

October 13, 2020 Council Meeting

The regular meeting of the Council of the City of Martinsville, Virginia was held on October 13, 2020 in Council Chambers, Municipal Building, at 7:30 PM with Mayor Kathy Lawson presiding. Other Council Members present included Jim Woods, Danny Turner, Jennifer Bowles and Chad Martin. Staff present included City Manager Leon Towarnicki, Assistant City Manager/City Attorney Eric Monday, Finance Director Linda Conover, Assistant Finance Director Mandy McGhee, Community Development Director Mark McCaskill and Police Chief Eddie Cassady.

Mayor Lawson called the meeting to order and advised Council would go into Closed Session beginning at 7:15 PM. In accordance with section 2.1-344 (A) Code of Virginia (1950, and as amended) and upon a motion by Council Member Woods and seconded by Council Member Bowles with the following 5-0 recorded vote: Vice Mayor Martin, aye; Council Member Turner, aye; Council Member Bowles, aye; Council Member Woods, aye; and Mayor Lawson, aye. Council convened in Closed Session to discuss the following matters: (A) Appointments to boards and commissions, as authorized by Subsection 1. At the conclusion of Closed Session, each returning member of Council certified that (1) only public business matters exempt from open meeting requirements were discussed in said Closed Session; and (2) only those business matters identified in the motion convening the Closed Session were heard, discussed, or considered during the A motion was made by Council Member Woods; seconded by Council Member Bowles, with the following 5-0 recorded vote in favor to return to Open Session: Mayor Lawson, aye; Vice Mayor Martin, aye; Council Member Bowles, aye; Council Member Turner, aye; and Council Member Woods.

Mayor Lawson called the meeting to order.

Out of Closed Session, Vice Mayor Martin made a motion to appoint Rives Coleman to the Blue Ridge Regional Library Governing Board for an unexpired 4-year term ending June 30, 2023. Council Member Bowles seconded the motion with all Council members voting in favor. Council Member Woods made a motion to appoint Jane Gardner to the Blue Ridge Regional Library Governing Board for an unexpired 4-year term ending June 30, 2021. Council Member Turner seconded the motion with all Council members voting in favor. There was no additional action taken in Closed Session.

Following the Pledge to the American Flag and invocation by Mayor Lawson, Lawson welcomed everyone to the meeting. She explained that the meeting would follow COVID guidelines and recognizing social distancing recommendations.

Approve minutes for the September 8, 2020 and September 22, 2020 Council Meetings – Council Member Woods made a motion to approve the minutes as presented. Vice Mayor Martin seconded the motion with all Council Members voting in favor.

Hear an update from Boys & Girls Clubs of the Blue Ridge – The representative was unable to attend so this item will be moved to the October 27, 2020 meeting.

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Hear an update from United Way – Philip Wenkstern, United Way Executive Director updated Council on the work being done by the United Way in the community including the COVID related programs such as the emergency childcare subsidy program which assists 165 children in the community, and an emergency feeding program. The feeding program was originally handled out of six locations and disbursed on Mondays once a month with 2,000 boxes of food distributed in August. United Way offers an Individual Development Account Program, a home ownership program to assist with the down-payment and financial education training with 15 individuals enrolled. The volunteer income tax assistance program will begin to file taxes on January 18. This is a free tax filing assistance program for those who make less than \$56,000 per year and assists 2,000 individuals on average each year. Wenkstern detailed the TANF grant program that assists with training and education costs, transportation costs, work boots, etc. He shared details about Smart Beginnings including the ARC Grant, the Preschool Development Grant and the Dolly Parton Imagination Library which is free to children up to 5 years old. The United Way Campaign is a little different this year due to COVID restrictions, their goal is to raise \$500,000 to benefit 20 local organizations including the Boys & Girls Club, the YMCA, Girl Scouts and Boy Scouts, Grace Network, the Salvation Army and others. \$.99 of every \$1.00 donated to United Way stays local.

Hear a presentation regarding information related to a comprehensive housing market study and needs analysis for the Martinsville-Henry County area – City Manager Towarnicki presented a PowerPoint on the housing study for Martinsville and Henry County. There has been little housing development in this area over the past few decades. If a new business relocates to Martinsville, lack of housing for employees could be a concern. Marketing materials are being developed capturing details of this study. These materials will be shared with developers to help publicize this area for future housing products.

