powers explained that if the inspector can see the trash from any road then it's considered a public nuisance. If the trash is in a yard not visible from a road then it's considered a private nuisance and complaints could be handled through the courts.

Clay Gravely, Commonwealth Attorney introduced himself and further iterated that if there is an issue with a neighbor's dog to contact the Police Department and he would pursue charges in court if necessary.

A resident on Glade Street expressed concerns about kids playing in the road, property missing, and damage to his car from a bb gun. Officer Gravely said she had spoken to the juvenile and his mother who was responsible for the damage and Chief Dunn said he could contact social services to see if they can get involved.

Lane and Rhonda Shively, 304 Grayson Street expressed concern about a dilapidated house across the road at 307 Grayson which is in the County. They asked if Council has any influence on what the County decides to do with this property. The kids in the neighborhood are playing in the home and they said the property is dangerous. Teague asked if the County can condemn the house and asked if Inspections could write a letter to the County requesting the property be condemned. Andersen says the County is limited in what they can do but he would be happy to contact them to see what options they have. Officer Gravely said she would contact the County also to have the home boarded back up securely.

Officer Gravely stated that there are residents with multiple dogs and puppies and suggested that residents be reminded of the maximum number of dogs they are allowed without having to obtain a kennel license. Council Member Teague suggested involving the SPCA and have them make a video that can be shared on MGTV to educate residents.

There being no further business at 8:25pm, Council Member Hodge made a motion to adjourn the meeting, Vice Mayor Bowles seconded the motion, all Council Members voted in favor.

Karen Roberts
Clerk of Council

Danny Turner
Mayor

March 22, 2016

The regular meeting of the Council of the City of Martinsville, Virginia, was held on March 22, 2016, in Council Chambers, Municipal Building, at 7:30 PM with Mayor Danny Turner presiding. Council Members present included: Danny Turner, Jennifer Bowles, Gene Teague, Mark Stroud and Sharon Brooks Hodge. Staff present included: City Manager Leon Towarnicki, Assistant City Manager Wayne Knox, Clerk of Council Karen Roberts, Community Planner Susan McCulloch, Finance Director Linda Conover, Budget Analyst Mary Prillaman and Police Chief Sean Dunn.

Mayor Turner called the meeting to order.

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

Present a Proclamation honoring the Martinsville High School Boys Basketball Team for their accomplishments this past season and winning the Group 2A State Championship – Vice Mayor Bowles read the proclamation. L.D. Oaks and Tim Byrd presented the trophies to the coaches. Oaks said it was an honor to be a part of the Bulldog program. The players and students are outstanding and show good character. Byrd said this is a special group of men because of the type of men they are and the way they played on the court. Council Members presented the players with a trophy and a copy of the proclamation. Council presented a plaque to Yvonne Turner who has been to all fifteen state championship games. Coach Jeff Adkins said the players worked hard and never complained. He said it was a great honor to coach them and they represented Martinsville well. Vice Mayor Bowles said she was proud of them and that they didn't let a previous bad incident define them. She appreciates them and how well they've represented the community.



Proclamation

HONORING THE MARTINSVILLE HIGH SCHOOL VARSITY BOYS BASKETBALL TEAM

WHEREAS, Martinsville High School is a member of the Virginia High School League, competing in the Piedmont District with other local and regional teams in a variety of high school sports; and

WHEREAS, the Martinsville High School varsity boys basketball team completed an outstanding year, winning the VHSL Group 2A state championship on Saturday, March 12, 2016, defeating Greensville County by a score of 69 - 37; and

WHEREAS, the championship marks Martinsville High School's 15th state basketball championship out of 18 state finals appearances, both VHSL records; and

WHEREAS, team members are Jay Dandridge, Cameron Bradley, Zanthus Hairston, Jordan Turner, Aaron Martin, Keilan Carter, Devonnte Holland, JaQuice Sydnor, Malik Wallace, Justin Manns, Kenneth Lewis, Ryland Gayle, Akira Price, and Eric Bratcher; and

WHEREAS, Head Coach Jeff Adkins; Assistant Coaches Vincent Dandridge, Doug Hankins, William Hankins, and Jackie Dillard; Athletic Director Tommy Golding; Team Manager Larry Green; and all the team players are to be congratulated for their hard work, dedication, and outstanding achievement;

NOW, THEREFORE, BE IT RESOLVED, on this 22nd day of March, 2016, that the Martinsville City Council hereby recognizes and commends the Martinsville High School varsity boys basketball team for their extraordinary achievement in winning the Virginia High School League Group 2A state championship and for being a source of pride for our entire community.

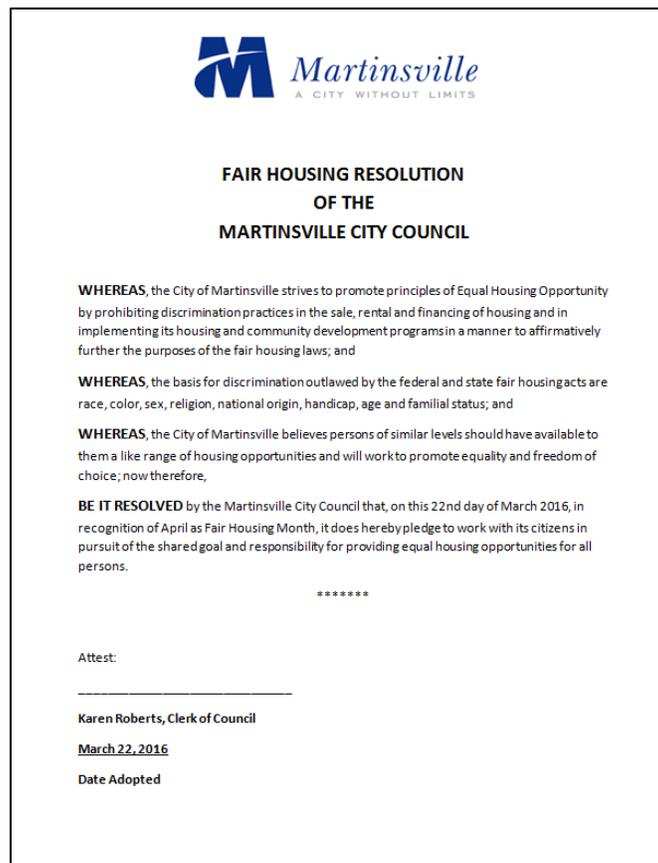
Danny Turner, Mayor

March 22, 2016

Consider approval of minutes of the March 8, 2016 Meeting and March 9 Closed Work Session - on a motion by Teague, seconded by Bowles and with a 5-0 Council vote in favor to approve the minutes as presented.

Hear overview of March 21, 2016 Northside/Chatham Heights area Neighborhood tour and meeting – Council Member Hodge summarized the Northside/Chatham Heights tour and the Neighborhood meeting. City Manager Towarnicki said bids are out and the tank on Bethel Lane will be taken down by the end of June. Issues with 307 Grayson Street have been communicated with the County to hopefully resolve that issue.

Consider adoption of a Resolution recognizing April as Fair Housing Month and expressing the City’s pledge to provide equal housing opportunities for all citizens – Wayne Knox explained that Fair Housing Month is annual in April. A motion was made by Vice Mayor Bowles to adopt the Resolution, Council Member Stroud seconded the motion and all Council Members voted in favor.



