

AGENDA--CITY COUNCIL
CITY OF MARTINSVILLE, VIRGINIA

Council Chambers – Municipal Building
6:30pm Closed Session 7:00pm Regular Session
Tuesday February 14, 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. 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.

7:00 pm - Regular Session

Pledge to the American Flag and Invocation by Council Member Pearson.

1. Approve minutes from the January 9, 2023 Work Session, January 10, 2023 Council Meeting and January 24, 2023 Council Meeting. (5 mins)
2. Consider approval of an incentive package regarding an Uptown project located at 32 Franklin Street by Renewal Partners, LLC. (15 mins)
3. Hear an update from Joanie Petty, Executive Director of Boys & Girls Clubs of the Blue Ridge. (15 mins)
4. Consider adoption of a resolution changing the membership policy for the Arts & Cultural Committee. (10 mins)
5. Consider adoption of a resolution approving of the City's participation in the proposed settlement of opioid-related claims. (10 mins)
6. Consider setting a schedule for neighborhood meetings for calendar 2023. (10 mins)
7. Consider approval of the quarterly finance report. (5 mins)
8. **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, 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 February 13, 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.
9. Comments by members of City Council. (5 mins)
10. Comments by City Manager. (5 mins)

Meeting Date: February 14, 2023

Item No: 1.

Department: Clerk of Council

Issue: Consider approval of minutes

Summary: None

Attachments: January 9, 2023 Work Session minutes
January 10, 2023 Council Meeting minutes
January 24, 2023 Council Meeting minutes

Recommendations: Motion to approve minutes as presented.



City Council Agenda Summary

Date: February 14, 2023

Item No: 2.

Department: City Manager

Issue: Consider approval of an incentive package regarding an Uptown project located at 32 Franklin Street by Renewal Partners, LLC.

Summary: City staff have recently been involved in discussions with Renewal Partners LLC regarding a project in a renovated building located at 32 Franklin Street. During those discussions, various incentives have been discussed to assist with the development. Representatives of Renewal Partners LLC will be attending Council's meeting to publicly present the proposed project and answer questions.

Attachments: None. Additional information will be presented at the meeting

Recommendations: Staff recommends approval of the incentive package.



City Council Agenda Summary

Date: February 14, 2023

Item No: 3.

Department: City Council

Issue: Hear an update from Joanie Petty, Executive Director of Boys & Girls Clubs of the Blue Ridge.

Summary: Joanie Petty, Executive Director of Boys and Girls Clubs of the Blue Ridge will be attending Council's meeting to provide a brief update on various programs and activities being handled by the organization.

Attachments: None

Recommendations: No action by Council needed

Date: February 14, 2023

Item No: 4.

Department: City Manager

Issue: Consider adoption of a resolution changing the membership policy for the Arts & Cultural Committee

Summary: When the Arts & Cultural Committee was established by Council, a membership list was created to ensure broad-based representation. Over the years a number of vacancies have occurred that have gone unfilled for extended periods of time and in an effort to allow better participation on the Committee, a change is being recommended regarding two currently-vacant positions. The recommended change is to re-designate currently unfilled positions allocated to the Economic Development Corporation and TheatreWorks to Citizen Representative positions. There are currently a number of applications on file as Citizen Representatives for the Committee.

Attachments: Resolution changing policy.

Recommendations: Adopt resolution by voice vote.

Council Members
LC Jones, Mayor
Aaron Rawls, Vice-Mayor
Kathy Lawson
Chad Martin
Tammy Pearson



City Manager
Leon E. Towarnicki
Clerk of Council
Karen Roberts

RESOLUTION

ARTS & CULTURAL COMMITTEE MEMBERSHIP

WHEREAS, section 2-126 of the City Code establishes the eleven-member Arts and Cultural Committee; and

WHEREAS, Council previously designated two of the eleven members as being one representative each of the Economic Development Corporation and TheatreWorks; and

WHEREAS, those two positions are currently open with no recent applications for appointments; and

WHEREAS, there are a number of citizens interested in serving on the Arts & Cultural Committee who currently do not match the designated representative slots mentioned above;

NOW THEREFORE BE IT RESOLVED by Martinsville City Council assembled in regular session this 14th day of February, 2023, that the Committee appointments currently reserved for the Economic Development Corporation and TheatreWorks shall be re-designated as Citizen Representative appointments.

