

August 26, 2008

The regular meeting of the Council of the City of Martinsville, Virginia, was held on August 26, 2008, in Council Chambers, Municipal Building, at 7:30 PM, with Mayor Kathy Lawson presiding. Council Members present included: Mayor Kathy Lawson, Vice Mayor Kimble Reynolds, Jr., Gene Teague, Mark Stroud, Sr., and Danny Turner. Staff present included: Clarence Monday, City Manager, Brenda Prillaman, Eric Monday, Linda Conover, Leon Towarnicki, John Dyches, Kenneth Draper, Andy Powers, Kris Shrader, Doug Gibson, Wayne Knox, Eddie Cassady and Ruth Easley.

Following the invocation by Council Member Mark Stroud, Sr. and Pledge to the American Flag, Mayor Lawson welcomed everyone to the meeting.

Mayor Lawson recognized several Boy Scouts present at the meeting who stated they were with Troop 63 and working on their Citizenship and Community Merit Badge.

On a motion by Gene Teague, seconded by Kimble Reynolds, Council approved with a 5-0 vote, the minutes of the July 31, 2008 and August 12, 2008 meetings.

After comments from Commissioner of Revenue, Ruth Easley, explaining the local program of personal property tax relief that requires City Council to annually set the relief allocation percentage that is anticipated to fully use the PPTRA relief funds provided to the city by the state, and on a motion by Danny Turner, seconded by Mark Stroud, with following recorded vote: Mrs. Lawson, aye; Mr. Reynolds, aye; Mr. Teague, aye; Mr. Stroud, aye; and Mr. Turner, aye, Council approved the following resolution:

**RESOLUTION
SETTING THE ALLOCATION PERCENTAGE FOR PERSONAL PROPERTY TAX RELIEF IN THE CITY OF
MARTINSVILLE FOR TAX YEAR 2008**

WHEREAS, on December 13, 2005 by Ordinance 2005-8 the Martinsville City Council established a local program of tax relief that serves the best interests of its citizens regarding personal property tax on qualifying use vehicles, pursuant to modifications made by the General Assembly of Virginia to the Personal Property Tax Relief Act of 1998 (PPTRA); and

WHEREAS, the city's relief program requires the city council to adopt an annual percentage of local tax relief for personal use vehicles valued between \$1,001 and the first \$20,000 that will fully exhaust the PPTRA relief funds provided to the city by the Commonwealth of Virginia; and

WHEREAS, the commissioner of the revenue has completed the annual assessment of motor vehicles with Martinsville tax situs for Tax Year 2008; and

WHEREAS, the commissioner of the revenue estimates that a percentage of relief of 50.87% applied to the first \$20,000 of assessed values for qualifying vehicles valued over \$1,000 will fully use all available state PPTRA relief allocated for tax year 2008.

NOW, THEREFORE BE IT RESOLVED by the Martinsville City Council that 50.87% shall be the percentage of relief to be applied to the first \$20,000 in value of each qualifying vehicle with an assessed value more than \$1,000 pursuant to and in accordance with provisions of Sec. 21-10 of the Martinsville City Code.

Mayor Lawson read the following list of names recognizing city employees eligible for Service Awards-July 1 through September 30, 2008:

EMPLOYEE	DEPARTMENT	YEARS OF SERVICE
Sharon Echols	Finance – Utility Billing	20
Cecil Lowe	Community Development	5

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Tammy Davis	Community Development	5
Doug Huston	Public Works	30
Jim Minter	Police Department	25

Council recognized personnel involved in the Martinsville City Fire & EMS Department being upgraded by the Insurance Service Office (ISO) from a rating of Class 5 to Class 4. Fire Chief Kenneth Draper briefed Council on the efforts of all those involved in making the Fire Department's new classification possible including: Water Resources Director, John Dyches, 911 Communications Center Director Wes Ashley and Operation Supervisor J. R. Powell, Kris Shrader and Andy Powers from the Martinsville Fire Department. Chief Draper also pointed out this has been an ongoing project over several years and gave credit to all fire personnel as well as the two previous fire chiefs, Jerry Brock and Clarence Monday. Mayor Lawson praised the Fire Department for this outstanding achievement noting this will be another useful economic development tool as it will lower commercial fire insurance rates.

The agenda item on the Martinsville-Henry County Rescue Squad update will be moved to the September 23, 2008 Council meeting.

