DANVILLE CITY COUNCIL REGULAR MEETING AGENDA

MUNICIPAL BUILDING

December 21, 2021

7:00 P.M.

PRESIDING:	Alonzo L. Jones, Mayor	
CITY COUNCIL MEMBERS:	James B. Buckner L.G. "Larry" Campbell, Jr. Bryant Hood Barry P. Mayo	Dr. Gary P. Miller, Vice Mayor Sherman M. Saunders J. Lee Vogler, Jr., Madison J. Whittle
STAFF:	Ken F. Larking, City Manager Earl B. Reynolds, Jr., Deputy City Manager	W. Clarke Whitfield, Jr., City Attorney Susan M. DeMasi, City Clerk

The City Council is the City of Danville's legislative body and is composed of nine Council members. Council members are elected to serve a four year term of office and elects one of its own to serve as Mayor and presiding officer for a two year term.

Time and Place of Meeting
The public is invited and encouraged to attend and participate in the City Council meetings. The City Council meets in the City Hall, Fourth Floor, Council Chambers at 7:00 p.m. on the first and third Tuesday of each month. All meetings of the Council are open to the public.

Communications from Visitors
Communication from Visitors is an opportunity for citizens to address Council on matters not on the agenda. Citizens who desire to speak on agenda items will be heard when the agenda item is considered. Each speaker shall clearly state his or her name and address. Each individual speaker shall have five uninterrupted minutes. A representative of a group may have up to ten uninterrupted minutes to make a

presentation. The representative shall identify the group and a group may have no more than one spokesperson. Time will be kept using the electronic timer on the podium.

Guidelines for Public Hearings

For Public Hearings the applicant or his or her representative shall be the first speaker(s). There shall be a time limit of ten (10) minutes for the applicant's or his or her representative's presentation. The presiding officer shall then solicit comments from the public, asking those in favor of the proposal to speak first, and then those opposed to the proposal. Each speaker must clearly state his or her name and address. There shall be a time limit of three (3) minutes for each individual speaker. If the speaker represents a group, there shall be a time limit of five (5) minutes. A speaker representing a group shall identify the group at the beginning of his or her remarks. A group may have no more than one spokesperson. The presiding officer may limit or preclude comment which is repetitive, redundant, cumulative, or irrelevant to the subject of the public hearing. After public comments have been received, in a land use case, the applicant or the representative of the applicant, at his or her discretion, may respond with a rebuttal. There shall be a five (5) minute time limit for rebuttal.

MEETING CALLED TO ORDER

ROLL CALL

INVOCATION - Sherman M. Saunders

PLEDGE OF ALLEGIANCE TO THE FLAG

COMMUNICATIONS FROM VISITORS

Citizens who desire to speak on matters not listed on the agenda will be heard at this time. Citizens who desire to speak on agenda items will be heard when the agenda item is considered.

CONSENT AGENDA

All matters listed under the Consent Agenda are considered to be routine, have previously been discussed by City Council and/or introduced for First Reading. There will be no separate discussion on these items and they will be enacted by one motion. If discussion is desired by a Council Member or a citizen, the item(s) will be removed from the consent process and considered separately.

A. Public Hearing

B. Consideration of Approval of Minutes from Regular Council Meeting held on November 16, 2021.
Council Letter Number CL - 2678.

C. Consideration of Amending the Fiscal Year 2022 Budget Appropriation for Capital and Special Projects.
Council Letter Number CL - 2659.

An Ordinance Amending the Fiscal Year 2022 Budget Appropriation Ordinance by Anticipating the Proceeds from the Issuance of Bonds and Appropriating Same for Anticipated Expenditures
FINAL ADOPTION

OLD BUSINESS

A. Consideration of Imposing an Additional General Local Sales Tax and a Local Use Tax at a Rate of One Percent.
Council Letter Number CL - 2672.

1. An Ordinance Amending and Reordaining Certain Sections of Chapter 37, Entitled "Taxation," of the Code of the City of Danville, Virginia, by Creating a New Article XIII, Entitled "Imposition of Additional Sales and Local Use Tax; Use of Revenues for Construction or Renovation of Schools" and Adding a New Section §37-185, Entitled "Imposition of Additional Sales Tax; Use of Revenues for Construction or Renovation of Schools".
FINAL ADOPTION

2. An Ordinance Amending and Reordaining Certain Sections of Chapter 37, Entitled "Taxation," of the Code of the City of Danville, Virginia, by Amending Article XIII, Entitled "Imposition of Additional Sales and Local Use Tax; Use of Revenues for Construction or Renovation of Schools" by Adding a New §37-186, Entitled "Imposition of Additional Local Use Tax; Use of Revenues for Construction or Renovation of Schools".
FINAL ADOPTION

APPOINTMENTS

A. Consideration of Appointments to the Following Boards and Commissions.
Council Letter Number CL - 2688.

1. A Resolution Reappointing Lawrence Meder to the Building Code Board of Appeals.

2. A Resolution Reappointing Samuel Thomas to the Building Code Board of Appeals.

3. A Resolution Appointing Helm Dobbins to the Employee Retirement System.

4. A Resolution Reappointing Matthew Bailey to the Fair Housing Board.

5. A Resolution Reappointing Manuel Dodson to the Planning Commission.

6. A Resolution Reappointing Robert S. Petrick to the Planning Commission.

NEW BUSINESS

A. Review of General Fund Financials through November 30, 2021.
Council Letter Number CL - 2633.

B. Consideration of Official Intent to Reimburse Expenditures with Proceeds of a Borrowing.
Council Letter Number CL - 2675.

A Resolution of Official Intent to Reimburse Expenditures with Proceeds of a Borrowing.

C. Consideration of Amending Chapter 1.5 of the Danville City Code to Conform to Senate Bill 1157.
Council Letter Number CL - 2677.

An Ordinance Amending and Reordaining the Code of the City of Danville, Virginia, 1986, as Amended, to Add a New Chapter 1.5, Entitled "City Council Elections and Organizational Meeting; School Board Elections; Etc."

COMMUNICATIONS FROM:

A. City Manager

B. Deputy City Manager

C. City Attorney

D. City Clerk

E. Roll Call

ADJOURNMENT

Council Letter
City of Danville, Virginia

CL-2678 **Consent Agenda B.**

City Council Regular Meeting

Meeting Date: 12/21/2021

Subject: Consideration of Approval of Meeting Minutes

From: Susan M. DeMasi, City Clerk

COUNCIL ACTION

Business Meeting: 12/21/2021

SUMMARY

Consideration of Approval of Minutes from Regular Council Meeting held on November 16, 2021.
Council Letter Number CL - 2678.

Attachments

Meeting Minutes

The Second Regular November meeting of the Danville City Council was held on November 16, 2021, at 7:00 p.m. in the Council Chambers located on the Fourth Floor of the Municipal Building. The following Council Members were present: James B. Buckner, L.G. "Larry" Campbell Jr., Bryant Hood, Mayor Alonzo L. Jones, Barry P. Mayo, Vice Mayor Gary P. Miller, Sherman M. Saunders, J. Lee Vogler, Jr., and Madison J.R. Whittle (9). Mr. Vogler entered the meeting at 7:33 p.m.

Staff Members present were: City Manager Ken F. Larking, Deputy City Manager Earl B. Reynolds, Jr., City Attorney W. Clarke Whitfield Jr., and City Clerk Susan M. DeMasi.

INVOCATION

The Invocation was given by Vice Mayor Gary P. Miller, followed by the Pledge of Allegiance.

COMMUNICATIONS FROM VISITORS

Mayor Jones recognized Mary Foley, 145 Sutherlin Avenue who spoke on behalf of Sacred Heart School and Church about the Madonna Icon that hangs above the school. Mrs. Foley noted in 2008, it was moved to Sacred Heart Campus. When it was moved, Power Signs bought all the bulbs for it; it has been almost 20 years and the bulbs are nearly gone. In order to preserve it, it needs to be rewired, and all sockets replaced with new LED bulbs; the estimated cost was between $15,000 and $20,000. #Giving Tuesday, the National Day of Giving, was the Tuesday after Thanksgiving; this year it was November 30th. As part of Giving Tuesday, Sacred Heart was asking citizens to help them raise $20,000 to help preserve the sign. Mrs. Foley noted she would post a link on River City TV's Facebook post for "I Give Catholic" or citizens can go to Sacred Heart School or Church's website or Facebook page, to find the link. Council Members thanked Mrs. Foley for appearing before Council.

