

November 14, 2017

The regular meeting of the Council of the City of Martinsville, Virginia was held on November 14, 2017 in Council Chambers, Municipal Building, at 7:30 PM with Mayor Gene Teague presiding. Council Members present included Gene Teague, Chad Martin, Jennifer Bowles, Sharon Hodge and Kathy Lawson. Staff present included City Manager Leon Towarnicki, Assistant City Manager Wayne Knox, City Attorney Eric Monday, Clerk of Council Karen Roberts, Finance Director Linda Conover, and Police Chief Eddie Cassady

Mayor Teague called the meeting to order and advised Council would go into Closed Session beginning at 7:00 PM. In accordance with section 2.1-344 (A) Code of Virginia (1950, and as amended) and upon a motion by Council Member Lawson, seconded by Council Member Hodge, with the following 5-0 recorded vote: Council Member Hodge, aye; Council Member Bowles, aye; Council Member Lawson, aye; Mayor Teague, aye and Vice Mayor Martin, aye, Council convened in Closed Session to discuss the following matters: (A) 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 the Session. A motion was made by Council Member Lawson, seconded by Council Member Hodge, with the following 5-0 recorded vote in favor to return to Open Session: Mayor Teague, aye; Vice Mayor Martin, aye; Council Member Bowles, aye; Council Member Hodge, aye; and Council Member Lawson, aye.

Mayor Teague read a statement regarding Dr. Boaz and the City's responsibility to repay the tobacco grant issued for the medical college. Dr. Boaz has provided a letter but it was not responsive to the questions asked so Council has asked the Circuit Court to contact him directly. The City will continue to work to get answers from Dr. Boaz.

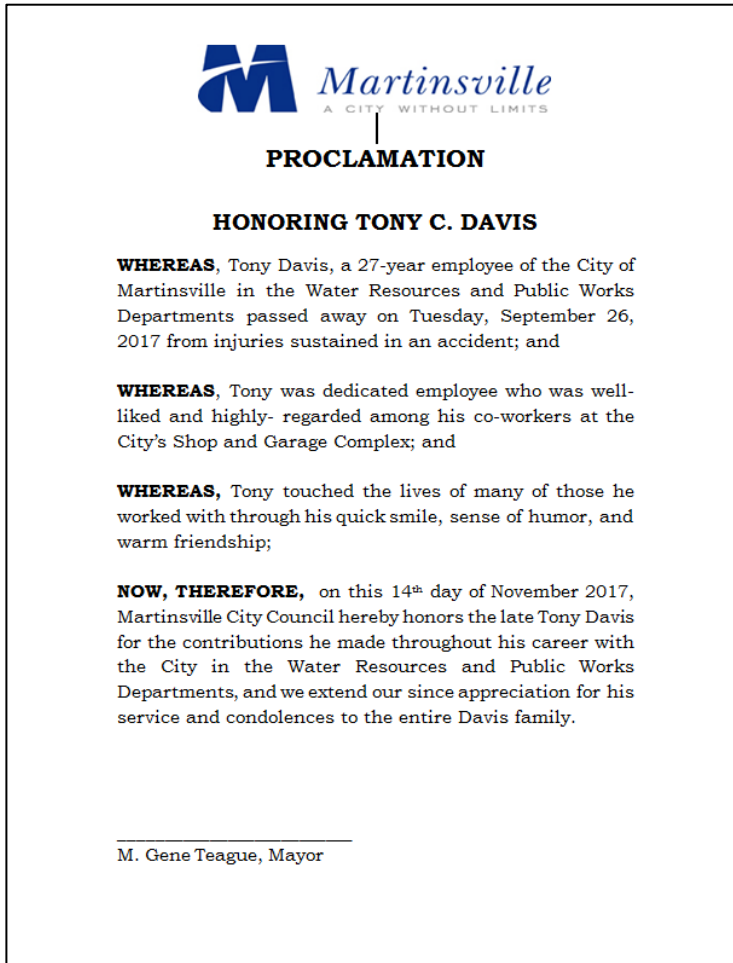
Following the invocation by Council Member Lawson and Pledge to the American Flag, Teague welcomed everyone to the meeting.

Consider approval of minutes of the October 23, 2017 Neighborhood Meeting and the October 24, 2017 Council Meeting – Council Member Bowles made a motion to approve minutes as presented; Council Member Lawson seconded the motion with all Council Members voting in favor.

Read and present a proclamation honoring Tony C. Davis – City Manager Towarnicki reflected on the accident that took the life of Tony Davis, a 27 year employee of the City. Towarnicki thanked Mr. Davis's family for attending. Wayne Davis, a city employee and member of the family introduced Mr. Davis's wife, children and other family members who attended. Council Member Bowles read the proclamation. Mayor Teague thanked the family

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for attending. Vice Mayor Martin suggested Piedmont Community Services to assist during their time of grief.



