

AGENDA--CITY COUNCIL  
CITY OF MARTINSVILLE, VIRGINIA

Council Chambers – Municipal Building  
**7:00pm Regular Session**  
**Tuesday June 13, 2023**

**7:00 pm - Regular Session**

Pledge to the American Flag and Invocation by Council Member Lawson

1. Approve minutes from the April 11, 2023 Council Meeting, April 24, 2023 Neighborhood Meeting, April 25, 2023 Council Meeting, May 6, 2023 Council Retreat, and the May 9, 2023 Council Meeting. (5 mins)
2. Hear an overview of the June 12 Druid Hills/Uptown neighborhood tour and meeting. (10 mins)
3. Conduct a public hearing for the purpose of receiving names of citizens interested in appointments for two 3-year terms ending June 30, 2026, and one unexpired 3-year term ending on June 30, 2024 on the Martinsville City School Board. (10 mins)
4. Hear a presentation from Site Collaborative regarding Martinsville's Public Parks Improvements Plan. (30 mins)
5. Consider approval of a resolution supporting an Industrial Revitalization Fund application to Virginia Department of Housing & Community Development for the development project at One Ellsworth. (10 mins)
6. Consider approval of amended Budget Ordinance 2023-U-1 on second reading. (15 mins)
7. Business from the Floor -  
The public comment portion of the Council meeting provides citizens the opportunity to discuss matters relevant to the operation of the City, which are not listed on the printed agenda.  
Citizens who wish to participate in a meeting's public comment period may do so by emailing their comments to Karen Roberts, Clerk of Council, at [kroberts@ci.martinsville.va.us](mailto:kroberts@ci.martinsville.va.us), calling in their comments to 276-403-5182, faxing comments to 276-403-5280, or mailing comments to City of Martinsville, attn.: Karen Roberts, P.O. Drawer 1112, Martinsville, VA 24114. *Comments must be received by 12:00noon Monday June 12, 2023.* Citizens may also request to speak at the Council meeting in the same manner.  
Comments, or a request to speak, must be received by noon the day before a Council meeting for consideration by Council at the meeting. Any person submitting comments or requesting to speak must identify themselves by name and address, including zip code, limit their remarks to 3 minutes or less (as read aloud), address a topic of City business, and refrain from making any personal references or accusations of a factually false and/or malicious nature. Priority for comments is given to City residents, taxpayers, and business owners. Speakers may not yield time. Groups of speakers on the same topic must designate a single representative. Comments violating these rules may not be presented at the Council meeting. Any speaker violating these rules may be removed from the podium or from the Council chamber.  
This policy does not apply to public hearings, at which any citizen of Martinsville may appear and speak on the subject of the public hearing.
8. Comments by members of City Council. (5 mins)
9. Comments by City Manager. (5 mins)

**Meeting Date:** June 13, 2023

**Item No:** 1.

**Department:** Clerk of Council

**Issue:** Consider approval of minutes

**Summary:** None

**Attachments:** April 11, 2023 Council Meeting  
April 24, 2023 Neighborhood Meeting  
April 25, 2023 Council Meeting  
May 6, 2023 Council Retreat  
May 9, 2023 Council Meeting

**Recommendations:** Motion to approve minutes as presented.

**Date:** June 13, 2023

**Item No:** 2.

**Department:** City Council

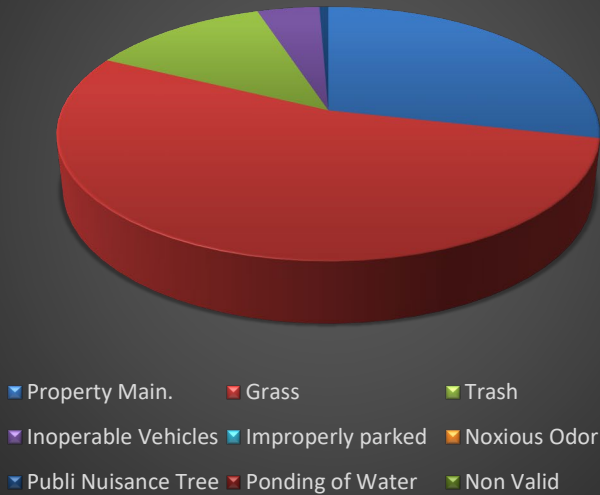
**Issue:** Hear an overview of the June 12 Druid Hills/Uptown neighborhood tour and meeting.

