

## May 9, 2023 Council Meeting

A meeting of the Council of the City of Martinsville, Virginia was held on May 9, 2023 in Council Chambers, Municipal Building, at 7:00 PM with Mayor LC Jones presiding. Other Council Members present included Kathy Lawson, Aaron Rawls, Lawrence Mitchell and Tammy Pearson. Staff present included City Manager Leon Towarnicki.

Mayor Jones called the meeting to order and advised Council would go into Closed Session beginning at 6:30 PM. In accordance with the Code of Virginia, Title 2.2 Chapter 37, Freedom of Information Act and upon a motion by Council Member Lawson and seconded by Council Member Pearson with the following 5-0 recorded vote: Mayor Jones, aye; Vice Mayor Rawls, aye; Council Member Lawson, aye; Council Member Mitchell, aye; and Council Member Pearson, aye. Council convened in Closed Session to discuss the following matters: (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.

Council Member Pearson made a motion to appoint Karen Despot to the Blue Ridge Regional Library Governing Board for an unexpired 4-year term ending June 30, 2023 and an additional 4-year term ending June 30, 2027. Council Member Lawson seconded the motion with all Council Members voting in favor.

City Manager Towarnicki stated that there was no action take under Subsection 7. Towarnicki explained that his retirement is planned for the end of July 2023. Council has been working with The Berkley Group to handle an executive search for a new City Manager. Under Subsection 6, Council has reviewed the work order listing the detailed scope of work and proposal provided by the Berkley Group; Towarnicki said it looks reasonable and fair for that type of work. Coming out of Closed Session, Towarnicki asked that Council authorize execution of that document so the process to recruit a new City Manager can begin. Council Member Lawson made the motion to execute the work order agreement; Vice Mayor Rawls seconded the motion with all Council Members voting in favor.

**WORK ORDER 2: SCOPE OF SERVICES FOR  
CITY MANAGER EXECUTIVE SEARCH SERVICES  
CITY OF MARTINSVILLE, VIRGINIA  
May 8, 2023**

We are pleased to provide Executive Search Services to the City of Martinsville. The scope of services will include development the following items:

1. **Position Profile:** The City Manager Profile will be developed in collaboration with City Council in a work session. Profile questions will be provided to the Council in advance of the work session and a position profile will be developed at the work session.
2. **Advertising and Outreach:** Utilizing the profile, a job advertisement will be developed to include position roles, responsibilities and requirements will be developed. The position will be advertised with local government organizations such as the Virginia Municipal League (VML), Virginia Association of Counties (VACo), Virginia Local Government Management Association (VLGMA), along with the National Association of County Administrators (NACA), International City/County Management Association (ICMA), Women Leading Government (WLG), National Forum for Black Public Administrators (NFBPA), and others the City may request. Additionally, the Berkley Group will use its extensive network of Executive Managers to directly solicit qualified candidates who might have an interest in the City Manager position.
3. **Application Process:** Applicants will be directed to submit their interest in the position in a standardized format that will include cover letter, resume, and salary history. Applications will be submitted electronically to the Berkley Group. This information will be kept confidential amongst the city staff, Council, and the Berkley Group. The position will be advertised open until filled.
4. **Selection Process:** Berkley Group staff will review all applications and classify them into three categories: interview; consider interviewing; not recommended for interview. Interviews will be held with top applicants. The interview process may include the entire Council or a subcommittee of the Council. The Berkley Group will arrange interview times in coordination with City staff. The Berkley Group will work in conjunction with City officials to negotiate with the final applicant(s).
5. **Periodic Check In:** Berkley Group staff will check in with the City up to three times in the first year and provide the City with an annual performance review template.
6. **Onboarding Support (Alternate Service):** The Berkley Group can provide on-boarding and coaching consultation to the successful candidate for a period of two to four months.

**Assumptions**

1. Client will pay for any publishing fees to advertise the position.
2. Client will make space available for interviews and provide the Berkley Group with all contact information for Council members and staff.
3. Client will reimburse reasonable travel expenses for candidates invited to come to the city for an interview. Such expenses may include those incurred for transportation (mileage, air fare,

rental car), lodging (at a pre-approved facility as identified to the candidates by BG staff), and a per diem for meals of up to thirty dollars (\$30) a day. Additional expenses, such as for spouses, may be reimbursed if approved in advance by the Client.

