

November 25, 2008

The regular meeting of the Council of the City of Martinsville, Virginia, was held on November 25, 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, Gene Teague, Mark Stroud, Sr., and Danny Turner. Staff present included: Clarence Monday, City Manager, Leon Towarnicki, Brenda Prillaman, Eric Monday, Wayne Knox, Scott Coleman, Iris Read, Chris Morris and Mike Rogers.

Following the invocation by Vice Mayor Kimble Reynolds, Jr. and Pledge to the American Flag, Mayor Lawson welcomed everyone to the meeting.

On a motion by Danny Turner, seconded by Mark Stroud, Council approved with a 4-0 vote, the minutes of the October 28, 2008 meeting. Council Member Teague abstained as he was not present at the October 28th meeting.

Mayor Lawson read the following list of names of city employees recognized through the Service Award program for the time period October 1 through December 31, 2008:

EMPLOYEE	DEPARTMENT	YRS OF SERVICE
Darrell Harris	Wastewater Plant	5
James Collins	Public Works Street Maintenance	5
Johnny Jennings	Public Works Sewer Maintenance	5
James Cassady	Wastewater Plant	10
Lawrence (Larry) Williams	Public Works Street Cleaning	10
Darrell Pace	Fire/EMS Department	10
Andy Petty	Police Department	15
James Phillips	Fire/EMS Department	20
Robert Cooke	Wastewater Plant	25
Carman McDowell	Wastewater Plant	30
Kelly Goodin	Police Department	30
Judy Hodges	Human Resources	30
Dennis Bowles	Electric Department	35

Iris Read, Human Resources Manager, briefed Council on a request to modify the Flexible Spending Account Summary Plan Description. Pursuant to Internal Revenue Code Section 125, City employees may set aside a portion of their salary to pay for qualified expenses. Money deducted from the employee's pay is not subject to Federal and State taxes and Social Security. Employees are reimbursed for eligible out-of-pocket expenses and the City does not contribute to this account. Comments were made regarding benefits of a health savings account as well as joining with the county employees on a group plan. On a motion by Gene Teague,

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seconded by Kimble Reynolds, with a 5-0 vote, Council approved the request to increase the maximum annual contribution allowed for Medical Care Spending Account from \$3600 to \$5004 each year.

On a motion by Danny Turner, seconded by Mark Stroud, Council approved the following ordinance, on the second reading, with the following 5-0 recorded vote: Mrs. Lawson, aye; Mr. Reynolds, aye; Mr. Stroud, aye; Mr. Teague, aye; and Mr. Turner, aye, to abandon a strip of land retained by the City in front of 800 N. Memorial Boulevard, 805 N. Memorial Boulevard, and 810 N. Memorial Boulevard, as shown on Tax Map 30, on recommendation from the Planning Commission:

BE IT ORDAINED by the Council of the City of Martinsville, Virginia, in regular session assembled November 25, 2008 that in order to assure compliance with Section §15.2-2006 of the Code of Virginia, it is stated that the public purpose for which this Ordinance is initiated is to fulfill the requirements of public necessity, convenience, general welfare and good zoning practice, that the portion of street right-of-way, as described below, be-- and is hereby declared--vacated and abandoned, in favor of Anthony T. & Tonja V. Martin, -- subject to payment of the assessed value of \$1,100.00, and the filing of an appropriate map with—and the approval by—the City's Zoning Administrator, showing the area hereby declared vacated and abandoned by City Council on this date, which map, when and as approved, shall be duly recorded in the office of the Clerk of Martinsville City Circuit Court:

The portion of street space, an approximately 7,131 square foot strip of residual excess right-of-way, located in front of 800, 806 and 810 N. Memorial Boulevard beginning at the northwest corner of Beaver Street and Memorial Boulevard, as shown on Section 30(08)77X, 81-84 & 30(09)03 of the Tax Map of the City of Martinsville.

This excess right of way was acquired when Memorial Boulevard was constructed and is no longer needed by the City. In the process of combining several small parcels to clear up building encroachments across lot lines, the owners wish to also purchase this right of way between their properties and the street, to be included with the appropriate lots on a new survey.

Council agreed to set a public hearing for January 13, 2009 to abandon a portion of Dalton Street (alley) located between 208 Fayette Street and 212 Fayette Street, as show on Tax Map 22, on a recommendation from the Planning Commission. The building encroaches into this alley in several places. Abandonment would correct this encroachment and enable the petitioners to make necessary repairs to two sets of steps.