**Summary:** A recap of the Druid Hills/Uptown tour and neighborhood community meeting held at Forest Hills Presbyterian Church located at 725 Beechnut Lane on Monday, June 12<sup>th</sup> will be given.

**Attachments:** Inspections Report

**Recommendations:** This item is being presented for public information purposes – no action needed by Council.

## Property Maintenance/Nuisance Ordinance Concerns



Property Maintenance - 45

Grass-85

Trash-20

Inoperable Vehicles-7

Improperly parked vehicle-0

Noxious Odor-0

Public Nuisance Tree-0

Ponding of Water-0

Non-Valid Complaints-0

### Demolitions

1 demolition completed

**Date:** June 13, 2023

**Item No:** 3.

**Department:** City Council

**Issue:** Conduct a public hearing for the purpose of receiving names of citizens interested in appointments for two 3-year terms ending June 30, 2026, and one unexpired 3-year term ending on June 30, 2024 on the Martinsville City School Board.

**Summary:** Pursuant to Code of Virginia § 22.1-29.1, a public hearing is necessary to introduce and consider names of persons interested in appointment to a vacancy on the Martinsville School Board and to receive the views of citizens within the school division. This state code section also states that no nominee or applicant whose name has not been considered at the public hearing shall be appointed as a school board member. Further, the actual appointment must be made at least seven days after the hearing; appointments will therefore be made at or after the June 27, 2023 Council meeting following the interview process.

**Attachments:** Current Martinsville School Board members

**Recommended Action:** Conduct the Public Hearing and consider scheduling interviews on June 27th, prior to and/or after Council's meeting on that date depending on number of candidates (unless Council desires a different schedule). Candidates selected for the Board appointments will be announced after interviews are completed.

## **SCHOOL BOARD**

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

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

Meetings are held on the second Monday of each month.

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

<b>Name &amp; Address</b>	<b>Initial Appointment</b>	<b>Term Expires</b>	<b>Full Term</b>
Michael Williamson, 922 Vine Street	07/12/22	06/30/25	
Donna Dillard, 912 Forest Lake Dr. (reappt 6/23/20)	8/24/16	6/30/23	1
Tony Jones, 612 Third Street	6/23/20	6/30/23	
<del>James Woods, 815 Clarke Road (Resigned 12/11/23)</del>	<del>07/12/22</del>	<del>6/30/24</del>	
Yvonne Givens, 714 Indian Trail (reappt 6/23/21)	07/09/19	06/30/24	

NOTE: If a Board or Commission does not specify number of terms a person can serve, then the number of terms defaults to three terms per a policy adopted by City Council December 11, 1990. (per city attorney 4/26/11) Two exceptions (1) if no one is interested (2) no one qualified has applied, then the person holding the position can serve another term if Council chooses.



## City Council Agenda Summary

**Meeting Date:** June 13, 2023

**Item No:** 4.

**Department:** City Manager

**Issue:** Hear a presentation from Site Collaborative regarding Martinsville's Public Parks Improvements Plan.

**Summary:** At several Council meetings in early 2022, there was discussion about use of ARPA funds with a number of recommendations made by staff, one being to upgrade City parks. Council eventually agreed to earmark \$500K of APRA funds for that purpose.

Following that, West Piedmont PDC assisted with a grant application to USDA for funding to facilitate a park study update to be used as a starting basis for park upgrades. The City was notified later in 2022 that the application was successful and a \$40,000 grant was awarded (with \$10,000 local match). In early 2023, a request for proposals was issued soliciting responses from firms interested in contracting for the City's park study update, interviews were conducted with the assistance of WPPDC, and Site Collaborative, a firm based out of Raleigh, NC with an office in Danville, VA was selected to move forward with the project.