Mayor Jones recognized Mark Holland, 204 Virginia Avenue who spoke to Council regarding the lack of paint on the pavement in the Schoolfield area. There were a couple communities that were affected by the lack of paint, people who were walking and riding trying to be healthy. There were also people who had to walk to get to the stores; in that area there were no crosswalks west of Magnolia, and there were no crosswalks at any of the bus stops. Mr. Holland stated he also thought it was a problem that there were no parking spaces painted in that area of the City. Mayor Jones noted he would discuss this with the City Manager.

Mayor Jones recognized Lieutenants Antonio and Shawnte Hodges, 123 Henry Street, from the Salvation Army who appeared before Council to ask for the support of Council and leadership during the Holiday season. Shawnte Hodges explained the funds they raise during the kettle season was for the whole year, in support of all their programs, such as summer camp for children, rent and utility assistance and feeding programs. Mrs. Hodges asked for the support of the community to help serve the City of Danville. They will be serving Thanksgiving Dinner from 11:00 a.m. to 1:00 pm; Mayor Jones thanked the Hodges for what they do.

Mayor Jones recognized William Griffith, 935 Green Street, who appeared before Council regarding 937-939 Green Street and asked City Council to exercise their oversight and cancel or hold the sale of that property. The expert opinion that was commissioned stated that property would be prohibitively expensive to rehabilitate. Mr. Griffith noted this house has been on a merry go round of being sold and then returned because buyers quickly realized the house was too expensive to renovate properly. That same expert opinion cited that in rare cases removing a home was actually more of an improvement to the neighborhood than keeping and restoring it. It was concerning to him and understood the City Manager was trying to seek solutions for the community and the City, but these actions do not benefit the entire City but only a select few.

MEETING MINUTES

Upon **Motion** by Council Member Buckner and **second** by Council Member Campbell, Minutes from the Regular Council Meeting held on October 19, 2021, were approved as presented. Draft copies of the minutes had been distributed prior to the meeting.

NEW BUSINESS

REVIEW OF GENERAL FUND FINANCIAL STATEMENTS AS OF OCTOBER 31, 2021

Director of Finance Michael Adkins reviewed the General Fund results through October 31, 2021 which was 33% of the fiscal year complete. Revenues were about $27M, tracking well with budget, and showed an increase of about $1.8M over last year. The sources for the increase related to the collection of delinquent real estate taxes of about $470,000 which was 45% of budget at this point, as well as local consumer taxes which were nearly $900,000 over the prior year. Local Consumer Taxes were predominantly made up of sales tax which was set to outpace budget, currently 35% of budget with 33% of the year complete, and $260,000 more than last year. Meals tax was the most significant item in the local tax category, currently at 38% of budget with $557,000 over last year. Lodging taxes were also performing well at about 48% of budget and $178,000 over last year. Other revenues such as state and federal revenues were on target with projections at this time.

Expenditures were also tracking well with budget; Departmental Spending was at 30% of budget, about 3% under budget at this time. Non Departmental Expenses, which was primarily the Group Health Insurance, was currently at 31.5%, trailing budget. The only significant change in the expenditures had to do with the timing of funding sent to Danville Public Schools. This year they were back to in school instruction as opposed to virtual learning; that was more costly this year with the related auxiliary services as well. It takes the schools a few months of operation each school year in order to start drawing down state funds, often they use the local funding first.

Mr. Adkins noted the City's bond issuance was scheduled to occur very soon; all three of the credit rating agencies, Moody's, S&P and Fitch, affirmed the City's AA credit rating once again. They emphasized the City's stable financial position, and were very complimentary of Economic Development and Tourism projects on the horizon. Mr. Adkins stated when the City starts to see that impact the finances, they will be in a position for a credit upgrade in the future. The General Obligation Bonds the City traditionally issued each year will be put out to bid tomorrow and he will tell Council the interest rate at his next report. In addition, the City's audit report was scheduled to be presented at the December 21st work session; the audit was just about complete and currently there were no material changes to the numbers he presented for June 30th.

APPROVING A MORAL OBLIGATION WITH VIRGINIA COMMUNITY CAPITAL FOR CONSTRUCTION OF A SHELL BUILDING

Council Member Buckner **moved** for adoption of a Resolution entitled:

RESOLUTION NO. 2021-11.03

APPROVING AND AUTHORIZING THE EXECUTION OF A MORAL OBLIGATION AGREEMENT BY AND BETWEEN THE CITY OF DANVILLE, VIRGINIA AND VIRGINIA COMMUNITY CAPITAL, A VIRGINIA BANKING CORPORATION

The Motion was **seconded** by Council Member Mayo and carried by the following vote:

VOTE:	8-0-1
AYE:	Buckner, Campbell, Hood, Jones, Mayo, Miller, Saunders, and Whittle (8)
NAY:	None
ABSENT:	Vogler (1)

COMMUNICATIONS

City Manager Ken Larking noted Parks & Recreation had developed conceptual plans for Doyle Thomas Park and Ballou Park as possible locations for splashpads, and will be coming to a work session to share that information with Council. The Budget included about $1M for each splashpad. Depending on the topography, location and existing infrastructure at each location, the amount of amenities that can be placed on those sites with that $1M will be slightly different. Mr. Larking stated Parks & Recreation also plans to engage with the community with regard to Youth Athletics. Youth Athletics throughout the country has declined recently; little league and soccer programs have declined because children were doing other things. They wanted to engage with citizens to make sure they have a program that makes sense for the community.

City Attorney Clarke Whitfield noted he will be bringing forward ordinances to institute the new tax that was passed by the citizens, an ordinance moving the elections from May to November and also a resolution dealing with the opioid settlement.

There were no communications from the Deputy City Manager or City Clerk.

Council Member Mayo noted the Kettle Drive going on with the Salvation Army takes place every year, and thanked the Lieutenants for coming to Council tonight; it benefits so many in the community. With regard to the Madonna being shown every year, he was glad to see that was going to carry on, and what needs to happen to make that happen. Mr. Mayo congratulated Kelly Cunningham for the fashion show she had.

Vice Mayor Miller noted he attended the dedication at DCC with other Council Members for the new welding center, an $18M investment; it was a great event, it was workforce training for the community. They train men and women for not only machinists, but automotive technicians, and welders for local industries; it was first rate facility. Dr. Miller gave a shout out to Reverend Cecil Bridgeforth, he was admitted to the hospital today and wanted everyone to pray for him for a speedy recovery; he has brought many issues to Council, and was champion for people all over the City. Dr. Miller encouraged citizens to get their vaccines.

Council Member Saunders noted he sends his prayers to Reverend Bridgeforth and his family and noted his congratulations to DCC on the dedication of the welding center, providing training for industry jobs.

Council Member Vogler apologized for entering the meeting late, he was at his son's football playoff game, they had a great group of young men on the team.

Council Member Buckner thanked everyone that came out to the Bright Leaf Brew Fest this past weekend, it was a great event.

Council Member Campbell noted he spoke with Reverend Bridgeforth's son this afternoon and they would be praying for Reverend Bridgeforth. Reverend Campbell commended the City Manager for the initiative for youth sports for the children of Danville, wished everyone a blessed, safe and Happy Thanksgiving, and encouraged everyone to get their vaccine.

Mayor Jones noted there were a number of ribbon cuttings going on in the community, the one at DCC yesterday; this past Friday, Kelly Cunningham's beautiful facility Fashion Haus, they did a great job. Tomorrow there will be another ribbon cutting at Soul of the Sea, a new seafood restaurant and next Monday will be the Lazy Bee Bar and Grill having their ribbon cutting. Mayor Jones noted his appreciation of City Staff, all city employees and encouraged citizens to find someone to be kind to this week.

ADJOURNED: 7:45P.M.