Read and present a proclamation recognizing Saturday, November 25, 2017 as Small Business Saturday in the City of Martinsville – Council Member Hodge read the proclamation, which was presented, to Liz Secrest, Assistant Director Martinsville Uptown. Secrest updated Council on some of the activities scheduled for Small Business Saturday. Uptown businesses are encouraged to have one good sale going on that day to encourage visitors to shop their store and she continues to market this event to make it more successful. Secrest updated Council on the Farmer's Market season and an upcoming event for Market vendors at Hugo's Restaurant. She stated that the Uptown Halloween event was successful as well as the OctoberFest with 240 booths and a large crowd. Council Member Lawson said she heard numerous compliments regarding the Farmer's Market. Council Member Bowles asked about the SNAP match, Secrest said they are working with multiple organizations to help fund that opportunity again this year.



**PROCLAMATION
SMALL BUSINESS SATURDAY NOVEMBER 25, 2017**

WHEREAS, the government of the City of Martinsville, Virginia celebrates our local small businesses and the contributions they make to our local economy and community; according to the United States Small Business Administration, there are currently 28.8 million small businesses in the United States, they represent 99.7 percent of all businesses with employees in the United States, are responsible for 63 percent of net new jobs created over the past 20 years; and

WHEREAS, small businesses employ 48 percent of the employees in the private sector in the United States; and

WHEREAS, on average, 33 percent of consumers' holiday shopping will be done at small, independently-owned retailers and restaurants; and

WHEREAS, 91 percent of all consumers believe that supporting small, independently-owned restaurants and bars is important; and

WHEREAS, 76 percent of all consumers plan to go to one or more small businesses as part of their holiday shopping; and

WHEREAS, the City of Martinsville supports our local businesses that create jobs, boost our local economy and preserve our neighborhoods; and

WHEREAS, advocacy groups as well as public and private organizations across the country have endorsed the Saturday after Thanksgiving as Small Business Saturday.

NOW THEREFORE, I, Gene Teague, Mayor of the City of Martinsville do hereby proclaim, Saturday, November 25, 2017, as

SMALL BUSINESS SATURDAY IN THE CITY OF MARTINSVILLE

and urge the residents of our community, and communities across the country, to support small businesses and merchants on Small Business Saturday and throughout the year.

Gene Teague
Mayor

Hear an update from Lisa Fultz of the M-HC Chamber of Commerce regarding activities related to the City/C-PEG Small Business Development contract – Lisa Fultz of the Martinsville-Henry County Chamber of Commerce thanked Liz Secrest for her work and for helping update Council on previous and upcoming activities. The next small business boot camp is scheduled to begin Thursday February 8, 2018; the application is available now online. American National Bank has agreed to sponsor the small business events. Fultz has already met with 25 potential small business clients since August. The Eclipse Handyman Service has already opened up for business. There have been nine ribbon cuttings, four in the City since the last Council update, including 21 new employee positions. The small business incentives will include a performance based state incentive grant. Fultz encouraged residents with questions to call her to discuss if the small business training and funding would be a good choice for them. The retail strategy consultants are on track with timeline of requirements. Website for commercial properties is live for owners and brokers.

Consider discussion of the City's 2018 legislative agenda – City Attorney Monday pointed out changes and additions to the legislative agenda. He encouraged residents to contact their state representatives with additional requests for changes to the legislative agenda. Council Members suggested additional changes to be made. Monday proposed that final adoption be at the November 28, 2017 meeting.



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 2017-2018.

Virginia General Assembly

Transportation

1. 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.
2. Continue to place priority on Route 58 improvements, particularly the section between Stuart and Hillsville, Virginia.
3. Approve the concept of a transportation authority for southern Virginia, with a dedicated revenue stream for the construction of I-73 and other transportation priorities.

Education

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 unfunded education mandates and in the event of revenue cuts by the Commonwealth oppose targeted cuts by the Commonwealth, instead preferring local decision making authority on where to make any such cuts.
3. Recognizing its potential to promote economic development within our community and region, continue support for the development and funding of the New College Institute in its current location in Uptown Martinsville; urge that any funding reductions to New College Institute, if considered, be minimized to the greatest extent possible, and support the affiliation of the New College Institute as a branch of a four-year public university.
4. Request the Commonwealth to fully fund the expenditures imposed upon local school systems by implementing the Standards of Quality.
5. Encourage the Commonwealth to continue or increase the current levels of financial support provided to Patrick Henry Community College.
6. Encourage the Commonwealth to provide support for the concept of a medical school in Martinsville-Henry County.
7. Request the Commonwealth to provide incentives for consolidation of school systems.