A COMPREHENSIVE HOUSING MARKET STUDY AND NEEDS ANALYSIS FOR THE CITY OF MARTINSVILLE & HENRY COUNTY

SUMMARY OF RESULTS
MARTINSVILLE CITY COUNCIL
TUESDAY, OCTOBER 13, 2020

Background

- In July, 2019, a Housing Summit was held at NCI. Developers, real estate professionals, contractors, and representatives of various state housing and funding agencies were represented at the well-attended summit.
- The intent was provide information regarding housing needs in the M-HC area while noting that very little new residential or multi-family construction has occurred in this area in decades. As unemployment numbers were dropping and new businesses and industries were being recruited, a recurring question from prospective clients considering the MHC area for future development was "where are my people going to live?"

Background

To help define the area's housing needs, a grant application was submitted to VHDA in the fall of 2019 and ultimately a \$4,0,000 housing study grant was awarded. The City serves as the fiscal agent for this grant with the City, Henry County, and the EDC providing input. The grant covers two main elements – completion of a housing study and preparation of marketing materials related to the study results.

The study has been completed by Novogradac Consulting, LLP and work is currently underway with Momenta on development of marketing materials.

Housing Study Project Scope

- Inspecting existing housing stock
- Investigating existing multifamily rental market
- Interviews with public agencies and stakeholders
- Analyzing economic conditions in the market area
- Analyzing demographic trends in the market area
- Surveying all multifamily properties in the market area
- Determining housing supply characteristics and needs
- Analyzing the for-sale market
- Analyzing rents of competing multifamily properties
- Analyzing demand for new construction of multifamily rental and pricing
- Estimating achievable rents for the market area
- Recommending future housing strategies

Study Details & Findings

- Study area consisted of Martinsville & Henry County and an approximate 50 mile radius outside the MHC area.
- Employment in MHC is concentrated in manufacturing, healthcare & social assistance, and retail trade industries, comprising 44.8% of local employment.
- Area unemployment peaked in 2010 with Martinsville hitting 19.3% and Henry County at 14.7%. Unemployment (pre-Covid) was in low single digits in late 2019/early 2020 with many characterizing the community as being fully employed – those who wanted a job, had one.

Study Details & Findings

- Inflow/outflow data shows a significant number individuals who travel to MHC for employment, some with greater than a 50-mile commute. This data illustrates a demand for additional housing in MHC if those workers are willing to reside in the area.
- MHC has an older population compared nationally with 45.8% 50 or older, compared to 35.8% nationally.
- Approximately 58.3% of renters in MHC earn < than \$30K compared to 42.1% nationally
- Approximately 58.8% of senior renters in MHC earn < than \$30K compared to 48.0% nationally, suggesting a relatively robust lower and middle-income class of family & senior-tenancy renters in MHC.

Study Details & Findings

- Approximately 32.2% of total households in MHC are renter-occupied.
- Approximately 65.7% of the housing stock in MHC was constructed prior to 1980 and 47% prior to 1970. Limited development after 2010.
- According to HUD data, in Martinsville approximately 9.2% of owner-occupied households and 22.6% of renter-occupied have at least one of four severe housing problems (incomplete kitchen facilities; incomplete plumbing facilities; more than one person per room; or cost burden > 50%. Cost burden is the ratio of housing costs to household income).
- In Martinsville, 22.5% of owner-occupied and 44.4% of renter-occupied pay > 30% of income on housing costs/rent.

Study Details & Findings

- As of January 2020, the median single family home listing price was \$99K in the City; \$109K in HC. As of June, 2020, there were 142 single family homes listed for sale in HC, and 52 in the City.
- Majority of those surveyed indicated rental housing is more needed than market owner-occupied. The majority of surveyed affordable rental properties maintain waiting lists with an apparent demand for one, two, and three bedroom unit sizes of 625 to 750, 900 to 1025, and 1125 to 1250 square feet respectively.
- The overall average vacancy rate was 1.3% with strong demand reported. For market rate properties with multiple vacancies, Northview Gardens and Stratford Square are among the oldest and The Henry has the highest price point. Overall vacancy is low indicating a demand for additional rental units in MHC.

