

AGENDA--CITY COUNCIL  
CITY OF MARTINSVILLE, VIRGINIA

Council Chambers – Municipal Building  
**6:30pm Closed Session    7:00pm Regular Session**  
**Tuesday January 10, 2023**

**6:30 pm - Closed Session**

Items to be considered in Closed Session, in accordance with the Code of Virginia, Title 2.2, Chapter 37—Freedom of Information Act, Section 2.2-3711(A)—Closed Meetings, the following:

- A. The protection of the privacy of individuals in personal matters not related to public business, as authorized by Subsection 4.

**7:00 pm - Regular Session**

Pledge to the American Flag and Invocation by Pastor Kelvin Perry of Grace Presbyterian Church.

1. Approve minutes from the December 13, 2022 Council meeting, and the January 3, 2023 Organizational meeting. (5 mins)
2. Recognize City Employees who are eligible for Service Awards for the period October 1 – December 31, 2022. (5 mins)
3. Hear comments from Uptown residents and businesses as to the current state of Uptown. (15 mins)
4. Consider adoption of a resolution terminating reversion. (10 mins)
5. Hear information related to the need for an electric rate increase. (15 mins)
6. Hear information related to the establishment of a new commission titled “Emergency Housing & Community Support Commission”. (15 mins)
7. Hear comments from Police Chief Rob Fincher. (10 mins)
8. Consider approval of the City’s proposed 2023 Legislative Agenda. (10 mins)
9. Business from the Floor -  
The public comment portion of the Council meeting provides citizens the opportunity to discuss matters relevant to the operation of the City, which are not listed on the printed agenda.  
Citizens who wish to participate in a meeting’s public comment period may do so by emailing their comments to Karen Roberts, Clerk of Council, at [kroberts@ci.martinsville.va.us](mailto:kroberts@ci.martinsville.va.us), calling in their comments to 276-403-5182, faxing comments to 276-403-5280, or mailing comments to City of Martinsville, attn.: Karen Roberts, P.O. Drawer 1112, Martinsville, VA 24114. *Comments must be received by 12:00noon Monday January 9, 2023.* Citizens may also request to speak at the Council meeting in the same manner.  
Comments, or a request to speak, must be received by noon the day before a Council meeting for consideration by Council at the meeting. Any person submitting comments or requesting to speak must identify themselves by name and address, including zip code, limit their remarks to 3 minutes or less (as read aloud), address a topic of City business, and refrain from making any personal references or accusations of a factually false and/or malicious nature. Priority for comments is given to City residents, taxpayers, and business owners. Speakers may not yield time. Groups of speakers on the same topic must designate a single representative. Comments violating these rules may not be presented at the Council meeting. Any speaker violating these rules may be removed from the podium or from the Council chamber.  
This policy does not apply to public hearings, at which any citizen of Martinsville may appear and speak on the subject of the public hearing.
10. Comments by members of City Council. (5 mins)
11. Comments by City Manager. (5 mins)



## City Council Agenda Summary

**Meeting Date:** January 10, 2023

**Item No:** 1.

**Department:** Clerk of Council

**Issue:** Consider approval of minutes

**Summary:** None

**Attachments:** December 13, 2022 Council meeting minutes  
January 3, 2023 Organizational meeting minutes

**Recommendations:** Motion to approve minutes as presented.

**Meeting Date:** January 10, 2023

**Item No:** 2.

**Department:** Human Resources

**Issue:** Recognize City Employees who are eligible for Service Awards for the period October 1 – December 31, 2022.

**Summary:** The Service Award Program is designed to build individual morale and show appreciation to the long-service employee for their faithful service to the City of Martinsville.