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 increase funding levels of for the Virginia Museum of Natural History.
4. Request enhanced state and federal financial assistance for localities which exceed the average state unemployment rate by 150% for a period of five consecutive years.
5. Support continued tourism awareness initiatives in the Martinsville-Henry County region.
6. Expand local authority to designate Enterprise Zones and establish incentives.
7. Oppose efforts by Henry County PSA to reopen the Lower Smith River Wastewater Treatment Plant, absent a regional study concluding that such is in the best interests of Martinsville-Henry County taxpayers, customer base, economic needs and state environmental policy.
8. Expand grants and resources available to fiscally stressed localities, and to business development entities in such localities, to aid in the encouragement or development of small and entrepreneurial businesses.

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. Require that the Commonwealth fully fund its obligations to the Virginia Retirement System, and refrain from borrowing from VRS funds.
4. Request the elimination of "local aid to the Commonwealth" in the state budget, local aid artificially inflates state revenues by shifting responsibility for cuts in vital services onto localities.
5. Elimination of all unfunded mandates from the Commonwealth to localities.
6. Oppose any elimination or alteration of local revenue streams, and specifically oppose any amendment to the current manner in which the Business Occupation and Licensing Tax and the Machinery and Tools Tax are levied, unless a replacement revenue stream, not subject to biennial appropriation, is guaranteed by the Commonwealth.
7. Request a minimum, level funding for operational requirements of the Henry-Martinsville Department of Social Services.
8. 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.
9. Request that the Commonwealth fully fund its obligations to constitutional officers.
10. Oppose any attempt to curtail the doctrine of sovereign immunity for localities.
11. Oppose any attempt to permit collective bargaining for state and local government employees.
12. Oppose any amendment of the existing burden of proof or process in local tax appeals cases.
13. Request authority to refund erroneously paid taxes at an interest rate which differs from that imposed on delinquencies, and to refund taxes erroneously paid through the fault of the taxpayer at no interest.
14. Support VML's endorsement of a JLARC study of assigning a proportional share of lottery sales revenue to the localities generating such sales.
15. Require the Commonwealth to fund 100% of the per-diem costs of housing state inmates in local jails.
16. Support all state efforts to provide aid and support services to fiscally stressed localities, but oppose any attempts to interfere with localities' right to solve their own financial problems locally.
17. Support the alteration of award criteria in the "REACH Virginia" and all other VHDA programs to a per-capita income-based model.

United States Congress

1. Oppose any effort to impose additional taxation or regulation of electrical power generation by coal or natural gas.
2. Urge the Federal Highway Commission to adopt the CTB's designated route for I-73, or alternatively to preserve the current record of decision in the event the CTB's route is rejected.
3. In the short term, upgrade those portions of Route 220 overlaying I-73 to interstate standards.
4. Request \$3.72M in funds for the redevelopment of Brownfields extending from the former American Furniture and San Lee sites, along Aaron Street, to Rives Road.
5. Request \$6.25M in funds for the elimination and redevelopment of blighted areas in the city.

6. 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 or workforce retraining.
7. Extend high speed broadband service throughout southern Virginia.
8. Request enhanced state and federal financial assistance for localities which exceed the average state unemployment rate by 150% for a period of five consecutive years.
9. Oppose the EPA's proposed expansion of the definition of "waters of the United States" in 40 CFR 230(b).

Comment [EM1]: The Trump Administration has done this.

Staff Designations

City Council empowers the following staff members to speak on its behalf and in its best interests to the Virginia General Assembly and United States Congress, its members and committees:
 City Attorney Eric Monday
 City Manager Leon Towarnicki
 Other department heads as appointed by the City Manager

Consider information related to the 2018 Comprehensive Economic Development Strategy (CEDS) list – City Manager Towarnicki directed Council to the list provided in their agenda packet with changes highlighted. Assistant City Manager Wayne Knox pointed out Northside revitalization project changes and asked if Council had any particular projects in mind to please notify him so that it can be approved and communicated to West Piedmont. Mayor Teague asked if improvements to Hooker Field could be added to the CEDS list. Changes will be made and finalized by the end of the year.