Mayor Lawson opened the public hearing for public comment to abandon the eastern portion of an alley off Geter Street, being approximately 10 feet in width and 148 feet in length, located south of East Church Street as shown on Tax Map 36 of the City of Martinsville. There being no public comments, Mayor Lawson closed the public hearing. On a motion by Gene Teague, seconded by Kimble Reynolds, Council approved on first reading, an ordinance to approve the abandonment as previously described, with the following recorded vote: Mrs. Lawson, aye; Mr. Reynolds, aye; Mr. Teague, aye; Mr. Stroud, aye; and Mr. Turner, aye.

Council agreed to set a public hearing for September 23 to amend Section VII. General Sign Regulations, Paragraph K. Temporary display, of the Zoning Ordinance, to allow a temporary sign to be displayed for sixty continuous days. Council member Turner asked that Mr. Knox email Council members examples of temporary signs that will be affected by the ordinance. Mr. Turner also inquired as to city policy on political signs and Mr. Knox reported they cannot be on the right of way nor obstruct areas of city work such as mowing, etc. He also stated the 30 day rule does not apply to political signs. Sign design is not addressed by the ordinance.

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Water Resources Director John Dyches briefed Council on the resolution required authorizing the city to pursue grant funding to assist with updating water line mapping for portions of the city's water system. There will be no financial obligation to the city and this will improve efficiency. On a motion by Kimble Reynolds, Jr., seconded by Gene Teague, with a 5-0 vote, Council adopted the following resolution authorizing pursuit of grant funding to assist with updating water line mapping for portions of the City's water system:

RESOLUTION

GRANT APPLICATION 2008 DRINKING WATER STATE REVOLVING FUND

WHEREAS, the City of Martinsville has a need for assistance in mapping portions of the City of Martinsville water system,

WHEREAS, the Drinking Water State Revolving Fund (DWSRF) has Planning/Design grant funding available that might be applied to such water projects in the City of Martinsville service area,

THEREFORE, BE IT RESOLVED, the City Council hereby votes to seek funding from the DWSRF for the following project:

2008 Virginia Department of Health Planning Grant-Mapping of a portion the City Water System

THEREFORE, BE IT RESOLVED, the City Manager immediately begin to process funding applications for this project and be authorized to sign any and all documents to accept such funding contingent upon review and concurrence by the City Attorney.

Leon Towarnicki presented the following report to Council on the Martinsville Mustangs 2008 season:

Team Information

The 2008 season was the Martinsville Mustangs' fourth season in the Coastal Plain League. The Coastal Plain League is a summer collegiate wooden-bat league and consists of 14 teams grouped into 3 divisions. The Mustangs are grouped in the CPL West Division with teams from Thomasville, Gastonia, Ashboro, and Forest City. The Mustangs finished the first half of the season with a 9 – 16 won/loss record, and rebounded with a strong 15 – 12 second half record, finishing second in the West Division behind eventual CPL champion Thomasville. The team's overall record of 24 – 28 and winning percentage of 0.462 placed the Martinsville Mustangs ninth out of 14 teams in the league. The team put an impressive run together late in the season, winning several thrilling games in the late innings, and unfortunately missed making the playoffs by one game. The quality of play was overall good, the team was competitive, and I believe the fans enjoyed their experiences at the ballpark.

Fiscal Year & Basis For Report

This annual report covers the timeframe from September, 2007 through August, 2008. For accuracy of comparisons between seasons, revenues and expenses are allocated based on the season in which they are incurred.

Attendance – Paid attendance as reported to the CPL office for the 2008 season was 25,792 ⁽¹⁾ for 27 home games. There was one rainout for the season – the Sunday, June 29th game. Additionally, there was one exhibition game on May 31 as well as numerous free and promotional tickets distributed throughout the season, pushing the season attendance to an estimated 30,000. By comparison, reported attendance for the 2006 season was 36,075, and 24,649 for the 2007 season ⁽²⁾.

Revenues & Expenses – Game day revenue (gate, concessions, souvenir, beer sales) for the 2008 season totaled \$75,515, compared to \$57,594 for the 2007 season. Advertising revenue is expected to be \$44,430, and reserved ticket sales came to \$10,200, for a total revenue of \$130,145. For the same period, we have to-date incurred expenses of \$170,968 tied to the 2008 season. There may be slight changes to both revenue and expenses as final invoices for the season are closed out, however, significant changes are not anticipated. The difference between revenue and expenses results in a net cost to the City of \$40,823 for the 2008 season. This compares favorably with an FY09 budget projection of \$129,250 for revenue and \$182,805 in expenses, and a net projected cost of \$53,555. Additionally, the net cost of the 2007 season was \$57,415, and \$33,073 for the 2006 season.