**SERVICE AWARD RECIPIENTS  
FOURTH QUARTER - FISCAL YEAR 21-22  
FOR THE PERIOD OF OCTOBER 1 – DECEMBER 31, 2022**

<b>First Name</b>	<b>Last Name</b>	<b>Location</b>	<b>YOS</b>
LAURA	LAWSON	FIRE DEPARTMENT	15 Years
ELWOOD	BRYANT	CENTRAL GARAGE	15 Years
TIMOTHY	JAMISON	FIRE DEPARTMENT	20 Years
CURTIS	MILLNER	WATER IMPOUNDING & FILTRATION	25 Years
JOHN	KACZOR	FIRE DEPARTMENT	25 Years

**Attachment:** None

**Recommendation:** The Mayor will read the list.



## City Council Agenda Summary

**Date:** January 10, 2023

**Item No:** 3.

**Department:**

**Issue:** Hear comments from Uptown residents and businesses as to the current state of Uptown.

**Summary:** Vice-Mayor Rawls has been made aware that certain residents and business owners/operators wish to comment on matters related to the Martinsville Uptown area.

**Attachments:** None

**Recommendations:** Hear and assess comments; determine any actions or resources needed to address matters that may be brought to Council's attention.



## **City Council Agenda Summary**

**Date:** January 10, 2023

**Item No:** 4.

**Department:** City Manager

**Issue:** Consider adoption of a resolution terminating reversion proceedings.

**Summary:** With recent Council elections, a majority of Council has now expressed a desire to terminate reversion proceedings.

**Attachments:** Resolution

**Recommendations:** Discussion followed by vote on adoption of resolution (roll call vote).

*Council Members*  
L.C. Jones, Mayor  
Aaron Rawls, Vice-Mayor  
Kathy Lawson  
Chad Martin  
Tammy Pearson



*City Manager*  
Leon E. Towarnicki  
*Clerk of Council*  
Karen Roberts

## **RESOLUTION**

### **EXPRESSING COUNCIL'S DESIRE TO TERMINATE ANY AND ALL PROCEEDINGS RELATED TO THE CURRENT PETITION FOR REVERSION OF MARTINSVILLE FROM CITY TO TOWN STATUS**

**WHEREAS**, following comprehensive studies and presentations of information related to the fiscal and operational impact of the City of Martinsville potentially transitioning to town status, Martinsville City Council voted unanimously on December 10, 2019 to authorize counsel to proceed with filing appropriate documents to initiate that process; and

**WHEREAS** the City of Martinsville has recognized the vital nature of including its citizens and institutions in matters of significant and irrevocable consequence regarding a change in municipal status; and

**WHEREAS** the City of Martinsville has expended a considerable sum of capital, effort, time, and goodwill in pursuit of municipal reversion; and

**WHEREAS** the City of Martinsville has not duly considered the impact of or desire for municipal reversion on affected parties, including the citizens and institutions of Henry County with whom the city wishes to engage in good faith endeavors for shared mutual benefit.

**WHEREAS**, since that time and subsequent Council elections, a majority of Council now believes the reversion process should be stopped;

**NOW THEREFORE, BE IT RESOLVED** by the Council of the City of Martinsville assembled this 10<sup>th</sup> day of January, 2023, that:

1. The City of Martinsville shall terminate all proceedings regarding the reversion of Martinsville to town status within Henry County;
2. The City Attorney and City Manager are authorized, with the approval of Council, to take all other such actions as may be necessary to accomplish the objective set forth herein. Where applicable, the City Manager shall first convey to Council any costs directly

associated with any such action, including but not limited to the termination of third-party agreements, and shall not execute such action until Council explicitly approves such costs.

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\_\_\_\_\_  
L.C. Jones, Mayor

\_\_\_\_\_  
ATTEST: Clerk of Council

L.C. Jones  
Kathy Lawson  
Chad Martin  
Tammy Pearson  
Aaron Rawls

VOTE

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Date:** January 10, 2023

**Item No:** 5.

**Department:** Electric

**Issue:** Hear information related to the need for an electric rate increase.

**Summary:** Staff will present information at the meeting regarding the need for a City electric rate increase. With recent financial information available (FY22 audit), a Cost of Service analysis has been completed indicating the need for an increase in the City's electric rate to cover rising costs of energy, transmission, and distribution. Details will be presented at the meeting.