Consider setting a public hearing regarding a request from Gordon Metz for the abandonment of a section of Lester Lane and a remnant of a parcel acquired for the Liberty Street project – Susan McCulloch detailed the request received for the abandonment of property on Lester Lane. She explained the 6-0 vote held by the Planning Commission and their stipulations which have been agreed to by Mr. Metz. Staff recommends that City Council abandon locations as requested. Hodge questioned if there could be time frames added to the stipulations. A representative for Mr. Metz says that he is prepared to move

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forward as quickly as possible and agreed that a twelve month timeline would be acceptable. A motion was made by Council Member Hodge to set a public hearing, requesting that stipulations and the 12 month time frame be added. Council Member Teague seconded the motion and all Council Members voted in favor.



March 14, 2016

Mayor Danny Turner
City of Martinsville
55 W Church Street
Martinsville, VA 24112

Dear Mayor Turner,

On Thursday, November 12, 2015 at 2 PM in Council Chambers, the Planning Commission held a duly advertised Public Hearing to consider a request from Gordon R. Metz to abandon a portion of Lester Lane adjacent to 729 Lester Lane, being 30 foot wide and approximately 3,738 sq. ft. Mr. Metz desires the City abandon a section of Lester Lane, which encompasses approximately 3, 738 sq. ft. of public right-of-way. He proposes to combine this area of right-of-way with adjacent parcels which he owns (24, 25, 26, 27,27B), along with parcels owned jointly with a partner (27A, 13A). These combined parcels would be prepared for future commercial development.

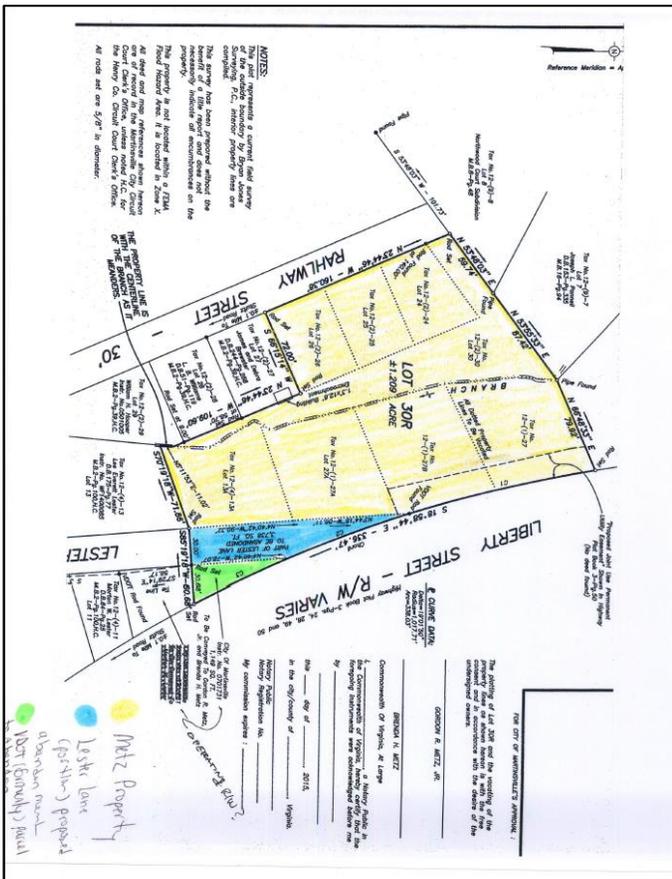
The Planning Commission voted unanimously (6-0) to approve the abandonment. However, there are several requirements stipulated in this recommendation. They are as follows:

- The applicant must work with Southwest Virginia Gas to help them access the gas line or relocate the line at the applicant's expense.
- The applicant must work with City Engineering on erosion and sediment issues and when finished, remove the excess dirt brought to the site and grade it to proper street level.
- That the applicant obtains the City-owned residual triangular parcel of land in conjunction with the abandonment of Lester Lane, which would include the payment that would be responsible for returning to the Commonwealth of Virginia for the land.
- The applicant would be responsible for removing the excess dirt brought to the site and grade it to proper street level.
- The applicant would be responsible for payment to the City on half the assessed value and subject to the filing of an appropriate map with – and the approval by – the Zoning Administrator, showing the area declared vacated, abandoned, and combined with the appropriate adjoining parcels, to be duly recorded in the office of the Clerk of Martinsville City Circuit Court.

The Commission requests Council to schedule a public hearing to consider the abandonment of the parcels of land on the 700 block of Lester Lane.

Regards,

Tim Martin
Chair, City of Martinsville Planning Commission





Conduct a public hearing concerning the intention of City Council to propose for passage an Ordinance authorizing the issuance of not to exceed \$10,000,000 principal amount of water and sewer revenue bonds of the City of Martinsville, Virginia related to the City's sewer interceptor project – Towarnicki explained this is a required element to the financing process. Mayor Turner opened the floor up to anyone wishing to speak on this matter but no one came forward to speak.

Consider approval on second reading of an ordinance authorizing the issuance of up to \$10,000,000 principal amount of water and sewer revenue bonds of the City of Martinsville, Virginia and providing for the form, details, and payment thereof, related to the City's sewer interceptor project – Council Member Hodge made a motion to approve the ordinance, Council Member Teague seconded the motion with all in favor with a roll call vote: Mayor Turner, aye; Council Member Hodge, aye; Vice Mayor Bowles, aye; Council Member Stroud, aye; and Council Member Teague, aye. Towarnicki wanted to thank Paul Jacobson for his assistance on this project. Mr. Jacobson said staff deserves a lot of credit and financing is on schedule for closing on Friday March 25, 2016. Towarnicki said there is a second part to the loan. Mr. Jacobson said that part of the loan may not close until early next year.

CITY OF MARTINSVILLE, VIRGINIA

AN ORDINANCE AUTHORIZING THE ISSUANCE OF UP TO \$10,000,000 PRINCIPAL AMOUNT OF WATER AND SEWER REVENUE BONDS OF THE CITY OF MARTINSVILLE, VIRGINIA AND PROVIDING FOR THE FORM, DETAILS AND PAYMENT THEREOF

Adopted on March 22, 2016 (second reading)

Be it Ordained by the Council of the City of Martinsville, Virginia:

Section 1 Definitions

Unless the context shall clearly indicate some other meaning, the following words and terms shall for all purposes of the Ordinance and of any certificate, resolution or other instrument amendatory thereof or supplemental thereto for all purposes of any opinion or instrument or other documents therein or herein mentioned, have the following meanings:

"Act" shall mean the Public Finance Act, Chapter 26, Title 15.2 of the Code of Virginia of 1950, as amended.

"Bond" or "Bonds" shall mean the City's Water and Sewer Revenue Bond, Series 2016, in the aggregate principal amount of up to \$10,000,000, authorized to be issued hereunder.

"Bond Counsel" shall mean Sands Anderson PC or another attorney or firm of attorneys nationally recognized on the subject of municipal bonds selected by the City.

"City" shall mean the City of Martinsville, Virginia.

