

June 8, 2026
Martinsville City Council
Meeting Minutes

Budget Work Session - 3pm, Council Chambers; Martinsville Municipal Building

Council Members in Attendance: Kathy Lawson, Julian Mei, and Aaron Rawls.

Rayshaun Gravely was absent.

Mayor Jones entered at 4:00pm.

Councilman Rawls spoke on the lack of Capital in the current municipal budget and the dire need for municipal building repairs. Spoke on the city's overall affordability, a draw to the City, being in jeopardy with continuous rate increases; in addition, looking for opportunities to reduce health insurance burden on employees. Looking to reduce Council Travel budget, reduction in CPEG, reduction in Recreation, reduction in Outside Agencies, reduction in funding to Business Development Center, reduction in Schools' funding – chiefly in facilities.

Vice Mayor Lawson spoke on the need for the Part-Time positions for Commissioner of Revenue's Office and Treasure's Office. Stated these positions are critical to City Operations. Councilman Rawls brought up the need for more automation and more efficient processes; in order to reduce over-reliance on staff. Councilman Mei inquired about the TACs auctioneering process, handled by the Treasurer's Office and the potential offset these auctions could have on the overall budget.

Vice Mayor Lawson made the statement about rampant inflation and the rapidly increasing cost of the price to operate a municipality, its departments, and services.

City Manager Fincher spoke on the cost of gasoline increasing, and the cost of health insurance. Also spoke on the recently reduced personnel and City staff numbers being below standard operating thresholds. Several City staff are wearing multiple hats and several critical positions must be filled.

Councilman Rawls spoke on the need to reduce Outside Agency Funding. Vice Mayor Lawson inquired about the City Manager's original 4% reduction to Outside Agencies.

Annual budgets over the past five years have shown that the City has been behind the curve on budgeting for inflation. The City has only increased 2-3% in revenues, while the inflation has annually increased by 4-5%.

Councilman Rawls spoke on the need for increased regulation of City School funding. Vice Mayor Lawson spoke on the November 18, 2025 Carryover funds policy implemented by City Council below:

1. For amounts up to and including Two Hundred Fifty Thousand Dollars (\$250,000):
One hundred percent (100%) shall be transferred to the Schools Capital Fund or for funding as directed by the Martinsville School Board.
2. For amounts greater than Two Hundred Fifty Thousand Dollars and One Cent (\$250,000.01) and up to Five Hundred Thousand Dollars (\$500,000): One hundred percent (100%) shall be transferred to the City General Fund.
3. For amounts greater than Five Hundred Thousand Dollars and One Cent (\$500,000.01):
The total amount shall be divided equally, with fifty percent (50%) allocated to the City General Fund and fifty percent (50%) allocated to the Schools Capital Fund or for funding as directed by the Martinsville School Board.
4. The City's Director of Finance is hereby authorized and directed to make the appropriate fund transfers in accordance with the provisions of this resolution following each annual audit completion.

Vice Mayor Lawson inquired about the net decrease in Employee pay brought forward by Councilman Rawls. The City Manager assured that with the 2% Cost of Living Adjustment (COLA), there will not be a decrease in Employee pay by the health insurance increase.

Vice Mayor Lawson asked about the possibility for the City to pay the difference in the Employee Health Insurance. Inquired about the City's debt service for the Smith River Interceptor and how long to pay off the debt service.

Councilman Rawls spoke on the need for Capital to be in the Utilities' budgets. City Manager spoke on the state allowing for 10% of fund balance to be used for Capital. This has been City standard practice for decades. City Manager Fincher plans to utilize 10% of the General Fund for this year, in order to allow for the Enterprise Funds to build up their Capital funds for next budget season. This is not a practice that he prefers, but he finds it necessary during this budget season.

Councilman Rawls inquired on the possibility of upcoming increases in taxes in the upcoming budget season. Wary of incoming increases due to looming expenditures. City Manager empathized with his concerns, but also spoke on the need to maintain our affordability and Vice Mayor Lawson added that the Quality of Life in Martinsville, services, and programming is what attracts and grows the community. Manager Fincher spoke on the Return on Investment on Quality of Life improvements and how it adds to the Resident experience. Councilman Rawls spoke on the need to return to core services.