APPROVED:

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MAYOR

ATTEST:

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CITY CLERK

DRAFT

Council Letter
City of Danville, Virginia

CL-2659 **Consent Agenda C.**

City Council Regular Meeting

Meeting Date: 12/21/2021

Subject: Fiscal Year 2022 Budget Appropriation Ordinance for Capital and Special Projects

From: Henrietta Weaver, Accountant

COUNCIL ACTION

First Reading: 12/07/2021
Final Adoption: 12/21/2021

SUMMARY

The City Council has authorized the issuance of General Obligation Bonds to fund various projects as specified in the Fiscal Year 2022 Capital Improvements & Special Projects Plan.

BACKGROUND

The City's Fiscal Year 2022 Capital & Special Projects Plan includes funding in the amount of $8,924,660 for General Fund projects. The attached ordinance is a flexible ordinance providing for posting of issuance costs and refinancing of previous bonds to be determined upon the issuance of the bonds.

RECOMMENDATION

It is recommended that the City Council adopt the attached ordinance Amending the Fiscal Year 2022 Budget Appropriation Ordinance for Capital and Special Projects.

Attachments

Ordinance

PRESENTED: ______________________

ADOPTED: ______________________

ORDINANCE NO. 2021___.___

AN ORDINANCE AMENDING THE FISCAL YEAR 2022 BUDGET APPROPRIATION ORDINANCE BY ANTICIPATING THE PROCEEDS FROM THE ISSUANCE OF BONDS AND APPROPRIATING SAME FOR ANTICIPATED EXPENDITURES.

WHEREAS, the City Council has authorized the issuance of general obligation bonds to finance various capital projects; and

WHEREAS, City Council desires to appropriate the proceeds to fund the various projects including fire apparatus purchase, various street and building improvements, elevator and roof replacements, emergency generator purchase, park facility improvements, and estimated bond issuance costs.

NOW THEREFORE, BE IT ORDAINED, by the Council of the City of Danville, Virginia, that the Fiscal Year 2022 Budget Appropriation Ordinance be, and it is hereby, amended by appropriating funds from the sale bonds as follows:

REVENUES

Description	Account No.	Amount
Capital Project Fund:		
Computer Plan	60016000-43021	214,000
Enterprise Resource Planning Enhancements & Upgrades	60016000-43021	186,950
Public Safety Replacement Project	61650000-43021	100,000
Tasers & BWCs (5-yr Contract)	61347000-43021	161,960
Close Circuit Television System Expansion	61436000-43021	35,000
Fire Apparatus and Equipment Replacement Plan	60184000-43021	410,270
General Street Improvements	60000067-43021	200,000
Memorial Drive Improvements	61727000-43021	500,000
Stormwater Improvements	60022000-43021	200,000
Riverside Drive Reconstruction	To be determined	500,000
New Sidewalk - Audubon Drive	61675000-43021	78,820
Elevator Replacement	60000437-43021	275,000
Emergency Generators	60000126-43021	400,000
General Maintenance of Buildings & Grounds	60027000-43021	250,000

HVAC Replacement	60000120-43021	275,000
Roof Replacement - City Buildings	60000119-43021	400,000
City-Owned Parking Lots	61512000-43021	100,000
Interior Paint-City-Owned Buildings	61598000-43021	100,000
Exterior Painting-City-Owned Buildings	61513000-43021	100,000
Municipal Bldg & Courthouse Renovations	61676000-43021	200,000
Facility Improvements	60901000-43021	100,000
Park Improvements	60902000-43021	190,000
Parks Paving Projects	61076000-43021	100,000
City Auditorium Improvements	61603000-43021	150,000
Rehab Runway 13/31 & Narrow by 60'	61604000-43021	3,065,000
Terminal Building Renovations	61658000-43021	632,660
Total Revenues		8,924,660

EXPENDITURES

Description	Account No.	Amount
Capital Project Fund:		
Computer Plan	60016999-50	214,000
Enterprise Resource Planning Enhancements & Upgrades	60016999-50	186,950
Public Safety Replacement Project	61650999-50	100,000
Tasers & BWCs (5-yr Contract)	61347999-50	161,960
Close Circuit Television System Expansion	61436999-50	35,000
Fire Apparatus and Equipment Replacement Plan	60184999-50	410,270
General Street Improvements	60000067-6999	200,000
Memorial Drive Improvements	61727999-50	500,000
Stormwater Improvements	60022999-50	200,000
Riverside Drive Reconstruction	To be determined	500,000
New Sidewalk - Audubon Drive	61675999-50	78,820
Elevator Replacement	60000437-6999	275,000
Emergency Generators	60000126-6999	400,000
General Maintenance of Buildings & Grounds	60027999-50	250,000
HVAC Replacement	60000120-6999	275,000
Roof Replacement - City Buildings	60000119-6999	400,000
City-Owned Parking Lots	61512999-50	100,000
Interior Paint-City-Owned Buildings	61598999-50	100,000
Exterior Painting-City-Owned Buildings	61513999-50	100,000
Municipal Bldg & Courthouse Renovations	61676999-50	200,000
Facility Improvements	60901999-50	100,000
Park Improvements	60902999-50	190,000
Parks Paving Projects	61076999-50	100,000
City Auditorium Improvements	61603999-50	150,000

Rehab Runway 13/31 & Narrow by 60'	61604999-50	3,065,000
Terminal Building Renovations	61658999-50	632,660
Total Expenditures		8,924,660

BE IT FURTHER ORDAINED, that this is a flexible appropriation as related to refinancing of existing bonds and issuance costs, both to be determined when the bonds are issued; and

BE IT FINALLY ORDAINED, that all other accounts and provisions of the Fiscal Year 2022 Budget Appropriation Ordinance, as amended, not hereby amended, shall continue in full force and effect unless and until hereafter further amended or repealed.

APPROVED:

____
Mayor

ATTEST:

____
City Clerk

APPROVED AS TO
FORM AND LEGAL SUFFICIENCY:

____
City Attorney

Council Letter
City of Danville, Virginia

CL-2672 **Old Business A.**

City Council Regular Meeting

Meeting Date: 12/21/2021

Subject: Imposing a General Local Sales Tax and Local Use Tax at a rate of 1% solely for Construction or Renovation of City Schools

From: W. Clarke Whitfield, Jr., City Attorney

COUNCIL ACTION

First Reading: 12/07/2021
Final Adoption: 12/21/2021

SUMMARY

The referendum election was held on November 2, 2021 on whether the City of Danville be authorized to levy a general retail sales tax at a rate not to exceed one percent (1%), provided the revenue from the sales tax be used solely for capital projects for the construction or renovation of schools in the City of Danville. It passed with 7,515 citizens voting YES and 4,921 citizens voting NO. The Danville Circuit Court Ordered that the City Council of the City of Danville, Virginia, is empowered to levy a general retail sales tax at a rate not to exceed one percent (1%), provided the revenue from the sales tax shall be used solely for capital projects for the construction or renovation of schools in the City of Danville and that the sales tax shall expire by May 31, 2041.

Virginia Code section 58.1-606.1 authorizes the City of Danville as a “qualifying locality” to impose a one percent (1%) use tax provided the revenue from the sales tax shall be used solely for capital projects for the construction or renovation of schools in City of Danville and that the sales tax shall expire by May 31, 2041. The local use tax authorized by this section applies to tangible personal property purchased outside the Commonwealth for use or consumption within the City, or stored within the City for use or consumption, where the property would have been subject to the sales tax if it had been purchased within the Commonwealth. The local use tax shall also apply to leases or rentals of tangible personal property where the place of business of the lessor is outside the Commonwealth and such leases or rentals are subject to the state tax. Moreover, the local use tax shall apply in all cases in which the state use tax applies.

BACKGROUND

The 2019 Session of the General Assembly passed HB 1634 which authorized Halifax County to impose an additional local sales and use tax at a rate not to exceed one percent (1%) if initiated by a resolution of the local governing body and approved by the voters at a referendum with the revenue from the tax used solely for capital projects for new construction or major renovation of schools in Halifax County. The 2020 Session of the General Assembly passed HB 486 which authorized Henry County, Northampton County, Patrick County, Pittsylvania County, and the City of Danville to also impose an additional local sales and use tax at a rate not to exceed one percent (1%) if initiated by a resolution of the local governing body and approved by the voters at a referendum. Revenue from the tax shall be used solely for capital projects for new construction or major renovation of schools in the locality enacting the tax. The bill requires the governing body to specify in the enacting ordinance the time period, not to exceed 20 years after the date of the resolution passed.