**Attachments:** PowerPoint presentation

**Recommendations:** The proposed rate increase is intended to go into effect on February 1. Council may take action at the January 10 meeting, or hold the matter over to the January 24 meeting if additional information or discussion is desired. Staff recommends approval of the rate increase.

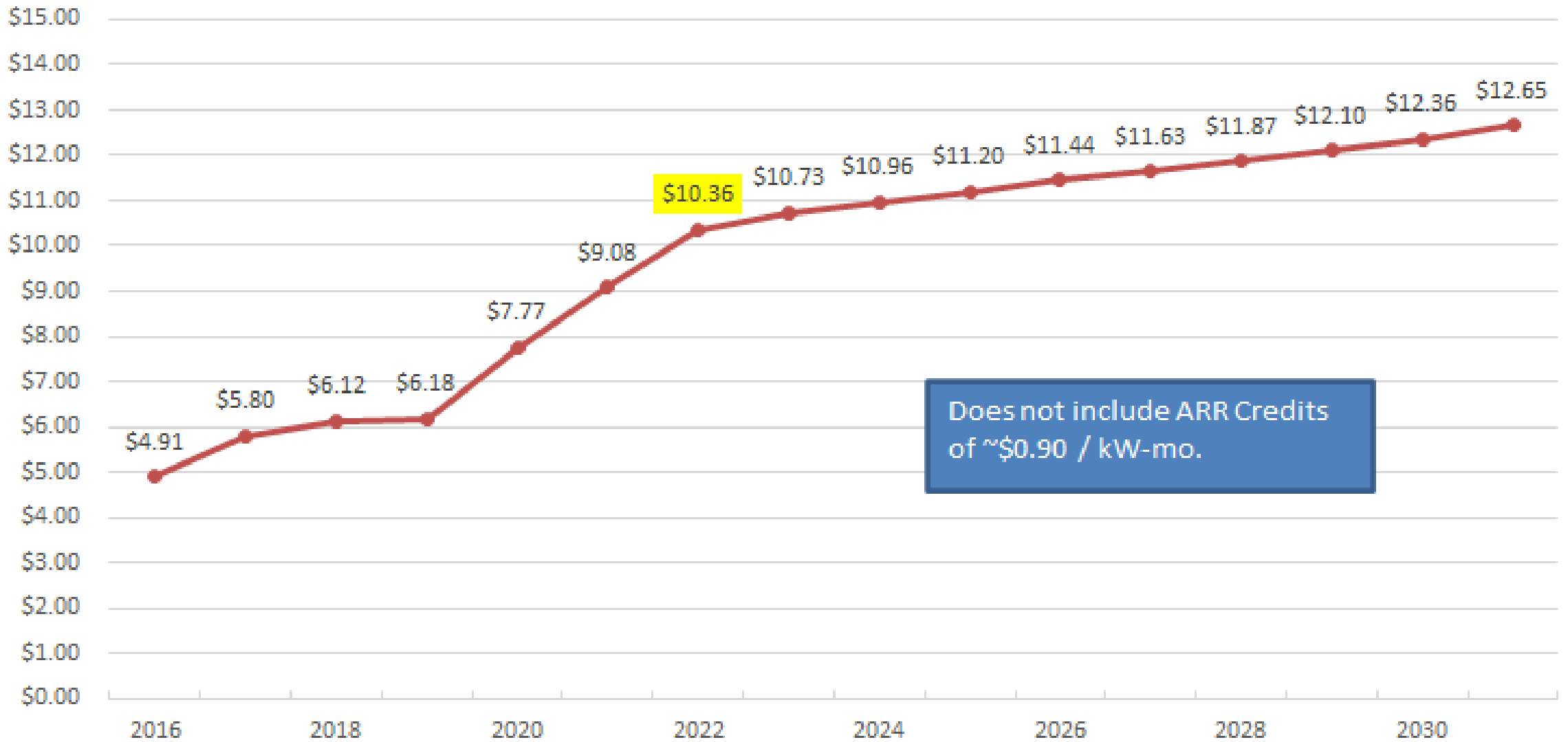


# City of Martinsville Electric Department

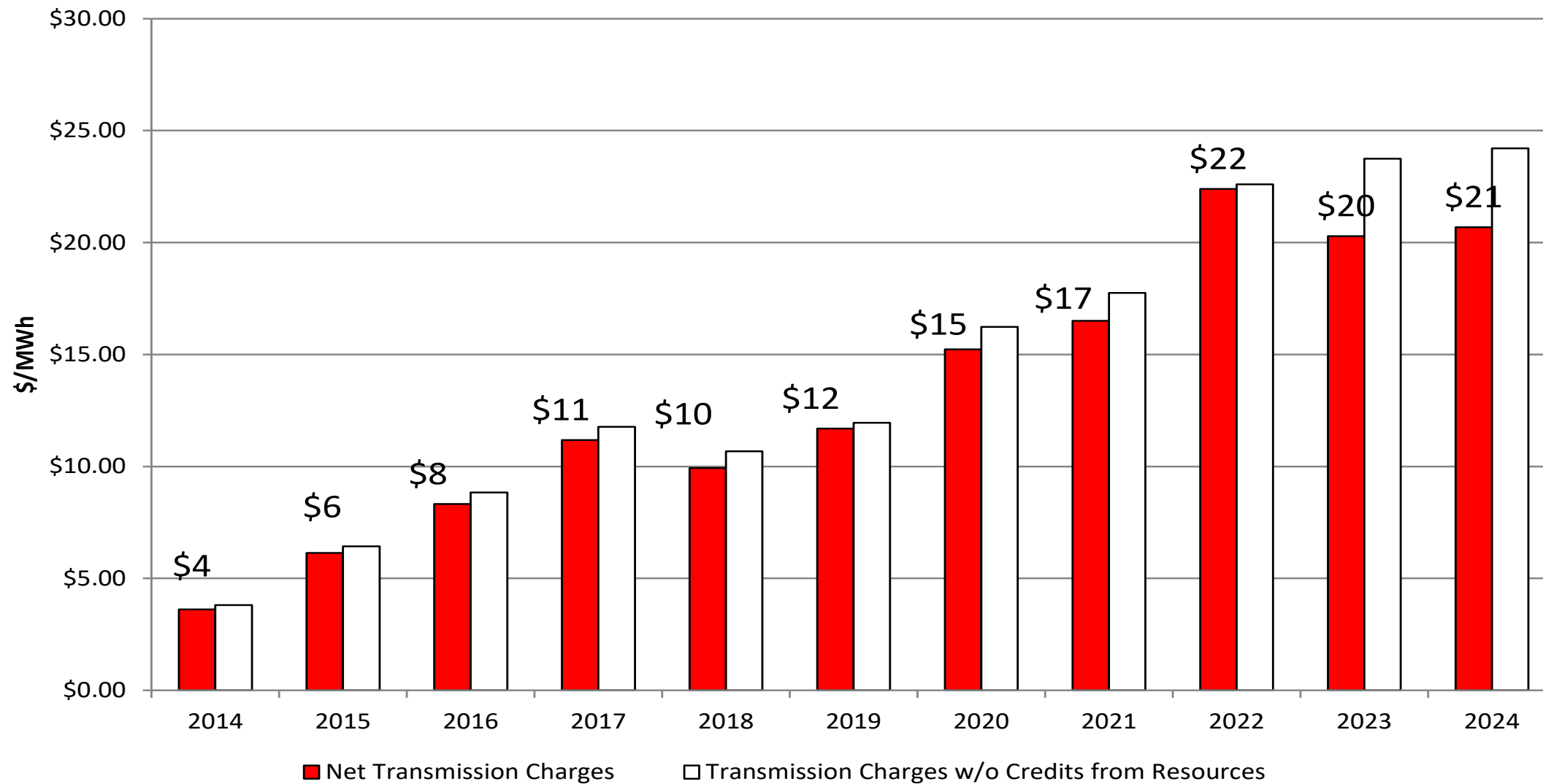
## Cost of Service Overview and Proposed Rate Increase

