


March 14, 2017

The regular meeting of the Council of the City of Martinsville, Virginia was held on March 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, Clerk of Council Karen Roberts, Human Resources Director Kathy Vernon, Human Resources Generalist Travis Hodge, Commissioner of Revenue Ruth Easley and Police Chief Sean Dunn.

Mayor Teague called the meeting to order. Following the invocation by Council Member Bowles and Pledge to the American Flag, Teague welcomed everyone to the meeting.

Consider approval of minutes of the February 28, 2017 Council Meeting – Council Member Lawson made a motion to approve the minutes as presented; Council Member Bowles seconded the motion with all Council Members voting in favor.

Read a Proclamation acknowledging March 2017 as Women’s History Month – Mayor Teague read the proclamation which was presented to Council Member Bowles, Council Member Hodge, and Council Member Lawson. Teague also recognized Ruth Easley. Council Member Bowles thanked Council Member Hodge and Council Member Lawson for their leadership rolls and paving the way for her to serve on City Council.



Proclamation

**RECOGNIZING MARCH, 2017 AS WOMEN'S HISTORY MONTH
IN THE CITY OF MARTINSVILLE**

WHEREAS, American women of every race, class, and ethnic background have made historic contributions to the growth and strength of our Nation in countless recorded and unrecorded ways; and

WHEREAS, American women have played and continue to play critical economic, cultural, and social role in every sphere of the life of the Nation by constituting a significant portion of the labor force working inside and outside of the home; and

WHEREAS, American women have played a unique role throughout the history of the Nation by providing the majority of the volunteer labor force of the Nation; and

WHEREAS, American women were particularly important in the establishment of early charitable, philanthropic, and cultural institutions in our Nation; and

WHEREAS, American women of every race, class, and ethnic background served as early leaders in the forefront of every major progressive social change movement; and

WHEREAS, American women have served our country courageously in the military; and

WHEREAS, American women have been leaders, not only in securing their own rights of suffrage and equal opportunity, but also in the abolitionist movement, the emancipation movement, the industrial labor movement, the civil rights movement, and other movements, especially the peace movement, which create a more fair and just society for all; and

WHEREAS, Over time, Martinsville women have served in a variety of key leadership roles including Council Members Elizabeth Haskell, Eliza Severt, Kathy Lawson, Kim Adkins, Sharon Brooks Hodge, and Jennifer Bowles, and

WHEREAS, Despite these contributions, the role of American women in history has been consistently overlooked and undervalued, in the literature, teaching and study of American history,

NOW, THEREFORE, I, Gene Teague, Mayor, and members of Martinsville City Council do hereby proclaim the month of March, 2017 as Women's History Month in the City of Martinsville and we urge all citizens to join in celebrating the contributions women have made to our society.


Gene Teague, Mayor

Recognize Citizen’s Academy graduates – Assistant City Manager Wayne Knox explained the Citizen’s Academy and said the course was interesting and educational, focusing on City government and other City departments and their responsibilities. The attendees were able to

March 14, 2017

meet Council Members and other City employees and ask specific questions. Knox said he looks forward to future Citizen's Academy courses and hopes to have another in the fall. Knox and Mayor Teague recognized course participants and presented them with a certificate. Council Member Hodge thanked them for participating and encouraged them to look into serving on one of the Boards and Commissions vacancies. Council Member Bowles thanked them for taking interest in the government. City Manager Towarnicki thanked Knox for overseeing the training. Mayor Teague and Vice Mayor Martin also thanked them for participating. Council Member Lawson said the residents had very good questions. Ms. Billie Coles spoke on behalf of the attendees, stating that it was one of the most informative events she had attended and feels that every citizen should participate in future sessions. Towarnicki said it had been discussed previously about televising the sessions but they wanted to ensure that the training was informal and attendees were comfortable asking questions.

