

January 14, 2020 Council Meeting

The regular meeting of the Council of the City of Martinsville, Virginia was held on January 14, 2020 in Council Chambers, Municipal Building, at 7:30 PM with Mayor Kathy Lawson presiding. Other Council Members present included Chad Martin, Jennifer Bowles, Jim Woods and Danny Turner. Staff present included City Manager Leon Towarnicki, Assistant City Manager/City Attorney Eric Monday, Finance Director Linda Conover, Police Chief Eddie Cassidy.

Mayor Lawson called the meeting to order and advised Council would go into Closed Session beginning at 6:30 PM. In accordance with section 2.1-344 (A) Code of Virginia (1950, and as amended) and upon a motion by Council Member Turner and seconded by Vice Mayor Martin with the following 5-0 recorded vote: Vice Mayor Martin, aye; Mayor Lawson, aye; Council Member Bowles, aye; Council Member Turner, aye; and Council Member Woods, aye. Council convened in Closed Session to discuss the following matters: (A) Appointments to boards and commissions, as authorized by Subsection 1, (B) Discussion or consideration of the acquisition of real property for a public purpose, or of the disposition of publicly held real property, where discussion in an open meeting would adversely affect the bargaining position or negotiating strategy of the public body, as authorized by Subsection 3, (C) Discussion of the award of a public contract involving the expenditure of public funds, including interviews of bidders or offerors, and discussion of the terms or scope of such contract, where discussion in an open session would adversely affect the bargaining position or negotiating strategy of the public body, as authorized by Subsection 29, and (D) 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 A motion was made by Council Member Turner; seconded by Council Member Bowles, with the following 5-0 recorded vote in favor to return to Open Session: Mayor Lawson, aye; Council Member Bowles, aye; Council Member Woods, aye; Vice Mayor Martin, aye; and Council Member Turner, aye.

Out of Closed Session, Council Member Turner made a motion to appoint Lizabeth Wolchko to the Architectural Review Board for 3-year unexpired terms ending March 31, 2023. Council Member Woods seconded the motion with all Council Members voting in favor.

Council Member Bowles made a motion to reappoint Bernadette Moore to the Arts and Cultural Committee as the Piedmont Arts representative for a 3-year term ending December 31, 2022. Vice Mayor Martin seconded the motion with all Council Members voting in favor.

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Council Member Woods made a motion to reappoint Beth Stinnett to the Arts and Cultural Committee as the EDC representative for a 3-year term ending December 31, 2022. Council Member Bowles seconded the motion with all Council Members voting in favor.

Council Member Turner made a motion to reappoint Imogene Draper to the Arts and Cultural Committee as Citizen Representative for a 3-year term ending December 31, 2022. Council Member Bowles seconded the motion with all Council Members voting in favor.

Council Member Bowles made a motion to reappoint Lisa Smith to the Anchor Group Home Commission for a 4-year term ending December 31, 2023. Vice Mayor Martin seconded the motion with all Council Members voting in favor.

Council Member Woods made a motion to reappoint Felecia Watkins to the Comprehensive Services Act Community Policy and Management Team as the Parent representative for a 2-year term ending December 31, 2021. Vice Mayor Martin seconded the motion with all Council Members voting in favor.

Council Member Bowles made a motion to appoint Michael Kirby to the Henry County=Martinsville Joint Social Services Board for a 4-year unexpired term ending May 31, 2022. Council Member Turner seconded the motion with all Council Members voting in favor.

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

Consider approval of the minutes from the September 23, 2019 Neighborhood Meeting, September 24, 2019 Council Meeting, October 8, 2019 Council Meeting and October 21, 2019 Neighborhood Meeting – Mayor Lawson asked that three names be corrected. Council Member Bowles made a motion to approve all minutes as corrected. Vice Mayor Martin seconded the motion with all Council Members voting in favor.

Consider presentation of a proclamation recognizing January 16, 2020 as Zeta Phi Beta Sorority, Inc. Upsilon Delta Zeta Chapter Day in Martinsville – Vice Mayor Martin read the proclamation which was presented to representatives in attendance. Representatives thanked Council for recognizing the sorority and shared history of their organization, explaining how the sorority benefits the community, specifically education.