- a. For its convenience, the Client authorizes the Berkley Group to collect all receipts for travel expenses and to reimburse candidates directly. The Berkley Group will then invoice the Client for those expenses, plus five percent (5%). Such charges shall be separate and in addition to the compensation stipulated in the agreement.
- b. The Berkley Group will maintain supporting documents for candidate travel expense reimbursement and will share such documentation with the Client as stipulated in Section 5, paragraph D (3) of the agreement.

**Schedule**

The Berkley Group anticipates making an offer on behalf of the City to a selected candidate within 120 days upon a signed Notice to Proceed.

**Fee**

The Executive Search Process will be a lump sum fee of \$30,000. This amount will include all non-direct expenses related to travel, etc., for Berkley Group staff. Fifty percent (\$15,000) will be due upon receipt of Notice to Proceed. The remaining balance, plus all advertising costs, will be invoiced upon completion of the search process. Onboarding Support, if it is utilized, will be an additional \$1,500 per month (up to 8 hours or \$200/hour for over 8 hours).

If additional finalist assessments are desired, the EQ-i 2.0 emotional intelligence assessment and/or the ADVanced Insights Profile (Attribute, Values, and DISC indices) assessment can be conducted for an additional fee. The EQ-i 2.0 emotional intelligence assessments is offered at \$500 per finalist assessment and \$1,500 for a results presentation to the City. The ADVanced Insight assessment is offered at \$500 per finalist assessment and \$2,000 for a results presentation to the City.

We are in agreement with the services and basis for fee determination in this scope of work and hereby grant the consultant notice to proceed for the work herein specified.

Mr. Leon Towarnicki, City Manager

Date

. At the conclusion of Closed Session, each returning member of Council certified that (1) only public business matters exempt from open meeting requirements were discussed in said Closed Session; and (2) only those business matters identified in the motion convening the Closed Session were heard, discussed, or considered during the meeting. A motion was made by Council Member Lawson and seconded by Council Member Pearson with the following recorded vote: Mayor Jones, aye; Vice Mayor Rawls, aye; Council Member Lawson, aye; Council Member Pearson, aye; and Council Member Mitchell, aye

Mayor Jones called the meeting to order. Council Member Lawson lead the pledge to the American flag and offered invocation. Jones welcomed everyone to the meeting, stating printed agendas could be found in the back of the room and on the City website for those watching from home.

Conduct a public hearing on a proposal to retain the existing real estate tax rate at \$1.04/\$100 of assessed value – City Manager Towarnicki explained that information from the Commissioner of Revenue’s office, total assessed value of real property, excluding additional assessments due to new construction or improvements to property exceeded last year’s total assessed value of real property by 20.32% as a result of the biennial reassessment that was just completed. A lowered rate that would offset the increased assessment and would levy the same amount of real estate tax as last year, when multiplied by the new total assessed value with the exclusions noted, would be \$0.86/\$100 of assessed value. In the proposed FY24 budget presented to (but not yet adopted) by Council on April 25, 2023, the real estate tax rate is proposed to be left as is, at \$1.04/\$100 which is an effective tax rate increase of 20.9% or the