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<i>Revitalization of Uptown Business District--City of Martinsville</i>	1/III Incentivize small businesses (interior makeover/elevator)	EDA	\$900,000	\$900,000	Positive	80
<i>Revitalization of Uptown Business District--City of Martinsville</i>	1/II Construct/ retrofit condos in Uptown	EDA DHCD VHDA City	\$1,000,000 \$300,000 \$500,000 \$200,000	\$2,000,000	Positive	15
<i>Smith River Interceptor Project--City of Martinsville</i>	1/II Reline/repair/replace approximately 20,000 linear feet of corrugated metal pipe for the sanitary sewer interceptor line that extends generally along Smith River to the City Wastewater Treatment Plant	EDA ARC Local	\$1,000,000 \$500,000 \$16,500,000	\$18,000,000	Positive	200/Indirect
<i>Smith River Interceptor Project--City of Martinsville</i>	1/II Repair and reline approximately 10,500 linear feet of reinforced concrete pipe for the sanitary sewer interceptor line that extends generally along Smith River to City Wastewater Treatment Plant	EDA ARC Local	\$1,000,000 \$500,000 \$6,500,000	\$8,000,000	Positive	100/Indirect
<i>Community Development Project - CDBG - Martinsville Area & Central Business District--City of Martinsville</i>	1/II Purchase blighted properties on Starling Avenue and adaptively reuse	HUD/NSP HTC	\$700,000 \$300,000	\$1,000,000	Positive	20/Indirect
<i>Southside Community Park Upgrading--City of Martinsville</i>	1/III Upgrade existing four (4) fields to accommodate youth and collegiate softball and baseball tournaments. This would include new lighting where necessary, upgrade concession stand and new sports surfaces.	DCR EDA ARC VTC Other	\$200,000 \$600,000 \$150,000 \$750,000 \$1,300,000	\$3,000,000	Positive	N/A
<i>Community Development Project - CDBG - Martinsville Area & Central Business District--City of Martinsville</i>	1/IV Purchase blighted properties, prepare site for development (Draper - West Church Street) - City of Martinsville	Brownfield EDA City	\$400,000 \$325,000 \$100,000	\$825,000	Unknown	100/Indirect
<i>Community Development Project - CDBG - Martinsville Area & Central Business District--City of Martinsville</i>	1/III Rives Road Site Development- full site development including A & E, site grading	EDA	\$1,400,000	\$1,400,000	Positive	400
<i>Community Development Projects--City of Martinsville</i>	1/III Further develop 20 acre lots- at Clearview Business Park to prepare for companies- Parcels 2 & 5	EDA	\$750,000	\$750,000	Positive	200+
<i>Community Development Project - CDBG - Martinsville Area & Central Business District--City of Martinsville</i>	1/I Adaptive reuse of historic building on Fayette Street- Paradise Inn and lots surrounding it	VHDA EDA CDBG Grants	\$800,000 \$1,000,000 \$1,000,000 \$1,000,000	\$3,800,000	Positive	100
<i>Community Development Development Projects--City of Martinsville</i>	1/IV Recruit manufacturers of Clean Energy Components to Martinsville Area and Enterprise Zone	EDA	\$100,000	\$100,000	Positive	Indirect
<i>Community Development Project - CDBG - Martinsville Area & Central Business District--City of Martinsville</i>	1/III Upgrade, widen, and landscape Beaver Street from Fayette Street to Memorial Blvd - City of Martinsville	MAP-21 VHDA	\$800,000 \$50,000	\$850,000	Positive	Indirect
<i>Community Development Project - CDBG - Martinsville Area & Central Business District--City of Martinsville</i>	1/I Prepare City-owned site at corner of Fayette & Beaver Sts for residential, educational or commercial development - Martinsville Area and Central Business District	EDA Local CDBG Grants	\$300,000 \$200,000 \$1,000,000 \$2,000,000	\$3,500,000	Positive	Indirect
<i>Community Development Project - CDBG - Martinsville Area & Central Business District--City of Martinsville</i>	1/II Write arts & cultural plan for Arts & Cultural District	NEA City ARC	\$25,000 \$25,000 \$32,000	\$82,000	Positive	Indirect