* * * * *

Attest:

Karen Roberts, Clerk of Council



City Council Agenda Summary

Date: February 14, 2023

Item No: 5.

Department: City Manager

Issue: Consider adoption of a resolution approving of the City's participation in the proposed settlement of opioid-related claims.

Summary: The City's outside counsel, Kaufman & Canoles, P.C. has successfully concluded discussions with the OAG concerning pending settlements with Teva, Allergan, Walmart, Walgreens, and CVS. Counsel now recommends that governing bodies desiring to participate in the settlement approve the attached Resolution that has been agreed to by the OAG.

Attachments: Resolution

Recommendations: Adoption of the Resolution (motion, second, voice 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

A RESOLUTION OF THE CITY OF MARTINSVILLE CITY COUNCIL APPROVING OF THE CITY'S PARTICIPATION IN THE PROPOSED SETTLEMENT OF OPIOID-RELATED CLAIMS AGAINST TEVA, ALLERGAN, WALMART, WALGREENS, CVS, AND THEIR RELATED CORPORATE ENTITIES, AND DIRECTING THE CITY ATTORNEY AND/OR THE CITY'S OUTSIDE COUNSEL TO EXECUTE THE DOCUMENTS NECESSARY TO EFFECTUATE THE CITY'S PARTICIPATION IN THE SETTLEMENTS

WHEREAS, the opioid epidemic that has cost thousands of human lives across the country also impacts the City of Martinsville ("City") by adversely impacting the delivery of emergency medical, law enforcement, criminal justice, mental health and substance abuse services, and other services by Martinsville's various departments and agencies; and

WHEREAS, the City has been required and will continue to be required to allocate substantial taxpayer dollars, resources, staff energy and time to address the damage the opioid epidemic has caused and continues to cause the citizens of Martinsville; and

WHEREAS, the City has filed suit against Teva, Allergan, Walgreens, CVS, and certain of their related corporate entities for their role in the distribution, manufacture, and sale of the pharmaceutical opioid products that have fueled the opioid epidemic that has harmed the City of Martinsville; and

WHEREAS, the City's suit seeks recovery of the public funds previously expended and to be expended in the future to abate the consequences and harms of the opioid epidemic; and

WHEREAS, settlement proposals have been negotiated that will cause Teva, Allergan, Walmart, Walgreens, and CVS to pay billions of dollars nationwide to resolve opioid-related claims against them; and

WHEREAS, the City has approved and adopted the Virginia Opioid Abatement Fund and Settlement Allocation Memorandum of Understanding (the "Virginia MOU"), and affirms that these pending settlements with Teva, Allergan, Walmart, CVS, and Walgreens shall be considered "Settlements" that are subject to the Virginia MOU, and shall be administered and allocated in the same manner as the opioid settlements entered into previously with the Distributors and Janssen; and

WHEREAS, the City’s outside opioid litigation counsel has recommended that the City participate in the settlements in order to recover its share of the funds that the settlement would provide; and

WHEREAS, the City Attorney has reviewed the available information about the proposed settlements and concurs with the recommendation of outside counsel;

NOW THEREFORE BE IT RESOLVED that the Martinsville City Council, this 14th day of February, 2023, approves of the City’s participation in the proposed settlement of opioid-related claims against Teva, Allergan, Walmart, Walgreens, CVS, and their related corporate entities, and directs the City Attorney and/or the City’s outside counsel to execute the documents necessary to effectuate the City’s participation in the settlements, including the required release of claims against settling entities.

LC Jones, Mayor

ATTEST: Clerk of Council



City Council Agenda Summary

Date: February 14, 2023

Item No: 6.

Department: City Manager

Issue: Consider setting a schedule for neighborhood meetings for calendar 2023.

Summary: Pre-Covid, City Council normally conducted four neighborhood meetings during the year with two in the spring and two in the fall. The meetings typically occurred on Monday preceding Council's second meeting of the month and consisted of a tour of the particular neighborhood at 5 or 5:30 pm, followed by the public meeting in the respective neighborhood at 7 or 7:30 pm. Meeting months were generally March, April, September, and October. In 2021 meetings were not held due to the pandemic, but in 2022 additional meetings were held. The neighborhoods are generally described as Southside, West End, Northside, and East Martinsville/Druid Hills.