- COS indicates a 14% rate increase is needed
- Proposed 8% increase for all rates effective 2/1/2023
- Additional 6% (+/- w/exact % TBD) effective 7/1/2023
- Specific rates should be adjusted to reflect cost of service
- Adjusting rates would lead to some customers seeing less of an increase and others more
- Study based on FY 21 data, additional costs have developed in FY 22 and 23
- Latest block power purchase prices for CY 24-25 have increased which will result in an additional increase of \$1.2 million annually

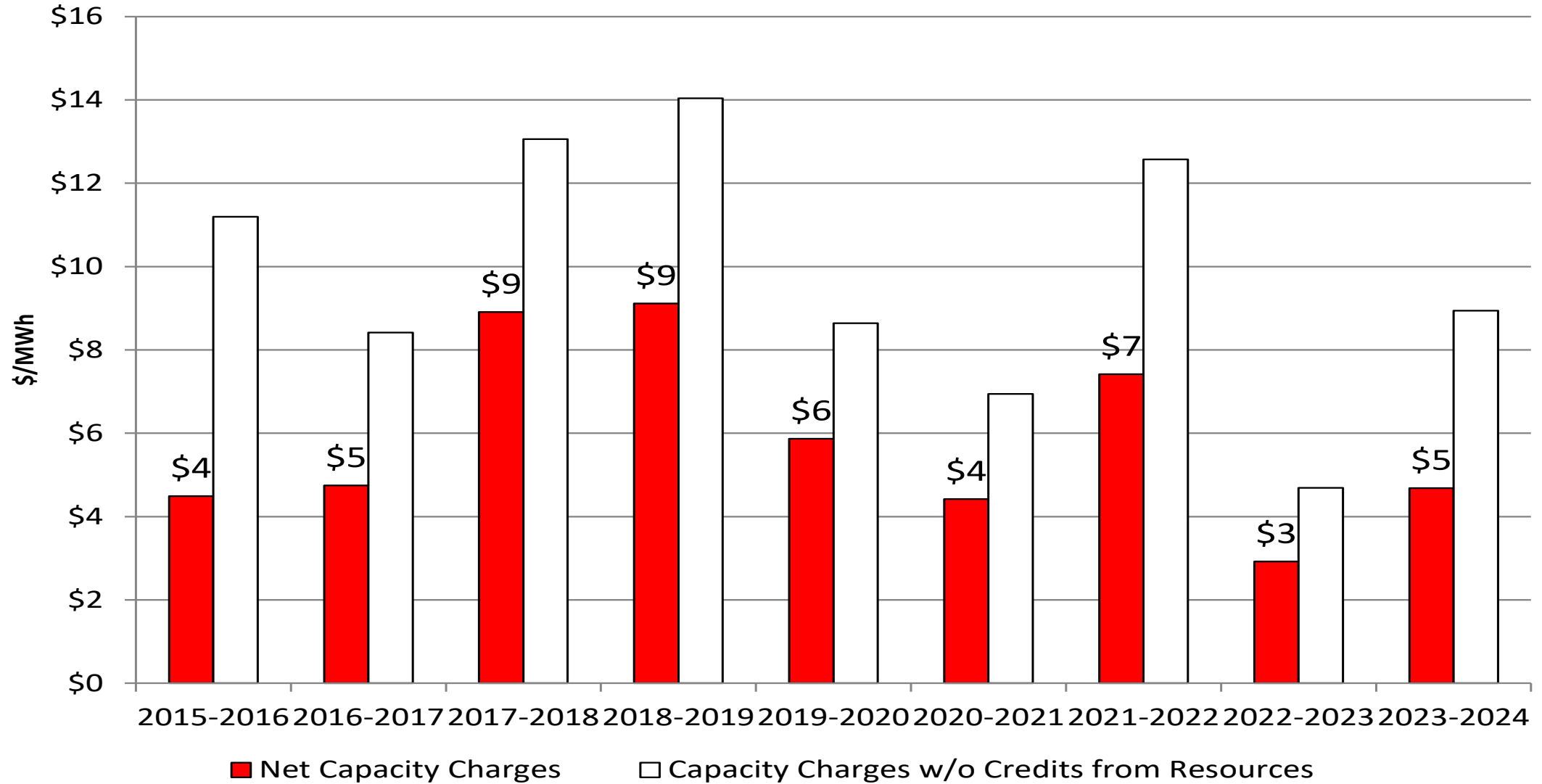
### AEP Total Transmission Rates (\$ / kW-mo)



