0AGENDA--CITY COUNCIL
CITY OF MARTINSVILLE, VIRGINIA

Council Chambers – Municipal Building

6:15pm Closed Session 7:00pm Regular Session

Tuesday January 26, 2021

6:15 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 Martin

1. Hear an update on the City transition to town status. (20 mins)
2. Conduct a public hearing regarding a planned Community Development Block Grant application for the Pine Hall Road area. (15 mins)
3. Approve minutes from the January 12, 2021 Council Meetings. (5 mins)
4. Read a Proclamation acknowledging February 2021 as Black History Month. (5 mins)
5. Hear an update regarding a pilot project in the City of Martinsville by The Alliance for National & Community Resilience. (15 mins)
6. Hear an update on FY21 Telecommunications operations. (15 mins)
7. Hear a summary of the City's quarterly finance report for the period ending December 31, 2020. (5 mins)
8. Consider approval of Consent Agenda. (5 mins)
9. Business from the Floor - CANCELLED
   As a result of COVID-19 issues, business from the floor will not occur at City Council meetings until further notice. Citizens desiring to present comments for Council's consideration may do so by emailing the comments to Karen Roberts, Clerk of Council at kroberts@ci.martinsville.va.us, calling in the 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 noon, January 26 for consideration by Council at this meeting.
10. Comments by members of City Council. (5 minutes)
11. Comments by City Manager and City Attorney. (5 minutes)

Martinsville
A CITY WITHOUT LIMITS

City Council
Agenda Summary

Date: January 26, 2021

Item No: 1.

Department: City Attorney

Issue: Hear an update on the City transition to town status.

Summary: Mr**.** Stephen Piepgrass of the law firm Troutman Pepper will provide an update of the City transition to town status via zoom.

Attachments: PowerPoint presentation

Recommendations: Presented for information purposes. No Council action needed.

Status Update: Transition from City to Town Status

PRESENTATION TO THE
MARTINSVILLE CITY COUNCIL

January 26, 2021

Key Dates in Commission on Local Government ("CLG") Proceedings

September 18, 2020: Pursuant to Va. Code § 15.2-2907(A), Martinsville files its notice of intent to petition for an order granting it Town status including data and other evidence required by CLG regulation, 1 Va. Admin. Code § 50-20-601.

October 14, 2020: Initial CLG public meeting, included Martinsville and Henry County counsel, though no media attended.

November 30, 2020: Henry County files its response.

January 8, 2021: CLG requests additional information from Martinsville and Henry County, respectively, to be submitted by March 5, 2021.

March 22-24, 2021*: Currently scheduled oral presentations and public hearing before the CLG.

April 8, 2021*: Parties submit written concluding arguments, proposed findings and recommendations.

May 13, 2021*: CLG adopts report on proposed reversion.

Thereafter: Three-judge court appointed by Supreme Court to consider CLG report and rule on reversion.

July 1, 2022: Effective date of reversion.

**Will be changed to accommodate mediation addressing terms of reversion.*

Potential Points of Agreement

- **Reversion:** There appears to be agreement that reversion will happen. In the CLG proceeding, Henry County's response states, "Henry County does not oppose the City of Martinsville's reversion to town status as a general proposition. It does, however, object to the manner in which Martinsville proposes to revert."
- **Efficiencies from reversion:** Reversion will allow for a more efficient use of resources, eliminating some duplication of governmental departments and services.
- **Town services:** As a Town, Martinsville should continue to provide services of an urban nature, such as: law enforcement and public safety; fire and rescue; building and inspections; public works; parks, recreation, and cultural; library; Blue Ridge Regional Airport Authority; and planning and community development.
- **Schools:** The Martinsville School Division will be merged into the Henry County School Division. Martinsville may be able to retain certain duplicative school buildings for other uses. Martinsville's LCI may be able to be used for future school funding.

Potential Points of Agreement (continued)

- **Annexation moratorium:** Virginia Code § 15.2-4117 imposes a two-year moratorium on annexation proceedings after Martinsville reverts to a town, *but* annexation-related issues may be subject to negotiation and agreement.
- **Capital assets:** Martinsville generally should retain capital assets except those related to services that Henry County will assume after reversion.
- **Library and airport:** Martinsville likely would continue to participate in the library and airport.
- **Social and health services:** Martinsville likely would not participate in DSS or the Health Department.
- **Courts and jail:** Martinsville likely would not have financial responsibility for operating the courts or the jail after reversion.

Potential Points of Apparent Dispute

Henry County "object[s] to the manner in which Martinsville proposes to revert."