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equivalent of \$0.18/\$100. The effective tax rate increase is expected to generate \$1.2M to \$1.3M in additional revenue that is included in the proposed FY24 budget, with each \$0.01 generating approximately \$70,000 in revenue. §58.1-3321 of the Code of Virginia requires that a public hearing be held when an assessment of real property results in an increase of one percent or more in the total real property tax levied. Council does not have to act at this meeting on a rate change but as noted, approximately \$1.3M in revenue is included in the FY24 proposed budget resulting from increased assessed values at the current rate. A change (reduction) of the rate will require that other actions be taken to balance the proposed FY24 budget. Staff recommends Council conduct a public hearing tonight to accept comments but hold off making any changes to the rate until after the budget work sessions are complete. Mayor Jones opened the public hearing. Ural Harris, 217 Stuart Street says the budget and property assessment is “out of whack”. Council promised no tax increase and to not use any ARPA money and that no one would lose their job so Council should keep their word. When discussing reversion, it was implied that the City had plenty of money, so where is it? Harris said Vice Mayor Rawls should have seen this coming and he doesn’t understand why Council didn’t wait to view the budget before cancelling reversion. Harris commented on Council Member Pearson’s choice to not support referendum after she supported it previously. He hopes that Council will roll the tax rate back to \$0.86/\$100. Stuart also commented that Council Member Mitchell not placing his hand over his heart during the pledge of allegiance is disrespectful. Michael Greene, 402 Oakdale Street has concerns about the assessment increase and has reviewed the reasons for a 30-36% assessment increases and he was shocked when he compared assessments of properties. He is familiar with several houses that went on the market because he inspected those homes with the potential buyers and he was shocked that some of those assessments on homes with no improvements went up 36% while other properties didn’t go up at all. He’s been monitoring market appreciation in the City so he knows that there is market appreciate on land value, this assessment does not address land value – only increased assessment value on improvements which results in market assessment increases. How come rental properties show no market increase in assessment, why do they get a bypass rewarded for not taking care of the property? If they are doing drive-by inspections so how do they know which ones have been renovated inside and how do they determine which ones get a 33% versus a 24% increase? 33% of property cards have old information on them. Can anyone make any sense of why the increases are staged with no logic behind them, Council should ask questions of the tax assessor. City Manager Towarnicki explained that the Commissioner of Revenue’s office as well as the engineering office updates information but the GIS is managed through Henry County. Rawls said he would help Greene meet with the assessor’s office to get a better understanding of their assessment process. Rawls said it sounds like a reverse incentive, don’t take care of your property and your property taxes won’t go up. Don Bredamus of 907 Corn Tassel moved to Martinsville in 1999. The impact of \$1.04 would be an additional \$540 a year for him with no increase in services. His concern

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is for families who are already struggling financially. If he was moving to the area and he knew the County offered a lower rate, he would be more likely to move to the County instead of the City. Rawls said every City in Virginia is having the same conversation on tax increases. Bredamus understands that an increase is needed but a 36% increase is unacceptable. Towarnicki shared that the overall average was 20.3% with residential being in the 30% range. Mayor Jones closed the public hearing. Council thanked those for expressing thoughts and they understand the concern.

Consider approval of the consent agenda – Council Member Lawson made a motion to approve the consent agenda as presented. Council Member Mitchell seconded the motion with all Council Members voting in favor.

Consider approval of a resolution supporting a “mixed-Use on Main Street” (MUMS) grant application to Virginia Department of Community Development for gap financing for the renovation project at 16-18 East Church Street – City Manager Towarnicki explained that this matter had been brought up to City Council previously. The resolution is to acknowledge the City’s support of the project only. Towarnicki has expressed Council’s concern with Tory McGowan at the DHCD about some language included in the resolution. Assuming this project moves forward and the grant is awarded, there will be a performance agreement executed between all parties and any Council conditions or concerns would be inserted into that agreement at that time. Putting it into the resolution is not the appropriate place. Towarnicki’s recommendation is to approve the resolution. A lot of work has gone into the building and additional funding is needed to move the project forward. Jeff Sadler, managing partner of Burch Building LLC said the resolution is only for the application and any concerns down the road can be addressed at that time. Mayor Jones confirmed with Sadler that the City will hold no financial obligation if this project does not go as planned. Council Member Lawson made a motion to approve the resolution. Vice Mayor Rawls seconded the motion and explained that by approving the resolution, Council is simply expressing their support of the project as a valuable addition to Uptown Martinsville and there will be a separate performance agreement with a reporting requirement. Lawson, Rawls, Pearson and Jones voted in favor of the resolution approval, Mitchell abstained.

Hear an update from Danville Redevelopment and Housing Authority – Larissa Deedrich, Executive Director of the Danville Redevelopment and Housing Authority shared an update with Council on the areas they cover including Danville, Martinsville, Pittsylvania County and Henry County. Deedrich provided details on services offered and their new location Uptown. Council Member Lawson confirmed that services previously provided twice a week at the City Municipal building will now be offered at DRHA’s new location at the Chief Tassel Building.