Council heard an update from Chris Morris on options for solar lighting for the Starling Avenue bridge. Chris reviewed with the Council the four styles of lighting which included 2 solar options and 2 options for electric/dusk to dawn lights. Due to cost and limited lighting hours of solar lighting at the bridge, Chris advised Council that staff recommends the four white globes which would be wired in by the city Electric Department at an approximate total cost of \$600. Council agreed to direct Chris to move forward with doing necessary wiring for electrical

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fixtures instead of solar and Chris will share with Council more details as to how different lights would look before a decision is made on the light itself.

Council heard the monthly finance report from Clarence Monday as follows: Through the end of October 2008, Fiscal Year 2009, our revenues exceeded the anticipated budget by \$488,826. None of the major funds fell short of their anticipated goals at this time, partly due to increases in some unanticipated revenues and early payment of real estate taxes due in December. Future reports may reflect a leveling-off of higher than anticipated revenues. Overall expenditures were \$1,195,275 less than anticipated for through the end of October. The only fund to deviate from its anticipated budget was the Sewer Fund, which expended \$74,299 more than anticipated. This amount is primarily due to the continuing capital project started in FY08. As previously reported to Council on October 28th the utility budgets are now tracking more accurately due to the re-appropriations approved at the October 14th Council meeting. Continuing efforts by all departments to be conservative in their purchasing practices is reflected in the lower than anticipated expense.

On a motion by Gene Teague, seconded by Danny Turner, with a 5-0 vote, Council approved the following consent agenda to accept and appropriate funds in the General Fund FY09:

BUDGET ADDITIONS FOR 11/25/2008				
ORG	OBJECT	DESCRIPTION	DEBIT	CREDIT
FY09				
GENERAL FUND				
01101917	442402	Categorical Other State - Confiscated Assets - C Atty		430
01221082	506105	Comm Atty - Conf Assets State	430	
01101917	442401	Categorical Other State - Confiscated Assets - Police		1,289
01311085	506078	Police Dept - Conf Assets State	1,289	
01102926	436430	Categorical - Federal - SCAAP Funds		903
01331108	503313	Sheriff - Corrections - Prof. Services - Grant Preparation	181	
01331108	501100	Sheriff - Corrections - Full-Time Wages	722	
01101917	490110	Categorical Other State - Natinoal Guard Armory		8,297
01715213	503190	Armory - Prof. Services - Bldg/Ground Maint	2,372	
01715213	506007	Armory - Repairs & Maintenance (Renovations to National Guard Armory)	5,925	
Total General Fund:			10,919	10,919

On a motion by Kimble Reynolds, Jr., seconded by Gene Teague with the following 4-1 recorded vote: Mrs. Lawson, aye; Mr. Reynolds, aye; Mr. Stroud, aye; Mr. Teague, aye; and Mr. Turner, nay, Council adopted the following resolution declaring the City's intention to authorize proposals for financing of capital expenditures and for the City to repay itself from such loan proceeds, including pre-paid and related expenditures:

RESOLUTION OF CITY COUNCIL OF CITY OF MARTINSVILLE, VIRGINIA DECLARING ITS INTENTION TO REIMBURSE ITSELF FROM THE PROCEEDS OF ONE OR MORE TAX-EXEMPT FINANCINGS FOR CERTAIN EXPENDITURES MADE AND/OR TO BE MADE IN CONNECTION WITH CITY OF MARTINSVILLE MUNICIPAL FACILITIES AND AUTHORIZING REQUEST FOR PROPOSALS FOR SUCH FINANCING

WHEREAS, the City of Martinsville (**the "Issuer"**) is a body politic and corporate organized and existing under the laws of the Commonwealth of Virginia; and

WHEREAS, the Issuer has paid beginning no earlier than September 26, 2008 (60 days prior to the date of adoption of this resolution), and will pay, on and after the date hereof, certain expenditures ("**Expenditures**") for the acquisition, construction, expansion, renovation and equipping of City of Martinsville municipal facilities, including a garage addition, sludge press, street sweeper and related facilities (**the "Project"**); and

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WHEREAS, the City Council of the Issuer (the "City Council") has determined that those moneys previously advanced no earlier than September 26, 2008 (60 days prior to the date of adoption of this resolution) and to be advanced on and after the date hereof to pay the Expenditures are available only for a temporary period and it is necessary to reimburse the Issuer for the Expenditures from the proceeds of one or more issues of tax-exempt financing (the "Obligations").

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL AS FOLLOWS:

Section 1. The City Council hereby declares the Issuer's intent to reimburse the Issuer with the proceeds of the Obligations for the Expenditures with respect to the Project made on and after the date referenced above. The Issuer reasonably expects on the date hereof that it will reimburse the Expenditures with the proceeds of the Obligations.