RECOMMENDATION

City Staff recommends City Council approve a resolution to impose an additional general Local Sales Tax at a rate of one percent (1%) and a resolution to impose a Local Use Tax at a rate of one percent (1%) with the revenues received therefrom to be used solely for the construction or renovation of schools in the City of Danville.

Attachments

Ordinance-General Retail Sales Tax

Ordinance-Local Use Tax

PRESENTED: ____________________

ADOPTED: _____________________

ORDINANCE NO. 2021-____.____

AN ORDINANCE AMENDING AND REORDAINING CERTAIN SECTIONS OF CHAPTER 37, ENTITLED “TAXATION,” OF THE CODE OF THE CITY OF DANVILLE, VIRGINIA, BY CREATING A NEW ARTICLE XIII, ENTITLED “IMPOSITION OF ADDITIONAL SALES AND LOCAL USE TAX; USE OF REVENUES FOR CONSTRUCTION OR RENOVATION OF SCHOOLS” AND ADDING A NEW SECTION §37-185, ENTITLED “IMPOSITION OF ADDITIONAL SALES TAX; USE OF REVENUES FOR CONSTRUCTION OR RENOVATION OF SCHOOLS”.

WHEREAS, Virginia Code § 58.1-605.1 permits The City of Danville to impose an additional general retail sales tax with revenues received therefrom to be used solely for the construction or renovation of schools in the City of Danville; and

WHEREAS, a referendum to authorize the imposition of such additional tax was held on November 2, 2021 resulting in a majority of voters electing to authorize the City Council of the City of Danville, Virginia, to impose such an additional retail sales tax; and

WHEREAS, the Circuit Court for The City of Danville, Virginia has issued its Final Order authorizing the imposition of such an additional retail sales tax in accordance with the provisions of Section 58.1-605.1 of the Code of Virginia, 1950, as amended; and

WHEREAS, the City Council of The City of Danville finds that it is in the best interests of the City of Danville, Virginia, to amend Chapter 37, entitled “Taxation”, by creating a new Article XIII, entitled “Imposition of Additional Sales and Local Use Tax; Use of Revenues for Construction or Renovation of Schools” in the Code of the City of Danville; and

WHEREAS, this Ordinance has been advertised as required by Virginia Code § 58.1-3007 and has undergone a properly advertised public hearing by City Council.

NOW THEREFORE, BE IT ORDAINED, by the Council of the City of Danville, Virginia, that a new Article XIII, entitled “Imposition of Additional Sales and Local Use Tax; Use of Revenues for Construction or Renovation of Schools”, of the Code of the City of Danville, Virginia is hereby enacted; and

BE IT FURTHER ORDAINED, that a new Section 37-185 entitled "Imposition of Additional Sales Tax; Use of Revenues for Construction or Renovation of Schools" is hereby enacted as attached hereto and made a part hereof as if fully set out herein; and

BE IT FURTHER ORDAINED, that the recitals to this Ordinance are hereby incorporated by reference and are declared to be findings of City Council in connection with the adoption of this Ordinance; and

BE IT FURTHER ORDAINED, that this Ordinance shall become effective on July 1, 2022, which date is more than 120 days following the adoption of this Ordinance and is the first day of the third calendar quarter of the year; and

BE IT FURTHER ORDAINED, that a certified copy of this Ordinance shall be forwarded to the Tax Commissioner so that it will be received within five days of its adoption; and

BE IT FINALLY ORDAINED, that all other provisions and Sections of said, Chapter and Code be, and the same are hereby, continued in full force and effect unless and until the same are hereafter amended or repealed.

Passed and adopted by City Council of the City of Danville, Virginia this 21st day of December, 2021.

APPROVED:

____
Mayor

ATTEST:

____
Clerk

Approved as to Form and
Legal Sufficiency:

____
City Attorney

ARTICLE XIII. - IMPOSITION OF ADDITIONAL SALES AND LOCAL USE TAX; USE OF REVENUES FOR CONSTRUCTION OR RENOVATION OF SCHOOLS

Sec. 37-185. – Imposition of Additional Sales Tax; Use of Revenues for Construction or Renovation of Schools.

(a) In addition to the sales tax authorized in accordance with Chapter 37 there is hereby imposed an additional general retail sales tax, at a rate of one percent (1%), to provide revenue solely for the construction or renovation of schools, pursuant to Code of Virginia, § 58.1-605.1.

(b) The additional general retail sales tax imposed pursuant to this section shall be administered and collected by the state tax commissioner in accordance with the provisions of Section 58.1-605.1 of the Code of Virginia (1950, as amended).

(c) This additional general retail sales tax shall expire on May 31, 2041.

State Law reference— Code of Virginia, § 58.1-605.1.

PRESENTED: ____________________

ADOPTED: ______________________

ORDINANCE NO. 2021-____.____

AN ORDINANCE AMENDING AND REORDAINING CERTAIN SECTIONS OF CHAPTER 37, ENTITLED "TAXATION," OF THE CODE OF THE CITY OF DANVILLE, VIRGINIA, BY AMENDING ARTICLE XIII, ENTITLED "IMPOSITION OF ADDITIONAL SALES AND LOCAL USE TAX; USE OF REVENUES FOR CONSTRUCTION OR RENOVATION OF SCHOOLS" BY ADDING A NEW § 37-186, ENTITLED "IMPOSITION OF ADDITIONAL LOCAL USE TAX; USE OF REVENUES FOR CONSTRUCTION OR RENOVATION OF SCHOOLS".

WHEREAS, the City Council of the City of Danville has adopted an additional general retail sales tax pursuant to Virginia Code § 58.1-605.1; and

WHEREAS, Virginia Code § 58.1-606.1 permits the City of Danville to impose a local use tax with revenues received therefrom to be used solely for the construction or renovation of schools in the City of Danville; and

WHEREAS, City Council of the City of Danville finds that it is in the best interests of the City of Danville, Virginia to amend Chapter 37, entitled "Taxation", Article XIII, entitled "Imposition of Additional Sales and Local Use Tax; Use of Revenues for Construction or Renovation of Schools" by adding a new Section 37-186, of the Code of the City of Danville entitled "Imposition of Additional Local Use Tax; Use of Revenues for Construction or Renovations of Schools"; and

WHEREAS, this Ordinance has been advertised as required by Virginia Code § 58.1-3007 and has undergone a properly advertised public hearing by City Council.

NOW THEREFORE, BE IT ORDAINED, by the Council of the City of Danville, Virginia, that Article XIII, entitled "Imposition of Additional Sales and Local Use Tax; Use of Revenues for Construction or Renovation of Schools", of the Code of the City of Danville, Virginia is hereby amended by adding a new Section 37-186, entitled "Imposition of Additional Local Use Tax; Use of Revenues for Construction or Renovations of Schools" enacted as attached hereto and made a part hereof as if fully set out herein; and

BE IT FURTHER ORDAINED, that the recitals to this Ordinance are hereby incorporated by reference and are declared to be findings of City Council in connection with the adoption of this Ordinance; and

BE IT FURTHER ORDAINED, that this Ordinance shall become effective on July 1, 2022, which date is more than 120 days following the adoption of this Ordinance and is the first day of the third calendar quarter of the year; and

BE IT FURTHER ORDAINED, that a certified copy of this Ordinance shall be forwarded to the Tax Commissioner so that it will be received within five days of its adoption; and

BE IT FINALLY ORDAINED, that all other provisions and Sections of said Article, Chapter and Code be, and the same are hereby, continued in full force and effect unless and until the same are hereafter amended or repealed.

Passed and adopted by City Council of the City of Danville, Virginia this 21st day of December, 2021.

APPROVED:

____
Mayor

ATTEST:

____
Clerk

Approved as to Form and
Legal Sufficiency:

____
City Attorney

ARTICLE XIII. - IMPOSITION OF ADDITIONAL SALES AND LOCAL USE TAX; USE OF REVENUES FOR CONSTRUCTION OR RENOVATION OF SCHOOLS

Sec. 37-186. – Imposition of Additional Local Use Tax; Use of Revenues for Construction or Renovation of Schools.

(a) In addition to the sales tax authorized in accordance with Chapter 37, there is hereby imposed an additional local use tax, at a rate of one percent (1%), to provide revenue solely for the construction or renovation of schools, pursuant to Code of Virginia, § 58.1-606.1.