Consider setting a public hearing as required under the exemption ordinance enacted in January 2007 for consideration of the organization's local tax exemption requests – Commissioner of Revenue Ruth Easley summarized the details provided to Council previously, referencing the exemption ordinance enacted by Council in 2007. Easley said there are two exemption request applications that would need Council's approval. The Exemption Review Committee has met and the next step would be a public hearing regarding the exemption request. Council Member Lawson made a motion to set the public hearing for March 28, 2017; Council Member Hodge seconded the motion with all Council Members voting in favor.

 <p>Exemption Review Committee Report March 1, 2017</p> <p>The Martinsville City Manager appointed an Exemption Review Committee to consider the applications and make a recommendation for two non-profit entities that submitted a request for a local tax exemption to the Martinsville Commissioner of the Revenue. The review committee members were: Leon Towarnicki, City Manager; Jennifer Bowles, City Council Member; Ruth Easley, Commissioner of the Revenue; Cindy Dickerson, City Treasurer, and Mary Kay Washington, Staff Accountant Martinsville Finance Department. The Exemption Review Committee met on March 1, 2017 to review the requests and submit the following report and recommendations:</p> <p>Applicant: Act 4 Ministries, Inc.</p> <p>Organization Mission Statement: To meet both the physical and spiritual needs of hurting individuals. With God's direction, we will be the hands and feet of Christ as we reach out and help His creation in a variety of different situations.</p> <p>Answers to Review Criteria:</p> <ol style="list-style-type: none">1. The organization has been granted IRS 501 (c) (3) designation2. The organization does not have an annual special events ABC license3. The organization's application indicates that there are no employees and the officers do not receive salaries.4. Net earnings of the organization do not inure to the benefit of any individual.5. The organization's stated purpose of the residential properties for which they are requesting exemption is for transitional housing for single mothers.6. No substantial part of the organization's activities is to influence legislation or campaign on behalf of a political candidate.7. Real Estate Tax Revenue Impact: \$1,979.75 is the current annual tax assessment for the 2 properties owned by the organization.8. The organization does provide a community service that, in the opinion of the members of the Exemption Review Committee, exceeds the revenue loss.	<p>Additional Review Criteria:</p> <ol style="list-style-type: none">a. The organization has unpaid real estate tax late payment penalty and interest from the first half installment of the FY 2017 real estate tax bill.b. The organization has not obtained building permits for any of the renovation work that is necessary for the 311 Stirling Ave. property, but depending on the nature of the work, they may not need one. The organization has stated that the property 311 Stirling Ave. property is not currently being used for transitional housing because of the need for renovation. However, the property at 231 Stirling Ave. is being used for transitional housing. Both properties are zoned P-2. The previous use of the property at 311 Stirling Ave. was a child day care center.c. The properties for which the exemption is sought potentially relate to the purposes for which the organization was created.d. The City does not provide transitional housing services but does provide assistance to other exempt organizations that provide some housing assistance.e. The organization is providing specific services to single mothers that are not currently being provided by other known organizations.f. The city's Comprehensive Plan encourages the development of transitional housing for single men and families with a male householder present, but is silent on transitional housing for single mothers.g. Other criteria to consider: No other criteria were considered by the committee. <p>Fiscal Impact:</p> <p>The organization currently owns 2 properties: 231 Stirling Avenue and 311 Stirling Avenue. Current annual tax on 231 Stirling Avenue is \$1,104.58. Current annual tax on 311 Stirling Avenue is \$875.17. Total annual real estate tax for both properties is \$1,979.75. The assessed value of 311 Stirling Avenue will drop effective July 1, 2017 due to the biennial reassessment lowering the potential total revenue impact for both properties in FY 2018, if the tax rate remains at the current rate of \$1.0621, to \$1740.78.</p> <p>The organization has not reported owning any business personal property in the City of Martinsville.</p> <p>Review Committee Recommendation:</p> <p>The Review Committee recommends granting an exemption for real property used for the organization's stated mission purpose.</p>
--	--

