

May 23, 2023 Council Meeting

A meeting of the Council of the City of Martinsville, Virginia was held on May 23, 2023 in Council Chambers, Municipal Building, at 7:00 PM with Mayor LC Jones presiding. Other Council Members present included Kathy Lawson, Aaron Rawls, Lawrence Mitchell and Tammy Pearson. Staff present included City Manager Leon Towarnicki, Clerk of Council Karen Roberts, Finance Manager Mandy McGhee, Assistant Finance Manager Crystal Ferguson, Public Information Officer Kendall Davis, and Police Chief Rob Fincher.

Mayor Jones called the meeting to order and advised Council would go into Closed Session beginning at 3:30 PM. In accordance with the Code of Virginia, Title 2.2 Chapter 37, Freedom of Information Act and upon a motion by Council Member Pearson and seconded by Council Member Lawson with the following 5-0 recorded vote: Vice Mayor Rawls, aye; Council Member Pearson, aye; Council Member Mitchell, aye; Mayor Jones, aye; and Council Member Lawson, aye. Council convened in Closed Session to discuss the following matters: (A) Discussion, consideration, or interviews of prospective candidates for employment, as authorized by Subsection 1. Closed Session recessed at 5:30pm and reconvened at 6:00pm to discuss the following matters: (A) Appointments to boards and commissions, as authorized by Subsection 1, and (B) Discussion of the award of a public contract involving the expenditure of public funds, including interview 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. 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 meeting. A motion was made by Council Member Council Member Lawson and seconded by Council Member Council Member Pearson with the following recorded vote: Jones, aye; Rawls, aye; Lawson, aye; Mitchell, aye; and Pearson, aye.

Council Member Lawson made a motion to reappoint Jean Odachowski to the Henry County-Martinsville Joint Social Services Board for a 4-year term ending May 31, 2027. Council Member Pearson seconded the motion with all Council Members voting in favor.

Council Member Pearson made a motion to appoint Brittiany Freeland to the West Piedmont Planning District Technical Advisory Committee for a 3-year unexpired term ending December 31, 2024. Council Member Lawson seconded the motion with all Council Members voting in favor.

Mayor Jones explained that no other action was taken out of Closed Session.

Pledge to the flag and invocation were led by Council Member Pearson. Mayor Jones welcomed everyone to the meeting and advised that agendas could be found in the back of the room and on the City website.

Recognize a student from Martinsville Middle School's 7th grade class as Virginia Municipal League's Region 2 winner of the 2023 "If I Were Mayor" essay contest – City Manager Towarnicki

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welcomed William Wall, region 2 winner and student from Martinsville Middle School and explained the history of the contest. Josette Bulova, VML Policy Communications Coordinator presented a certificate and award to Wall. Wall sat at the Mayor's seat and read his essay.

Present awards to Martinsville Middle School students who recently participated in Virginia Municipal League's "If I Were Mayor Contest." – Postponed until the next Council meeting.

Consider setting a public hearing for Council's June 13, 2023 meeting for the purpose of receiving names of citizens interested in appointments for two 3-year terms ending June 30, 2026, and one unexpired 3-year term ending on June 30, 2024 on the Martinsville City School Board – Council Member Lawson made a motion to hold the public hearing on June 13, 2023; Vice Mayor Rawls seconded the motion with all Council Members voting in favor.

Conduct a Public Hearing on the City's FY23-24 Budget and consider approval of Budget Ordinance 2023-U-1 on first reading – City Manager Towarnicki summarized the budget process along with key points. Towarnicki detailed the requested adjustments to the proposed budget. Towarnicki also discussed the possibility of a cigarette tax increase and explained the recommended action from Council for tonight's meeting. Vice Mayor Rawls suggested deviations on behalf of the Mayor and other Council Members including restoring at least two officer positions with the Police Department and restoring funding back to the schools. Rawls said a cigarette tax increase would be worth looking into and mentioned that Martinsville-Henry County fared poorly on the health report so they would need to consider what to do from a health impact. Rawls mentioned raising the consulting bid by \$20,000 and now that the Law Clerk position is confirmed temporary, Council could use temporary funds for that position which would be a 1-1 trade for the second police officer position. Rawls would like to use ARPA money even if Opioid money isn't available. It was suggested to combine the Public Works Director and Engineer positions with a savings of \$30,000 and delay hiring an Asst City Manager which would result in additional savings. Rawls suggestions would total about \$285,000 so there is leeway for staff to pick and choose. Mayor Jones would like to see the school budget increased to include two officers and two teachers. City Manager Towarnicki said the funds can be allocated to the school but Council cannot dictate how they will use the money. Jones opened the public hearing.