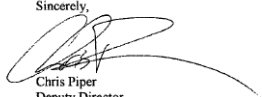
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Community Development Project - CDBG - Martinsville Area & Central Business District--City of Martinsville	1/II Enhance Fayette Area Business District facades/greenscape/economic revitaliation - Fayette Street from Moss Street to Memorial Blvd Planning stipend for Citizens Design - CIRD	CDBG Local CIRD Match - Ink	\$1,000,000 \$1,000,000 \$35,000 \$10,000	\$2,045,000	Positive	Indirect
Community Development Project - CDBG - Martinsville Area & Central Business District--City of Martinsville	1/IV Purchase blighted properties - prepare site for redevelopment (202 Cleveland Avenue) - City of Martinsville	Brownfield EDA City	\$900,000 \$500,000 \$500,000	\$1,900,000	Unknown	150 - Indirect
Community Development Project - CDBG - Martinsville Area & Central Business District--City of Martinsville	1/IV Purchase blighted properties - prepare for redevelopment (820 Roy Street) - City of Martinsville	Brownfield EDA City	\$1,500,000 \$750,000 \$500,000	\$2,750,000	Unknown	150 - Indirect
Community Development Project - CDBG - Martinsville Area & Central Business District--City of Martinsville	1/IV Purchase blighted properties - prepare for redevelopment (Lot - Cleveland Avenue)- City of Martinsville	Brownfield EDA City	\$200,000 \$200,000 \$100,000	\$500,000	Positive	50 - indirect
Community Development Project - CDBG - Martinsville Area & Central Business District--City of Martinsville	1/IV Purchase blighted properties - prepare for redevelopment (307 W. Market Street)- City of Martinsville	Brownfield EDA City	\$300,000 \$200,000 \$100,000	\$600,000	Positive	50 - indirect
Community Development Project - CDBG - Martinsville Area & Central Business District--City of Martinsville	1/I Support adaptive reuse project of blighted vacant warehouse in Uptown Martinsville	LIHTC HTC EZ Private	\$500,000 \$1,000,000 \$250,000 \$5,150,000	\$6,900,000	Positive	20/Indirect
Community Development Project - CDBG - Martinsville Area & Central Business District--City of Martinsville	1/III Purchase blighted building on Fayette Street in Uptown, complete feasibility study, adaptive reuse	IRF HTC EZ Private	\$600,000 \$500,000 \$100,000 \$4,300,000	\$5,500,000	Positive	10/Indirect
Community Development Project - CDBG - Martinsville Area & Central Business District--City of Martinsville	1/III Work with partners to develop an amphitheater on Depot Street	NEA ARC	\$50,000 \$50,000	\$100,000	Positive	5/Indirect
Community Development Project - CDBG - Martinsville Area & Central Business District--City of Martinsville	1/I Northside Neighborhood Revitalization Project	CDBG City	\$943,904 \$233,000	\$1,176,904	Positive	5/Indirect
Community Development Project - CDBG - Martinsville Area & Central Business District--City of Martinsville	1/IV Rives Theatre renovations	IRF ARC HTC	\$600,000 \$200,000 \$300,000	\$1,100,000	Positive	5/indirect
Community Development Project - CDBG - Martinsville Area & Central Business District--City of Martinsville	1/III Commonwealth Corridor Enhancement & Pedestrian linkages to Uptown & Fayette Street	VDOT CDBG	\$1,000,000 \$500,000	\$1,500,000	Positive	Indirect
Community Development Project - CDBG - Martinsville Area & Central Business District--City of Martinsville	1/III Purchase of West Church Street property, complete feasibility study, adaptive reuse	IRF CDBG	\$500,000 \$500,000	\$1,000,000	Positive	20/Indirect
Community Development Project - CDBG - Martinsville Area & Central Business District--City of Martinsville	1/III Purchase of Main Street property, complete feasibility study, adaptive reuse	IRF CDBG	\$500,000 \$500,000	\$1,000,000	Positive	20/Indirect
MINet Fiber Optic Expansion-- City of Martinsville	1/III Citywide expansion of MINet Martinsville fiber optic system to reach businesses and homes	EDA Other Local	\$2,000,000 \$11,000,000 \$7,500,000	\$20,500,000	NA	NA

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Integrative Centers for Science & Medicine—City of Martinsville	1/1 Renovate 20,000-SF building on Fayette Street for Shackelford Medical Education Building	VTC	\$800,000	\$1,450,000	Positive	NA
		NSF	\$50,000			
		Local	\$15,000			
		Other	\$585,000			

Consider authorizing staff to execute an agreement with the Virginia Tobacco Commission regarding repayment of the grant awarded for the medical school project – City Manager Towarnicki summarized the medical school project and repayment details. On a September 27 conference call, the Tobacco Commission requested a repayment of \$780,000 of the original \$800,000 grant involving a 5-year repayment plan. In addition to Martinsville, there are 16 other projects issued TROF grants that are in various stages of repayment. The payment schedule is flexible so the city can make several payments throughout the year or one lump sum payment. As stipulated in the agreement, July 2018 will be the first payment with five annual payments of \$156,000. Towarnicki explained if the City is spending \$156,000 repayment each year that it will affect the budget in upcoming years. This expense could affect employee retirement, probably capital requests, etc. but not any one specific area. Council Member Hodge asked Towarnicki to address how the repayment plan would affect the option to seek additional grant money in the future; Towarnicki explained that would not be an issue. Each project will stand on its own merit. Towarnicki said they did attempt to receive credit for construction within the building but that request was not accepted. Council Member Hodge made a motion to execute the agreement; Council Member Lawson seconded the motion with all Council Members voting in favor.