## Transmission Charge Impact to Overall Rates: Martinsville



## Capacity Charge Impact to Overall Rates: Martinsville



Rising transmission costs have been the primary driver of cost increases

Beginning in January 2022 energy prices have also risen, tracking natural gas prices

Residential bill of 1000 KWh would increase from \$128.64 to \$139.85

\$1,542,380 annual increase in revenues based on 159,799 MWh sold

\$1.2 million loss in FY 22, most occurring after January

Cash reserves have decreased in the last few years to

\$307,121. Cash reserve policy suggests a balance of

\$4,446,737

Line No.	Rate Class	Average Consumers	Annual kWh	Present Rates			Revised Rates			Increase		
				Base	FA	Total	Base	FA	Total	Base	FA	Total
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)
1	Residential Electric Service	6,606	78,616,656	\$8,686,571	\$1,226,420	\$9,912,991	\$9,470,212	\$1,226,420	\$10,696,631	\$783,641	\$0	\$783,641
										9.0%	0.0%	7.9%
2	Sanctuary Worship Service	60	2,489,423	\$247,109	\$38,835	\$285,944	\$270,467	\$38,835	\$309,302	\$23,358	\$0	\$23,358
										9.5%	0.0%	8.2%
3	Small General Service	709	9,399,822	\$1,079,968	\$146,637	\$1,226,605	\$1,178,666	\$146,637	\$1,325,303	\$98,698	\$0	\$98,698
										9.1%	0.0%	8.0%
4	Medium General Service	204	20,706,559	\$2,357,171	\$323,022	\$2,680,193	\$2,574,474	\$323,022	\$2,897,497	\$217,304	\$0	\$217,304
										9.2%	0.0%	8.1%
5	Medium General Service Time-Of-Da	6	161,680	\$16,336	\$2,522	\$18,858	\$17,858	\$2,522	\$20,380	\$1,522	\$0	\$1,522
										9.3%	0.0%	8.1%
6	Large General Service	18	21,177,935	\$1,982,245	\$330,376	\$2,312,621	\$2,169,671	\$330,376	\$2,500,047	\$187,426	\$0	\$187,426
										9.5%	0.0%	8.1%
7	Large Power Service	1	12,945,600	\$947,355	\$201,951	\$1,149,307	\$1,038,841	\$201,951	\$1,240,793	\$91,486	\$0	\$91,486
										9.7%	0.0%	8.0%
8	Public Authority (Schools)	16	4,529,546	\$505,432	\$70,661	\$576,093	\$551,089	\$70,661	\$621,750	\$45,658	\$0	\$45,658
										9.0%	0.0%	7.9%
9	Public Authority (Other)	112	8,508,595	\$837,677	\$132,734	\$970,411	\$914,425	\$132,734	\$1,047,159	\$76,748	\$0	\$76,748
										9.2%	0.0%	7.9%
10	Commonwealth of Virginia	2	91,804	\$13,428	\$1,432	\$14,860	\$14,644	\$1,432	\$16,076	\$1,216	\$0	\$1,216
										9.1%	0.0%	8.2%
11	Outdoor Lighting	1,016	270,240	\$193,945	\$0	\$193,945	\$209,196	\$0	\$209,196	\$15,251	\$0	\$15,251
										7.9%	0.0%	7.9%
12	Street Lighting	3,493	881,280	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
										0.0%	0.0%	0.0%
13	Total System	12,243	159,779,140	\$16,867,236	\$2,474,591	\$19,341,827	\$18,409,544	\$2,474,591	\$20,884,135	\$1,542,308	\$0	\$1,542,308
										9.1%	0.0%	8.0%