"City Charter" shall mean the City Charter of the City of Martinsville, Virginia, as amended.

"Clerk" shall mean the Clerk of the Council or the Deputy Clerk of the Council.

"Commonwealth" shall mean the Commonwealth of Virginia.

"Council" shall mean the City Council of the City of Martinsville.

"Financing Agreement" shall mean the Financing Agreement between VRA and the City related to issuance of the Bond for the financing of the Project.

"Fund" shall mean the Virginia Water Facilities Revolving Fund.

"Mayor" shall mean the Mayor or Vice Mayor of the City.

"Paying Agent" shall mean the City Treasurer acting as Paying Agent for the Bond hereunder or the successors or assigns serving as such hereunder.

"Project" shall mean specifically the acquisition, construction, renovation and equipping of sewer system repairs, replacements, and capital improvements, all for the City's municipal purposes.

"Registrar" shall mean the Paying Agent, or the successors or assigns serving as such hereunder.

"System" shall mean the City's water and sewer system.

"VRA" shall mean the Virginia Resources Authority, as administrator of the Fund.

Section 2 Findings and Determinations

The Council hereby finds and determines that (i) the City is authorized to acquire, construct, operate and maintain water and sewer systems in the City (together, the "System"), which System is a revenue producing undertaking of the City (ii) the City is in need of funds to be used for the purposes of financing capital improvements, specifically the acquisition, construction, renovation and equipping of the Project, including payment of costs of issuance of the Bond; (iii) the obtaining of such funds will be for municipal purposes of the City, for the welfare of citizens of the City for purposes which will serve the City and its citizens pursuant to the authority of the City to provide funds for and otherwise support the activities of the City and the City's municipal purposes; (iv) the most effective, efficient and expedient manner in which to provide such funds to the City is through the issuance of a water and sewer revenue bond, Series 2016, in an aggregate original principal amount not to exceed \$10,000,000 to be issued by the City as further described herein to be sold to VRA as administrator of the Fund, which has offered to purchase the same on certain terms and conditions pursuant to a commitment letter dated as of February 18, 2016 and the Financing Agreement (as defined herein); (v) the issuance of the Bond is within the power of the City to contract debts, borrow money and make and issue evidence of indebtedness; (vi) the Project constitutes a water or waste system within the meaning of Title 15.2, Chapter 51, Section 15.2-5101, of the Code of Virginia, 1950, as amended (the "Virginia Code") and a wastewater treatment (including sewage and wastewater collection) facility within the meaning of the term "Project" as defined in Section 62.1-224 of the Virginia Code, (vii) the Council desires to issue the Bonds under the provisions of the Act and the City Charter, and a duly advertised and conducted public hearing has been held with respect to the Bonds on March 22, 2016 and, (viii) the issuance of the Bond is in the best interests of the City and its citizens. The maximum length of time that the Bond will be outstanding is thirty years from the date of issuance of the Bond. The Council further hereby finds and determines that the probable useful life of the Project financed by the Bond is thirty years and that the Bond is payable and shall mature within the probable useful life of the Project.

Section 3 Authorization, Form and Details of the Bond

The Project, which shall constitute a part of the System, is hereby approved and the City is authorized to issue not more than \$10,000,000 principal amount of water and sewer revenue bonds, Series 2016 (the "Bonds") pursuant to the City Charter and under the Act. The Bonds shall mature no later than thirty (30) years from the date of their issuance and the Bonds shall not

bear interest. The Bonds shall be issued in fully registered form, shall mature or be subject to mandatory sinking fund redemption on such dates and in such amounts as the City Manager or Assistant City Manager may approve and shall be subject to such optional and other redemption provisions as the City Manager or Assistant City Manager may approve. The proceeds from the sale of the Bonds shall be used to finance the Project.

The Bonds shall be issued to VRA, as administrator of the Fund, pursuant to the terms, conditions and provisions of this Ordinance and the Financing Agreement and upon such other terms as may be determined in the manner set forth in this Ordinance. The issuance and sale of the Bonds in one or more series from time to time in accordance with this Ordinance is authorized. The Bonds shall be in substantially the form herein, with such appropriate variations, omissions and insertions as are permitted or required by this Ordinance and by the VRA.

The Bonds shall be executed, for and on behalf of the City, by the Mayor or the Vice-Mayor of the City, either of whom may act, and shall have the corporate seal of the City impressed thereon, attested by the Clerk or Deputy Clerk of the City. The manner of execution and affixation of the seal may be by facsimile, provided, however that if the signatures of the Mayor or Vice Mayor are by facsimile, the Bonds shall not be valid until signed by the manual signature of the Clerk or Deputy Clerk. The Bonds shall be in substantially the form herein, with such variations, insertions or deletions as may be approved by the officer executing the Bonds on the City's behalf. The City Treasurer is hereby appointed as the Registrar for the Bonds.

"FORM OF BOND"

ISSUE DATE: _____, 2016

UNITED STATES OF AMERICA
COMMONWEALTH OF VIRGINIA

\$10,000,000
Water and Sewer Revenue Bond, Series 2016

THE CITY OF MARTINSVILLE (the "Borrower"), a public body politic and corporate of the Commonwealth of Virginia, acknowledges itself indebted and for value received, hereby promises to pay, solely from the revenues and other property hereinafter described and pledged to the payment of this Bond, to the order of Virginia Resources Authority (VRA), as Administrator of the Virginia Water Facilities Revolving Fund (the "Fund"), Richmond, Virginia, or registered assigns or legal representatives, the sum equal to the amount of principal advances made hereunder but not to exceed Ten Million and 00/100 Dollars (\$10,000,000.00), with interest on the disbursed and unpaid principal balance from the date of each disbursement until payment of the entire principal sum. This Bond shall not bear interest.

Commencing on _____, 20____, and continuing semi-annually thereafter on _____ 1 and _____ 1 in each year, principal due under this Bond shall be due and payable in equal installments of \$178,571.43, with a final installment of \$178,571.35 due and payable on _____, 20____, when, if not sooner paid, all amounts due hereunder shall be due and payable in full provided however, that if principal advances up to the maximum authorized amount are not made, the principal amount due on this Bond shall not include such undisbursed amount. However, unless the Borrower and VRA agree otherwise in writing, until all amounts due hereunder shall have been paid in full, less than the full disbursement of the maximum authorized amount hereunder shall not postpone the due date of any semi-annual installment due hereon, or change the amount of such installment.

In addition, if any installment of principal is not received by the holder of this Bond within ten (10) days from its due date, the Borrower shall pay into the Fund, a late payment charge in an amount equal to five percent (5.0%) of such overdue installment. Principal is payable in lawful money of the United States.

No notation is required to be made on this Bond of the payment of any principal on normal installment dates. HENCE, THE FACE AMOUNT OF THIS BOND MAY EXCEED THE PRINCIPAL SUM REMAINING OUTSTANDING.