At Council's meeting on June 13, representatives from Site Collaborative will provide a brief overview of their firm and plans for immediately moving forward with community outreach to solicit input on Martinsville's park upgrades.

**Attachments:** None, information will be presented at the meeting

**Recommendations:** No Council action is necessary





## City Council Agenda Summary

**Meeting Date:** June 13, 2023

**Item No:** 5.

**Department:** City Manager

**Issue:** Consider approval of a resolution supporting an Industrial Revitalization Fund application to Virginia Department of Housing & Community Development for the development project at One Ellsworth.

**Summary:** An opportunity for funding of “shovel ready” mixed-use projects was just recently advertised through the Virginia Department of Housing and Community Development. The funding comes through the FY2024 Industrial Revitalization Fund program, and DHCD has \$10 million in available funding for projects across the state. Up to \$5 million is available for individual projects and a 1:1 match is required. If an award is made as a loan, the interest rate is 2.5% and amortization is up to 20 years, negotiated on a project by project basis.

Information was made available to the project development team for possible consideration for One Ellsworth (a.k.a. the BB&T building) and they would like to apply. This project is a good match for the program. The City will need to be the applicant; DHCD staff have indicated there is no financial liability to the City, and if an award is made the City could have the option of administering the loan to the developer or allow Virginia Community Capital to administer the loan.

Several meetings have been held with the project development team and communications have occurred between all parties and staff from DHCD. Applications are due later this month and if an award is made, it will be necessary to execute a performance agreement outlining all of the terms and conditions.

**Attachments:** Resolution

**Recommendations:** Staff recommends approval of the resolution (motion, second, and voice vote).



*Council Members*  
LC Jones, Mayor  
Aaron Rawls, Vice-Mayor  
Kathy Lawson  
Lawrence Mitchell  
Tammy Pearson



*City Manager*  
Leon E. Towarnicki  
*Clerk of Council*  
Karen Roberts

## **RESOLUTION**

### **SUPPORTING AND AUTHORIZATING APPLICATION FOR UP TO \$5,000,000 IN FUNDING TO VIRGINIA DHCD UNDER THE FY2024 INDUSTRIAL REVITALIZATION FUND (IRF) PROGRAM**

**WHEREAS**, the Virginia Department of Housing and Community Development has indicated funds up to \$10 million are available for eligible projects, administered through the Industrial Revitalization Fund (IRF) program with up to \$5,000,000 as a maximum award per project with a 1:1 match; and

**WHEREAS**, the current redevelopment project underway at the former BB&T building uptown now known as One Ellsworth has been deemed to be an eligible project; and

**WHEREAS**, the required match of up to \$5,000,000 will be provided by the development team and will also be expended on this project - it is projected that the adaptive reuse project will provide permanent jobs for 40 employees (determined through calculations of employment in commercial spaces) and will also support 36 construction jobs during an 18-month period; and

**WHEREAS** the redevelopment project will create 68 new residential apartment units and several commercial spaces for lease, providing significant ancillary benefits due to increased economic activity from an infusion of more residents to the Uptown area;

**NOW THEREFORE, BE IT RESOLVED** that the City of Martinsville wishes to apply for up to \$5,000,000 of Industrial Revitalization Funds for One Ellsworth: Mixed-Use Adaptive Reuse in Uptown for generating a mixed-use complex with housing and commercial spaces; and

**BE IT FURTHER RESOLVED** that Leon Towarnicki, City Manager, is hereby authorized to sign and submit appropriate documents for the submittal of this Industrial Revitalization Fund proposal.

Attest:

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**Karen Roberts, Clerk of Council**

**June 13, 2023**

**Date Adopted**

**Meeting Date:** June 13, 2023

**Item No:** 6.

**Department:** City Council

**Issue:** Consider approval of amended Budget Ordinance 2023-U-1 on second reading.

**Summary:** The City's proposed FY24 Budget was presented to Council at the April 25, 2023 meeting. Work sessions were held on Wednesday, May 10 with Schools, certain outside agencies, and a review of capital; with City departments and certain outside agencies on Tuesday, May 16 and Wednesday, May 17. An additional work session was scheduled for Monday, May 22 and the Budget Public Hearing and approval on first reading (subject to certain changes) occurred at Council's last meeting on May 23.