(b) The additional local use tax imposed pursuant to this section shall be administered and collected by the state Tax Commissioner in the same manner and subject to the same exemptions and penalties as provided for the state use tax in accordance with the provisions of Section 58.1-606.1 of the Code of Virginia (1950, as amended).

(c) This additional local use tax shall expire on May 31, 2041.

State Law reference— Code of Virginia, § 58.1-605.1 & § 58.1-606.1

Council Letter
City of Danville, Virginia

CL-2688 **Appointments A.**

City Council Regular Meeting

Meeting Date: 12/21/2021

Subject: Appointments to Boards and Commissions

From: Susan M. DeMasi, City Clerk

COUNCIL ACTION

Business Meeting: 12/21/2021

SUMMARY

Consideration of Appointments to the Following Boards and Commissions.
Council Letter Number CL - 2688.

1. Building Code Board of Appeals
2. Employee Retirement System
3. Fair Housing Board
4. Planning Commission

Attachments

Resolutions

PRESENTED: ____________________

ADOPTED: _______________

RESOLUTION NO. 2021 - __ . ___

A RESOLUTION REAPPOINTING LAWRENCE MEDER AS A MEMBER OF THE BUILDING CODE BOARD OF APPEALS.

BE IT RESOLVED by the Council of the City of Danville, Virginia, that Lawrence Meder be, and he is hereby reappointed as a member of the Building Code Board of Appeals to serve as such for a three-year term commencing January 1, 2022 and ending December 31, 2024.

APPROVED:

____
MAYOR

ATTEST:

____
CITY CLERK

PRESENTED: ____________________

ADOPTED: ______________

RESOLUTION NO. 2021 - __ . ___

A RESOLUTION REAPPOINTING SAMUEL S. THOMAS AS A MEMBER OF THE BUILDING CODE BOARD OF APPEALS.

BE IT RESOLVED by the Council of the City of Danville, Virginia, that Samuel Thomas be, and he is hereby reappointed as a member of the Building Code Board of Appeals to serve as such for a three-year term commencing January 1, 2022 and ending December 31, 2024.

APPROVED:

____

MAYOR

ATTEST:

____

CITY CLERK

PRESENTED: ____________________

ADOPTED: _______________

RESOLUTION NO. 2021 - __ . ___

A RESOLUTION APPOINTING HELM DOBBINS AS A MEMBER OF THE EMPLOYEE RETIREMENT SYSTEM BOARD OF TRUSTEES.

BE IT RESOLVED by the Council of the City of Danville, Virginia, that Helm Dobbins be, and he is hereby appointed as a member of the Employee Retirement System Board of Trustees to serve as such for a two-year term commencing January 1, 2022 and ending December 31, 2023.

APPROVED:

____
MAYOR

ATTEST:

____
CITY CLERK

PRESENTED: ____________________

ADOPTED: _______________

RESOLUTION NO. 2021 - __ . ___

A RESOLUTION REAPPOINTING MATTHEW BAILEY AS A MEMBER OF THE FAIR HOUSING BOARD.

BE IT RESOLVED by the Council of the City of Danville, Virginia, that Matthew Bailey be, and he is hereby reappointed as a member of the Fair Housing Board to serve as such for a three-year term commencing January 1, 2022 and ending December 31, 2024.

APPROVED:

____
MAYOR

ATTEST:

____
CITY CLERK

PRESENTED: ____________________

ADOPTED: _______________

RESOLUTION NO. 2021 - __ . ___

A RESOLUTION REAPPOINTING MANUEL DODSON AS A MEMBER OF THE PLANNING COMMISSION.

BE IT RESOLVED by the Council of the City of Danville, Virginia, that Manuel Dodson be, and he is hereby reappointed as a member of the Planning Commission to serve as such for a four-year term commencing January 1, 2022 and ending December 31, 2025.

APPROVED:

____
MAYOR

ATTEST:

____
CITY CLERK

PRESENTED: ____________________

ADOPTED: _______________

RESOLUTION NO. 2021 - __ . ___

A RESOLUTION REAPPOINTING ROBERT S. PETRICK AS A MEMBER OF THE PLANNING COMMISSION.

BE IT RESOLVED by the Council of the City of Danville, Virginia, that Robert S. Petrick be, and he is hereby reappointed as a member of the Planning Commission to serve as such for a four-year term commencing January 1, 2022 and ending December 31, 2025.

APPROVED:

____
MAYOR

ATTEST:

____
CITY CLERK

Council Letter
City of Danville, Virginia

CL-2633 **New Business A.**

City Council Regular Meeting

Meeting Date: 12/21/2021

Subject: General Fund Monthly Financial Report

From: Michael Adkins, Director of Finance

COUNCIL ACTION

Business Meeting: 12/21/2021

SUMMARY

A brief summary of General Fund financial results through November 30, 2021, will be given. Financial statements are included.

Attachments

Financial Statements

City of Danville
Department of Finance
Michael Adkins, Director

To: Ken F. Larking, City Manager

From: Michael L. Adkins, Chief Financial Officer

Date: December 10, 2021

Subject: Summary of Preliminary General Fund Financial Results for November 30, 2021

After completing the first five months of the new fiscal year, revenues are performing well and are exceeding the previous year. As of November 30, General Fund revenues were $43,847,194 This represents 38% of our FY 2022 budget. Last year, at this time, we had collected $38,632,297 or 34.6% of budget.

We continue to see steady performance in the collection of delinquent real estate taxes this year with $514,620 realized in the first five months of this fiscal year. This accounts for 48.6% of the current year budget. Tax bills for FY 2022 were mailed last month and due December 6; however, many payments were received in November this year, creating a $2 million positive timing variance compared to FY 2021. Local consumer taxes collected through November 30 were $10,966,420 or 37.7% of budget. This exceeds FY 2021 collections by $1,453,493. Sales tax collections through November amounted to $4,431,747 or 43.8% of budget, an increase of $366,341 from last year. Meals taxes collected for the first five months of the fiscal year amounted to $4,100,157 or 48.4% of budget, an increase of $812,103 from last year. Business Licenses realized at the end of November were $651,759 an increase of $42,966 from the prior year. Lodging taxes received as of November 30, were $948,283 or 62.7% of budget, an increase of $280,827 from the prior year. Local consumer taxes have rebounded beyond pre-pandemic levels. Nearly all other revenue categories are at or near the prior year and are tracking well with budget at this point.

Expenditures at November 30 were $59,510,018 or 47.9% of budget. This is an increase of $9.2 million when compared to November 30, 2020. The net increase is due to the budgeted increase in and timing of transfers to schools offset by a decrease in the transfers to other funds and a net increase in departmental expenditures. Danville Public Schools has been drawing down funds much more rapidly this year than last with the resumption of in-person instruction but will not exceed budgeted amounts. In addition, State funding for Schools has not yet been received, which has caused an increased use of local funds at present. Departmental expenditures at the end of November show an increase of $1,074,283 from last year. Most significantly, in the prior fiscal year we allocated one month of public safety salaries to CARES Act funding which amounted to approximately $1 million. Offsetting the increase in public safety is a decrease within community development related to debt service for the IDA. The IDA will be using proceeds from the sale of the Schoolfield property to cover debt service in FY 2022 and FY 2023.

Overall, General Fund expenditures exceeded revenues by $15,662,824 at November 30. Although this current imbalance is more than usual because of School funding, a deficit is typical for much of the fiscal year in the General Fund because the timing of the revenue recognition is not matched to expenditures. At this point, the General Fund is performing as expected.