PROCLAMATION

RECOGNIZING JANUARY 16, 2020 AS ZETA PHI BETA SORORITY, UPSILON DELTA ZETA CHAPTER DAY

WHEREAS, the City of Martinsville traditionally recognizes organizations that have made significant contributions to the vitality of our City, and the Zeta Phi Beta Sorority, Inc., Upsilon Delta Zeta Chapter truly represents Martinsville values at their best; and

WHEREAS, Zeta Phi Beta Sorority, Inc. is an International, community service driven organization that was founded on January 16, 1920 in Washington D.C. on the campus of Howard University; and

WHEREAS, guided by their core values of scholarship, service, sisterly love, and finer womanhood, for the past 100 years the women of Zeta Phi Beta Sorority, Inc and Upsilon Delta Zeta Chapter have worked tirelessly to provide services and support to our communities and families in Martinsville with its many program initiatives such as Adopt a School, Scholarships, Girls Rock Awards Program, and March of Dimes Premature Shoebox Blessings which includes education surrounding the importance of prenatal care, medical services, and the promotion of healthy lifestyles; and

WHEREAS, a further testament to the Upsilon Delta Zeta Chapter's passion for empowering and uplifting our communities, through their past partnerships with women's shelters assisting them with needed personal hygiene supplies; and

WHEREAS, with professional and community engagement-orientated women, the Upsilon Delta Zeta Chapter of Zeta Phi Beta Sorority, Inc has proven to be a dedicated community partner for positive change, and will continue to remain steadfast in its commitment to empower, uplift, and serve our City's citizens;

NOW THEREFORE, I, Kathy Lawson, Mayor of the of the City of Martinsville, do hereby proclaim January 16, 2020 as Zeta Phi Beta Sorority, Inc. Upsilon Delta Zeta Chapter Day in Martinsville.

Kathy Lawson, Mayor

Hear an update on FY20 Telecommunications operations – Mike Scaffidi shared a PowerPoint detailing the department employees, revenue and expenses, general points of interest, the current and projected customer base, value of the service provided and the future of the department. Greg Bowman, a newly-hired MiNet employee was in attendance to answer Council questions.



January 2020
Council Update

Michael Scaffidi
Director of Telecommunications

EMPLOYEES

- Mike Scaffidi Director
- Greg Bowman Plant Manager
- Jared Pruett Network Specialist
- Kathy Reed Accounts Manager
- Charles Anderson Telecom Technician
- Eric Boaz Telecom Technician
- Chris Kelsey Maintenance Technician

January 9, 2020 REVENUE VS EXPENSES

REVENUE BUDGET

- Total Budgeted Revenues \$2,115,909
- Collected as of 1/01/2020 \$1,045,400
- **Difference** **\$1,070,509**
 - Does not Reflect all of Decembers Receipts
 - 50.6% of Revenues Recovered

EXPENDITURES BUDGET

- Total Budgeted Expenses \$2,115,909
- Total Budget Used 1/09/2020 \$ 992,375
- 47 % of Budget Used

General Points of Interest

- Continue Growth
- Expected to Exceed Gross FY Revenue
- Continue to Explore New Phone & Internet Innovations
- Phone System Impact
 - Drop in Monthly Recurring Charges
 - Target and Leverage How MINet Purchases Services From Incumbent Providers
- Wireless To The Home (W2H)
 - Tested – Tower Placement
 - Scheduling Tower Climbers
 - Residential and Small Business

CUSTOMER BASE January 1, 2020

- July 1, 2019
 - 174
- September 1, 2019
 - 177
- January 1, 2020
 - 185

- Three Companies Under Construction
- Working With a Variety of Companies
 - Patrick County (4 Sites)
 - Henry County (5 Sites)
 - Martinsville (5 Sites)

VALUE OF SERVICE PROVIDED BY TELECOMMUNICATIONS/MINET

- No Debt
- Significant Internal Telecom Cost Savings
- New Phone System (20 year life)
- Annual School System Support \$160K
- Balance or Residual Funds returned to City
- **Accepting High Volume of Telephone Calls During Outages - Continues to Work Well**
- Special Services to Customers
 - Network and Virus Protection through Fire Wall
- Local Service Provider (Customer Service)

FUTURE

- MARKETING
 - Marketing Impact?
- EXPANSION
 - Variety of Residential Inquiries
 - Implement fiber to the home project
- RESOURCES NEEDED
 - Construction Crew Evaluation
 - Backbone – Fiber Build - Cut Down on Expenses
 - Billing System – Tie Into MUNIS

Consider approval of consent agenda – Council Member Turner made a motion to approve Items 1, 2 and 3 as presented. Council Member Bowles seconded the motion with all Council Members voting in favor.

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BUDGET ADDITIONS FOR 1/14/20				
ORG	OBJECT	DESCRIPTION	DEBIT	CREDIT
BUDGET ADDITIONS				
FY2020				
General Fund:				
01101917	442401	Categorical Other State - Confiscated Assets - PD		4,722
01311085	506078	Police Dept - State Asset Forfeitures	4,722	
		Forfeited assets from Commonwealth		
01100906	461309	Charges for Services - Non-reverting Funds/Clerk		475
01216076	506104	Clerk of Circuit Court - Non-capital Equipment	475	
		Service fees collected		
Total General Fund:			5,197	5,197
Capital Reserve Fund:				
16100905	416209	Sale of Surplus		25,790
16575365	508075	Motor Vehicles - Police Dept	2,500	
16572362	508080	Tools & Equipment - Fire Dept	16,690	
16572362	508110	Tools & Equipment - Street Maintenance Dept	6,600	
		Funds received from sales of surplus equipment		
Total Capital Reserve Fund:			25,790	25,790



City Council
Agenda Summary

Meeting Date: January 14, 2020
Item No:
Department: Commissioner of the Revenue, City Treasurer

Issue: Consider authorizing refunds resulting from verification updates of estimated EPOL tax for 2 local businesses for tax year 2017.