Study Findings & Details

- Surveyed one-bedroom rents range from \$300 to \$802, average of \$465
- Surveyed two-bedroom rents range from \$458 to \$700, average of \$577
- Surveyed three-bedroom rents range from \$465 to \$1018, avg. of \$711.
- Conversations with stakeholders indicate there are a significant number of individuals who work in MHC but live in Danville, and Greensboro/WS.
- Market analysis of properties in surrounding areas provides an indication that newly constructed properties would have achievable rents in the range of \$875 to \$1000 for 1BR; \$1025 to \$1200 for 2BR; and \$1225 to \$1350 for 3BR depending on amenities, size, and location. A housing need for those in management positions was also identified.

Study Findings & Details

Substantial demand was identified in the market for newly constructed units targeting renters earning between 50 and 200 percent of AMI levels. Depending on specific AMI levels, a demand of hundreds of units in various AMI levels has been identified.

Conclusion

Why is this information important?

Developers looking at potential projects in the MHC area must identify a site(s), and then develop project financials based on construction costs, financing, etc., and then compare those cost to projected revenue based on number of units, operational costs, and rental income. The study identifies both a substantial need and a much higher level of rent (for new, well-amenitized units) that can help better determine a project's viability. The study is a critical component of a developer's research.

Consider adoption on first reading, Ordinance 2020-4 increasing Courthouse security fee from \$10 to \$20 – City Attorney Monday explained the need for the ordinance and the increase

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in the security fee. This fee is assessed on all convictions and contributes to paying court bailiffs and front lobby security. Council Member Bowles made a motion to adopt the ordinance on first reading, Vice Mayor Martin seconded the motion with the following roll call vote: Woods, aye; Turner, aye; Bowles, aye; Martin, aye; and Lawson, aye.

CITY OF MARTINSVILLE, VIRGINIA
ORDINANCE NO. 2020-4
INCREASING COURTHOUSE SECURITY ASSESSMENT

BE IT ORDAINED by the Council of the City of Martinsville, Virginia, in Regular Session held on October 27, 2020, that Section 1-16 of the City Code is hereby enacted, to read as follows:

Sec. 1-16. - Special assessment for funding of courthouse security personnel as part of costs in criminal and traffic cases.

~~Ten dollars (\$10.00)~~ *Twenty dollars (\$20.00)* shall be assessed as part of the costs in each criminal and traffic case in the general district court of the city or in the circuit court of the city in which the defendant is convicted of a violation of any statute or ordinance, pursuant to the provisions of section 53.1-120D of the 1950 Code of Virginia, as amended. Such assessment shall be collected by the clerk of court in which the case is heard, remitted to the city treasurer and held by such treasurer subject to appropriation by this council to the sheriff's office for the funding of courthouse security personnel. This assessment shall be in addition to all other costs prescribed by law.

(Ord. No. 2002-2, 5-14-2002; Ord. No. 2007-02, 6-5-2007)

Attest:

Karen Roberts, *Clerk of Council*

Consider approval of consent agenda – Finance Director Linda Conover presented a change to the consent agenda. Council Member Woods made a motion to approve Item 1 of the Consent Agenda as amended. Vice Mayor Martin seconded the motion with all Council Members voting in favor. Council Member Bowles made a motion to approve Item 2 reappropriations. Council Member Turner seconded the motion with all Council Members voting in favor.

BUDGET ADDITIONS FOR 10/13/20				
ORG	OBJECT	DESCRIPTION	DEBIT	CREDIT
BUDGET ADDITIONS				
FY2020				
General Fund:				
01101917	442810	Categorical Other State - Highway Projects		224,914
01420152	508220	VDOT - Highway - Physical Plant Expansion	224,914	
		Highway project reimbursements		
Total General Fund:			224,914	224,914
FY2021				
General Fund:				
01101917	442701	Categorical Other State - Fire Programs		13,672
01321102	506110	Fire Department - State Grant/Fire Programs	13,672	
		Funding rec'd in excess of budgeted amount		
Total General Fund:			13,672	13,672