According to Henry County's response in the CLG proceeding:

- "Martinsville must grant to the County, at no cost, all of the assets the City currently uses to provide the services that will be transferred to the County post-reversion;"
- "Martinsville must maintain funding for certain local and regional organizations and initiatives for at least ten years;"
- "[r]esidual fund balances maintained by the City schools also must be transferred to the County;"
- "revenue sharing agreements between the City and County must be voided;" and
- "the Commission should require the City to compensate the County to offset the significant one-time expenses the County will incur as a result of reversion."

Questions Relating to Reversion

Why is Martinsville pursuing reversion?

- If it were to continue absent reversion, Martinsville’s current mode of operations is expected to result in the reduction of City services and programs and increase in City tax burdens on Martinsville citizens.
- Fiscal stresses confronting Martinsville include a weakening economy and a declining and aging population.
- Reversion is expected to benefit interested parties through a more-efficient use of public resources, eliminating undesirable competition (which sometimes exists between independent cities and counties) and encouraging coordinated planning for the future development of the entire area.

Questions Relating to Reversion

Is Martinsville using reversion so that Henry County will assume its debts?

- No. Martinsville's filing with the CLG proposes that Martinsville pay off its existing debts:
  - "Except for amounts that the Henry County Public Service Authority owes to Martinsville, Martinsville and Henry County would each retain their respective existing debts under the proposed reversion;" and
  - "The Town of Martinsville will pay off the City's existing school debt. With respect to any other existing school debt, as new residents of Henry County, citizens in the Town of Martinsville will participate in paying down Henry County's existing educational debt through County real estate taxes."
- Virginia Code provisions related to reversion also state that the new town "shall remain liable for all of the bonded indebtedness, current debts, obligations, and liabilities if incurred as a city," unless otherwise agreed by the governing bodies of the City and County or ordered by the three-judge court. Va. Code § 15.2-4114.

Questions Relating to Reversion

How will reversion affect Martinsville citizens' tax rates?

- Martinsville projects that changes to its tax rates would be modest or inconsequential.
- Martinsville's auditor, Robinson Farmer Cox, projects that, if reversion's net aggregate fiscal impacts on Martinsville and Henry County were addressed solely by adjustments in the respective real property tax rates, then:
  - Martinsville residents would see a 60.5¢ decrease in Martinsville's real property tax rate for a rate of 45.71¢ per $100 assessed value of real property; and
  - real property in Martinsville would also be subject to a Henry County real property tax at a rate of 60.5¢ per $100 assessed value of real property.
- This is not a "doubling" of Martinsville residents' existing city taxes. Martinsville residents would pay separate town and county taxes associated with respective town and county governmental services, as is the case in towns across the Commonwealth.
- Existing law should also mitigate potential overlap of local taxes. For example, a Virginia statute provides that a town's BPOL taxes displace the county's BPOL taxes on the same privilege, except where the town council provides otherwise. Va. Code § 58.1-3711(A).

Questions Relating to Reversion

Does the CLG make the decision regarding Martinsville's reversion to a Town?

- The CLG issues a report of findings and recommendations regarding a requested reversion; however, a three-judge special court (appointed by the Supreme Court of Virginia) makes the ultimate determination. The CLG proceedings are a necessary precondition to commencing proceedings before the three-judge court, and its recommendations are considered by the court.
- The three-judge court will enter an order granting town status if, after hearing the evidence, it finds that: (1) the city has a current population of less than 50,000 people; (2) the adjoining county or counties have been made party defendants to the proceedings; (3) the proposed change from city to town status will not substantially impair the ability of the adjoining county in which the town will be located to meet the service needs of its population; (4) the proposed change from city to town status will not result in a substantially inequitable sharing of the resources and liabilities of the town and the county; (5) the proposed change from city to town status is, in the balance of equities, in the best interests of the city, the county, the Commonwealth, and the people of the county and the city; and (6) the proposed change from city status to town status is in the best interests of the Commonwealth in promoting strong and viable units of government. Va. Code § 15.2-4106(A).

Questions Relating to Reversion

What happens if Martinsville disagrees with the terms and conditions of reversion as issued by the three-judge court?

- The Supreme Court of Virginia may hear appeals from the three-judge court. Va. Code § 15.2-4108.
- The Martinsville City Council is also allowed, by resolution or ordinance, to decline town status on the terms and conditions imposed by the three-judge court. Va. Code § 15.2-4109. The time limit for declining is:
  - any time prior to twenty-days after the three-judge court's entry of the order granting town status,
  - within twenty-one days after the Supreme Court of Virginia's denial of a petition for appeal, or
  - within twenty-one days after the entry of the Supreme Court of Virginia's mandate in an appeal it has granted.

Thank you.

Stephen C. Piepgrass

804.697.1320

Stephen.Piepgrass@troutman.com

Martinsville
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City Council
Agenda Summary

Date: January 26, 2021

Item No: 2.