CITY OF DANVILLE, VIRGINIA
GENERAL FUND REPORT
42% OF YEAR LAPSED AS OF NOVEMBER 30, 2021
PRE-CLOSING FIGURES - SUBJECT TO CHANGE - UNAUDITED

	Budgets & Appropriations For Current Year	Actual Revenues & Expenditures For Year-to-Date	Percent Realized/Expended This Year	Encumbrances	Balance to be Realized/Expended	Actual Revenues & Expenditures At This Date Last Year
REVENUES:						
Property Taxes	$ 35,212,000	$ 12,495,841	35.49%		$ 22,716,160	$ 9,894,745
Other Local Taxes	29,064,030	10,966,420	37.73%		18,097,610	9,512,927
License Permits & Privilege Fees	1,196,690	113,569	9.49%		1,083,121	96,190
Fines & Forfeitures	338,050	93,365	27.62%		244,685	104,057
Revenue From Use Money & Property	865,730	661,124	76.37%		204,606	424,926
Charges For Services	3,295,520	1,213,739	36.83%		2,081,781	1,353,952
Miscellaneous Revenue	306,170	104,676	34.19%		201,494	101,411
Recovered Cost	8,128,990	2,903,754	35.72%		5,225,236	3,019,567
Non-Categorical Aid	5,726,620	2,479,242	43.29%		3,247,378	2,661,920
Shared Expenses (Categ. Aid State)	5,260,160	2,270,906	43.17%		2,989,254	2,073,165
Categorical Aid (State)	9,587,440	3,215,483	33.54%		6,371,957	2,981,601
Emergency Services (Federal)	27,020	-	0.00%		27,020	-
Categorical Aid (Federal)	-	6,630			(6,630)	10,754
Transfers From Utilities/Cap Project	16,369,363	7,322,446	44.73%		9,046,917	6,397,083
TOTAL REVENUES	**$ 115,377,783**	**$ 43,847,194**	**38.00%**		**$ 71,530,589**	**$ 38,632,297**
EXPENDITURES:						
General Government Administration	$ 12,162,327	$ 5,527,119	45.44%	$ 188,857	$ 6,446,351	$ 5,029,495
Judicial Administration	7,546,002	3,167,741	41.98%	9,795	4,368,467	3,002,062
Public Safety	32,962,488	12,309,319	37.34%	470,745	20,182,424	11,619,181
Public Works	4,641,926	1,677,769	36.14%	166,531	2,797,626	1,721,161
Health, Education, Welfare & Soc. Svc.	9,358,540	2,763,092	29.52%	91,592	6,503,855	2,596,501
Parks, Recreation & Cultural	5,484,032	1,887,898	34.43%	121,137	3,474,998	1,709,046
Community Development	2,050,985	576,935	28.13%	318,648	1,155,402	1,158,144
Non-Departmental	12,718,960	5,436,201	42.74%	-	7,282,759	5,490,160
Transfer to Schools - Operating	33,606,300	24,494,109	72.89%	3,323,320	5,788,871	11,929,265
Transfer to Capital Projects	2,013,230	610,080	30.30%	-	1,403,150	3,655,040
Transfer to Other Funds	1,614,940	1,059,755	65.62%	-	555,185	2,421,240
TOTAL EXPENDITURES	**$ 124,159,732**	**$ 59,510,018**	**47.93%**	**$ 4,690,625**	**$ 59,959,088**	**$ 50,331,295**
Revenue over(under) Expenditures		$ (15,662,824)				$ (11,698,998)
FUND BALANCE:						
Beginning Fund Balance 07/01/2021		$ 47,090,495				$ 43,310,847
Revenue over(under) Expenditures		(15,662,824)				(11,698,998)
Ending Fund Balance 11/30/2021		**$ 31,427,671**				**$ 31,611,849**
Composition of Fund Balance:						
Reserved for Encumbrances/Designated Funds		$ 12,925,525				$ 10,214,633
Unassigned		18,502,147				21,397,216
TOTAL FUND BALANCE 11/30/2021		**$ 31,427,671**				**$ 31,611,849**

City of Danville, Virginia
Summary of Other Local Tax Revenues - PRE-CLOSING - UNAUDITED
For the period ending November 30, 2021

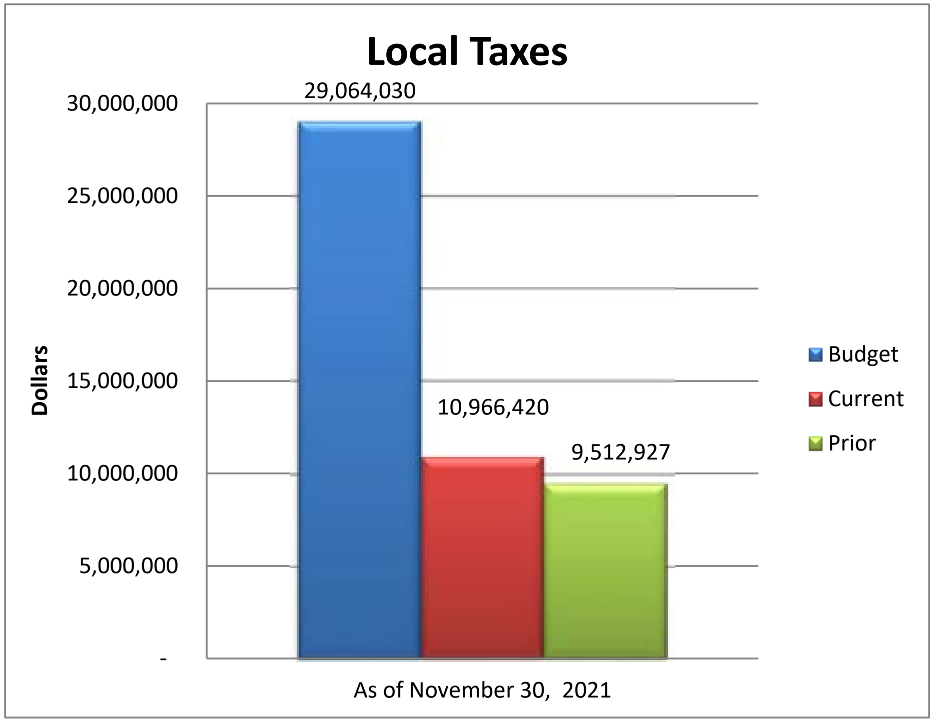
Description	Current Budget	Revenue Realized	Percentage Realized	Prior Year Budget	Prior Year Realized	Percentage Prior Year
Sales Tax	$ 10,115,880	$ 4,431,747	43.81%	$ 9,150,000	$ 4,065,406	44.43%
Business Licenses	5,450,000	651,759	11.96%	5,250,000	608,793	11.60%
Meals Tax	8,471,320	4,100,157	48.40%	8,645,000	3,288,054	38.03%
Utility Taxes	940,000	317,149	33.74%	967,000	372,316	38.50%
Vehicle License Fees	1,000,000	191,097	19.11%	990,000	176,528	17.83%
Bank Stock Tax	940,000	-	0.00%	900,000	-	0.00%
Recordation Tax	200,000	158,313	79.16%	180,000	181,479	100.82%
Hotel Motel Tax	1,511,630	948,283	62.73%	1,600,000	667,456	41.72%
Daily Property Rental Tax	13,200	7,979	60.45%	15,000	5,737	38.25%
Motor Vehicle Tax	162,000	88,048	54.35%	175,000	84,051	48.03%
DMV Fees	260,000	71,887	27.65%	245,000	63,107	25.76%
TOTAL	$ 29,064,030	$ 10,966,420	37.73%	$ 28,117,000	$ 9,512,927	33.83%

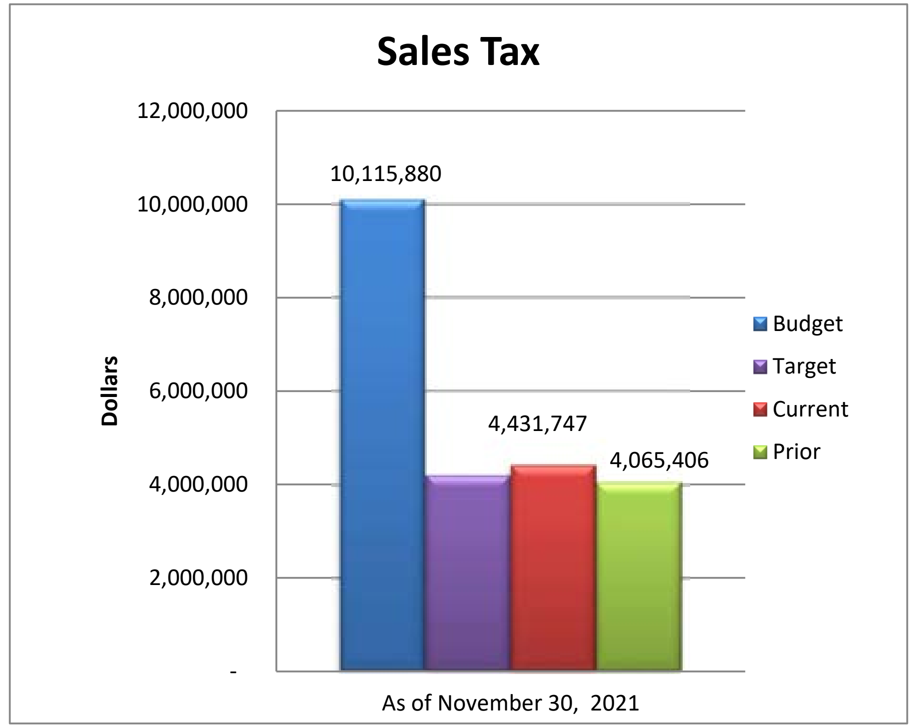
CITY OF DANVILLE, VIRGINIA
GENERAL FUND
COMPOSITION OF FUND BALANCE
PRELIMINARY - AS OF NOVEMBER 30, 2021