Councilman Rawls inquired if the plan is to eventually set the tax rate at an amount that the Budget encompasses Capital Improvement without use of Fund Balance. City Manager Fincher stated that is the overall goal. Manager Fincher spoke on doing an overall evaluation of the City's Quality of Life Investments.

Councilman Rawls spoke on Council being willing to find \$200,000 for the health insurance for employees. Vice Mayor Lawson agreed. Vice Mayor Lawson would like to see the City Manager's original proposed budget for the Outside Agencies to be accepted.

Councilman Mei spoke on the possibility of removing Council pay in order to offset some of the burden on Outside Agencies.

Manager Fincer also spoke on the underutilization of Senior, Elderly, and Disabled Tax Relief; several residents in the City qualify and are not using the exemption. Vice Mayor Lawson spoke about opportunities to collaborate with the Senior Center. About 169 seniors, 59 disabled, 59 veterans have applied.

Vice Mayor Lawson asked about being locked into Local Choice Health Insurance for the remainder of the 3-year contract. Annual increase of about 20% projected.

Vice Mayor Lawson asked about the City being on the last year of the contract with the Mustangs. The City Manager has been in discussion with them on becoming more independent and working with the Mustangs, the Mustangs seem intent on purchasing their own franchise.

Vice Mayor Lawson spoke on the Business Development Center and that CPEG and the Economic Development Authority have been working out an agreement. Ms. Lawson also made the recommendation for them to have a graduated rent scale for tenants.

Ms. Linda Pulliam, Chair of the Board of Directors of Community Storehouse addressed Council about the functions of the Community Storehouse and the part it plays in the Martinsville Community.

Vice Mayor Lawson made the motion to take a 30-minute recess, seconded by Councilman Mei.

Council took a 30-minute recess at 5pm. Councilman Rawls left during the recess.

Call Open Session to Order - 5:30pm, Council Chambers; Municipal Building; 55 W Church St, Martinsville VA

Council Members in Attendance: Mayor Jones, Kathy Lawson, Julian Mei.

Councilman Gravely entered after the vote was taken.

Councilman Rawls was absent.

a. Discuss and Consider Motion to go into Closed Session. Motion made by Vice Mayor Lawson and Second by Councilman Mei. Council convened in Closed Session with the Following 3-0 vote.

- Councilman Mei; aye
- Vice Mayor Lawson; aye
- Mayor Jones; aye

Closed Session 5:30pm, Rm 3226 Municipal Building

City Council met in closed session beginning at 5:30pm to discuss the following:

- a. 2.2-37.11 A (1) Discussion, consideration, or interviews of prospective candidates for employment; assignment, appointment, promotion, performance, demotion, salaries, disciplining, or resignation of specific public officers, appointees, or employees of any public body; with regard to interviews for the City School Board.

Council Members in Attendance: Mayor Jones, Kathy Lawson, Julian Mei, Rayshaun Gravely.

Staff in Attendance: Peyton Nibblett, Deputy City Clerk

Return to Open Session and Certification of Closed Session - 7:11m, Council Chambers; Municipal Building

- A. Upon a motion by Vice Mayor Lawson, and second by Councilman Mei, City Council certifies that to the best of each member's knowledge:

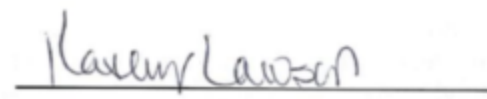
(i) only public business matters lawfully exempted from open meeting requirements under Section 2.2-3711; and

(ii) only such public business matters as were identified in the motion by which the closed meeting was convened were heard, discussed or considered in the meeting by Council.

- B. Approved with the following 4-0 vote.

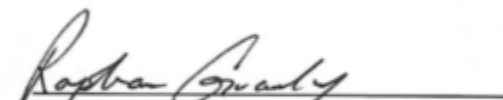
- Councilman Mei; aye
- Councilman Gravely; aye
- Vice Mayor Lawson; aye
- Mayor Jones; aye

LC Jones, Mayor (Abstain)



Kathy Lawson, Vice Mayor

Aaron Rawls, Councilmember – Voted Yes, Did Not Sign



Rayshaun Gravely, Councilmember

Julian Mei, Councilmember (Absent)



Attest By: Peyton Nibblett, Deputy City Clerk