Department: Community Development

Issue: Conduct a public hearing regarding a planned Community Development Block Grant application for the Pine Hall Road area.

Summary: In 2018 and early 2019, planning was completed and a CDBG application was submitted for a revitalization project in the Pine Hall Road area of the City. This is an area that has not had any focused revitalization efforts. The City's CDBG application was eventually screened out due to an issue related to how one of the public hearings was advertised.

With intentions to reapply, in October 2019 the Community Development staff and the City's grant consultant worked together to update surveys, conduct new inspections, and ultimately submitted a new grant application for the Pine Hall Neighborhood Revitalization project in March 2020. Eventually, that application was out-competed by other applications that were primarily phase 2 and phase 3 of existing previously awarded projects in other localities. Also, due to funds being allocated to different departments within the state for COVID-19 reasons, DHCD had a smaller fund pool from which to make awards.

DHCD has now opened up a Spring 2021 advertisement for CDBG applications. Staff has received information from the consultant and DHCD on how to make the City's application more competitive for this new reality of diminished funding and a pandemic, and is confident an updated application will be a strong contender in this next round of applications.

This public hearing satisfies one of the public hearing requirements for the March 2021 submission, with a second public hearing scheduled for March 9th. Overall, the purpose of this specific project is to address blighting influences, assist property owners in rehabbing their respective residences, and to engage the residents of the Pine Hall Road area in the improvement of their neighborhood.

Attachments: Presentation Materials

Recommendation: Conduct the public hearing, hear information on the proposed CDBG project in the Pine Hall Road area, and to take any comments received at the hearing under advisement as the CDBG application is prepared for re-submission.

City of Martinsville

Neighborhood Revitalization

Community Development Block Grant (CDBG)

Public Hearing – January 26, 2021

Project Team Members

- Management Team
  - Community Representatives including Elected Officials and “Sparkplugs”
- City Staff
- Consultants, Engineer, Rehabilitation Specialist
- Virginia Department of Housing and Community Development (DHCD)

What Exactly is CDBG?

- CDBG = Community Development Block Grant
- Authorized under the Housing and Community Development Act of 1974
- Federal oversight (HUD), State administration (DHCD)
- Three National Objectives:
  - Low- and moderate-income benefit
  - Slum and blight elimination
  - Urgent community development needs
- Program serves Non-Entitlement Communities
- Program Design establishes Program Goal and Objective
- Competitive application process

CDBG Program Overview
Community Improvement Grants

- Comprehensive Community Development – two/more significant activities
- Public Infrastructure– Water/Wastewater services (drainage, streets)
- Community Service Facility – Economic Development (training, health care, daycare)
- Housing – Rehabilitation of housing units to DHCD HQS and/or new construction
- Economic Development – Business district revitalization

CDBG Program Overview
Funding Available FY2021

- CDBG Program Funding $18,150,503
  - Competitive Grants $ 10,450,503
    - Planning Grants $ 700,000
    - **Open Submission Funds** **$ 7,000,000**
      - Economic Development & Entrepreneurship
      - Construction-Ready Water and Sewer Fund
      - Regional Water/Wastewater
      - Urgent Need Open Submission Projects

Martinsville Previous CDBG Projects

- Housing/Comprehensive Community Development (CCD)
  - Northside
  - Cherry Street
  - Moss-Barton
  - RP Thomas
- Neighborhood Stabilization Program (NSP3)
- Industrial Revitalization Fund (IRF) - Henry Hotel
- Community Service Facility (CSF) - New College Expansion
- Business District Revitalization - Uptown

City of Martinsville
Project Development Activities

- Management Team Meetings
- Community Meetings
- Neighborhood Survey
  - Determine neighborhood interest
  - Assess and quantify community needs (housing, infrastructure, etc.)
  - Determine neighborhood income profile

City of Martinsville
Development of Community Improvement Grant Proposal

- Delineate final proposed project area
- Collect pre-applications and investor-owner commitments
- Complete Preliminary Engineering Report
- Conduct preliminary housing rehabilitation assessments
- Develop project budget
- Conduct DHR (Historic) and ERR (Environmental) Reviews
- Hold public hearings
- Submit Community Improvement Grant Proposal (March)

City of Martinsville
Revised Planning Grant Timeline

• Public Hearing #1	January 26, 2021
• Housing Income and Assessments	February 2021
• Review & Update Preliminary Engineering Report	January 2021
• Review and Update CIG Application	February 2021
• Public Hearing #2	March 9, 2021
• Complete DHR and ERR Reviews	March 2021

City of Martinsville
Grant Application Development Timeline

• CIG Application due		April 1, 2021
• CDBG Grants awarded		Late Summer 2021
• DHCD Contract signed		Late 2021 – Early 2022
• Project Implementation	24 months	April 2022 – March 2024
	36 months	April 2022 – March 2025

City of Martinsville
What needs are there in the community?