Ural Harris, 217 Stuart Street said the proposed tax increase is the highest in the history of the City and the budget is unfair to the citizens, especially the poor and seniors. Harris mentioned the \$13million Henry County owes to the city, stating that it is time to collect the money and look out for the citizens and not the relationship with the County. Do not defund the Police, give the Police Chief what he needs to keep a full police department. Harris asked if Council plans to give the school the extra \$750,000 and referred to Patrick County schools which have the highest test rates in the state with only a 4% administrative cost compared to the City's 8%. Harris asked why the City keeps throwing money at the schools if they aren't performing; it's time the school takes a cut like everyone else. Harris mentioned the property tax and asked what the seniors and those on social security would do to afford these increases.

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He asked if any City department is getting an increase. Vice Mayor Rawls confirmed no department has received a budget increase or additional employees and stated that this is not the biggest tax increase in City History. Rawls and Harris debated the increase in tax rates. Lawson corrected Harris that the County owes the City \$9million, not \$13million towards sewer costs. Rawls said the court date is set for 2024 and it's the Henry County PSA that owes the City, not Henry County. Rawls said Martinsville City Schools offer more programs than Patrick County so they require more administration. Rawls explained that the tax rates are adjusted by inflation. Harris insists that it would have been beneficial overall if the new Council would have reviewed the budget before canceling reversion. Rawls said that reversion was not tossed out without consideration; Rawls thanked Harris and dismissed him.

No one else approached the podium so Mayor Jones closed the public hearing. Vice Mayor Rawls made a motion to change the policy on meal tax; Council Member Lawson seconded the motion. Rawls has looked at what other cities are doing and it's pretty high in Martinsville; some portion of meals tax should go towards operations, etc. and shared brief details on what other cities are doing. All Council Members voted in favor. Council Member Lawson made a motion to pull money from ARPA funds to fund two police officers and two teachers, there was no second so motion died. Mayor Jones made a motion after a previous conversation with Vice Mayor Rawls, adjusting the budget to allow for two police officers and two teachers. City Manager Towarnicki explained that if the cigarette tax is increased and opioid money is applied to the law clerk position along with additional budget changes, that would free up \$145,000-\$150,000. There was more discussion about combining the Public Works Director and the City Engineer position, along with delayed hiring of the City Manager position, Community Development Director and not filling the Assistant City Manager position until April. Lawson said hiring of the Assistant City Manager should be at the discretion of the new City Manager. Jones made a motion to incorporate those changes into the budget. Lawson said staff could continue to analyze all options to fund the \$270,000 needed for 2 additional Police Officers and two extra teachers. Council Member Pearson seconded the motion with all Council voting in favor. Towarnicki stated that he would need a motion to approve all other recommended changes to the budget. Council Member Lawson made the motion to adopt the amended budget on first reading as presented by the City Manager with modifications presented. Vice Mayor Rawls second the motion with the following roll call: Vice Mayer Rawls, aye; Council Member Mitchell, aye; Mayor Jones, aye; Council Member Lawson, aye; and Council Member Pearson, aye.

FY24 Budget Public Hearing Summary

TUESDAY, MAY 23, 2024

Summary

FY 24 Budget was presented at Council's April 25, 2023 meeting. No action taken at that meeting.

Budget key points as presented:

Kept current real estate tax rate at \$1.04/\$100. Due to reassessments and increased values, an estimated increase in real estate tax revenue of approx. \$1.2 M was included in the budget

Proposed 8% electric rate increase

Reduced school funding of \$750,000 over the requested \$6,167,637

5% budget reduction for most City departments

Level funding for outside agencies except for certain agencies (911, DSS)

Follows state lead on COLA for employees & constitotionals @ 7%. Still undecided

Summary

One personnel addition – law clerk for Circuit Court (confirmed to be a one year position); hiring freeze in other areas.

A required public hearing was held at Council's May 9 meeting due to increased real estate tax assessments and the resulting increase in the effective tax rate.

Budget work session was held on May 10 with City Schools and to review capital. A second session was held on May 16 with outside agencies (911, DSS, Library) followed by a review of City constitutional and departmental budgets. It was noted between the time of the initial budget presentation on April 25 and May 16, it was concluded both a water and sewer rate increase were needed, and a recommended \$3 increase for each was discussed. A third work session was held on May 17 to discuss the previous sessions and answer questions. Alternate budget recommendations were made by Vice Mayor Rawls, a fourth work session was scheduled for Monday, May 22, and staff was instructed to develop an alternate budget that reduced the real estate tax rate by \$0.05/\$100, and eliminated the use of ARPA funds.

Budget Work Session Revisions From 5/17 Work Session

MONDAY, MAY 22, 2023 6 PM

From 5/17/23 Work Session

- Eliminate Use of ARPA Funds \$1,194,494
- Reduce real estate tax by \$0.05/\$100 from current \$1.04/\$100 to \$0.99/\$100, for a net effect of reducing real estate tax revenue by approximately \$350,000.