Consider setting a public hearing on the proposed FY2024 City budget – Council Member Lawson made a motion to set the public hearing for the May 23 Council meeting. Vice Mayor Rawls seconded the motion with all Council Members voting in favor.

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Read and present a proclamation acknowledging May 2023 as Building Safety Month – Council Member Lawson read the proclamation which was presented to Kris Bridges of the Building and Zoning Department. Bridges thanked Council for the proclamation, his 28<sup>th</sup> and he appreciates the recognition. Building Safety Month is an opportunity to engage with the community and express the importance of building codes and standards and provided history. Building safety is not expensive, but it's priceless.

Business from the Floor –Ural Harris, 217 Stuart Street referred to Mayor Jones's comment on Channel 18 that he was grateful that his house assessment increased so that he could sell it. Harris and other residents were offended by that statement. Harris asked what those who are already struggling financially are supposed to do? How are they supposed to live with the property tax increase?

Spencer Hairston, Jr of 109 Terry Street expressed concern about a potential increase in the light bills in June and possibly again in January. Hairston questioned why there will be an increase and if there was misappropriation of money somewhere. Vice Mayor Rawls explained that the price of electric along with so many other services are up nationwide and not just locally.

Resident of Brown Street said he is trying to fix his house but his electric bill is already higher than his mortgage. Resident asked about solar or other incentives that may be available. Lawson encouraged him to reach out to Kris Bridges, Building Inspector about solar details. Mayor Jones suggested the resident contact the City Electric Department to do an assessment of his property since he is receiving such a high power bill. Jones also suggested a weatherization program and he would be happy to discuss those options after the meeting.

Comments by City Council – Council Member Pearson wished residents a Happy Mother's Day and Teacher Appreciation Week. Pearson reminded residents of the Martinsville High School graduation on May 27. Pearson had the opportunity to visit SOVAH health recently during Nurse Appreciation Week to thank the staff for their service. Pearson referenced the budget which is difficult every year but resident input is always critical and necessary and encouraged residents to continue to reach out to Council Members. Council Member Lawson shared that the Chamber's Start-Up awards will be May 15 at 11:00am in Council Chambers. Lawson expressed sympathy to Jim Minter of the Police Department in the passing of his wife and to the family of Rob King who was a big supporter of Uptown Martinsville. Congratulations to the students at Patrick and Henry Community College who will be graduating this weekend. Lawson attended a ribbon-cutting at Ruby's Girl Media; Natalie Hodge does a fabulous job and getting big attention around the area. Lawson said there will be a book signing and discussion with author Jimmie Hawkins on Saturday May 27 from 3:00-5:00pm at Grace Presbyterian Church; Hawkins is the author of Unbroken and Unbowed. Vice Mayor Rawls congratulated the DHRA on their new location and said those services are desperately needed in Martinsville. Rawls referenced the resident on Brown Street and recommended an energy audit and encouraged him to reach out to Rawls and he would share how he was able to cut his bill in half. Rawls has requested that

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the Police Department offer suggestions to prevent violence in the area. Mayor Jones thanked everyone for attending the meeting and encouraged Mr. Harris to stay after the meeting to discuss his concerns further. Those tax increases affect everyone, some more than others.

Comments by City Manager – City Manager Towarnicki said that residents in the City receive a utility bill which includes electric, water, refuse, utility tax, etc. If a resident is receiving a \$700+ utility bill each month then that needs to be looked into since that would not be a typical utility bill and could be due to a faulty water heater, electric heat, or other concern. Towarnicki reminded Council of upcoming budget work sessions beginning Wednesday with the schools and several outside agencies. Next week will be sessions with City departments, constitutionals, etc. If an additional session is needed or if Council would like additional information, there is still time to schedule that.

There being no further business, Council Member Lawson made a motion to adjourn. The meeting adjourned at 8:30pm.

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Karen Roberts, Clerk of Council

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LC Jones, Mayor