- What questions do you have about
  - Planning process?
  - Grant funding?
  - Possible improvements?
  - Eligibility requirements?

Other questions???

Contact Mark McCaskill, Director of Community Development 276-403-5169; email mmccaskill@ci.martinsville.va.us or Megan Spencer, Community Development Specialist 276-403-5156; email mspencer@ci.martinsville.va.us

Martinsville
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City Council
Agenda Summary

Meeting Date: January 26, 2021

Item No: 3.

Department: Clerk of Council

Issue: Consider approval of minutes

Summary: None

Attachments: January 12, 2021 Council Meeting

Recommendations: Motion to approve minutes as presented.

Martinsville
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City Council Agenda Summary

Date: January 26, 2021

Item No: 4.

Department: City Council

Issue: Read a Proclamation acknowledging February, 2021 as Black History Month.

Summary: Since 1976, the month of February has been observed as Black History Month. A Proclamation is attached acknowledging this and bringing awareness to the importance of African American history and culture in our community.

Attachments: Proclamation

Recommendations: No action by Council needed - the Mayor will read the Proclamation.

Martinsville
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Proclamation

RECOGNIZING FEBRUARY, 2021 AS BLACK HISTORY MONTH IN THE CITY OF MARTINSIVLLE

WHEREAS, Dr. Carter G. Woodson, distinguished African American author, editor, scholar, and historian who is known as the "Father of Black History" founded the Association for the Study of Negro Life and History (now the Association for the Study of African American Life and History) in September, 1915, and Negro History Week in 1926, which became Black History Month in 1976, intended to encourage further research and publishing regarding African American heritage; and

WHEREAS, Americans of African descent have made valuable and lasting contributions to our country, our state, and our local community, achieving exceptional success in all aspects of society including business, education, politics, science, arts ; and

WHEREAS, in 1976 Black History Month was adopted to honor and affirm the importance of the history of African Americans and to focus on the stories and teachings of those who helped build our nation, advance the cause of civil rights and strengthen families and communities; and

WHEREAS, the City of Martinsville continues to work toward building an inclusive community that lives up to the American ideal of equality of educational, social, and economic opportunity for all our citizens;

NOW, THEREFORE, I, Kathy Lawson, Mayor, and members of Martinsville City Council do hereby proclaim the month of February, 2021 as Black History Month in the City of Martinsville and we urge all citizens to join in celebrating the significance of African American culture in its past, present, and future.

____

Kathy Lawson, Mayor

Martinsville
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City Council
Agenda Summary

Date: January 26, 2021

Item No: 5.

Department: Community Development

Issue: Hear an update regarding a pilot project in the City of Martinsville by The Alliance for National & Community Resilience.

Summary: The City's Building and Zoning Official, Kris Bridges, will present an update on the pilot project.

Attachments: Letter from Ryan Colker, Executive Director of The Alliance for National & Community Resilience.

Recommendations: Presented for information purposes. No Council action needed.

Alliance for National & Community Resilience™

January 21, 2021

Mayor Kathy Lawson
909 Barrows Mill Road
Martinsville, VA

Dear Mayor Lawson and Members of the Council,

The Alliance for National & Community Resilience (ANCR) is pleased to be working with the city of Martinsville to pilot Community Resilience Benchmarks (CRBs) and help the city realize its resilience goals. Over the past few months, we have had the pleasure of working with city staff and private sector organizations to better understand the community and begin the benchmarking process.

We have prepared this letter to provide you and members of the city council with some background on ANCR and the CRBs, an update on the piloting process, and the intended outcomes and benefits from undertaking this benchmarking.

Background on ANCR and the CRBs

ANCR was founded by the International Code Council, U.S. Resiliency Council and the Community and Regional Resilience Institute as a non-profit organization to support communities in understanding and advancing their resilience. The partners recognized that many resilience initiatives were forming, but they tended to focus on just a small slice the community and not on the community as a whole.

As you know, thriving communities rely on the performance of multiple systems and functions across the community. Their resilience is no different. To that end, ANCR identified 19 community functions that cut across the social, organizational and infrastructural aspects of communities that make them great places to live, work and locate a business while also contributing to their resilience.

A community is only as resilient as its weakest link and most communities must make hard choices on where to invest their limited resources.

Communities could find themselves investing heavily to support the resilience of one function or system while maintaining (or even exacerbating) the vulnerabilities of another function or system. To help communities navigate these challenges, ANCR is developing a holistic set of Community Resilience Benchmarks to provide communities with tools to identify their current state of resilience and map out approaches to improve their resilience.

To date, ANCR has completed development of the Buildings Benchmark, the Housing Benchmark, and most recently the Water Benchmark.