<p>The Honorable Terry G. Kilgore Chairman</p> <p>The Honorable Frank M. Ruff Vice Chairman</p> 	<p>701 E. Franklin Street, Suite 501 Richmond, Virginia 23219</p> <p>804-225-2027 Phone 1-877-807-1086 Toll Free 804-786-3210 Fax www.tic.virginia.gov</p>
<p>TOBACCO REGION REVITALIZATION COMMISSION</p>	
<p>October 25, 2017</p>	
<p>Leon Towarnicki, City Manager City of Martinsville 55 West Church Street Martinsville, VA 24112</p>	<p>GRANT REPAYMENT AGREEMENT</p> <p>This Grant Repayment Agreement dated and entered into this 25th day of October, 2017 by and between the VIRGINIA TOBACCO REGION REVITALIZATION COMMISSION (the "Commission"), a political subdivision of the Commonwealth of Virginia, and the CITY OF MARTINSVILLE (the "City"), a political subdivision of the Commonwealth of Virginia, provides as follows:</p>
<p>Re: Tobacco Regional Opportunity Fund Performance Agreement dated 12/19/14 among the Virginia Tobacco Commission, City of Martinsville and Integrative Centers for Science and Medicine & College of Henricopolis School of Medicine (#2994)</p>	<p>RECITALS:</p> <p>Pursuant to the terms of a certain Performance Agreement dated December 19, 2014 by and between the Commission, the City, and Integrative Centers for Science and Medicine & College of Henricopolis School of Medicine (the "Company"), a copy of which is attached hereto, the Commission made a certain grant in the amount of \$800,000 (the "Grant") from the Tobacco Region Opportunity Fund (the "TROF") to the City in order to support its economic development initiatives, specifically as they relate to the proposed economic development project of the Company. The Commission fully funded the Grant to the City. The Company failed to meet its obligations under Sections 3, 4 and 8 of the Performance Agreement and, as a result, is in default under the terms of the Performance Agreement. Pursuant to Section 9 of the Performance Agreement, the City is liable for repayment to the Commission of that portion of the Grant determined by the Commission to be due in accordance with the terms of the Performance Agreement. The parties hereto acknowledge and agree that there has been an event of default by the Company under the Performance Agreement and that the City is liable for repayment to the Commission of the entire Grant. The parties are entering into this Agreement to confirm their understandings regarding repayment of the Grant amount by the City to the Commission.</p>
<p>Dear Mr. Towarnicki:</p> <p>On behalf of the Virginia Tobacco Commission, I hereby enclose a document entitled Repayment Agreement outlining the details of our call on September 27th where the City requested a 5 year payment plan to assist in the repayment of referenced grant. Read it carefully as it contains the terms under which the grant will be satisfied. Please have it executed in triplicate and mail all originals to me.</p> <p>If you have any questions, please contact our office.</p> <p>Sincerely,  Chris Piper Deputy Director</p>	<p>Now, therefore, for and in consideration of the matters hereinafter set forth and good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:</p> <p>1. <u>Acknowledgement by the City</u></p> <p>The City hereby irrevocably acknowledges that a default exists under the terms of the Performance Agreement and that pursuant to Section 9 of the Performance Agreement, the City is liable and responsible for repayment of the unearned portion to the Commission of the Grant amount equaling 780,000.</p>
<p>encl: Repayment Agreement</p>	

2. Repayment of Grant Amount

The City hereby agrees to make repayment of the Grant amount to the Commission on the following terms: The City will make payment to the Commission of \$156,000 in cash, certified funds, or in other form acceptable to the Commission on or before July 15, 2018 and shall make four (4) additional payments of \$156,000 each to the Commission on July 15, 2019, 2020, 2021 and 2022. No interest shall be due on the unreimbursed portion of the Grant provided that timely payments are made on or before the dates hereinabove specified.

3. Default and Repayment

In the event of default by the City in payment of all or any remaining portion of the Grant funds as a result of failure to make payment of the refund amount on the dates specified in paragraph 2 *supra*, the entire remaining balance shall be immediately due and payable, together with interest thereon at the rate of six percent (6%) per annum from the date of this Agreement. In addition, the City shall be liable for payment to the Commission of any and all attorney's fees and costs incurred by the Commission related to enforcement of its rights under this Agreement and collection of any remaining Grant funds which are incurred as a result of a default by the City hereunder.

4. Entire Agreement

This Agreement constitutes the entire agreement by and between the parties with respect to the matters referenced herein. This Agreement may be hereafter amended or modified only by written agreement signed and executed by both parties hereto. This Agreement shall be construed and enforced in accordance with the laws of the Commonwealth of Virginia.

5. Authority

Each of the parties hereto represents and warrants that all necessary action has been taken by such party to authorize the execution and delivery of this Agreement by such party.