<p>Applicant: Life Stages Enrichment Service, Inc.</p> <p>Organization Mission Statement: To provide profound services and resources to persons in the community. Our efforts will be displayed through our agency's willingness to help, protect and enhance the quality of life of those at risk in our community.</p> <p>Answers to Review Criteria:</p> <ol style="list-style-type: none">1. The organization has been granted IRS 501 (c) (3) designation2. The organization does not have an annual special events ABC license.3. The organization's application indicates that there are no employees and the officers do not receive salaries.4. Net earnings of the organization do not inure to the benefit of any individual.5. The organization's exemption application indicates that they provide the following services: payee services, transportation to medical appointments and similar appointments, and housing assistance.6. No substantial part of the organization's activities is to influence legislation or campaign on behalf of a political candidate.7. Real Estate Tax Revenue Impact: 50. The organization owns no real property. The property from which they operate their payee services is located at 316 Brown Street which was previously owned by the organization founder and president, Torey Morris. The property is now owned by A F Housing LLC and has the same mailing address as Life Stages Enrichment Service, Inc. and the for-profit Life Stages, Inc. <p>Personal Property Revenue Impact: The personal property reported on the exemption application are a 2012 Ford Cutaway Van and a 2012 Ford E350 Van, however, the E350 is actually registered to the for-profit entity Life Stages, Inc. 2017 combined assessed value of the vehicles actually registered to Life Stages Enrichment Services Inc. is \$11,900. The assessed value of vehicles registered to the for-profit Life Stages, Inc. is \$38,340. Assuming the personal property tax rate remains at \$2.30 per \$100 of assessed value, the FY 2018 personal property revenue impact will be \$273.95 for just the two vehicles that are actually registered to Life Stages Enrichment Services Inc. The organization did not provide an itemization of business equipment. It is assumed that the organization is using the business equipment reported by the for-profit entity Life Stages Inc. which is also operated from the 316 Brown St. location.8. The organization provides services that are currently provided by both non-exempt non-profit and for-profit entities.<p>Additional Review Criteria:</p><ol style="list-style-type: none">a. The non-profit organization was not established until March 22, 2016 and was not subject to taxation for the 2016 tax year.</p>	<ol style="list-style-type: none">b. The organization does not currently own real property. The property listed as the business address for the organization is zoned P-2. Current business activities provided at the 316 Brown Street location are compliant with the P-2 zoning.c. The personal property for which the exemption is sought potentially relate to the purposes for which the organization was created. Again, no real property is currently owned by the organization.d. The City does not provide payee services, but some transportation services are provided by the Senior Center. In addition, another non-exempt non-profit organization and other for-profit entities provide transportation services. The city has transferred its housing services to the City of Danville Housing Services.e. The services provided by the organization are currently being met by other non-exempt non-profit entities or by for-profit entities.f. Other criteria to consider: No other criteria considered by the committee. <p>Fiscal Impact:</p> <p>The organization currently owns 2 properties: 231 Starling Avenue and 311 Starling Avenue. Current annual tax on 231 Starling Avenue is \$1,104.58. Current annual tax on 311 Starling Avenue is \$875.17. Total annual real estate tax for both properties is \$1,979.75. The assessed value of 311 Starling Avenue will drop effective July 1, 2017 due to the biennial reassessment lowering the potential total revenue impact for both properties in FY 2018, if the tax rate remains at the current rate of \$1.0621, to \$1740.78.</p> <p>The organization has not reported owning any business personal property in the City of Martinsville.</p> <p>Review Committee Recommendation:</p> <p>Though the organization is considered a non-profit organization for federal income tax purposes, based on the information submitted with the exemption application it appears that the organization provides fee-based services that are similar to services provided by other for-profit entities and other non-profit entities that do not benefit from a local tax exemption. The organization also, does not own real property and has requested a real estate tax exemption in addition to the personal property tax exemption. Because of the close association of the for-profit Life Stages Inc. with the activities of the non-profit Life Stages Enrichment Services Inc. there is concern that if an exemption is granted for real and personal property all of the property currently titled to the for-profit entity will be transferred to the non-profit entity. Once a local tax exemption is granted to a non-profit entity the exemption is extended to all future property acquired by the entity, provided it is used for the exempt purposes for which the exemption was granted and the property does not become a source of substantial income. For these reasons the Review Committee does not recommend granting a tax exemption at this time.</p>
--	--