Piloting the CRBs in Martinsville

In June 2020, ANCR issued a call for communities interested in piloting the Buildings and Housing Benchmarks. We were pleased to receive an application from Martinsville. We selected Martinsville to serve as an ANCR Pilot Community and the benchmarking process got underway in October.

Since the initial kick-off, we have met frequently with Martinsville staff to walk through the benchmark requirements, identify policies and programs that meet the intent of the requirements, and identify areas where new or enhanced activities could be developed. Following this initial pass through the benchmarks, we have begun engaging private sector partners who contribute to the community's resilience to gather their feedback.

We intend to have the Benchmarking process concluded by May 2021 in time for a formal announcement of Martinsville's designation under the ANCR CRBs during Building Safety Month. Leading up to that announcement, we would be pleased to work with you to identify opportunities to make the most out of the announcement and the accompanying recommendations (some initial ideas are outlined in the section below).

Outcomes and Benefits

ANCR has identified multiple benefits communities could receive from undertaking benchmarking. For most communities, the benchmarks can help them prioritize resource allocations, identify potential vulnerabilities that may not have previously been identified, and inform community planning processes. Additional benefits may vary from community to community.

Based on what we have learned about Martinsville, the potential to use the benchmark results to attract businesses and jobs (and thus new residents) by highlighting your strengths and differentiating Martinsville from other communities in the region is important. The results can also be used to differentiate Martinsville in federal or state grant applications. Once your designation is received, we recommend including the results in your economic development materials and in grant applications. Sharing them widely with the community and on your website will help spread the word.

In addition to the designation, ANCR will provide some suggestions for short- and long-term measures that could be adopted to enhance resilience in Martinsville. Some of these measures can be no- or low-cost and potentially launched in conjunction with the announcement of Martinsville's designation.

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Thank you for the opportunity to work with you and members of the Martinsville community to support your resilience initiatives and efforts to ensure that Martinsville is a great place to live and work. Please let us know if there is anything we can assist with during or after this process.

Sincerely,

Ryan M. Colker, J.D., CAE
Executive Director

Martinsville
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City Council Agenda Summary

Date: January 26, 2021

Item No: 6.

Department: Telecommunications

Issue: Hear an update on FY21 Telecommunications operations.

Summary: Telecommunications Director Mike Scaffidi will present an update at the January 26 Council meeting regarding the FY21 Telecommunications budget and the status of projects.

Attachments: PowerPoint Presentation

Recommendations: Presented for information purposes. No Council action needed.

MINet Solutions

January 2021
Council Update

Michael Scaffidi
Director of Telecommunications

EMPLOYEES

Mike Scaffidi	Director
Greg Bowman	Plant Manager
Jared Pruett	Network Specialist
Kathy Reed	Accounts Manager
Charles Anderson	Telecom Technician
Eric Boaz	Telecom Technician
Chris Kelsey	Maintenance Technician

REVENUE / EXPENSES
(AS OF DECEMBER 31, 2020)

REVENUE

• Total Budgeted Revenues	$2,800,496
• Collected as of 12/31/2020	$1,413,816
Remaining Revenue	$1,386,680
50.1% of Budget Received	

EXPENDITURES

• Total Budgeted Expenses	$2,760,442
• Expended/Encumbered	$1,458,291
Remaining Expenses	$1,302,151
• 52.8% of Budget Expended	

GENERAL POINTS OF INTEREST

- Continue To Explore Growth Opportunities
- Continue to Explore New Phone & Internet Innovations to Improve Service/Reduce Costs
- Phone System Impact
  - Drop in Monthly Recurring Charges
    - SIP Trunking
      - Reach Out to a Variety of SIP Providers
      - System Redundancy

PROJECTS AND INITIATIVES

- Wireless To The Home (W2H)
- Includes $502,344 in CARES Broadband funds
  - Four Tower Locations (Currently)
    - New York Ave Water Tank
    - Martinsville High School
    - Martinsville City Shop
    - Martinsville Industrial Park Water Tank
  - Target Audience
    - Underserved School Children (WTTH)
      - 46 Connections
      - 45 Pending Verification
    - Martinsville City Residents (WTTH)
      - 65 Pending
    - Martinsville City Small Businesses (WTTH)
      - 8 Pending

COSTS- SPEED- SIGN UP PROCESS

- WTTH
  - Service Fee WTTH: $65.00
  - Speeds: 75 Mbps Max Down / 75 Mbps Max Up
  - Speeds Vary Depending Upon Location and Tree Density
- Optical Connection
  - Service Fee Optical: Starts at $80.00 lowest package
    - Residential 150 Mbps Down / 20 Mbps Up
  - Speeds up to 1 Gbps up / 1 Gbps Down
  - Packages up to 10 Gbps for Enterprise Customers
- Activation:
  - www.minet.solutions
    - "Sign Up for MINET Services" (Top of the Page)
  - Phone: 276.632.7500
- Connection Scheduling
  - Priority Wireless to the Schools
  - 65 Residents on the Waiting list
    - Two Construction Crews on Installs
      - Expect 3 - 4 connections per day (under perfect conditions)
      - Expect current backlog connected within 5 weeks