Following the same schedule, possible meeting dates for 2023 could be March 27, April 24, September 25, and October 23.

Attachments: None

Recommendations: Discuss, decide on a meeting schedule and format for 2023.

Meeting Date: February 14, 2023
Item No: 7.
Department: Finance
Issue: Consider approval of the quarterly finance report

FY23 – 12/31/2022 Consolidated Revenue & Expenditure Report

Exclusive of School and Special Revenue Funds, total actual revenues received through the second quarter of FY23 were \$37,343,323 which is less than the amount anticipated of \$38,336,206 through December 31 by \$992,883. Highlighted in this report, both local sales & use taxes and meals taxes collected were greater than anticipated, by \$57,490 and \$114,736 respectively.

Total actual expenditures through second quarter were \$37,321,264 including encumbrances, greater than anticipated by \$602,576.

In the Utility Funds, total actual revenues were \$16,074,171, which is less than anticipated, and total actual expenses, including encumbrances, were \$16,253,634, which was greater than anticipated.

The available cash-on-hand for all City Funds was \$29,856,191, an increase of \$5,914,548 over the same period last year, which includes ARPA funding.

Combined Balance Sheet

Compared to audited year-end FY22 figures, the non-utility fund balances at the end of December were \$3.1M less. As stated, many times in the past, fund balances are fluid, changing many times throughout the day as revenues and expenditures are recorded, impacted by such items as due dates and debt service payments.

The Utility Funds Cash and Equivalents through the end of the first and second quarter are greater than year-end FY22 by \$1,906,318.

Attachments: Quarterly Finance Report- R&E 12-31-2022
Combined Balance Sheet-FY23 Q2

Recommendation: Motion to approve financial report.

City of Martinsville
Consolidated Revenues and Expenditures
FY23 - 12/31/2022

	<i>Budget</i>	<i>Anticipated</i>	<i>Actual YTD</i>	<i>Remaining Balance</i>	<i>Difference Ant vs. Actual</i>
General Fund					
Revenues	\$ 33,574,835	\$ 19,387,803	\$ 18,416,328	\$ 15,158,507	95.0%
Expenditures	<u>38,193,423</u>	<u>18,695,313</u>	<u>17,941,940</u>	20,251,483	96.0%
Excess (deficiency) of revenues over expenditures	<u>\$ (4,618,588)</u>	<u>\$ 692,490</u>	<u>\$ 474,387</u>		
	(Fund Bal contrib)				
Capital Funds					
Meals Tax					
Revenues	\$ 2,722,721	\$ 1,361,360	\$ 1,476,096	\$ 1,246,625	108.4%
Expenditures	<u>2,722,721</u>	<u>1,751,255</u>	<u>1,751,255</u>	971,466	100.0%
Excess (deficiency) of revenues over expenditures	<u>\$ -</u>	<u>\$ (389,895)</u>	<u>\$ (275,159)</u>		
	(Fund Bal contrib)				
Capital Reserve					
Revenues	\$ 1,812,649	\$ 1,376,729	\$ 1,376,729	\$ 435,920	100.0%
Expenditures	<u>2,339,423</u>	<u>1,374,435</u>	<u>1,374,435</u>	964,988	100.0%
Excess (deficiency) of revenues over expenditures	<u>\$ (526,774)</u>	<u>\$ 2,294</u>	<u>\$ 2,294</u>		
TOTAL CAPITAL FUNDS:	<u>\$ (526,774)</u>	<u>\$ (387,601)</u>	<u>\$ (272,865)</u>		
	(Fund Bal contrib)				
Refuse Fund					
Revenues	\$ 2,018,793	\$ 936,290	\$ 1,032,313	\$ 986,480	110.3%
Expenditures	<u>2,313,965</u>	<u>863,984</u>	<u>852,653</u>	1,461,312	98.7%
Excess (deficiency) of revenues over expenditures	<u>\$ (295,172)</u>	<u>\$ 72,306</u>	<u>\$ 179,660</u>		
MINet/Fiber Optic Fund					
Revenues	\$ 2,183,801	\$ 926,716	\$ 957,709	\$ 1,226,092	103.3%
Expenditures	<u>2,227,424</u>	<u>1,082,690</u>	<u>1,137,720</u>	1,089,704	105.1%
Excess (deficiency) of revenues over expenditures	<u>\$ (43,623)</u>	<u>\$ (155,974)</u>	<u>\$ (180,011)</u>		
Water Fund					
Revenues	\$ 3,925,600	\$ 1,961,310	\$ 1,941,154	\$ 1,984,446	99.0%
Expenditures	<u>4,448,585</u>	<u>1,278,320</u>	<u>2,488,328</u>	1,960,257	194.7%
Excess (deficiency) of revenues over expenditures	<u>\$ (522,985)</u>	<u>\$ 682,990</u>	<u>\$ (547,174)</u>		
Sewer Fund					
Revenues	\$ 4,597,012	\$ 2,298,506	\$ 2,169,522	\$ 2,427,490	94.4%
Expenditures	<u>6,571,277</u>	<u>2,476,924</u>	<u>2,609,825</u>	3,961,452	105.4%
Excess (deficiency) of revenues over expenditures	<u>\$ (1,974,265)</u>	<u>\$ (178,418)</u>	<u>\$ (440,303)</u>		
Electric Fund					
Revenues	\$ 20,114,014	\$ 10,087,492	\$ 9,973,473	\$ 10,140,541	98.9%
Expenditures	<u>22,701,984</u>	<u>9,195,747</u>	<u>9,165,108</u>	13,536,876	99.7%
Excess (deficiency) of revenues over expenditures	<u>\$ (2,587,970)</u>	<u>\$ 891,745</u>	<u>\$ 808,365</u>		
GRAND TOTAL - UTILITIES:					
Total Utility Revenues:	\$ 32,839,220	\$ 16,210,314	\$ 16,074,171	\$ 16,765,049	99.2%
Total Utility Expenditures:	<u>38,263,235</u>	<u>14,897,665</u>	<u>16,253,634</u>	22,009,601	109.1%
Excess (deficiency)	<u>\$ (5,424,015)</u>	<u>\$ 1,312,649</u>	<u>\$ (179,463)</u>		