The budget as presented included leaving tax rates and fees at the FY23 levels with the exception of a recommended 8% increase in electric rates, included a reduction in School funding of \$750,000, and included an overall 5% reduction for most City departmental budgets. Additional information presented at May 16 work session also recommended \$3 increase in both water and sewer rates. At the May 17<sup>th</sup> work session staff was instructed to eliminate the use of ARPA funding from the budget and to reduce the real estate tax rate from \$1.04/\$100 to \$0.99/\$100, the net effect of which was to reduce \$1,544,494 in revenue. At the work session on Monday, May 22, staff presented a plan to accommodate that as outlined in the attached summary presented at the budget public hearing.

After discussion at the public hearing on May 23, staff was instructed to develop an additional reduction of approximately \$270,000, sufficient to restore funding for 2 police officers and 2 teachers. The net effect is to restore approximately \$145,000 to the Police Department's original 5% budget reduction, and reduce the original school budget reduction from \$750,000 to \$625,000. Council approved the budget on first reading subject to the changes presented at the public hearing as well as staff developing additional reductions of approximately \$270,000 for the

purposes noted. Staff has developed a plan for that, and information will be presented at the June 13 meeting.

**Attachments:** Amended Ordinance 2023 –U-1, outlining fund details of the proposed City’s FY23-24 Budget; copy of the summary presentation from the May 23 meeting.

**Recommendations:** (1) Motion to amend Ordinance 2023-U-1 to conform to the changes noted (voice vote) and; (2) motion to adopt Ordinance 2023-U-1 as amended on second reading (roll call vote).

City of Martinsville  
ORDINANCE NO. 2023-U-1  
The Budget for Fiscal Year 2023-2024

BE IT ORDAINED by the Council of the City of Martinsville, Virginia, in regular Session assembled June 13, 2023, that the following sums of money be and hereby are appropriated – by specific Fund – for the City’s fiscal year ending June 30, 2024, from the following Fund sources of estimated revenue:

**SUMMARY STATEMENT OF BUDGET ESTIMATES  
2023-2024**

<b>FUND</b>	<b>PROJECTED REVENUES</b>	<b>BUDGETED EXPENDITURES</b>	<b>CHANGES FUND BALANCE</b>
General	\$34,955,302	\$37,500,868	(\$2,545,566)
Meals Tax	\$3,072,721	\$3,072,721	\$0
Capital Reserve	\$1,545,318	\$1,545,318	\$0
Refuse	\$2,081,200	\$2,709,704	(\$628,504)
Telecom	\$2,023,651	\$2,023,651	\$0
Water	\$4,143,760	\$4,820,438	(\$676,678)
Sewer	\$4,854,012	\$7,119,720	(\$2,265,708)
Electric	\$23,539,063	\$23,293,362	\$245,701
CDBG	\$2,700	\$172	\$2,528
Cafeteria*	\$1,700,641	\$2,069,368	(\$368,727)
School Operating*	\$25,133,772	\$25,133,772	\$0
<b>TOTALS:</b>	<b>\$103,052,140</b>	<b>\$109,289,094</b>	<b>(\$6,236,954)</b>

\*Cafeteria and School Operating Funds information provided by School Personnel.

**Tax Rates:**

Real Estate:	\$0.99/\$100 assessed value (reduced from \$1.04/\$100)
Personal Property:	\$2.30 per \$100 assessed value (unchanged)
Machinery/Tools:	\$1.85 per \$100 assessed value (unchanged)
Cigarette Tax:	*\$0.40 per pack – (increased from \$0.30/pack)
Lodging Tax:	*7% of total lodging bill (increased from 2%)

**Electric Rate:**

Average 8% increase

**Water & Sewer Rates:**

Increase in monthly rates of \$3 each

- *Cigarette & Lodging tax increase effective September 1, 2023, by separate ordinance*

BE IT FURTHER ORDAINED by said Council that this Ordinance shall be effective on and after July 1, 2023.