Section 2. Each Expenditure was and will be either (a) of a type properly chargeable to capital account under general federal income tax principles (determined in each case as of the date of the Expenditures), (b) a cost of issuance with respect to the Obligations, (c) a nonrecurring item that is not customarily payable from current revenues, or (d) a grant to a party that is not related to or an agent of the Issuer so long as such grant does not impose any obligation or condition (directly or indirectly) to repay any amount to or for the benefit of the Issuer.

Section 3. The maximum principal amount of the Obligations expected to be issued for the Project is \$990,000.

Section 4. The Issuer will make a reimbursement allocation, which is a written allocation by the Issuer that evidences the Issuer's use of proceeds of the Obligations to reimburse an Expenditure, no later than 18 months after the later of the date on which the Expenditure is paid or the Project is placed in service or abandoned, but in no event more than three years after the date on which the Expenditure is paid. The Issuer recognizes that exceptions are available for certain "preliminary expenditures," costs of issuance, certain de minimis amounts, expenditures by "small issuers" (based on the year of issuance and not the year of expenditure) and expenditures for construction projects of at least 5 years.

Section 5. The employees, representatives and agents of the Issuer, including the City Manager, the Finance Director, the Assistant Finance Director, the City Attorney, Sands Anderson Marks & Miller as bond counsel to the City, and Davenport and Company LLC as Financial Advisor to the City, are authorized and directed to take such other actions as they may deem necessary or appropriate to effectuate the financing and the transactions described in this Resolution, including requesting proposals from financial institutions for the financing and publication of notice of public hearing if deemed necessary.

Section 6. This resolution shall take effect immediately upon its passage.

The members of the City Council voted as follows:

<u>Yes</u>	<u>No</u>
Lawson, Reynolds, Teague, Stroud	Turner
<u>Absent</u>	<u>Abstained</u>

PASSED AND ADOPTED THIS 25th day of November, 2008.

Mayor, City of Martinsville, Virginia

Attested to:

Clerk, City Council
of City of Martinsville, Virginia

Business from the floor: Scott Coleman, PIO, announced the city's new website has been launched noting the convenience features available to citizen for making payments online. Rev. Tyler Millner thanked Council for recognizing J. B. Travis; encouraged Council participation and leadership with the Martin Luther King Unity breakfast. Mayor Lawson noted information she has received on this event will be forwarded to Council members for further discussion.

Council continued discussion of the city's 2009 legislative agenda. City Attorney Eric Monday presented the following draft for Council approval:

The City of Martinsville appreciates the efforts its legislators undertake at both the state and federal level on behalf of its citizens. Listed below are the City's priorities requested of its legislative delegation in 2009.

General Assembly

Transportation

1. Urge the CTB to reach a final conclusion on the I-73 corridor.
2. In the short term, upgrade those portions of Route 220 overlaying I-73 to interstate standards. Any construction or upgrades to the I-73 corridor should begin on those sections passing through Henry County.
3. Continue to place priority on Route 58 improvements, particularly the section between Stuart and Hillsville, Virginia.
4. Endorse the rapid development of the Trans-Dominion Express, with particular emphasis on extension of passenger rail service to Roanoke.
5. Request that the Trans-Dominion Express be extended to include a spur from Lynchburg to Danville.
6. Encourage the enactment of a long-term capital funding formula for the future transportation needs of the Commonwealth.

Education

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1. City Council endorses the agenda proposed by the Martinsville City School System and also endorses the educational priorities adopted by Henry County, on behalf of its school system.
2. Oppose the imposition of unaided education mandates and in the event of revenue cuts by the Commonwealth opposes targeted cuts by the Commonwealth, instead preferring local decision making authority on where to make any such cuts.
3. Continue support for the development and funding of the New College Institute, and urge that any funding reductions to New College Institute, if considered, be minimized to the greatest extent possible as New College Institute is in the critical stage of growth and its success is critical to the revitalization of uptown Martinsville and its ultimate development as a stand-alone four-year university is critical.

Economic Development

1. Maintain current levels of funding for economic development incentives, including but not limited to the Governor's Opportunity Fund.
2. Enhance the authority granted to localities to address and eliminate blighted properties, and the formation of interstate compacts to allow expedited recourse against out-of-state property owners.
3. Continue current funding levels of the Virginia Museum of Natural History.
4. Support the development of a multiuse trail traversing Southern Virginia from the Blue Ridge Parkway to the Chesapeake Bay in order to stimulate economic growth and promote regional tourism.
5. Include Mayo River State Park on the Commonwealth's list for future capital funding, as a benefit to the entire southern Virginia region.