PROJECTS AND INITIATIVES

FIBER TO THE BUSINESS

- 6.7 Miles of Backbone Fiber Placed Within Martinsville and Henry County FY2020
- 228 Customers as of January 1, 2021

PENDING

- 15 Martinsville/Henry County Requests
- 7 Businesses in Contract Negotiations
- 3 Patrick County Requests
- Considering Tower Locations to Serve a Variety of Requests outside the City.
- Target Date for those Locations Q2-3 of FY2022

VALUE OF SERVICE PROVIDED BY TELECOM/MINET

- No Debt
- Significant Internal Telecom Cost Savings
- New Phone System (20 year life)
- Annual School System Support (erate) $160K
- Balance or Residual Funds returned to City
- ***Accepting High Volume of Telephone Calls During Outages - Continues to Work Well***
- Special Services to Customers
  - Network and Virus Protection through Fire Wall
- Local Service Provider (Customer Service)

FUTURE

- MARKETING
  - Increase marketing efforts to promote MiNet system in our area.
- EXPANSION
  - Focus on needs within the City first.
  - Cost analysis of WTTH outside of City
  - Patrick County future expansions
- RESOURCES NEEDED
  - Personnel – As system growth/expansion occurs, construction/customer support needs are increasing.
  - Billing System – Tie Into MUNIS

PROJECTS AND INITIATIVES

- TRAFFIC CONTROL UPGRADES
  - Traffic Control Replacement Project
    - Focus on Major Intersections
  - Opticom
    - Emergency Pre-Emption
  - Flashing Arrow For Left Turns
  - New Signal Replacement Throughout City
    - “Uptown Powder coated Brown” (CBD Lights brown color)

Martinsville
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City Council Agenda Summary

Meeting Date: January 26, 2021

Item No: 7.

Department: Finance

Issue: Hear a summary of the City's quarterly finance report for the period ending December 31, 2020.

FY21 – 12/31/2020 Consolidated Revenue & Expenditure Report

Exclusive of School and Special Revenue Funds, total actual revenues received during the first half of FY21 were $34,190,146, which is greater than the amount anticipated of $32,813,407 through December 31 by $1.3 million. The driver behind this is the additional CARES funding, including the Broadband and Utility supplements. Highlighted in this report, both local sales & use taxes and meals taxes collected in the first half of the fiscal year were greater than anticipated, by $222,376 and $186,816 respectively.

Total actual expenditures during the first half were $33,527,206, including encumbrances, less than anticipated by $2 million. In addition to the CARES related purchases, spending was held at necessity-only levels as much as possible, accounting for the savings up to this point.

In the Utility Funds, total actual revenues were $16,414,203, slightly greater than anticipated, and total actual expenses, including encumbrances, were $15,597,425, less than anticipated.

The available cash-on-hand for all City Funds was $16,547,415, an increase of $2,098,728 over the same time period last year. Again, this was due in large part to the infusion of CARES funding received to date.

Combined Balance Sheet

Compared to year-end FY20, the non-utility fund balances at the end of December were $1.76 million less, for a current total of $8,648,366. 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 second quarter are less than year-end FY20 by $1,087,356, approximately 9%. Utility collections are still feeling the impact of non-disconnect regulations, and customers inability to pay due to the pandemic's effects on their income.

Attachments: Quarterly Finance Report- R-E 12-31-20
Combined Balance Sheet-FY21 Q2
Recommendations: Motion to approve financial report.

City of Martinsville
Consolidated Revenues and Expenditures
FY21 - 12/31/2020

	Budget	Anticipated	Actual YTD	Remaining Balance	Difference Ant vs. Actual
General Fund					
Revenues	$ 31,555,661	$ 15,451,185	$ 16,047,514	$ 15,508,147	103.9%
Expenditures	34,149,471	17,267,342	15,950,057	18,199,414	92.4%
Excess (deficiency) of revenues over expenditures	$ (2,593,810)	$ (1,816,157)	$ 97,457		
	(Fund Bal contrib)				