THIS BOND IS A LIMITED OBLIGATION OF THE BORROWER AND IS PAYABLE SOLELY FROM CERTAIN REVENUES TO BE DERIVED FROM THE OWNERSHIP OR OPERATION OF THE BORROWER'S WATER AND WASTEWATER SYSTEMS AS THE SAME MAY FROM TIME TO TIME EXIST, WHICH REVENUES HAVE BEEN PLEDGED PURSUANT TO THE FINANCING AGREEMENT (HEREINAFTER DEFINED) TO SECURE THE PAYMENT THEREOF. NEITHER THE COMMONWEALTH OF VIRGINIA NOR ANY POLITICAL SUBDIVISION THEREOF, INCLUDING THE BORROWER, SHALL BE OBLIGATED TO PAY THE PRINCIPAL OF THIS BOND OR OTHER COSTS INCIDENT THERETO EXCEPT FROM THE REVENUES PLEDGED THEREFOR, AND NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE COMMONWEALTH OF VIRGINIA OR ANY POLITICAL SUBDIVISION THEREOF, INCLUDING THE BORROWER, IS PLEDGED TO THE PAYMENT OF PRINCIPAL OF THIS BOND OR OTHER COSTS INCIDENT THERETO.

This Bond is issued pursuant to the terms of the Financing Agreement between the Borrower and VRA dated as of March 1, 2016 (the "Financing Agreement") to evidence a loan by VRA to the Borrower to finance the Project Costs (as defined in the Financing Agreement). The obligations of the Borrower under this Bond and the Financing Agreement shall terminate when all amounts due and to become due pursuant to this Bond and Financing Agreement have been paid in full. Reference is hereby made to the Financing Agreement and any amendments thereto for the definitions and provisions, among others, describing the pledge and covenants

securing this Bond, the nature and extent of the security, the terms and conditions upon which this Bond is issued, and the rights and obligations of the Borrower and the holders of this Bond.

The pledge of Revenues, as defined in the Financing Agreement, toward payment of the Bond in accordance with the terms of the Financing Agreement shall be on parity with the pledge of Revenues securing the Existing Parity Bonds, if any, as defined in the Financing Agreement and set forth on Exhibit F thereto. The Borrower may incur additional indebtedness secured by a pledge of the Revenues pursuant to the terms of the Financing Agreement.

Transfer of this Bond may be registered upon the registration books of the Bond Registrar. Prior to due presentment for registration of transfer, the Bond Registrar shall treat the registered owner as the person exclusively entitled to payment of principal and the exercise of all other rights and powers of the owner.

This Bond is subject to optional prepayment to the extent and on the terms set forth in the Financing Agreement.

If an Event of Default (as defined in the Financing Agreement) occurs, the principal of this Bond may be declared immediately due and payable by the holder by written notice to the Borrower.

Notwithstanding anything in this Bond to the contrary, in addition to the payments of the principal provided by this Bond, the Borrower shall also pay such additional amounts, if any, which may be necessary to provide for payment in full of all amounts due under the Financing Agreement.

All acts, conditions and things required by the Constitution and statutes of the Commonwealth of Virginia to happen, exist or be performed precedent to and in the issuance of this Bond have happened, exist and have been performed.

IN WITNESS WHEREOF, the Borrower has caused this Bond to be signed by its Mayor or Vice-Mayor, to be attested by the Clerk of the City Council, its seal to be affixed hereto and to be dated as of _____, 2016.

CITY OF MARTINSVILLE, VIRGINIA

SEAL

By: _____
Name: _____
Title: Mayor

ATTEST:

Clerk of the City Council

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto _____ whose address for registration purposes is _____ the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints _____ to transfer the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____ Tax I.D. No. _____
Transferee: _____

Signature Guaranteed

(NOTE: the signature above must correspond with the name of the Registered Owner as it appears on the front of this Bond in every particular, without alteration or enlargement or any change whatsoever.)

SCHEDULE OF PRINCIPAL ADVANCES

The amount and date of principal advances not to exceed the face amount hereof shall be entered hereon by an authorized representative of the Virginia Resources Authority, as Administrator of the Fund, when the proceeds of each such advance are delivered to the Borrower.

Amount	Date	Authorized Signatures

If any Bond has been mutilated, lost, stolen, or destroyed, the City shall execute and deliver a new Bond of like date and tenor in exchange and substitution for, and upon delivery to the Registrar and cancellation of, such mutilated Bond, or in lieu of and in substitution for such lost, stolen, or destroyed Bond; provided, however, that the City shall execute, authenticate, and deliver a new Bond only if its registered owner has paid the reasonable expenses and charges of the City in connection therewith and, in the case of a lost, stolen, or destroyed Bond (i) has filed with the Registrar evidence satisfactory to him or her that such Bond was lost, stolen, or destroyed and that the holder of the Bond was its registered owner and (ii) has furnished to the City indemnity satisfactory to the Registrar. If the Bond has matured, instead of issuing a new Bond, the City may pay the Bond without surrender upon receipt of the aforesaid evidence and indemnity.

Section 4 Pledge of Water and Sewer Revenues

The Bond shall be a limited obligation of the City and, except to the extent payable from the proceeds of the sale of the Bond or the income, if any, derived from the investment thereof, is payable exclusively from the Revenues (as defined in the Financing Agreement) of the City's System which the City hereby pledges to the payment of the Bond pursuant to the terms of the Financing Agreement. The pledge of the Revenues securing the Bond shall be on parity with any Parity Bonds (as defined in the Financing Agreement) secured by such Revenues.

March 22, 2016

will serve on the General Laws Committee, Hodge will remain with Community and Economic Development, and Stroud accepted the Transportation Committee. Towarnicki and City Attorney Monday would fill in remaining committees on Finance and Environmental Quality.

VML
VIRGINIA MUNICIPAL LEAGUE

OFFICERS
PRESIDENT
 RON BOBMAN
 BLACKSBURG MAYOR
PRESIDENT-ELECT
 ROBERT K. GONER
 GORDONVILLE MAYOR
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 LEESBURG COUNCIL MEMBER
IMMEDIATE PAST PRESIDENT
 WILLIAM D. ELLIS
 ALEXANDRIA MAYOR
EXECUTIVE DIRECTOR
 KIMBERLY A. WINN
MAGAZINE
 VIRGINIA TOWN & CITY

March 15, 2016

To: Key Officials of Full Member Local Governments
 Council and Board Clerks of Full Member Local Governments

From: Kim Winn, Executive Director

Subject: 2016 VML Policy Committee Nominations

The Virginia Municipal League is now accepting nominations for its 2016 policy committees. Accompanying this document is a description of the policy committee process, along with a nomination form. Please complete the nominations form and return it to VML by April 15. If your community has an election in May, please return this form by the requested date even if you must revise it later.

Please observe the following guidelines when making your policy nominations:

- Only full-member local governments may participate.
- You may nominate two individuals to a committee; if two are nominated, at least one nominee must be a governing body member.
- Only governing body members and appointed officials (i.e., employees of the local government) are eligible to serve.
- Individuals may serve on only one committee a year.
- The chief administrative officer or mayor/board chairman must sign the nomination form.
- Please return nomination forms by April 15.

We will forward information about policy committee meeting times and location as soon as they are confirmed. Policy committee recommendations that emerge from the July meeting will be forwarded to the Legislative Committee for consideration at its September meeting.

Please call/email Janet Arson (804/523-8522, jaronson@vml.org) if you have any questions about the appointment process.