•Total reduction of \$1,544,494

Staff Recommendations

Meals Tax Transfer	\$300,000	\$300,000
Refuse Fund Transfer	\$300,000	\$600,000
Water Fund Transfer	\$250,000	\$850,000
Increase Bus License Revenue	\$200,000	\$1,050,000
Increase HB599	\$ 43,216	\$1,093,216
Increase Transport Revenue	\$ 87,400	\$1,180,616
Court Reporter Revenue	\$ 10,000	\$1,190,616
Jail/Jail Annex Food Red	\$ 40,000	\$1,230,616

Staff Recommendations

Minet Capital Reduction	\$100,000	\$1,330,616
Lodging Tax Increase	\$20,000	\$1,350,616
Delay Asst. CM Pos 6 months	\$68,213	\$1,418,829
E-time software 1 st year MA	\$35,000	\$1,453,829
Delay CD Director Pos 6 mos	\$65,928	\$1,519,757
Increase use of GF UFB	\$24,737	\$1,544,494

Recommended Actions Tonight

Conduct Public Hearing and accept comments.

Council decides what to leave in the budget, remove, change, modify, etc. A motion, second, and vote can be held on individual issues, or collectively a group of issues.

If Council decides to transfer funds from the Meals Tax Fund, a motion, second, and vote will be appropriate since this will be a deviation from a policy previously established by Council.

Once all the budget changes approved, it will be necessary for Council to approve the FY24 budget ordinance (as modified by any such changes), with motion, second, and roll call vote.

Final adoption and second reading is scheduled for Tuesday, June 13.

Business from the Floor – Ural Harris, 217 Stuart Street questioned a previous statement that the City could not save money by reverting to a town and asked how other Cities do it. Vice Mayor Rawls said that the other cities that reverted had a smaller population and previous consolidated services. Harris and Rawls continued to debate the need for reversion.

Doug Sharpe of the Transportation Safety Commission discussed Cleveland Avenue and the option to make that a one-way street, stating that area needs to be evaluated by the school and

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Police Department for safety purposes. He would like a study done and to get business owner opinions on how the change will affect them. Jones said now that schools are out for the summer would be a good time to start looking at cameras and studies and he feels that most businesses in that area would welcome the change.

Clifton Barrow, owner of Roosky's Bar and Grill said he is sorry for the incidents that happened at Roosky's recently. He grew up in Henry County, joined the marines, and received an education; his dream was to open a restaurant and provide the nightlife Martinsville needed. He would like to see more Police presence within the City and felt that should be included in the budget to curb the actions of those who want to do evil things. He has walked his employees to the City parking lot 100 yards from his restaurant because they don't feel safe uptown. With the growth Council wants to see, people still would not feel safe without additional police presence. He's given the City \$80,000 in sales tax over the past year. Mayor Jones said these incidents would happen no matter where you go, especially when a business is open late and serving alcohol.

Police Chief Rob Fincher shared that he opened up a news article from Southwest Journal which listed the 10 most dangerous cities and it had Martinsville listed as #2. After looking into the article further, Fincher said it was not our Martinsville City but another Martinsville Virginia location. Fincher has reached out to the editor for a retraction or correction but he's not receiving any response and unfortunately, this false information is listed on the web.

Comments by City Council – Council Member Mitchell said a lot has been said, he is glad that they were able to adjust the budget to fund two police officers and two teachers. Council Member Pearson shared that it's graduation season; congratulations 2023 graduates and other locals graduating from colleges and universities. Council Member Lawson congratulated new graduates and wished them the best in their next chapter. Lawson's and Pearson's sons will be graduating so neither will be able to attend Martinsville High School's graduation this year. Monday is Memorial Day so the flags will be out Uptown and at Roselawn. There will be a book signing at Grace Presbyterian Church. Residents 65 years and older receive a discount on their utility bill so be sure to reach out to the Utility Billing department to complete a form with proof of your age to receive that discount. Vice Mayor Rawls mentioned seniors or disabled residents could potentially be entitled to property tax relief. Pearson asked if those instructions could be added to the website. Rawls congratulated graduates and expressed his appreciation to those who have worked on the budget. Mayor Jones thanked those who attended the Council meeting and expressed concerns. Congratulations William Wall, winner of the essay contest and to the other students who will be honored at a later date.

Comments by City Manager – City Manager Towarnicki recognized Mandy McGhee, Crystal Ferguson and Linda Conover of the Finance Department and Ruth Easley, Commissioner of Revenue for their help on the budget. Towarnicki recognized Paul Jacobson of Sands Anderson

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who was the attorney present tonight and pointed out that William Wall recited his essay almost completely by memory without reading his copy.

There being no further business, Council Member Lawson made a motion to adjourn. The meeting adjourned at 8:35 pm.

Karen Roberts, Clerk of Council

LC Jones, Mayor