	Budget	Anticipated	Actual YTD	Remaining Balance	Difference Ant vs. Actual
Capital Funds					
Meals Tax					
Revenues	$ 2,081,930	$ 1,039,582	$ 1,228,177	$ 853,753	118.1%
Expenditures	2,081,930	1,586,114	1,586,114	495,816	100.0%
Excess (deficiency) of revenues over expenditures	$ -	$ (546,532)	$ (357,937)		
	(Fund Bal contrib)				
Capital Reserve					
Revenues	$ 500,488	$ 250,252	$ 500,252	$ 236	199.9%
Expenditures	1,304,570	393,610	393,610	910,960	100.0%
Excess (deficiency) of revenues over expenditures	$ (804,082)	$ (143,358)	$ 106,642		
TOTAL CAPITAL FUNDS:	$ (804,082)	$ (689,890)	$ (251,295)		
	(Fund Bal contrib)				

	Budget	Anticipated	Actual YTD	Remaining Balance	Difference Ant vs. Actual
Refuse Fund					
Revenues	$ 2,266,600	$ 862,000	$ 865,965	$ 1,400,635	100.5%
Expenditures	4,328,401	1,857,497	1,764,959	2,563,442	95.0%
Excess (deficiency) of revenues over expenditures	$ (2,061,801)	$ (995,497)	$ (898,994)		
MINet/Fiber Optic Fund					
Revenues	$ 2,298,152	$ 954,275	$ 1,413,816	$ 884,336	148.2%
Expenditures	2,258,098	1,216,810	1,294,118	963,980	106.4%
Excess (deficiency) of revenues over expenditures	$ 40,054	$ (262,535)	$ 119,698		
Water Fund					
Revenues	$ 3,837,409	$ 1,881,399	$ 1,946,152	$ 1,891,257	103.4%
Expenditures	3,606,973	2,117,472	2,016,548	1,590,425	95.2%
Excess (deficiency) of revenues over expenditures	$ 230,436	$ (236,073)	$ (70,396)		
Sewer Fund					
Revenues	$ 4,604,012	$ 2,284,506	$ 2,438,491	$ 2,165,521	106.7%
Expenditures	5,247,413	2,189,385	2,086,668	3,160,745	95.3%
Excess (deficiency) of revenues over expenditures	$ (643,401)	$ 95,121	$ 351,823		
Electric Fund					
Revenues	$ 20,132,524	$ 10,090,208	$ 9,749,779	$ 10,382,745	96.6%
Expenditures	21,307,059	8,952,912	8,435,132	12,871,927	94.2%
Excess (deficiency) of revenues over expenditures	$ (1,174,535)	$ 1,137,296	$ 1,314,647		

GRAND TOTAL - UTILITIES:	Budget	Anticipated	Actual YTD	Balance	Ant vs. Actual
Total Utility Revenues:	$ 33,138,697	$ 16,072,388	$ 16,414,203	$ 16,724,494	102.1%
Total Utility Expenditures:	36,747,944	16,334,076	15,597,425	21,150,519	95.5%
Excess (deficiency)	$ (3,609,247)	$ (261,688)	$ 816,778		

Consolidated Revenues and Expenditures
FY21 - 12/31/2020

		Budget				Actual YTD		Remaining Balance	Difference Budg vs. Actual
Cafeteria									
Revenues	$	1,627,447	$		$	473,040	$	1,154,407	29.1%
Expenditures		1,714,660				678,175		1,036,485	39.6%
Excess (deficiency) of revenues over expenditures	$	(87,213)	$		$	(205,135)			
		(Fund Bal contrib)							
School Operations									
Revenues	$	23,451,557	$		$	10,274,959	$	13,176,598	43.8%
Expenditures		23,451,557				10,609,302		12,842,255	45.2%
Excess (deficiency) of revenues over expenditures	$	-	$		$	(334,343)			
Federal Programs									
Revenues	$	2,159,452	$		$	533,532	$	1,625,920	24.7%
Expenditures		2,159,452				100		2,159,352	0.0%
Excess (deficiency) of revenues over expenditures	$	-	$		$	533,432			
TOTAL SCHOOL FUNDS:	$	(87,213)	$	-	$	(6,046)			
		(fund bal contrib)							

		Budget		Actual YTD		Remaining Balance	
Special Revenue Funds							
CDBG Fund							
Revenues	$	42,991	$	10,696	$	32,295	24.9%
Expenditures		21,761		13		21,748	0.1%
Excess (deficiency) of revenues over expenditures	$	21,230	$	10,683			
TOTAL SPECIAL REVENUE FUNDS:	$	21,230	$	10,683			

		Budget		<u>Anticipated</u>		Actual YTD		Remaining Balance	Difference Ant vs. Actual
GRAND TOTALS:									
(excluding Schools & Special Revenues)									
Revenues:	**$**	**67,276,776**		**32,813,407**	**$**	**34,190,146**	**$**	**33,086,630**	**104.2%**
Expenditures		**74,283,915**		**35,581,142**		**33,527,206**		**40,756,709**	**94.2%**
Excess (deficiency) of revenues over expenditures	**$**	**(7,007,139)**		**(2,767,735)**	**$**	**662,940**			
Local Sales/Use Taxes	**$**	**1,800,000**	**$**	**693,900**	**$**	**916,276**	**$**	**883,724**	**132.0%**
Meals Taxes	**$**	**1,710,000**		**855,000**	**$**	**1,041,816**	**$**	**668,184**	**121.8%**