Attachments

P.O. Box 12164
 RICHMOND, VIRGINIA 23241

13 EAST FRANKLIN STREET
 RICHMOND, VIRGINIA 23219

804/649-8471
 Fax 804/343-3758
 e-mail@vml.org
 www.vml.org

LOCAL GOVERNMENTS WORKING TOGETHER SINCE 1905

VML 2016 Policy Committee Nominations

Please return this form by April 15 to Joni Terry at VML, P.O. Box 12164, Richmond, VA 23241; Fax 804/343-3758; email: jterry@vml.org

Community & Economic Development
 Name & Title: Sharon Brooks Hodge, City Council Member

Name & Title: _____

Environmental Quality
 Name & Title: Eric Monday, City Attorney

Name & Title: _____

Finance
 Name & Title: Leon Towarnicki, City Manager

Name & Title: _____

General Laws
 Name & Title: Gene Teague, City Council Member

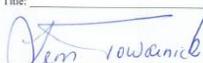
Name & Title: _____

Human Development & Education
 Name & Title: Jennifer Bowles, Vice Mayor

Name & Title: _____

Transportation
 Name & Title: Mark Stroud, City Council Member

Name & Title: _____

Signed:  Local: Martinsville, Virginia
 (Mayor/Chair, or Manager/Administrator)

VML's Legislative and Policy Committee Process

Each year the Virginia Municipal League develops two separate documents - a legislative program and a compilation of policy statements - through a process that involves the Legislative Committee and six separate policy committees. The Legislative Committee is responsible for developing the legislative program, but it may also rely on input from the policy committees to do so. The policy committees develop broad policy statements, in addition to submitting specific legislative recommendations for consideration by the Legislative Committee.

Legislative Committee

What is the role of the Legislative Committee?
 The Legislative Committee is responsible for considering and developing positions on existing or proposed state and federal legislation or regulations, and urging the enactment or amendment of, or opposition to, such legislation or regulations.

How is the Legislative Committee appointed?
 VML's Constitution spells out the composition of the Legislative Committee. The committee consists of 24 individuals holding local elective or appointed positions, all appointed by VML's President. Of the 24 members, 12 must be representatives of cities and urban counties with populations in excess of 35,000, six must be representatives of cities and urban counties with populations of 35,000 or less, and six must represent towns.

What is included in VML's Legislative Program?
 The legislative program adopted by the Legislative Committee reflects specific legislative objectives that VML hopes to achieve during the upcoming legislative session. It is subject to the approval of VML's membership at the annual conference.

What is the relationship between the legislative committee and VML's policy committees?
 The Legislative Committee meets prior to the policy committees to identify issues that it would like the committees to consider for potential inclusion in the league's legislative program. It meets again after the policy committees have met to consider their recommendations.

Policy Committees

What is the role of the policy committees?
 Policy committees receive briefings on select statewide issues, consider possible changes to the policy statement, and develop legislative recommendations for the Legislative Committee to consider.

How are policy committees appointed?
 Policy committee membership consists of elected and appointed officials of full-member local governments. Nomination information is sent in the spring to each locality, and each local government determines which of its officials will be nominated for each of the six policy committees. Each local government may nominate up to two people per policy committee, at least one of whom must be an elected official.

1

What are the benefits of serving on a policy committee?
 VML policy committees offer members an opportunity to learn about current and emerging statewide issues that affect local governments, to develop through policy statements the broad philosophical framework that guides the league, and to network with local officials with similar policy interests.

How many policy committees are there?
 There are six policy committees: community and economic development, environmental quality, finance, general laws, human development and education, and transportation.

What issues does each policy committee cover?

- **Community & Economic Development:** Authority, administration, and funding of local governments to manage a full range of community and economic development issues, including business development and retention, international competitiveness, infrastructure development and investment, planning, land use and zoning, blight, enterprise zones, housing, workforce development and historic preservation.
- **Environmental Quality:** Natural resources and the authority of local governments to manage the environment, including water resources and quality, solid and hazardous waste management, air quality and the Chesapeake Bay.
- **Finance:** Powers, organization and administration of local government financing, including taxing authority, debt financing, state aid to local governments and federal policies affecting local finance issues.
- **General Laws:** Powers, duties, responsibilities, organization and administration of local governments, including state-local and inter-local relations, conflicts-of-interest, freedom-of-information, information management and personnel, telecommunications, utilities and law enforcement, jails and courts issues.
- **Human Development and Education:** Management and funding of social services, pre-K-12 education, health, behavioral health, juvenile justice, recreation, rehabilitation and aging.
- **Transportation:** Development, maintenance, and funding of a comprehensive land, sea and air transportation system for the Commonwealth, and federal, state and local roles in the provision and regulation of transportation.

What is a policy statement?
 Each policy committee develops a policy statement that covers issues in its respective area. The policy statement expresses the agreement of VML's membership on matters of interest to local governments. The statement generally addresses broad, long-term, philosophical positions. The VML membership approves the policy statements at its annual meeting.

How do policy statements differ from VML's legislative program?
 Policy statements are general in nature. They reflect local governments' positions on a range of issues. The Legislative Program is more specific and immediate. It is limited to legislative positions that VML expects to lobby on during the upcoming legislative session.

2

March 22, 2016

Hear information regarding GO Virginia and the designation of regional councils across the state – Towarnicki said this topic was discussed at length at the last meeting. He provided a packet of information from David Hoback detailing additional information for Council. It appears that Options 10, 11 or 12 would be most beneficial to the City. Council Member Hodge asked if Council wanted her and Vice Mayor Bowles to go along with that consensus or how would they prefer they vote as representatives of the City. Teague says he feels that the City would have a bigger voice if they are paired with Southside region instead of Roanoke but he is ok with either choice. Stroud agreed with that also. Hodge said there would be a meeting at West Piedmont Friday March 25, 2016 at 9:00am for any Council Members who wished to attend.

Consider approval of consent agenda – A motion was made by Teague and seconded by Hodge to approve the consent agenda as presented, all Council Members voted in favor.

BUDGET ADDITIONS FOR 03/22/16				
ORG	OBJECT	DESCRIPTION	DEBIT	CREDIT
FY16				
General Fund:				
01100909	490137	Recovered Costs - Public Safety		4,620
01331108	501207	Sheriff Corrections - Overtime-Maplewood	4,292	
01331108	502100	Sheriff Corrections - Social Security	266	
01331108	502110	Sheriff Corrections - Medicare	62	
		Recovery of Off-duty Coverage Law Enforcement		
01100909	490104	Advance/Recovered Costs		1,846
01331108	501300	Sheriff/Corrections - Part-time & Temporary Wages	1,380	
01331108	502100	Sheriff/Corrections - Social Security	86	
01331108	502110	Sheriff/Corrections - Medicare	20	
01331108	506008	Sheriff/Corrections - Vehicle Equipment & Maint.	276	
01331110	506200	Sheriff/Annex - Prisoner Allowance	84	
		Reimbursement from Henry County for litter pickup-February		
01102926	436401	Categorical Federal - Federal Confiscated Assets		11,196
01311085	506079	Police Department - Federal Asset Forfeitures	11,196	
		Federal Asset Forfeiture funds		
01101917	442811	Categorical Other State - VDOT Crosswalk Project		30,160
01413151	508220	Thorofare - Physical Plant Expansion	30,160	
		Crosswalk Project funding		
01101917	442402	Categorical Other State - Confiscated Assets - C Atty		270
01221082	506105	Comm Atty - Conf Assets State	270	
01101917	442401	Categorical Other State - Confiscated Assets - Police		780
01311085	506078	Police Dept - Conf Assets State	780	
		State Asset Forfeiture Proceeds		
Total General Fund:			48,872	48,872
Telecommunications Fund:				
111100909	490104	Advance/Recovered Costs		22,072
11315308	505233	Telecom-Outside Customers	22,072	
		Customer Reimbursements		
Total Telecommunications Fund:			22,072	22,072