## Estimated Virginia Residential Electric Rates

Summer, Fall of 2022 for 1000 kWhs

<u>Municipals</u>	<u>Investor-owned utilities</u>	<u>Electric cooperatives<sup>1</sup></u>
	\$110	
Bristol VA Utilities Authority - \$110.24*		
Front Royal - \$114.82		
HEC - \$116.39*		
		A & N - \$117.86**
		SVEC - \$117.87
Manassas - \$119.23		
		Community - \$119.29
Salem - \$119.65		
	\$120	
Wakefield - \$120.41		
Elkton - \$123.15		
		Rappahannock - \$123.67**
		Prince George - \$124.70
Radford - \$125.68		
Martinsville - \$128.64		
	<b>Kentucky Utilities - \$129.43</b>	
	\$130	
		NOVEC - \$130.26
		Mecklenburg - \$132.31
Blackstone - \$134.38		
		Northern Neck - \$136.92**
	<b>Dominion - \$136.94<sup>2</sup></b>	
		CVEC - \$138.62
		Southside - \$139.31**
	\$140	
	<b>Dominion - \$140.11<sup>3</sup></b>	
Virginia Tech - \$140.45 (10-1-22)		
		BARC - \$140.58
Bedford - \$141.11		
Franklin - \$141.30		
Richlands - \$142.62		
Culpeper - \$143.04		
	<b>APCO - \$147.98<sup>4</sup></b>	
	\$150	
Danville - \$151.00		
	<b>APCO - \$157.98<sup>5</sup></b>	
	\$160	
	\$170	
		Craig-Botetourt - \$171.82





## City Council Agenda Summary

**Date:** January 10, 2023

**Item No:** 6.

**Department:**

**Issue:** Hear information related to the establishment of a new commission titled “Emergency Housing & Community Support Commission.”

**Summary:** Vice-Mayor Rawls will lead the discussion on establishing a new City commission titled Emergency Housing & Community Support Commission, with the discussion to include information regarding the intended purpose of the commission, meeting schedule, number of members and how such members are selected, along with other relevant information that will help develop the written details.

**Attachments:** None

**Recommendations:** Should Council desire to proceed with establishing the commission, a vote (motion, second, voice vote) is appropriate.



## City Council Agenda Summary

**Date:** January 10, 2023

**Item No:** 7.

**Department:** Police

**Issue:** Hear comments from Police Chief Rob Fincher.

**Summary:** Newly appointed Police Chief Rob Fincher will offer brief comments about his vision for the Department moving forward, areas of emphasis such as community-oriented policing, and any significant challenges or issues he sees.

**Attachments:** None

**Recommendations:** Presented for information purposes – no action needed.



## City Council Agenda Summary

**Date:** January 10, 2023

**Item No:** 8.

**Department:** City Manager

**Issue:** Consider approval of the City's proposed 2023 Legislative Agenda.

**Summary:** The City annually determines its legislative priorities. Attached is the current draft agenda for your consideration for deletions, additions, and prioritizations for 2023.

This matter has been briefly reviewed and discussed at previous Council meetings.

**Attachments:** Draft 2023 Legislative Agenda.

**Recommendations:** Discussion, possible amendment. Once all changes have been incorporated, approval is recommended. (voice vote)



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 2023.