RE-APPROPRIATIONS FY20 INTO FY21					
DEPARTMENTAL REQUESTS					
ORG CODE	OBJECT	DEPARTMENT	ACCOUNT DESCRIPTION	DEBIT	CREDIT
GENERAL FUND					
01103938	462101		Contribution From Fund Balance		\$ 729,155
01217078	506047	Sheriff - Courts	Project Life Saver	\$ 3,229	
01217078	506138	Sheriff - Courts	M/C Equipment/Maintenance	\$ 442	
01221082	506118	Commonwealth's Attorney	Local - Confiscated Assets	\$ 83	
01311085	506078	Police	State - Confiscated Assets	\$ 78,103	
01311085	506079	Police	Federal - Confiscated Assets	\$ 144,053	
01311085	506118	Police	Local - Confiscated Assets	\$ 39,379	
01311085	506139	Police	E-Summons Equipment	\$ 42,323	
01321102	506110	Fire	Fire Programs	\$ 14,062	
01321102	506130	Fire	Maintenance for Burn Building	\$ 4,657	
01322105	506114	EMS	Four for Life	\$ 20,236	
01334122	506133	Safety	Siren Supplies	\$ 10,656	
01341135	506300	Inspections	Demolition	\$ 27,375	
01413145	503185	Street Maintenance	Prof.Service-Street Resurfacing	\$ 221,653	
01413147	506010	Traffic Signals	Traffic Signal Maintenance	\$ 14,800	
01413148	506010	Street Cleaning	Supplies	\$ 2,444	
01812242	503600	Misc Exp	Grant Program-Misc Business Dev	\$ 105,660	
WATER FUND					
12103938	462101		Contribution From Fund Balance		\$ 115,340
12541311	506016	Water Plant	Water Testing	\$ 2,340	
12542312	506104	Reservoir	Non-Capital Equipment	\$ 5,000	
12542312	508220	Reservoir	Physical Plant Expansion	\$ 108,000	
SEWER FUND					
13103938	462101		Contribution From Fund Balance		\$ 6,165
13550325	508220	Wastewater Plant	Physical Plant Expansion	\$ 6,165	
ELECTRIC FUND					
14103938	462101		Contribution From Fund Balance		\$ 157,000
14564339	508205	Electric Construction	Motor Vehicles/Equipment	\$ 125,000	
14563338	508236	Electric Maintenance	SCADA System	\$ 19,500	
14564339	506430	Electric Construction	Street Lighting	\$ 12,500	

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CAPITAL RESERVE FUND					
16103938	462101		Contribution From Fund Balance		\$ 803,475
16572362	508080	Tools/Equipment	Fire Dept	\$ 1,468	
16575365	508075	Vehicles	Police Dept.	\$ 21,952	incomplete project - radio study
16575365	508080	Vehicles	Fire Dept	\$ 531,663	incomplete project - replace totalled patrol car
16575365	508105	Vehicles	Public Works	\$ 129,299	incomplete project - fire truck
16575365	508085	Vehicles	Sheriff	\$ 29,005	incomplete projects - pickup & dump truck
16577367	508080	Physical Plant Expansion	Fire Dept	\$ 21,800	incomplete purchase
16579369	508209	School Projects Reserve	School Projects	\$ 68,288	incomplete project - station updating
					funding reserved for school capital projects
CDBG FUND					
47103938	462101		Contribution From Fund Balance		\$ 20,325
47913297	506100	General Expense	Admin/Misc expenses	\$ 20,325	accumulated program income
TOTAL CITY FUNDS:					\$ 1,831,460
SCHOOL FUNDS					
18100938	410510		Ops/Contrib from Fund Balance		\$ 318,790
71001300	563000	VTSS	Purchased Services	\$ 5,274	VTSS/PBIS Grant Balance
71001210	565800	Guidance	Miscellaneous	\$ 3,968	VFHY Grant
71001210	566000	Guidance	Materials & Supplies	\$ 2,182	VFHY Grant
85001009	563000	Healthnet	Purchased Services	\$ 12,976	UVA Telehealth Grant
85001009	566056	Healthnet	Non-Capital Equip	\$ 4,448	UVA Telehealth Grant
81621310	561120	Support Staff	Instructional S & W	\$ 5,657	Harvest Grant
81621310	562100	Support Staff	Social Security	\$ 349	Harvest Grant
81621310	563142	Support Staff	Professional Development	\$ 17,204	Harvest Grant
81621310	565503	Support Staff	Travel	\$ 5,069	Harvest Grant
81631310	561120	Support Staff	Instructional S & W	\$ 5,657	Harvest Grant
81631310	562100	Support Staff	Social Security	\$ 349	Harvest Grant
81631310	563142	Support Staff	Professional Development	\$ 17,204	Harvest Grant
81631310	565503	Support Staff	Travel	\$ 5,069	Harvest Grant
81021310	566020	Support Staff	Textbooks & Workbooks	\$ 126,052	Textbook Fund
81031310	566020	Support Staff	Textbooks & Workbooks	\$ 58,760	Textbook Fund
80003400	568100	Vehicle Maintenance	Capital Outlay Replacement	\$ 48,572	Equipment Sales & Insurance: Special Ed Van; totaled fleet car.
TOTAL SCHOOL FUNDS:					\$ 318,790
TOTAL RE-APPROPRIATIONS FROM FY20 TO FY21					\$ 2,150,250