Governance

1. Request the appointment of a joint gubernatorial/legislative commission to examine the structure of local government in Virginia, the commission's mandate to include:
 - a. Examination of local government in the other 49 states for potential adaptation to Virginia.
 - b. Enable cities to expand their revenue base
 - c. Elimination of the "zero-sum" revenue base structure, which creates friction between cities and counties.
 - d. Elimination of redundant services and programs between contiguous cities and counties.
2. Require full funding for HB 599 funds, in fulfillment of the Commonwealth's commitment to cities in return for their acquiescence in the annexation moratorium.
3. Explore all potential options for the generation of revenue by localities.
4. Elimination of all unfunded mandates from the Commonwealth to localities.
5. Oppose any elimination in local revenue streams.
6. Request additional funding to adequately accommodate the space and office requirements of the Henry-Martinsville Department of Social Services.
7. Request that the General Assembly leaves intact the fire programs fund and the rescue squad assistance funds and not use these funds as a way to balance the state budget.
8. Support legislation directing health insurance credit for retirees of local government, constitutional officers, school division employees, and state employees.
9. Request that the Commonwealth fully fund its obligations to constitutional officers.

United States Congress

1. Continue to place priority on Route 58 improvements and the development of I-73.
2. In the short term, upgrade those portions of Route 220 overlaying I-73 to interstate standards.
3. Oppose any change in the route of the Amtrak Crescent train service. Encourage Amtrak to provide motorcoach transfer service between Danville and Martinsville.
4. Invite Congressman Perriello to locate one of his district offices in Martinsville.
5. Request \$3.72M in funds for the redevelopment of brownfields extending from the former Sara Lee site, along Aaron Street, to Rives Road.
6. Request \$6.25M in funds for the elimination and redevelopment of blighted areas in the city.
7. Request legislation to provide special federal incentives to businesses locating in regions which have experienced job losses in excess of 5% of the total workforce and/or declines in median incomes since the adoption of NAFTA, WTO or GATT. Target such areas for increased federal funding in education of workforce retraining.
8. Extend high speed broadband service throughout southern Virginia.

Staff Designations *City Council empowers the following staff members to speak on its behalf and in its best interests to the General Assembly, its members and committees:*

City Attorney Eric Monday
City Manager Clarence Monday
Other department heads as appointed by the City Manager

Council noted a few changes to be made: under Governance Item 5: should read Oppose any elimination in local revenue streams from the State; under Governance Item 6: should read Request additional funding to adequately accommodate the Henry-Martinsville Department of Social Services space and office requirements;

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under United States Congress Item 5 should read Request \$3.75M in funds for the redevelopment of brownfields extending from the former Sara Lee site, along Aaron Street, to Rives Road. On a motion by Gene Teague, seconded by Kimble Reynolds, Council approved the draft 2009 legislative agenda with the changes made at tonight's meeting.

Comments from City Council: Turner—reminded public of December 6 Christmas parade and encouraged attendance. Stroud—extended Thanksgiving wishes to citizens; thanked Leon for fixing the lighting in front of the Municipal Building; offered appreciation to police personnel for help in identifying street lights that are out. Lawson—advised other Council members of the need for a wood splitter by the prison farm to assist in cutting wood that is being donated to the needy—Council unanimously agreed to direct the City Manager to use up to \$1,500 from Contingency Fund to purchase a wood splitter for the prison farm for this purpose; she extended thanks to the Electric Department for replacing street lights and she also encouraged citizens to attend the Christmas parade.

In accordance with Section 2.1-344 (A) of the Code of Virginia (1950, and as amended) and upon a motion by Danny Turner, seconded by Kimble Reynolds, with the following 5-0 recorded vote: Mrs. Lawson, aye; Mr. Reynolds, aye; Mr. Stroud, aye; Mr. Teague, 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. (2) Consultation with legal counsel and briefings by staff members, attorneys or consultants pertaining to actual or probable litigation, or other specific legal matters requiring the provision of legal advice by such counsel, as authorized by Subsection 7.

At the conclusion of Closed Session, each returning member of Council certified that (1) only public business matters exempt from open meeting requirements were discussed in said Closed Session; and (2) only those business matters identified in the motion convening the Closed Session were heard, discussed, or considered during said Session. On a motion by Gene Teague, seconded by Danny Turner, with the following 5-0 recorded vote: Mrs. Lawson, aye; Mr. Reynolds, aye; Mr. Stroud, aye; Mr. Teague, aye; and Mr. Turner, aye, Council returned to Open Session. On a motion by Gene Teague, seconded by Mark Stroud,

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Council appointed Brenda Jane Moore, 62 Finley Drive, Martinsville to a 4-year term ending 12/31/11 on the Anchor Group Home Commission. No action was taken on item 2.

There being no further business, Mayor Lawson adjourned the meeting at 9:57 PM.

Clarence C. Monday
Clerk of Council

Kathy C. Lawson
Mayor