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

Updated 1/13/21

City of Martinsville
Combined Balance Sheet
FY21 - 12/31/2020

FUND	TOTAL ASSETS	TOTAL LIABILITIES	CURRENT FUND BALANCE	AUDITED FY20 FUND BALANCE	DIFFERENCE YEAR-END FY20
GENERAL FUND	$ 14,511,534	$ (8,255,111)	$ 6,256,423	$ 6,334,847	$ (78,424)
MEALS TAX	$ 200,567	$ -	$ 200,567	$ 558,504	$ (357,937)
SCHOOL CAFETERIA	$ 1,634,053	$ (100)	$ 1,633,953	$ 1,839,088	$ (205,135)
TELECOMMUNICATIONS	$ 858,253	$ (112,881)	$ 745,372	$ 626,106	$ 119,266
CAPITAL RESERVE FUND	$ 1,049,257	$ -	$ 1,049,257	$ 942,611	$ 106,646
CARES ACT FUND	$ 63,588	$ (724,487)	$ (660,899)	$ -	$ (660,899)
SCHOOL FUND	$ (339,510)	$ 4,070	$ (335,440)	$ -	$ (335,440)
SCHOOL FEDERAL PROGRAMS	$ (342,146)	$ (71)	$ (342,217)	$ 14,576	$ (356,793)
CDBG FUND	$ 213,783	$ (112,433)	$ 101,350	$ 90,670	$ 10,680
TOTAL	**$ 17,849,379**	**$ (9,201,013)**	**$ 8,648,366**	**$ 10,406,402**	**$ (1,758,036)**

UTILITY FUNDS*	CURRENT CASH & EQUIV.	AUDITED FY20 CASH & EQUIV.	
REFUSE COLLECTION FUND	$ 4,163,136	$ 4,712,005	$ (548,869)
WATER FUND	$ 2,993,120	$ 2,687,587	$ 305,534
SEWER FUND	$ 1,653,357	$ 1,629,039	$ 24,317
ELECTRIC FUND	$ 2,080,581	$ 2,948,919	$ (868,338)
TOTAL	**$ 10,890,195**	**$ 11,977,550**	**$ (1,087,356)**

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

RESERVED FUNDS

INSURANCE TRUST FUND	$ 386,206	$ -	$ 386,206	$ 432,981	$ (46,774)
INMATE TRUST FUND	$ 134,506	$ -	$ 134,506	$ 117,795	$ 16,711

Fiduciary Agency Funds					
05-SVRFA	$ 116,015	$ (545)	$ 115,470	$ 68,246	$ 47,224
06-Dan River ASAP	$ 286,697	$ (209,443)	$ 77,254	$ 78,165	$ (911)
15-PRCJTA	$ 536,888		$ 536,888	$ 68,309	$ 468,578
30-BRRL	$ 222,200	$ -	$ 222,200	$ 245,438	$ (23,239)
TOTAL	$ 1,161,800	$ (209,989)	$ 951,811	$ 460,159	$ 491,652

Revised 1/20/21

Excel: FY21 Financial Reports: Combined Balance Sheet - FY21

Martinsville
A CITY WITHOUT LIMITS

City Council Agenda Summary

Meeting Date: January 26, 2021

Item No: 8.

Department: Finance

Issue: Consider approval of the consent agenda

Summary:

Consider a request from City Schools to transfer $102,190, from FY20 General fund balance to the Capital Reserve Fund for School Capital Projects for the following projects:

- Roof repairs at Albert Harris $ 51,150
- Culvert rehab & lot repair at Druid Hills $ 51,040

Attachments: Consent Agenda – 1-26-21 – School Capital

Recommendations: Approve

BUDGET ADDITIONS - SCHOOL TRANSFER & APPROPRIATION

01/26/2021

ORG	OBJECT	DESCRIPTION	DEBIT	CREDIT
BUDGET ADDITIONS				
General Fund:				
01103938	462101	Contribution from Fund Balance		102,190
01931255	509290	Transfer to School Capital	102,190	
	Transfer of funds requested for capital improvements at school facilities			
Total General Fund:			**102,190**	**102,190**
Capital Reserve Fund:				
16103937	451590	Transfer from General Fund		102,190
16579369	508209	School Capital Projects	102,190	
	Appropriation of funds requested for capital improvements at school facilities			
Total General Fund:			**102,190**	**102,190**