Hear an update from the City's Human Resources Office regarding a summary of application/hiring data from 2016 – Human Resources Director Kathy Vernon presented a PowerPoint with steps taken by the HR department on recruiting, applications, new hire demographics, and employee turnover statistics. Mayor Teague asked how many employees had left the City for increased salaries; Vernon said most that left for another job resigned for higher pay and/or better benefits. Council Member Hodge asked if employees could be groomed in-house for upcoming vacancies left by retiring employees. Vernon explained that was done when possible. Vernon summarized the employee census. Hodge expressed concern with only 12% African American employees stating that it does not “mirror” the community. City Manager Towarnicki said they were open to suggestions to increase the opportunity to attract minorities to City vacancies and said it is a very competitive market with other neighboring areas also trying to diversify their employee pool. Council Member Bowles requested that information be expanded to all churches and not just minority churches. Vernon confirmed that every city employee was encouraged to attend the diversity training in September. Hodge asked if Vernon was aware of any reason why African American's are not applying for jobs. Mayor Teague noted that the percentage of minority applicants has increased. Vernon detailed concerns regarding vacancies and employees set to retire, turnover and retiree health insurance and explained that counting constitutionals, there are 44 employees who could retire this year.

Turnover

2015 Department	FTE Budgeted	Turnover 2015	2016 Department	FTE Budgeted	Turnover 2016		
ELECTRIC DEPARTMENT	15	20%	3.0	ELECTRIC DEPARTMENT	15	20%	3
FIRE DEPARTMENT	32.0	9%	3.0	FIRE DEPARTMENT	32.0	9%	3
POLICE DEPARTMENT	56.0	10%	6.0	POLICE DEPARTMENT	56.0	20%	11
PUBLIC WORKS	49.0	14%	7.0	PUBLIC WORKS	49.0	20%	10
WATER RESOURCES	37.0	5%	2.0	WATER RESOURCES	37.0	16%	6
COMMUNITY DEVELOPMENT	5.0	40%	2.0	FINANCE	8	12%	1
				HUMAN RESOURCES	2	50%	1

Employee Census 2016

Census-CM (City)	2015#	2015%	2016#	2016%
AA/F	7	3.3%	6	2.9%
AA/M	17	8.0%	19	9.1%
W/F	30	14%	27	12.9%
W/M	157	73.7%	156	74.6%
L/M	1	0.5%	0	0.0
NA/M	1	0.5%	1	0.5%
TOTALS	213	100%	209	100%

AA/F = African American Female
 AA/M = African American Male
 W/F = White Female
 W/M = White Male
 L/M = Latino = Male
 NA/M = Native American Male

Concerns

- ▶ 29 of the 209 employees under the City Manager are eligible to retire NOW!
- ▶ Of those 29 that could retire now 4 are department directors
- ▶ Utility Maintenance Worker I Turnover: Seven employees resigned this year with 3 employees going to work for VDOT and 4 going to work for private industry
- ▶ Police Turnover: This year we lost 11 sworn officers, 4 to other positions (ATF, ABC, State Police, and private industry), 4 retired, and 3 for other reasons
- ▶ Retiree Health Insurance: We budget approximately \$275, 000 to pay the City's portion of retiree health insurance. We have 48 retirees enrolled in health insurance and of that number, 30 retired from hazardous duty positions (Police/Fire/Sheriff). Hazardous duty employees can retire at age 50 with 25 years of service, this gives them 15 years on the health insurance. The majority of hazardous duty employees will get another full-time or part-time position

Hear a staff update on Council's strategic planning meetings scheduled for March 10 and 11, 2017 – City Manager Towarnicki updated Council on the strategic planning sessions involving City Council and School Board and staff. Towarnicki said there was good discussion and good points made. The strategic plan will be redrafted with requested changes and will be circulated to Council and the schools for any additional changes that need to be corrected. The final draft will be added to the City website for public reference. Mayor Teague thanked the staff and said it was a good opportunity for Council and schools to have dialogue. Vice Mayor Martin also thanked David Dickerson for facilitating the meetings.