**Consolidated Revenues and Expenditures
FY23 - 12/31/2022**

	<i>Budget</i>		<i>Actual YTD</i>	<i>Remaining Balance</i>	<i>Difference Budg vs. Actual</i>
Cafeteria					
Revenues	\$ 1,705,775	\$	\$ 835,204	\$ 870,571	49.0%
Expenditures	<u>2,293,640</u>		<u>982,141</u>	1,311,499	42.8%
Excess (deficiency) of revenues over expenditures	<u>\$ (587,865)</u>	\$	<u>\$ (146,936)</u>		
	(Fund Bal contrib)				
School Operations					
Revenues	\$ 24,941,658	\$	\$ 9,768,000	\$ 15,173,658	39.2%
Expenditures	<u>24,945,123</u>		<u>11,302,390</u>	13,642,733	45.3%
Excess (deficiency) of revenues over expenditures	<u>\$ (3,465)</u>	\$	<u>\$ (1,534,390)</u>		
Federal Programs					
Revenues	\$ -	\$	\$ 280,120	\$ (280,120)	
Expenditures	<u>-</u>		<u>1,219,769</u>	(1,219,769)	
Excess (deficiency) of revenues over expenditures	<u>\$ -</u>	\$	<u>\$ (939,649)</u>		
TOTAL SCHOOL FUNDS:	<u>\$ (591,330)</u>	\$	<u>\$ -</u>	<u>\$ (2,620,976)</u>	
	(fund bal contrib)				
	<i>Budget</i>		<i>Actual YTD</i>	<i>Remaining Balance</i>	
Special Revenue Funds					
CDBG Fund					
Revenues	\$ 1,183,320		\$ 30,000	\$ 1,153,320	2.5%
Expenditures	<u>1,192,741</u>		<u>92,410</u>	1,100,331	7.7%
Excess (deficiency) of revenues over expenditures	<u>\$ (9,421)</u>		<u>\$ (62,410)</u>		
TOTAL SPECIAL REVENUE FUNDS:	<u>\$ (9,421)</u>		<u>\$ (62,410)</u>		
	<i>Budget</i>	<i>Anticipated</i>	<i>Actual YTD</i>	<i>Remaining Balance</i>	<i>Difference Ant vs. Actual</i>
GRAND TOTALS:					
<i>(excluding Schools & Special Revenues)</i>					
Revenues:	\$ 70,949,425	38,336,206	\$ 37,343,323	\$ 33,606,102	97.4%
Expenditures	<u>81,518,802</u>	<u>36,718,668</u>	<u>37,321,264</u>	44,197,538	101.6%
Excess (deficiency) of revenues over expenditures	<u>\$ (10,569,377)</u>	<u>1,617,538</u>	<u>\$ 22,059</u>		
Local Sales/Use Taxes	\$ 2,500,000	\$ 963,750	\$ 1,021,240	\$ 1,478,760	106.0%
Meals Taxes	\$ 2,350,000	1,175,000	\$ 1,289,736	\$ 1,060,264	109.8%