6. Notices

Any notices required or permitted under this Agreement shall be given in writing and shall be deemed to be received two (2) days after mailing of the

same in the United States Mail by certified mail, postage prepaid, or by overnight courier addressed as follows:

If to the Commission, to:

Virginia Tobacco Region Revitalization Commission
701 East Franklin, Suite 501
Richmond, VA 23219
ATTN: Evan Feinman, Executive Director

If to the City, to:

City of Martinsville
55 West Church Street
Martinsville, VA 24112
ATTN: Leon Towarnicki, City Manager

IN WITNESS WHEREOF, the parties hereto have executed this Agreement effective as of the date first written above.

Virginia Tobacco Region Revitalization Commission, a political subdivision of the Commonwealth of Virginia

By: _____
Executive Director

Date: _____

Commonwealth of Virginia
City/County of _____:

The foregoing Repayment Agreement was acknowledged before me this _____ day of _____, 2017 by _____, the Executive Director of the Tobacco Region Revitalization Commission.

My notary expires: _____
Notary Registration No. _____

Notary Public

City of Martinsville, a political subdivision of the Commonwealth of Virginia

By: _____

Title: _____

Date: _____

Commonwealth of Virginia
City/County of _____:

The foregoing Repayment Agreement was acknowledged before me this _____ day of _____, 2017 by _____, the _____ of the City of Danville, a political subdivision of the Commonwealth of Virginia.

My notary expires: _____
Notary Registration No. _____

Notary Public

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

BUDGET ADDITIONS FOR 11/14/17				
ORG	OBJECT	DESCRIPTION	DEBIT	CREDIT
FY18				
General Fund:				
01100909	490104	Advanced/Recovered Costs		300
01217078	506011	Sheriff-Courts - Uniforms & Apparel	300	
		Moose Lodge donation to Honor Guard		
01100909	490104	Advanced/Recovered Costs		1,480
01321102	506130	Fire Dept - Rep/Maint - Burn Building	1,000	
01321102	505230	Fire Dept - Telecommunications	480	
		Reimbursement for training a volunteer fire dept.		
01102926	405555	Federal Categorical - Brownfields Grant - EPA		9,037
01812247	503136	Brownfields - Professional Services - Consultant	9,037	
		Project reimbursement		
01101917	405555	State Categorical - Brownfields Grant - VRA		50,000
01812247	503165	Brownfields - Grant - Consultant	50,000	
		VRA - VEDPA grant funds		
01103938	462101	Contribution from Fund Balance		789
01221082	506105	Commonwealth's Attorney - State Confisc. Asset	789	
		Funds left over from FY17 - left off the re-appropriations list in error.		
Total General Fund:			61,606	61,606
Capital Reserve Fund:				
16100909	490104	Advance/Recovered Costs		11,816
16575365	508110	Vehicles - Street Maintenance	11,816	
		Insurance payment for damaged vehicle		
Total Capital Reserve Fund:			11,816	11,816
School Operations Fund:				
18101917	404002	Categorical State - Other Funds		25,000
71001100	561620	High School - Secondary - Supplemental S&W	15,000	
71001100	562100	High School - Secondary - Social Security	930	
71001100	562150	High School - Secondary - Medicare	218	
71001100	563000	High School - Secondary - Purchased Services	7,852	
71001100	566000	High School - Secondary - Materials & Supplies	1,000	
18101918	402032	State Grant - ISAFP		870
72201100	561620	High School - Alternative Ed - Supplemental S&W	808	
72201100	562100	High School - Alternative Ed - Social Security	50	
72201100	562150	High School - Alternative Ed - Medicare	12	
18101918	404074	State Grant - Security Equipment Grant		69,448
80004600	566056	Division Wide Security - Non-capital Equipment	69,448	
18103919	489904	Private Grants - Donations/Contributions/Gifts		9,535
87301310	561300	Adult Ed - Nurse Assist Program - Part-time S&W	4,800	
87301310	562100	Adult Ed - Nurse Assist Program - Social Security	298	
87301310	562150	Adult Ed - Nurse Assist Program - Medicare	70	
87301310	565503	Adult Ed - Nurse Assist Program - Travel	100	
87301310	566013	Adult Ed - Nurse Assist Program - Instruct Materi	4,267	
18103919	489904	Private Grants - Donations/Contributions/Gifts		124,380
81621310	561520	Harvest Elementary - Substitute S&W	3,570	
81621310	562100	Harvest Elementary - Social Security	222	
81621310	562150	Harvest Elementary - Medicare	52	
81621310	563000	Harvest Elementary - Purchased Services		11,023
81621310	563142	Harvest Elementary - Professional Development		6,600
81621310	565503	Harvest Elementary - Travel		49,861
81621310	566000	Harvest Elementary - Materials & Supplies		3,300
81631310	561520	Harvest Secondary - Substitute S&W		2,380
81631310	562100	Harvest Secondary - Social Security		148
81631310	562150	Harvest Secondary - Medicare		34
81631310	563000	Harvest Secondary - Purchased Services		7,349
81631310	563142	Harvest Secondary - Professional Development		4,400
81631310	565503	Harvest Secondary - Travel		33,241
81631310	566000	Harvest Secondary - Materials & Supplies		2,200
18101918	410405	Grant - State - VPSA Technology Grants		154,000
80008110	566050	VPSA Ed Tech Grant - Non-Capital Equipment		154,000
Total School Operations Fund:			383,233	383,233
School Federal Programs Fund:				
20102926	417388	Categorical Federal - Title VIB IDEA Pre-School		6,297
86611100	561120	Title VIB Pre-School - Instructional S&W		5,000
86611100	562100	Title VIB Pre-School - Social Security		383
86611100	566013	Title VIB Pre-School - Materials & Supplies		914
20102926	402788	Categorical Federal - Title VIB Flow-Through		547,979
86511100	561120	Title VIB - Instructional S&W		121,437
86511100	561151	Title VIB - Instructional Aides S&W		210,998
86511100	562100	Title VIB - Social Security		20,611
86511100	562150	Title VIB - Medicare		4,820
86511100	562210	Title VIB - Retirement		48,203
86511100	562300	Title VIB - Insurance		55,964
86511100	562400	Title VIB - Life Insurance		3,956
86511100	562520	Title VIB - Disability		383
86511100	562750	Title VIB - Retirement Credit		3,524
86511100	563140	Title VIB - Purchased Services		26,491
86511100	565503	Title VIB - Travel		22,741
86511100	566013	Title VIB - Materials & Supplies		28,851
20102926	404888	Categorical Federal - Perkins Voc Ed FY18		60,100
86721100	563000	Perkins Voc Ed - Purchased Services		17,723
86721100	565503	Perkins Voc Ed - Travel		6,000
86721100	566013	Perkins Voc Ed - Materials		36,377
Total School Federal Programs Fund:			614,376	614,376