Comments by members of City Council – Stroud said as he rides around he is struck by the beauty of the trees this time of year and he hopes that the dogwoods bloom before the race. This is a time of renewal and resurrection from the cold weather. He is proud to be a resident of Martinsville and Henry County. Teague mentioned doing educational videos with the SPCA on how to care for animals especially those in the City pertaining to City laws and utilizing Channel 22. He mentioned that two weeks from Sunday is the Martinsville race, there will be lots of people visiting the community and it's important to present yourself in the best light possible. Bowles encouraged residents to apply for City boards and commissions.

March 22, 2016

Turner explained that the funeral for Sgt. Raymond McMillian would be held on Saturday March 26, 2016 and detailed McMillian's history before his disappearance. He asked for volunteers to honor Sgt. McMillian by holding flags. Anyone who would like to volunteer would need to be on Liberty Street immediately following the service at the funeral home. City flags will be flown at half-staff in honor of Sgt. McMillian. He offered residents a flag lapel pin to wear this weekend in honor of Sgt. McMillian and listed various locations where those could be picked up.

Comments by City Manager – Towarnicki explained how residents could apply for any City boards or commissions either by contacting the City Manager's office or applying online through the City website. He would like to schedule budget work sessions with tentative date of April 12 for Council to present the budget and ask for public hearing and approval on first reading. Thursday April 14th would work best for the schools and City utilities, especially electric. The following week Tuesday April 19th would be water/sewer and other department heads and Thursday 21st for any remaining departments and outside agencies. Work sessions would begin around 6:00-6:30pm depending on Council's schedules. Towarnicki asked that Council also reserve Wednesday May 4, 2016 for the Community Business Launch project beginning at 10:00am. There will be presentations of the awards for those receiving funding and he would like Council Members to be present if possible.

Business from the Floor (not televised) – Mr. Sidney Lee, 121 Sellers Street - wanted to thank the City employees for keeping Wilson Park clean and said it looks 100% better.

Jack Gardner and William Gardner were in attendance to achieve their Boy Scout communications badge and explained those requirements to Council.

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

Karen Roberts
Clerk of Council

Danny Turner
Mayor

Date: April 12, 2016
Item No: 2.
Department: Mayor/City Council

Issue: Recognize local resident Patricia Via and daughter Telesa Via for their work in regard to the MLC Cancer Foundation.

Summary: Last November, Martinsville-based MLC Cancer Foundation won a “Battle of the Breasts” contest with a top prize of \$50,000 worth of genetic testing through Ambry Genetics. The award was presented at an event held at Chatmoss Country Club on November 6, 2015, with members of the Via family present along with representatives from Ambry, Surflife, the Maui Ola Foundation, and world champion surfer Lisa Anderson from California.

Patricia and Telesa Via along with other members of the family and MLC organization will be present at Council’s meeting to accept a plaque from the City recognizing their award, and work.

Attachments: None

Recommendations: The Mayor will present the plague to the Via family.



City Council Agenda Summary

Meeting Date: April 12, 2016

Item No: 3.

Department: City Manager

Issue: Presentation of proclamation recognizing April as Sexual Assault Awareness Month.

Summary: Citizens Against Family Violence Advocate, Mary Jones, will be present to accept the proclamation.

Attachments: Proclamation

Recommendations: No action needed



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

Sexual Assault Awareness Month

Whereas, Sexual Assault Awareness Month is intended to draw attention to the fact that sexual violence is widespread and has public health implications for every community member of the City of Martinsville; and

Whereas, Rape, sexual assault, and sexual harassment impact our community as seen by statistics indicating that one in five women will have experienced sexual assault by the time they complete college; and

Whereas, Child sexual abuse prevention must be a priority to confront the reality that one in six boys and one in four girls will experience a sexual assault before the age 18; and

Whereas, Staff and volunteers of Citizens Against Family Violence anti-violence programs in the City of Martinsville encourage every person to speak out when witnessing acts of violence however small; and

Whereas, With leadership, dedication, and encouragement, there is compelling evidence that we can be successful in reducing sexual violence in the City of Martinsville through prevention education, increased awareness, and holding perpetrators who commit acts of violence responsible for their actions; and

Whereas, the City of Martinsville strongly supports the efforts of national and state partners, as well as our local partner Citizens Against Family Violence, and of every citizen to actively engage in public and private efforts, including conversations about what sexual violence is, how to prevent it, how to help survivors connect with services, and how every segment of our society can work together to better address sexual violence.

NOW THEREFORE BE IT RESOLVED,

That I, Danny Turner, along with Martinsville City Council members, join anti-sexual violence advocates and support service programs in the belief that all community members must be part of the solution to end sexual violence. Along with the United States Government and State of Virginia, I do hereby **proclaim April as “Sexual Assault Awareness Month”**.

Danny Turner
Mayor

Meeting Date: April 12, 2016
Item No: 4.
Department: Community Development

Issue: Conduct a public hearing regarding a request from Gordon Metz for the abandonment of a section of Lester Lane and a remnant of a parcel acquired for the Liberty Street project.

Summary: The applicant desires the City to abandon an approximate 3,738 sf section of right of way of Lester Lane along with a 1,149 sf remnant of a parcel acquired by VDOT for the Liberty Street project. He proposes to combine this area of right-of-way with adjacent parcels which he owns (24, 25, 26, 27,27B), along with parcels owned jointly with a partner (27A, 13A). These combined parcels would be prepared for future commercial development.

This portion of Lester Lane is permanently blocked and no longer utilized for ingress or egress by motor vehicles due to Liberty Street road widening project. At present, fill dirt has been stockpiled on the parcels owned by the applicant, for the purpose of grading in anticipation of future development. In order to make the area in question a more viable site for development, this additional street area and parcel remnant, if abandoned, will be combined with existing property to create additional space and frontage.

After a duly advertised public hearing, Planning Commission voted unanimously (6-0) to approve the abandonment per staff recommendation.