The Budgeted Revenue amounts do not include any contributions from Fund Balance.

**City of Martinsville
Combined Balance Sheet
FY23 -12/31/2022**

FUND	TOTAL ASSETS	TOTAL LIABILITIES	CURRENT FUND BALANCE	AUDITED FY22 FUND BALANCE	DIFFERENCE YEAR-END FY22
GENERAL FUND	\$ 16,965,241	\$ (7,593,260)	\$ 9,371,981	\$ 8,029,834	\$ 1,342,147
MEALS TAX	\$ 978,308	\$ -	\$ 978,308	\$ 1,253,467	\$ (275,159)
SCHOOL CAFETERIA	\$ 2,023,897	\$ (854)	\$ 2,023,043	\$ 2,156,802	\$ (133,758)
TELECOMMUNICATIONS	\$ 498,995	\$ (157,137)	\$ 341,858	\$ 479,379	\$ (137,521)
CAPITAL RESERVE FUND	\$ 1,605,790	\$ -	\$ 1,605,790	\$ 691,431	\$ 914,359
SCHOOL FUND	\$ 359,033	\$ 68,627	\$ 427,660	\$ 38,808	\$ 388,852
SCHOOL - ESSER/CARES	\$ (645,272)	\$ -	\$ (645,272)	\$ (38,808)	\$ (684,080)
SCHOOL FEDERAL PROGRAMS	\$ (999,650)	\$ (71)	\$ (999,722)	\$ (151,902)	\$ (1,151,624)
ARPA FUND	\$ 10,064,001	\$ (7,118,601)	\$ 2,945,400	\$ 6,512,492	\$ (3,567,092)
CDBG FUND	\$ 158,547	\$ (39,002)	\$ 119,545	\$ 100,955	\$ 18,590
OPIOID ABATEMENT FUND	\$ 121,619	\$ -	\$ 121,619	\$ 20,088	\$ 101,531
TOTAL	\$ 31,130,510	\$ (14,840,299)	\$ 16,290,211	\$ 19,092,545	\$ (3,183,755)

UTILITY FUNDS*	CURRENT CASH & EQUIV.	AUDITED FY22 CASH & EQUIV.	
REFUSE COLLECTION FUND	\$ 2,334,768	\$ 2,197,623	\$ 137,145
WATER FUND	\$ 4,784,084	\$ 4,078,445	\$ 705,639
SEWER FUND	\$ 1,752,870	\$ 1,919,986	\$ (167,116)
ELECTRIC FUND	\$ 1,811,229	\$ 580,578	\$ 1,230,651
TOTAL	\$ 10,682,950	\$ 8,776,632	\$ 1,906,318

*Utility funds reported as cash equivalents, not fund balances.

RESERVED FUNDS					
INSURANCE TRUST FUND	\$ 527,260	\$ -	\$ 527,260	\$ 544,872	\$ (17,612)
INMATE TRUST FUND	\$ 152,241	\$ -	\$ 152,241	\$ 141,591	\$ 10,650

Fiduciary Agency Funds					
05-SVRFA	\$ 50,662	\$ (3,578)	\$ 47,084	\$ 108,057	\$ (60,973)
06-Dan River ASAP	\$ 248,572	\$ (209,443)	\$ 39,129	\$ 64,198	\$ (25,069)
15-PRCJTA	\$ 589,312	\$ -	\$ 589,312	\$ 425,374	\$ 163,938
30-BRRL	\$ 287,383	\$ -	\$ 287,383	\$ 244,477	\$ 42,906
TOTAL	\$ 1,175,929	\$ (213,021)	\$ 962,908	\$ 842,105	\$ 120,803

Updated: 2/1/23