Business from the Floor – Ural Harris, 217 Stuart Street says he is glad to receive an update on the medical school repayment. He said he hopes the letter will be released and the logic why some Council Members supported to float a \$3 million bond. Council Hodge clarified that the request to support the bond was made but not approved by Council. Harris asked about the contract signed for the pavement project. He said there have been tires busted, accidents and cars knocked out of line. Sophia Esdaile, 494 Stoney Mountain Road in Axton stated that she is on the Harvest Youth Board and shared details about the annual Thanksgiving Eve dinner on November 22 from 1:00-4:00pm at Martinsville High School; residents can dine in or request delivery. More information can be found online.

Comments by members of City Council – Council Member Hodge shared that this week is National Apprenticeship week; she will be attending a meeting and luncheon with other Workforce Committees and Chambers regarding apprenticeship in Danville. Every year the VML holds an essay contest, which she encourages local seventh graders to participate. The essay top is “If I Were Mayor”; Hodge stated that she is willing to make a \$50 additional donation to recognize a local winner. She asked Towarnicki to communicate with Dr. Talley to

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promote this to the students. Council Member Bowles offered to make an additional \$20 donation and Mayor Teague offered to match Hodge's \$50 contribution. Council Member Lawson reminded residents of the Christmas parade Saturday at 5:00pm uptown, rain date will be Sunday at 4:00pm. Lawson congratulated the constitutional officers for their reelection. Council Member Bowles offered condolences to Officer Coretha Gravely on the loss of her husband and to the Mary Via family. Bowles encouraged residents to shop Small Business Saturday November 25 Uptown. She congratulated PHCC on their partnership with the Harvest Foundation and encouraged citizens to apply for Board and Commission vacancies. Vice Mayor Martin offered condolences to the former Chief of Police Mike Rogers on the passing of his mother. Mayor Teague offered details on the SEED Fund through PHCC and the Harvest Foundation totaling \$3.1 million.

Comments by City Manager – City Manager Towarnicki discussed the paving concerns and said the paving project would be complete before the weekend and in time for the parade. They are currently working on the crosswalks and painting of the lines. Towarnicki said there were issues with weather and the asphalt plant that put the project behind the original timeframe. Towarnicki explained that Bridge St between Church and Main would become a 2-way street. National Recycling Day is Wednesday November 15. Towarnicki offered condolences to the family of Jim Ford who passed away on October 28, 2017; Ford was the chairman of the Planning Commission for many years and had a part in multiple City ordinances. Towarnicki reminded residents the Municipal building would be closed Wednesday at noon through Sunday for the Thanksgiving holiday.

There being no further business, Council Member Hodge made a motion to adjourn the meeting; the motion was seconded by Council Member Bowles with all Council Members voting in favor. The meeting adjourned at 8:50pm.

Karen Roberts
Clerk of Council

Gene Teague
Mayor