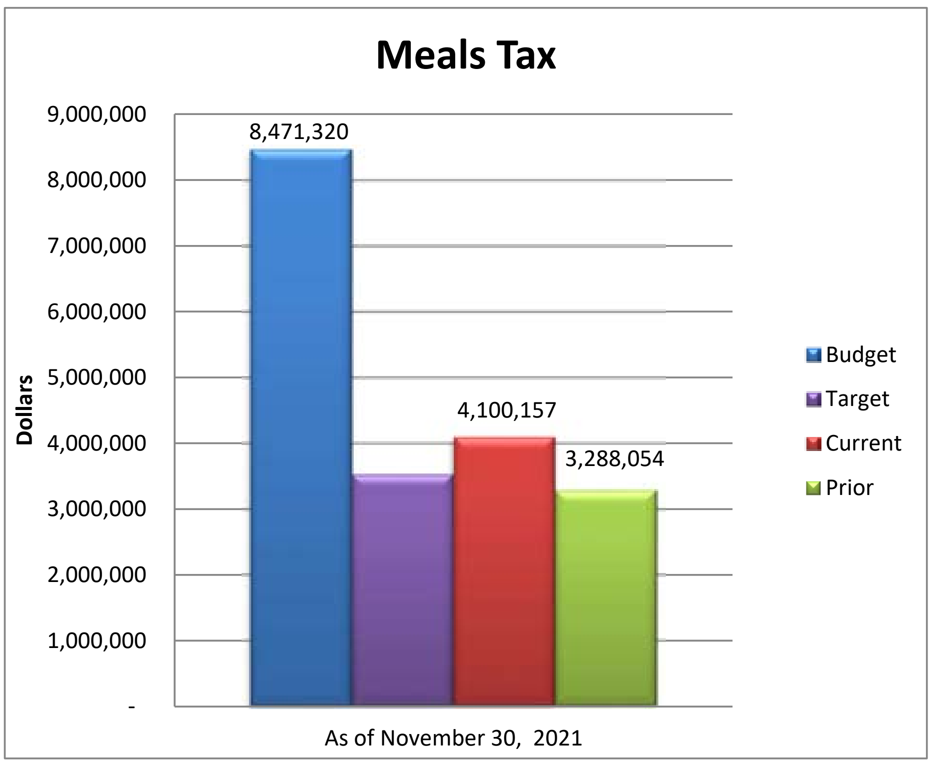
Beginning Total Fund Balance, July 1, 2021	47,090,495.25
Add: General Fund Revenues	43,847,194.03
Deduct: General Fund Expenditures	(59,510,018.10)
Ending Total Fund Balance, November 30, 2021	31,427,671.18

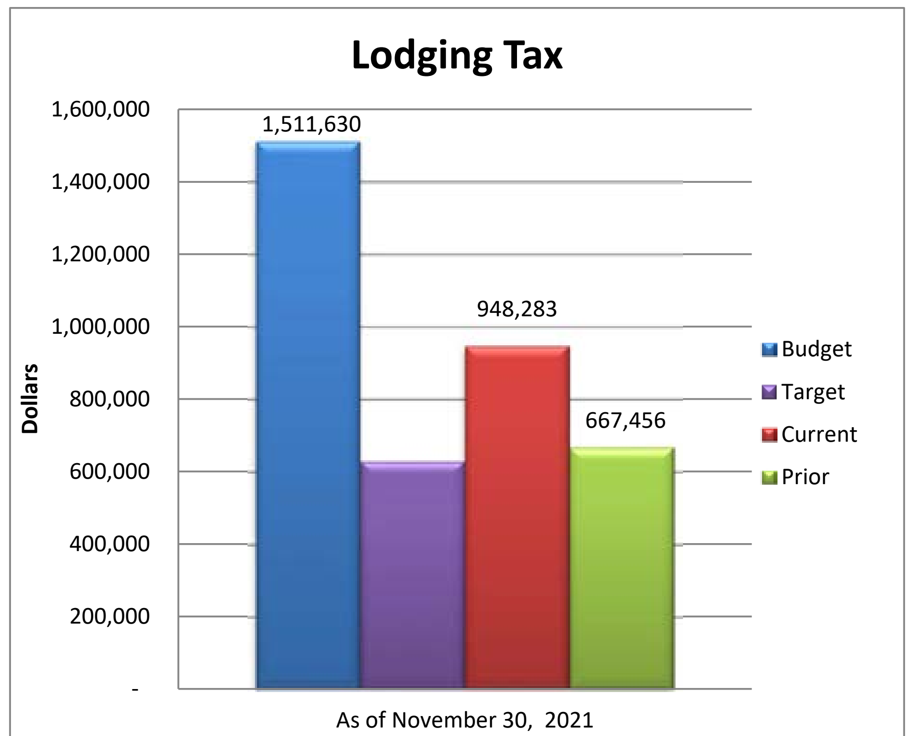
Composition of Fund Balance:	
Restricted for Commonwealth Attorney	102,056.79
Restricted for Police Department	33,612.66
Restricted for Fire Department	117,724.87
Committed for Sheriff's Department	115.34
Committed to Schools	4,143,427.05
Committed to Budget Stabilization	3,000,000.00
Assigned to Community Development	10,568.12
Assigned for Encumbrances	4,690,625.12
Nonspendable (Inventory and Prepaids)	827,394.60
UNASSIGNED	**18,502,146.63**
Total Fund Balance, November 30, 2021	31,427,671.18

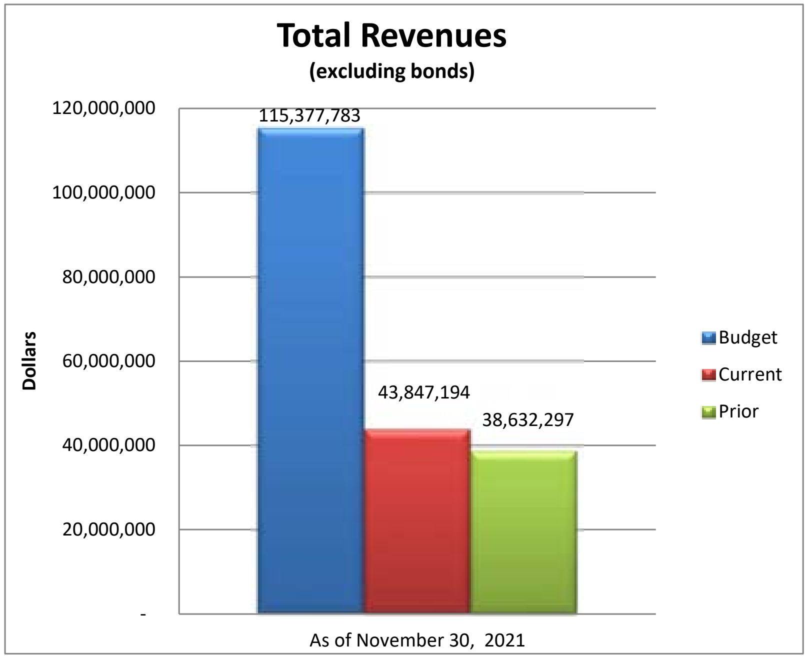
Unassigned fund balance from above	18,502,146.63
Unassigned Minimum per policy (20% of General Fund Operating Revenues) based on FY 2021 budget	23,075,556.59
Current surplus (deficit) over (under) minimum	(4,573,409.96)