Attest:

\_\_\_\_\_  
Karen Roberts, Clerk of Council

\_\_\_\_\_  
Date Adopted

\_\_\_\_\_  
Date Effective

# FY24 Budget Public Hearing Summary

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TUESDAY, MAY 23, 2024



# Summary

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FY 24 Budget was presented at Council's April 25, 2023 meeting. No action taken at that meeting.

## Budget key points as presented:

Kept current real estate tax rate at \$1.04/\$100. Due to reassessments and increased values, an estimated increase in real estate tax revenue of approx. \$1.2 M was included in the budget

Proposed 8% electric rate increase

Reduced school funding of \$750,000 over the requested \$6,167,637

5% budget reduction for most City departments

Level funding for outside agencies except for certain agencies (911, DSS)

Follows state lead on COLA for employees & constitutionals @ 7%. Still undecided

# Summary

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One personnel addition – law clerk for Circuit Court (confirmed to be a one year position); hiring freeze in other areas.

A required public hearing was held at Council's May 9 meeting due to increased real estate tax assessments and the resulting increase in the effective tax rate.

Budget work session was held on May 10 with City Schools and to review capital. A second session was held on May 16 with outside agencies (911, DSS, Library) followed by a review of City constitutional and departmental budgets. It was noted between the time of the initial budget presentation on April 25 and May 16, it was concluded both a water and sewer rate increase were needed, and a recommended \$3 increase for each was discussed. A third work session was held on May 17 to discuss the previous sessions and answer questions. Alternate budget recommendations were made by Vice Mayor Rawls, a fourth work session was scheduled for Monday, May 22, and staff was instructed to develop an alternate budget that reduced the real estate tax rate by \$0.05/\$100, and eliminated the use of ARPA funds.



# Budget Work Session

## **Revisions From 5/17 Work Session**

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MONDAY, MAY 22, 2023 6 PM

# From 5/17/23 Work Session

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- Eliminate Use of ARPA Funds \$1,194,494
- Reduce real estate tax by \$0.05/\$100 from current \$1.04/\$100 to \$0.99/\$100, for a net effect of reducing real estate tax revenue by approximately \$350,000.
- Total reduction of \$1,544,494

# Staff Recommendations

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Meals Tax Transfer	\$300,000	\$300,000
Refuse Fund Transfer	\$300,000	\$600,000
Water Fund Transfer	\$250,000	\$850,000
Increase Bus License Revenue	\$200,000	\$1,050,000
Increase HB599	\$ 43,216	\$1,093,216
Increase Transport Revenue	\$ 87,400	\$1,180,616
Court Reporter Revenue	\$ 10,000	\$1,190,616
<i>Jail/Jail Annex Food Red</i>	\$ 40,000	\$1,230,616

# Staff Recommendations

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<i>MiNet Capital Reduction</i>	\$100,000	\$1,330,616
Lodging Tax Increase	\$20,000	\$1,350,616
<i>Delay Asst. CM Pos 6 months</i>	\$68,213	\$1,418,829
<i>E –time software 1<sup>st</sup> year MA</i>	\$35,000	\$1,453,829
<i>Delay CD Director Pos 6 mos</i>	\$65,928	\$1,519,757
Increase use of GF UFB	\$24,737	\$1,544,494

# Recommended Actions Tonight

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Conduct Public Hearing and accept comments.

Council decides what to leave in the budget, remove, change, modify, etc. A motion, second, and vote can be held on individual issues, or collectively a group of issues.

If Council decides to transfer funds from the Meals Tax Fund, a motion, second, and vote will be appropriate since this will be a deviation from a policy previously established by Council.

Once all the budget changes approved, it will be necessary for Council to approve the FY24 budget ordinance (as modified by any such changes), with motion, second, and roll call vote.

Final adoption and second reading is scheduled for Tuesday, June 13.