ATTACHMENTS:

Letter from Planning Commission
Photos
Map

STAFF RECOMMENDATION: The City staff, after several meetings with the applicant, some adjacent property owners, local utility agencies, and the Planning Commission, feels the abandonment of this street and parcel remnant will be

beneficial. However, there are several requirements stipulated in this recommendation as follows:

- Work with Southwest Virginia Gas to help them access the gas line or relocate the line at the applicant's expense.
- Purchase from the City the adjacent triangular parcel of land containing 1,149 sq. ft. which has been quitclaimed to the City by VDOT as per covenants within the deed.
- Work with City Engineering on erosion and sediment issues and when finished, remove the excess dirt brought to the site and grade it to proper street level.
- The applicant will be responsible for payment to the City based on assessed value of the two properties and subject to the filing of an appropriate map with – and the approval by – the Zoning Administrator, showing the area declared vacated, abandoned, and combined with the appropriate adjoining parcels, to be duly recorded in the office of the Clerk of Martinsville City Circuit Court.
- The above requirements shall be completed within twelve months from the date of abandonment.

This matter was discussed briefly at the March 22 Council meeting and a public hearing was set for April 12. With the abovementioned stipulations, staff recommends approval of the petitioner's request.

Meeting Date: April 12, 2016

Item No: 5.

Department: City Manager, Commissioner of the Revenue

Issue: Consider setting a public hearing as required under the Exemption Ordinance enacted in January 2007 for consideration of an organization's local tax exemption request.

Summary: Under the provisions of the Exemption Ordinance enacted by Council in January 2007, any entity that does not clearly fall into any exemption category granted by the Code of Virginia must request an exemption approval from the City Council in the form of an exemption ordinance. In order for the exemption request to be considered by Council as part of the annual budget deliberations, the requesting entity must have submitted an exemption application to the Commissioner of the Revenue by November 1, 2015. After notification by the Commissioner of the Revenue that an organization submitted an application for determination for local tax exemption, the City Manager appointed a review committee consisting of himself, Vice-Mayor Bowles, the City Commissioner of the Revenue, the City Treasurer, and an accountant from the Finance Department to review the application received.

Community Development Corporation of Martinsville-Henry County Inc. is the only organization that submitted an application for a local exemption designation. The organization's stated mission is to "serve as a community development organization with a focus for revitalizing and rebuilding Martinsville's West End community, thereby fostering the creation and attraction of new business, retaining and expanding jobs and assisting in the retention and expansion of existing businesses in Martinsville and Henry County.

To complete the application process City Council must set a public hearing date to consider the exemption designation request and then determine after the public hearing whether to grant the requested exemption.

Attachments: Exemption Criteria to Consider
Exemption Category Definitions
Exemption Guidelines

Recommendations: Set Public Hearing for April 26, 2016.



GUIDELINES FOR CONSIDERING REQUESTS FOR EXEMPTIONS FROM LOCAL TAXATION

Article X, §6(a)(6) of the Constitution of Virginia and Code of Virginia 58.1-3651 authorize local governing bodies to provide exemptions from local taxation for the real and/or personal property owned by non-profit organizations that use the property exclusively for religious, charitable, patriotic, historical, benevolent, or cultural purposes or as dedicated public parks or playgrounds. The local governing body must adopt an exemption ordinance establishing the restrictions and conditions of the tax exemption.

Exemptions as provided by Code of Virginia §58.1-3600 – 58.1-3650.1001, or any other general or special act of the Virginia General Assembly prior to January 1, 2003 will continue to be effective provided the property is owned and used in conformance with the provisions of law that provided the exemption. Exempt properties will be subject to a triennial review to ensure continued compliance with the exemption provisions.

Exemptions may be granted by the Martinsville City Council to organizations that meet a general public need for services provided to the community at-large which exceed the City's loss in revenue from taxes assessed on the organization's real and personal property. Exemptions will not be granted to organizations that have rules, regulations, policies or practices that unlawfully discriminate on the basis of religious conviction, race, color, sex or national origin.

Application Procedures:

1. A non-profit organization seeking exemption from its real or personal property, or both, must file an application with the Commissioner of the Revenue.
2. The Commissioner of the Revenue will conduct an initial review of each application to determine if the applicant qualifies for a state code exemption. If an applicant does not meet the criteria for a state code exemption, but may be eligible for a local exemption granted by the Martinsville City Council, then the application will be forwarded to the

City Manager for review and to report his findings to the City Council. Local exemption designations will only be considered by the City Council during its annual budget process. Applications for a local exemption determination must be filed with the Commissioner of the Revenue by November 1st.

3. As part of the application process, the organization shall provide the following information: names and addresses of officers, directors, managing members, trustees or partners as applicable; a statement of the salaries or other compensation, if any, received by the 3 highest paid employees of the organization; a complete description of the property for which the exemption is sought (for real estate, the organization shall list the gross square footage of any improvements and indicate the square footage that will be used by the applicant organization for their exempt purpose); a description of the property use and how it relates to the qualifying exemption; and a completed Exemption Criteria Review Questionnaire (see Review Criteria below).
4. The applicant organization must also provide copies of the organization's Internal Revenue Service determination letter; its Articles of Incorporation or Organization along with any amendments to the Articles; Organization By-Laws; and Certificate of Good Standing from the State Corporation Commission.
5. If requested by the Commissioner of the Revenue, the organization shall provide copies of its federal and state returns and its financial statements for the prior two years.
6. A public hearing will be conducted by the City Council on the application for local exemption. Notice of the hearing will be published at least once in a newspaper of general circulation at least 5 days prior to the public hearing.
7. Local exemptions shall be granted only by ordinance by the Martinsville City Council after conducting a public hearing. The ordinance shall specify the use that is the basis for the local exemption, stipulate that the continuance of the local exemption is contingent on the applicant organization's continued use of the property in accordance with the purpose for which the organization is designated or classified, and shall contain any other conditions or restrictions as determined by the Martinsville City Council.
8. If the Martinsville City Council grants an exemption, it will become effective for the tax year effective date for which the exemption is granted (January 1st for personal property, July 1st for real estate.)

9. Once granted, a local exemption will be effective until the organization no longer qualifies, until the specific use on which the local exemption is based ceases, or until revoked by the Martinsville City Council as provided by law, whichever occurs first.
10. State code exemptions granted, as determined by the Commissioner of the Revenue, will be effective until the organization no longer qualifies or the specific use on which the exemption is based ceases.
11. Any organization that is granted a state code or local exemption shall file a renewal application with the Commissioner of the Revenue every three years as a requirement for retention of the exemption.

Review Criteria:

Before adopting an ordinance granting a property exemption the City Council is required by Code of Va. 58.1-3651 to consider the following:

- 1) Whether the organization is exempt from taxation pursuant to §501 (c) of the Internal Revenue Code of 1954;
- 2) Whether a current annual alcoholic beverage license for serving alcoholic beverages has been issued by the Virginia Alcoholic Beverage Control Board to such organization, for use on such property;
- 3) Whether any director, officer or employee of the organization is paid compensation in excess of a reasonable allowance for salaries or other compensation for personal services actually rendered by such director, officer or employee;
- 4) Whether any part of the net earnings of such organization inures to the benefit of any individual;
- 5) Whether any significant portion of the service provided by such organization is generated by funds received from donations, contributions or local, state or federal grants. As used in this subsection, donations shall include the providing of personal services or the contribution of in-kind or other material services;
- 6) Whether the organization provides services for the common good of the public;
- 7) Whether a substantial part of the activities of the organization involves carrying on propaganda, or otherwise attempting to influence legislation and whether the organization participates in, or intervenes in, any political campaign on behalf of any candidate for public office; and
- 8) The revenue impact to the City and its taxpayers of exempting the property.