Revenue/Expense Comments - Attendance for the 2008 season showed an approximate 20% increase over the 2007 season, with game day revenue increasing approximately 31%. There were, however, increases in costs of supplies, fuel, concession supplies, travel, game/league expenses, etc., all of which reduced the net effect of the increase in revenue. Maintaining the level of advertising revenue from previous years represented a significant challenge as a number of local businesses and industries were struggling with a slow economy, layoffs/shutdowns, as well as increased costs due to fuel and energy.

General Comments

In reviewing each line item of the annual budget for Mustangs Baseball, I find very little, and in most cases nothing that I would recommend/suggest be cut or eliminated in effort to reduce expenses while continuing to maintain a quality program. There are options to reduce advertising and promotion expenses but, as has been discovered in previous seasons, a lack of adequate advertising and promotion effort has a direct effect on attendance and game-day revenue. I would have to summarize the experience of the fans at the games this summer as good – we had very few complaints and those we did receive, we attempted to address immediately. We received many positive comments during the season about the team, about Hooker Field, and more important about the interest in keeping baseball here. There were a number of notable season highlights – The Chamber of Commerce sponsored two nights that were both very well attended; opening night fireworks was a big hit; in spite of threatening weather the July 4th game with a pre-game military service induction ceremony by Congressman Virgil Goode followed by traditional post-game fireworks was a success; Masterbrand Cabinets sponsored a very successful night as did Subway, just to name a few. We also had a few disappointments – threatening weather for the July 4th game; the June 29th rainout (although we were fortunate to only have one home rainout for the season); the 1 pm day game scheduled for the benefit of the Boys & Girls Club when the visiting team arrived 2 hours late; and the Monday, June 2 “Kids Night at the Ballpark” game when we issued approximately 4,500 free tickets for K-5 students in Martinsville/Henry County schools, and had less than 50 of the passes used.

Acknowledgements – In preparing this report and reflecting on the work and effort that went into this past season, there are many groups as well as individuals that made significant contributions to the 2008 season. City Council certainly should be recognized for support and funding of the team. The Technical Advisory Committee met on a number of occasions last fall resulting in the development of a business plan. Many of the suggestions and comments in the business plan were implemented prior to and during the 2008 season. Thanks go out to the Mustangs players and coaches for their efforts on the field as well as the impact they all made in our community during their stay. The host families deserve recognition and thanks for providing accommodations to the

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Mustangs' players during the summer. All those who advertised whether on the outfield fence signs, in the programs, on the pocket schedules, sponsored a night at the ballpark, or in any way contributed to the 2008 season, deserve a thank-you. A big thank-you to the 30,000 fans who came out during the season to support the team, visit the concession stands, purchase souvenirs and enjoy a good baseball game on a warm summer night. Thanks to the approximate 20-member game-day staff who sold tickets, concessions, ushered people to their seats, sold souvenirs and programs, announced the game, ran the scoreboard, handled the promotions and kids' events, and who in some way had a hand in making the visit to the ballpark an enjoyable experience. And certainly last but not least, thanks to Doug and Sandy Christman for the many, many hours they put into making this season a success. Doug Christman was the Mustangs' volunteer team President, attended league meetings, prepared detailed after-game critiques (that he often e-mailed me at 3 am), and could always be found mingling in the crowd and listening to what the fans had to say. We certainly could not have enjoyed the success we had without his efforts.

Recommendations – As noted on Council's Agenda Summary Form, there are 3:

1. Make a long-term commitment to Mustangs' Baseball with the understanding that overall funding will be considered as any other Leisure Services program such as youth football, basketball, or any of the Senior Services programs and simply part of the package of recreational and quality of life programs offered to the citizens and the community. It is difficult to effectively operate the team on a year to year basis. The season ends in early August and last year and again this year, considerable "momentum" is lost between the end of the season and the time a decision is made regarding continuation of Mustangs baseball.
2. Allow the Mustangs' Advisory Committee to re-convene, to re-examine the business plan and make changes where appropriate, to review the game by game critiques from the past season, and to build upon the successes of this past season that were achieved.
3. Authorize the City Manager to seek and apply for any available non-matching grant funding for improvements to Hooker Field, including but not limited to covered seating, new restroom facilities, new press box and concession facilities, etc.