Business from the Floor – Melvin Smith, 614 E. Church Street spoke regarding the cruise-in and rumors that have circulated, stating that the reason the cruise-in was not being held any longer was due to lack of sponsorship to cover permits and insurance. Smith said that vendors stopped participating due to permits required by the Commissioner of Revenue's office. Smith said sponsorships are needed to hold any cruise-ins in the future and feels that the City should not be responsible for anything other than parking. Smith said another concern was that the local restaurants appeared to raise prices during the cruise-in. Smith apologized for rumors related to City Council being responsible for the halt of the cruise-in. Mayor Teague suggested that he approach MURA or the Chamber for support holding future

March 14, 2017

events. City Manager Towarnicki said originally the cruise-ins were started by the Public Works Director and organized by the Parks and Recreation department. Towarnicki stated that it was his understanding that interest in the cruise-in decreased and Saturdays are now occupied by other locations for their cruise-in events. The Parks and Recreation department is in discussions with MURA to possibly create an event in conjunction with the Martinsville race. Smith suggested possibly holding the cruise in on a Friday night or Friday evening if other locations are doing theirs on Saturdays. Hodge suggested collaborating with TGIF on Fridays. Vice Mayor Martin says he has pitched the idea to a nonprofit and could possibly include motorcycles.

Patrick Wright, 1201 Spruce Street referenced the GED program that he was participating in and questioned Council's investment in education and the GED program. Mayor Teague confirmed that the GED programs are funded through the school system.

Sophia Esdaile wanted to invite students to the Harvest Youth Board meeting on March 16 at the New College Institute to present an overview of the Harvest Youth Board and future planning of events for the area.

Ural Harris, 217 Stewart Street expressed concern on the budget shortfalls. He also noted homes being demolished and/or being put up for sale where residents are leaving the City. Harris said he feels that the schools were fully funded previously yet Council approved additional funds with no measurable results. Harris also brought up the reversion study and he asked Council not to spend any money on studies unless they plan to vote for it. The City infrastructure is falling apart and the financial problems have come from bad financial decisions.

Comments by Members of City Council – Council Member Hodge was out of town during the last meeting but says she tries very hard to coordinate her work schedule with Council meetings. Hodge thanked the Chamber of Commerce for a successful Fast Track event. Council Member Lawson thanked Council Members and staff for a productive strategic planning work session and felt everyone communicated well. Council Member Bowles congratulated a local resident for his success in the local Hoop Shoot contest. Bowles said she attended the ribbon cutting at Infinity Acres and suggested residents check out what they have to offer. Lady Warriors had a successful season and everyone is proud of their accomplishments. She encouraged citizens to attend the Council meetings more often or contact Council Members with concerns or suggestions. Bowles offered condolences to the family of David Lee. Vice Mayor Martin congratulated the Carlisle Chiefs on their state championship. Martin reminded residents that the Martinsville Winter Warming shelter opens at the Salvation Army at 7:00pm on colder nights. Bowles requested that Pattie Farmer's retirement reception be added to the Council Calendar. Mayor Teague thanked staff for

March 14, 2017

working on the Council calendar. Teague reminded residents of the neighborhood meeting March 27, 2017.

Comments by City Manager – Towarnicki requested that any Council Member that is unable to attend a meeting to please let him know in advance when possible so agenda items can be arranged appropriately. March 30 is the Annual Chamber Leadership Meeting and requested that Council Members RSVP at their earliest convenience. The new Tourism Director Sarah Hodges will have an informal meet and greet and he will update Council Members on those details.

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 8:48pm.

Karen Roberts
Clerk of Council

Gene Teague
Mayor