Summary: The Commissioner of the Revenue's office annually verifies and updates EPOL license fees based on federal tax return gross receipts information that is provided to the office by individual business taxpayers. Until the gross receipts can be verified by the federal tax return gross receipts, the reported receipts are considered an estimate. One local business overestimated their gross receipts for the 2017 license year for two separate business lines operating under different business names.

The City's business license is based on the actual gross receipts that a business had for the prior tax year, or the current year for first year businesses. Corrections to the assessments have been made by the Commissioner of the Revenue office and forwarded to the City Treasurer. Because the refund amounts individually are over \$2,500, City Council must authorize the City Treasurer to issue the refunds so that the timing of the refund does not negatively impact the city's cash flow.

City of Martinsville Ordinances address updates of estimated business licenses that were not based on a prior year's actual gross receipts. The city's ordinance §11-23(f) provides that there shall be no interest charged or refunded on an adjustment of estimated tax liability to actual liability at the conclusion of the base year. We would not have assessed interest if the taxpayer had underestimated their gross receipts and we updated the assessment based on verification of actual gross receipts. Consequently, the city ordinances provide that we do not refund interest on these types of estimated assessments when they are overestimated.

These refunds are different from other refunds that City Council has authorized in that they did not result due to an appeal or audit on a verified and adjusted actual assessment. The EPOL assessments remained an estimate until they could be verified with actual gross receipts as reported on the businesses' federal tax returns. The necessary federal returns to verify the gross receipts for the businesses were provided in late December 2019.

The Code of Virginia authorizes the City Treasurer to issue refunds up to \$2,500 without prior authorization of City Council. Because the refund amount is over this limit for each separate business, City Council must authorize the City Treasurer to issue the refunds.

Pursuant to City Ordinance §11-23(f) there is no need to calculate interest provided the refund is made within 30 days of the adjustment to reflect actual tax liability.

Attachments: Consent Agenda

Recommendations: Authorize City Treasurer to issue two refunds: (1) for \$4,033.48 to a city business for their overestimated 2017 business license and (2) for \$2,691.87 to a second city business for their overestimated 2017 business license. The effective date for both refunds should be prior to February 5, 2020 to avoid any interest calculation.

Business from the Floor – No one approached the podium

Comments by Members of City Council – Council Member Woods wished residents a happy new year. He had the good fortune this past weekend to experience the Dick and Willie Trail and see local residents also enjoying the outdoors. This coming weekend will be another showing of “Of Mice and Men” by the Patriot Players. Council Member Bowles hopes everyone

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had a wonderful Christmas and New Year. She has missed work due to illness for two weeks and thanks everyone who checked on her. Council Member Turner echoed Woods remarks about the trail, stating that it was packed and Sunday was a good day to enjoy the new location along with a few rounds of golf. Vice Mayor Martin visited the Danville Fine Arts Museum art display by a Martinsville resident. Piedmont Arts Air Shift program starts next Monday and vacancies are available for anyone wishing to participate. Mayor Lawson asked the City Manager about the No Thru Truck sign for Mulberry. City Manager Towarnicki confirmed that the sign is complete and will be installed in the near future. Lawson asked if the City had received the new line-stripping machine. Towarnicki confirmed that they had and that employees will be utilizing that when the weather warms up.

Comments by City Manager – Congratulations to the 911 Center Director JR Powell for receiving the Governor’s EMS Award for Outstanding Contribution to EMS Telecommunications at the Virginia EMS Symposium held in November. The City has started the budget process and the capital committee has met. The presentation to Council will be one meeting earlier than usual this year on March 24. There are a lot of people trying to access the Dick and Willie Trail from Country Club Drive, City staff is looking into a potential parking area to accommodate those visitors without negatively affecting the residents in that area. Ken Turner, Wastewater Plant operator since July 2002 passed away after a lengthy illness, condolences to his family. Also condolences to Wayne Davis of the refuse department in the unexpected passing of his wife.

Comments by City Attorney – City Attorney Monday encouraged residents to visit The Virginia Living website and vote for The Best in Virginia for 2020.

There being no further business, Council Member Turner 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 8:30pm.

Karen Roberts
Clerk of Council

Kathy Lawson
Mayor