- 9) The City Council should consider the following criteria, facts and circumstances as may be pertinent:
 - (a) Whether the organization is current on all its obligations to the City;
 - (b) Whether the organization is in compliance with all City ordinances and regulations, including (but not limited to) building, subdivision and zoning ordinances;
 - (c) Whether the property for which the exemption is sought relates to the purposes for which the organization was created and tends to directly promote those purposes;
 - (d) Whether the service(s) provided by the organization are services the City would provide if the requesting organization did not do so;
 - (e) Whether the organization meets a general public need for which the benefits derived by the community at-large are equivalent to or exceed the City's loss in revenue from taxes on the entity's real and personal property;
 - (f) Whether the service(s) provided by the organization meet an established priority of the City Council; and
 - (g) Any other criteria, facts and circumstances that the Council may deem appropriate and pertinent.

Triennial Review; Revocation of Exemption:

1. With the exception of the United States and the Commonwealth, or any political subdivision thereof, any organization which has been granted exemption from taxation shall file an application with the Commissioner of the Revenue every three (3) years as a requirement for retention of the exemption granted.
 - a. Review applications under this paragraph shall be filed with the Commissioner of the Revenue not later than December 31st of the year preceding the tax year for which such exemption is sought to be continued.
 - b. Review applications shall include the following information –
 - (1) The ownership of the property;
 - (2) The use of the property;
 - (3) Whether the organization has any rule, regulation, policy or practice that discriminates on the basis of religious conviction, race, color, sex or national origin;

- (4) Whether the organization is current on all its obligations to the City;
 - (5) Whether the organization is in compliance with all City ordinances and regulations, including (but not limited to) building, subdivision and zoning ordinances;
 - (6) Whether the organization has attempted to influence legislation, has participated in, or intervened in, any political campaign on behalf of any candidate for public office;
 - (7) The names and addresses of officers, directors, managing members, trustees or partners, as applicable;
 - (8) A current statement of the salaries or other compensation, if any, paid to officers and directors of the organization;
 - (9) A current statement of the salaries or other compensation, if any, received by the 3 highest-paid employees of the organization
 - (10) A current Certificate of Good Standing from the State Corporation Commission; and
 - (11) If requested by the Commissioner of the Revenue, copies of its federal and state tax returns and its financial statements for the preceding year.
- c. The Commissioner of the Revenue shall conduct an initial evaluation of each review application and any supporting materials using the criteria listed in Section B, above, and shall submit a written report summarizing her evaluation to the City Manager. The Commissioner's report shall specifically address the criteria in Section B. The City Manager will subsequently report those findings to the City Council.

Exemption Definitions

As Defined by Va. Courts

Benevolent – Philanthropic; humane; having a desire or purpose to do good to men; intended for conferring benefits, rather than for gain or profit. (Manassas Lodge No. 1380, Loyal Order of Moose, Inc. v. County of Prince William, 218 Va. 220, 237 S.E. 2d 102 (1977))

Charitable – Liberal in benefactions to the poor; beneficent. (City of Richmond v. United Givers Fund of Richmond, Henrico & Chesterfield, Inc., 205 Va. 432, 137 S.E. 2d 876 (1964))

NOTE: A charitable organization should be organized and conducted to perform some service of public good or welfare based on the above mentioned court cases.

As Defined by Va. Constitution Article X §6

Educational Exemption – Limited to institution of learning operated not for profit, provided the property is used for literary, scientific, or educational purposes or purposes incidental thereto.

As Defined by Webster's New Collegiate Dictionary

Cultural – Of or relating to enlightenment and excellence of taste acquired by intellectual and aesthetic training; acquaintance with and taste in fine arts, humanities, and broad aspects of science as distinguished from vocational and technical skills.

Educational – The field of study that deals mainly with methods of teaching and learning in schools.

Historical – Of or relating to a branch of knowledge that records and explains past events.

Museum – An institution devoted to the procurement, care, study, and display of objects of lasting interest or value; a place where objects are exhibited.

Patriotic – Befitting or characteristic of a patriot (one who loves his country and zealously supports its authority and interests.)

EXEMPTION CRITERIA TO CONSIDER

Pursuant to Code of Virginia §58.1-3651, the local governing body shall consider the following questions before granting an exemption from local taxation to any nonprofit organizations:

1. Whether the organization is exempt from taxation pursuant to § 501 (c) of the Internal Revenue Code of 1954;
2. Whether a current annual alcoholic beverage license for serving alcoholic beverages has been issued by the Virginia Alcoholic Beverage Control Board to such organization, for use on such property;
3. Whether any director, officer, or employee of the organization is paid compensation in excess of a reasonable allowance for salaries or other compensation for personal services which such director, officer, or employee actually renders;
4. Whether any part of the net earnings of such organization inures to the benefit of any individual, and whether any significant portion of the service provided by such organization is generated by funds received from donations, contributions, or local, state or federal grants. As used in this subsection, donations shall include the providing of personal services or the contribution of in-kind or other material services;
5. Whether the organization provides services for the common good of the public;
6. Whether a substantial part of the activities of the organization involves carrying on propaganda, or otherwise attempting to influence legislation and whether the organization participates in, or intervenes in, any political campaign on behalf of any candidate for public office;
7. The revenue impact to the locality and its taxpayers of exempting the property; and
8. Any other criteria, facts and circumstances that the governing body deems pertinent to the adoption of such ordinance.

Other Exemption Criteria Not Specifically Identified in Code of Virginia §58.1-3651

The City Council should consider the following criteria, facts and circumstances as may be pertinent:

- (a) Whether the organization is current on all its obligations to the City;
- (b) Whether the organization is in compliance with all City ordinances and regulations, including (but not limited to) building, subdivision and zoning ordinances;
- (c) Whether the property for which the exemption is sought relates to the purposes for which the organization was created and tends to directly promote those purposes;
- (d) Whether the service(s) provided by the organization are services the City would provide if the requesting organization did not do so;
- (e) Whether the organization meets a general public need for which the benefits derived by the community at-large are equivalent to or exceed the City's loss in revenue from taxes on the entity's real and personal property;
- (f) Whether the service(s) provided by the organization meet an established priority of the City Council; and
- (g) Any other criteria, facts and circumstances that the Council may deem appropriate and pertinent.

Date: April 12, 2016

Item No: 8.

Department: City Manager

Issue: Hear a presentation of the proposed FY17 City budget.

Summary: The proposed FY17 budget for the City will be presented. Budget work sessions will be held on Thursday, April 14th beginning at 6:30 pm with Schools and Electric; Tuesday, April 19th beginning at 6 pm to discuss City Departments, Constitutionals, Outside Agencies, and Capital; and Thursday, April 21st beginning at 6 pm to continue discussion/questions as may be needed and to wrap up. Additional sessions may be scheduled as needed.

The proposed schedule calls for the budget public hearing on Tuesday, April 26 along with adoption of the budget ordinance on first reading, followed by approval/adoption of the budget ordinance on second reading at Council's May 10th meeting.

Attachments: None. The FY17 budget document will be presented at the April 12 meeting.

Recommendations: Set the FY17 Budget Public Hearing for April 26, 2016.