Business from the Floor – No comments from the public received. Police Chief Eddie Cassady reminds citizens that there will be a drive-thru Drug Take Back on Saturday October 24 from 10:00am-2:00pm at the Martinsville Fire Department. There is also a drug drop box in the municipal building lobby. City Attorney Monday informed residents that the City Registrar would be doing curbside voting at the City Municipal building on October 24 and October 31.

Comments by City Council – Council Member Turner enjoyed working for the US Census 12 days and was able to locate and encourage several residents to complete the census form. On Veterans Day October 11, 2020, there will be events and a parade recognizing two World War II veterans who reside in the City. Council Member Woods said the City staff does a phenomenal job especially the Finance Department and the Human Resources Department. Woods recognized local resident John Ayers who has a Facebook page titled What’s Right with Martinsville/Henry County. October is Domestic Violence Awareness Month, Woods shared resources available for the victims as well as abusers seeking help. Woods hopes that Council Member Turner is not in violation of the Hatch Act which states that an elected official can not count for the census. Turner suggested that was incorrect information and should be checked again. Council Member Bowles encourages residents to shop local. Today is the last day to register to vote, Bowles encouraged residents to vote. The Seed-Fund opens up on October 19; Bowles encourages local high school seniors to take advantage of that program. Bowles has been nominated to be on the SPCA board and shared details on a raffle to fundraise for that organization. Bowles shared the deadline to register for the Salvation Army Angel Tree. Mayor Lawson shared details on Hazardous Waste Day Saturday from 9:00am-12:00noon in Bassett. Saturday at Mount Zion Church, there is a fresh vegetable give-away beginning at 10:00am.

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The Uptown Martinsville Trick-or-Treating event has been cancelled but the City has not cancelled Halloween for the children, she asks that residents be safe and smart.

Comments by the City Manager – City Manager Towarnicki said there will be an event at The Peoples Cemetery at 12:30 on Veteran’s Day. The City and Henry County are accepting applications/nominations for Outstanding Military Veteran 2020; applications can be accepted through October 22, 2020 and can be accessed online or at the City Manager’s office. The second round of the CARES funding has been completed with \$21,366.94 awarded, totaling almost \$450,000 overall. As of October 9, only 92 City utility customers have contacted Social Services about payment assistance on their utility bills totaling \$41,015. The City allocated \$150,000 to Social Services to assist residents with those bills so there are still funds available. Utility Billing sent out a mailing to 179 customers which included the application so there is no excuse for those residents to not get the assistance they need if they just follow through. There are currently 797 delinquent utility accounts totaling \$332,000, down \$170,000 from when the disconnects began. 42 utility disconnects occurred last week with \$32,737 in delinquent accounts. A total of 209 disconnects have been made with 128 of those reconnected. The CARES grant has provided funds to Social Services, Grace Network and the Salvation Army for those residents needing assistance.

City Attorney Monday said he had met a couple from Florida who told him that Martinsville was one of their top three locations to retire because of the incredible affordability of the area and how genuinely friendly the residents were.

There being no further business, Council Member Bowles made a motion to adjourn the meeting; the motion was seconded by Council Member Woods with all Council Members voting in favor. The meeting adjourned at 8:45pm.

Karen Roberts
Clerk of Council

Kathy Lawson
Mayor