### **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. Increase VDOT funding for road construction and repaving.

#### **Education**

1. City Council endorses the concept asserted by Sen. Bill Stanley that the Virginia Constitution and United States Supreme Court precedent requires statewide parity in state funding for school construction, maintenance and operations.
2. 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.
3. Oppose the imposition of unaided education mandates and in the event of revenue cuts by the Commonwealth opposes targeted cuts by the Commonwealth, instead preferring local decision making authority on where to make any such cuts.
4. 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 all partnership initiatives by The New College Institute with other institutions of higher learning.
5. Request the Commonwealth to fully fund the expenditures imposed upon local school systems by implementing the Standards of Quality.
6. Encourage the Commonwealth to continue or increase the current levels of financial support provided to Patrick & Henry Community College.
7. Request the Commonwealth to provide incentives for consolidation of school systems.
8. Continue to support funding for school resource officers and ensure that decisions regarding usage of resource officers in schools remain as a local choice/option.

#### **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. Increase funding levels 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.
9. Support the Virginia Grocery Investment Fund, as a public-private initiative to improve nutrition and access to quality food, and enhance economic development by encouraging the development of grocery stores in neighborhoods where none exist.

### **Governance**

1. Adopt the recommendations of the Virginia Commission on Local Government in its 2018 Annexation Moratorium Study, and urge the General Assembly to enact those recommendations in the 2022 Session.
2. Amend Code of Virginia 51.1-155.2 to allow Constitutional Offices, abolished by reversion of any city to town status, to take early VRS retirement, free of penalty.
3. Urge the General Assembly to conform the state tax code to the 2018 changes in the Federal income tax code.
4. 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.
5. Require that the Commonwealth fully fund its obligations to the Virginia Retirement System, and refrain from borrowing from VRS funds.
6. 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.
7. Elimination of all unfunded mandates from the Commonwealth to localities.
8. 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.
9. Preserve intact local authority to regulate zoning, land use, and regulation of the installation of wireless communication equipment.
10. Request at a minimum, level funding for operational requirements of the Henry-Martinsville Department of Social Services.
11. 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.
12. Request that the Commonwealth fully fund its obligations to constitutional officers.
13. Oppose any attempt to curtail the doctrine of sovereign immunity for localities.
14. Oppose any attempt to permit collective bargaining for state and local government employees.
15. Oppose any amendment of the existing burden of proof or process in local tax appeals cases.
16. 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.
17. Support VML's endorsement of a JLARC study of assigning a proportional share of lottery sales revenue to the localities generating such sales.

18. Require the Commonwealth to fund 100% of the per-diem costs of housing state inmates in local jails.
19. 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.
20. Support the alteration of award criteria in the "REACH Virginia" and all other VHDA programs to a per-capita income-based model.
21. Request that any legislation adopted by the General Assembly concerning the decriminalization of marijuana include local authority to regulate commercial distribution and use.

### **United States Congress**

1. Request the addition of the urban center of micropolitan statistical areas to the eligibility list of "Entitlement Cities."
2. Oppose any effort to impose additional taxation or regulation of electrical power generation by coal or natural gas.
3. 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.
4. In the short term, upgrade those portions of Route 220 overlaying I-73 to interstate standards.
5. Request \$3.75M in funds for the redevelopment of brownfields located within the City.
6. Request \$6.25M in funds for the elimination and redevelopment of blighted areas in the City.
7. Request legislation to provide special federal incentives to businesses locating in regions which have experienced job losses in excess of 5% of the total workforce and/or declines in median incomes since the adoption of NAFTA, WTO or GATT. Target such areas for increased federal funding in education or workforce retraining.
8. Extend high speed broadband service throughout southern Virginia.
9. 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.
10. Oppose the elimination or reduction of the federal Historic Rehabilitation Tax Credit.

### **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 Manager Leon Towarnicki

Other department heads as appointed by the City Manager

In addition, Council designates Two Capitols Consulting as its lobbyist.