Sources:

- (1) www.coastalplain.com (2) 2007 Season Report to Council prepared by Matthew Hankins, 8/28/07

Council discussion points included: the \$40,823 cost to the City does not include normal Hooker Field expenses to maintain the field for use by the college and high school teams; need to give ourselves time to explore all options including persons interested in perhaps buying the team; may need to wait another month; Leon pointed out this is the time to recruit quality players for next year's team; because Hooker Field does not have covered seating, we are not in line to host tournament games; administration not sure if grant funding is a likelihood, but it will be looked at on a local, state, and federal level; need to commit that we want to keep baseball and need to figure out how to pay for it; maybe others in the community can share cost in the baseball effort, including county support; city has put a lot of money into Hooker Field improvements over last 15 years; baseball has a definite impact on the local economy and is a good economic development tool, another reason for shared support; since the \$40, 823 amount is a lot of money to lose, the city should look at all other options of private enterprises as well as partnerships during the next month. Mayor Lawson thanked the Christmans and all those working on the baseball committee for an excellent job done. Council agreed (1) to make a long-term commitment of 4-5 years to Mustangs' Baseball (2) reconvene the Mustangs Advisory Committee for further evaluation of improved operations (3) authorized City Manager to seek all funding possibilities to minimize financial burden to the City.

Eddie Cassidy updated Council on the deer management in the city noting there have only been 8 reported accidents involving deer during 2008 with complaints involving deer within the city remaining at a minimum. Figures from the Virginia Department of Game and Inland Fisheries showed a total of 26 deer harvested in the

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city during year 2007-2008 with 6 of that number harvested during the Urban Archery season. Captain Cassady reminded citizens that they may contact Martinsville Police Department for a kill permit to take deer during a certain time period.

Linda Conover presented the following monthly financial report to Council:

Through the end of last year, FY08, revenues exceeded the anticipated budget by \$346,248. Four of the major funds fell short of their anticipated goals: General, by \$60,200; Electric, by \$40,414; Meals Tax by \$29,800 and Capital Reserve by \$33,269. Part of the General funds shortage was due to the incorporation of the Mustang, Indoor Plumbing, and Comprehensive Services funds into the General Fund. The Electric fund saw a reduction in revenues due in part to the reductions in usage resulting from the implementation of load reduction improvements. Overall expenditures were \$3,994,266 less than anticipated for FY08. The savings in the Electric fund are again a result of the load reduction implementation, reducing our costs in purchasing power. The General fund's reduced costs were from multiple sources, including conservative purchasing across-the-board by all departments, and costs being less than originally anticipated. However, it should be noted that not all expenditures were completed before the end of the fiscal year, and re-appropriation requests are currently being reviewed. All approved amounts will reduce the remaining funds listed above. Also, depreciation is not reflected in total expenditures and are currently being calculated. As noted in the previous commentary, until all final audit adjustments are completed, the figures listed will still change, and they are not to be interpreted as final. Our auditors and I are working on the depreciation details, the liability reduction for the landfill closure, and other items that have not yet been calculated. The FY08 audit will begin September 15th. After the audit's completion, the final figures will be provided to Council.

Council comments included: Council Member Teague asked for sales tax figures and Linda will email those figures to Council members; projected fund balance figures were also requested by Council Member Teague; the city manager explained what the fund balance is and that it is not to be confused as cash on hand. Ms. Conover stated the October financial report will be a clearer picture of the finances.

On a motion by Gene Teague, seconded by Danny Turner, with a 5-0 vote, Council approved the following consent agenda:

BUDGET ADDITIONS FOR 08/26/2008				
ORG	OBJECT	DESCRIPTION	DEBIT	CREDIT
<u>FY08</u>				
GENERAL FUND:				
01101917	490110	Categorical Other State - National Guard Armory		53,976
01715213	503190	Armory - Prof. Services - Bldg/Ground Maint	18,714	
01715213	506007	Armory - Repairs & Maintenance (Final Renovations to National Guard Armory)	35,262	
Total General Fund:			53,976	53,976
MEALS TAX FUND:				
02103936	407700	Indebtedness - VPSA Loan Proceeds		2,041,405
02103936	407701	Indebtedness - VPSA Subsidy Proceeds		465,095
02160270	509158	Meals Tax Admin - Prin - VPSA Loan	2,000,000	
02160270	509159	Meals Tax Admin - Prin - VPSA Subsidy Loan	500,000	
02160270	509145	Meals Tax Admin - Issuance Expense (bond issuance)	6,500	
Total Meals Tax Fund:			2,506,500	2,506,500
<u>FY09</u>				
GENERAL FUND				
01100909	490104	Advance/Recovered Costs		1,073
01311085	505240	Police Department - Radio Maintenance	358	
01321102	505240	Fire Department - Radio Maintenance	358	
01413149	505240	Street Construction - Radio Maintenance (Reimb from insurance co/lightning damage 7/8/08)	358	

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Total General Fund:			1,073	1,073
<u>ELECTRIC FUND</u>				
14100909	490104	Advance/Recovered Costs		358
14564339	505240	Electric Construction - Radio Maintenance (Reimb from insurance co/lightning damage 7/8/08)	358	
Total Electric Fund:			358	358
<u>SCHOOL FUND</u>				
18100909	490104	Advance/Recovered Costs		1,275
85001034	565508	Human Resources - Teacher Recruitment (teacher reimb fees incurred)	1,275	
Total School Fund:			1,275	1,275

School Superintendent, Dr. Scott Kizner, updated Council on the Martinsville High School lighting project and asked for Council's consideration of a funding request for the project to replace deteriorated poles. He pointed out he was seeking to access funds from the school's surplus account. The project will take 4-6 weeks to complete. Council comments included: new lighting will be more energy efficient and will be a cost savings; salvaged lights may have another use; timing of the situation is frustrating for parents—Dr. Kizner pointed out the need for the poles was pointed out in previous capital improvement needs and there needs to be a system in place for schools to use their surplus for capital projects; Council member Teague pointed out that capital projects needs should be a normal part of the budget process along with salaries and operating budget; Teague also pointed out the city has to make difficult choices in our budgeting process as far as salaries and capital needs; Council member Turner stated he feels high school games should be played on Friday nights. On a motion by Gene Teague, seconded by Danny Turner, with a 5-0 vote, Council agreed to re-appropriate up to \$100,000 for the schools to replace the poles from the FY08 school budget surplus.

The Mayor asked for business from the floor. Craig Deitrich thanked Council for recognizing the Boy Scouts present tonight. He also pointed out how the Scouts enjoyed the water release from Philpott Dam over the past weekend as well as pointing out that the high school games being played on Saturdays will impact their weekend scouting activities.

Comments from City Council: Stroud-stressed importance of remedying the light pole situation at the high school and the need to double our efforts to minimize the loss of revenue of the Mustangs. Turner-expressed his appreciation that Council recognized the Baldwin family today and encouraged Council to do more of this type

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thing. Mayor Lawson-thanked Council and all personnel for work done toward the very productive Council planning session held during last weekend. As a follow up to the recent planning session, Council agreed to set a special worksession to work on the goals for Thursday, September 25, at 6:30 PM. Mayor Lawson also reported she had a citizen complaint about dirt being moved by city vehicles at private job site and the city manager explained this was done because it was an opportunity for the city to obtain free dirt and it saved the city money.

In accordance with Section 2.1-344 (A) of the Code of Virginia (1950, and as amended) and upon a motion by Gene Teague, seconded by Kimble Reynolds, with the following recorded vote: Mrs. Lawson, aye; Mr. Reynolds, aye; Mr. Teague, aye; Mr. Stroud, aye; and Mr. Turner, aye, Council convened in Closed Session, for the purpose of discussing the following matter: (A) appointments to Boards and Commissions as authorized by Subsection 1.

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 said Session. On a motion by Gene Teague, seconded by Kimble Reynolds, with the following recorded vote: Mrs. Lawson, aye; Mr. Reynolds, aye; Mr. Teague, aye; Mr. Stroud, aye; and Mr. Turner, aye, Council returned to Open Session.

Council took the following action regarding Boards and Commissions:

On a motion by Gene Teague, seconded by Danny Turner, with a 5-0 vote, Council appointed Becky Aydlett, 1505 Mulberry Road to the Planning Commission for an expired 4 year term ending 6/30/12.

There being no further business, Mayor Lawson adjourned the meeting at 9:32 PM.

Clarence C. Monday
Clerk of Council

Kathy C. Lawson
Mayor