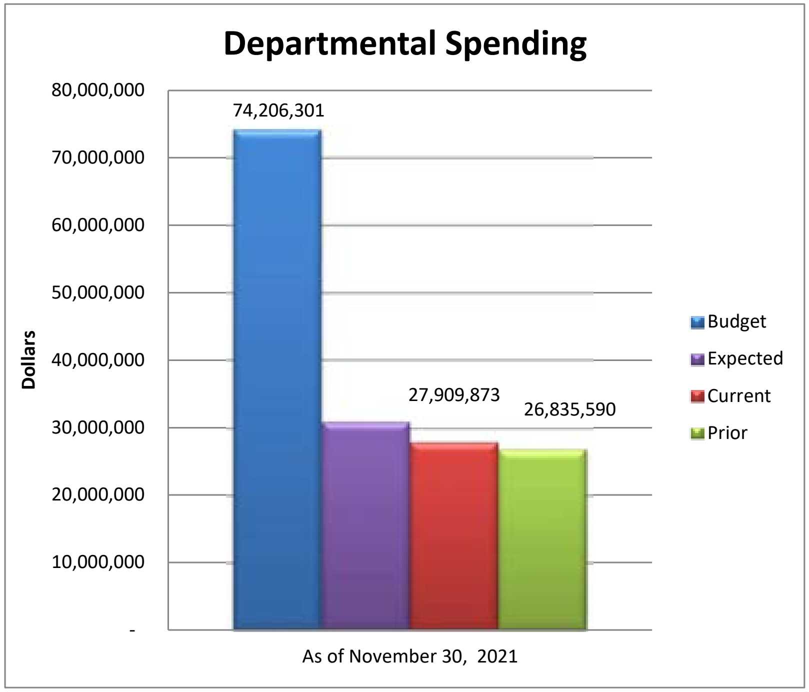

Local Taxes
30,000,000
25,000,000
20,000,000
15,000,000
10,000,000
5,000,000
-
Dollars
29,064,030
10,966,420
9,512,927
Budget
Current
Prior
As of November 30, 2021

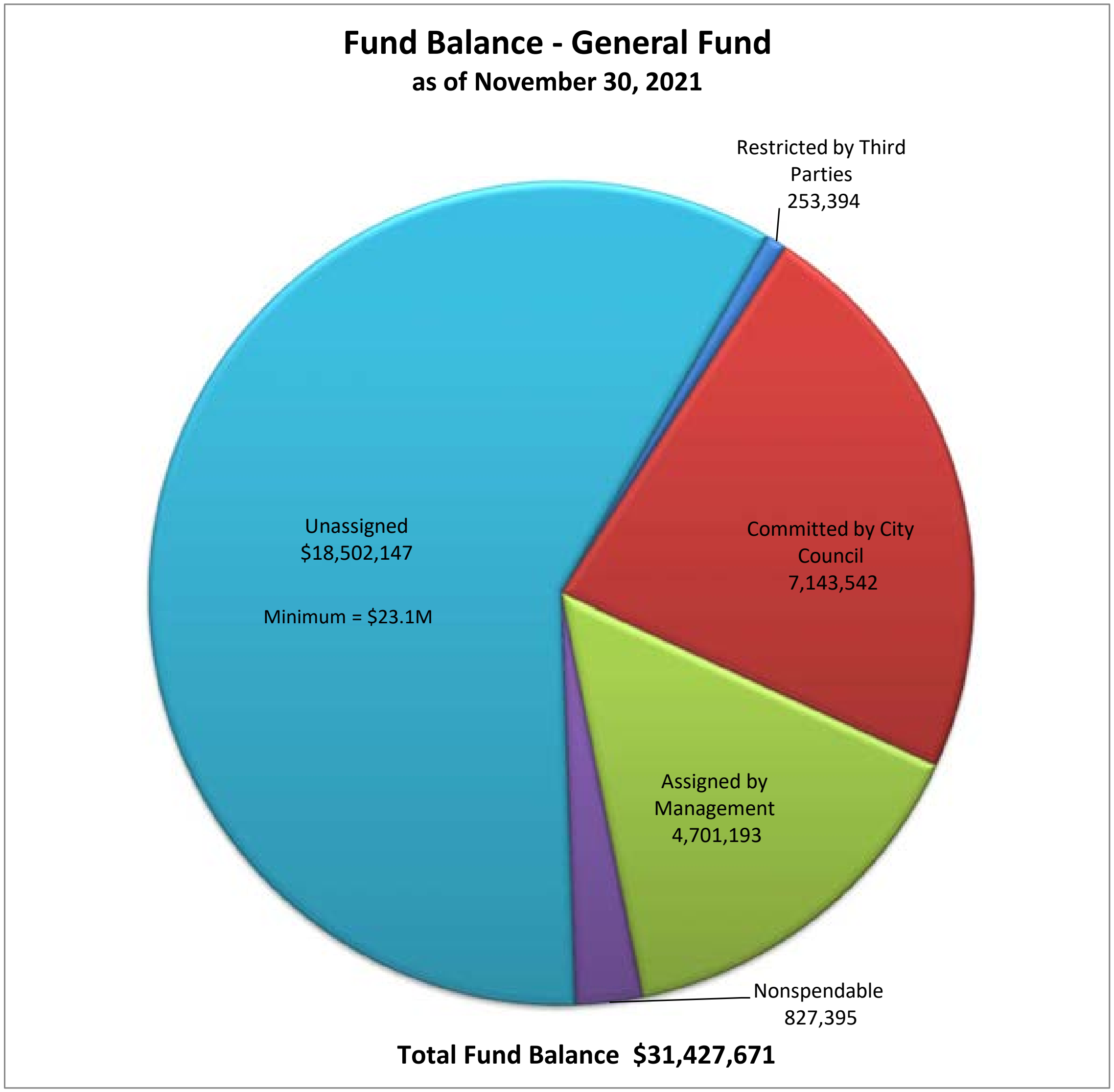

Sales Tax
12,000,000
10,000,000
8,000,000
6,000,000
4,000,000
2,000,000
-
Dollars
10,115,880
4,431,747
4,065,406
Budget
Target
Current
Prior
As of November 30, 2021


Meals Tax
9,000,000
8,000,000
7,000,000
6,000,000
5,000,000
4,000,000
3,000,000
2,000,000
1,000,000
-
Dollars
8,471,320
4,100,157
3,288,054
Budget
Target
Current
Prior
As of November 30, 2021


Lodging Tax
1,600,000
1,400,000
1,200,000
1,000,000
800,000
600,000
400,000
200,000
-
Dollars
1,511,630
948,283
667,456
Budget
Target
Current
Prior
As of November 30, 2021


Total Revenues
(excluding bonds)
120,000,000
100,000,000
80,000,000
60,000,000
40,000,000
20,000,000
-
Dollars
115,377,783
43,847,194
38,632,297
Budget
Current
Prior
As of November 30, 2021


Departmental Spending
80,000,000
70,000,000
60,000,000
50,000,000
40,000,000
30,000,000
20,000,000
10,000,000
-
Dollars
74,206,301
27,909,873
26,835,590
Budget
Expected
Current
Prior
As of November 30, 2021


Fund Balance - General Fund
as of November 30, 2021
Restricted by Third Parties
253,394
Unassigned
$18,502,147
Minimum = $23.1M
Committed by City Council
7,143,542
Assigned by Management
4,701,193
Nonspendable
827,395
Total Fund Balance $31,427,671

Council Letter
City of Danville, Virginia

CL-2675 **New Business B.**
City Council Regular Meeting
Meeting Date: 12/21/2021
Subject: Reimbursement Resolution - School Bonds
From: Michael Adkins, Director of Finance

COUNCIL ACTION
Business Meeting: 12/21/2021

SUMMARY
In November 2021, the citizens of Danville voted to approve the issuance of General Obligation Bonds for the purpose of funding school capital needs in an amount not to exceed $141 million. If expenditures are incurred for these capital projects before the bonds are issued and bond proceeds are received, the attached Reimbursement Resolution will allow the use of bond proceeds as reimbursement. At a later date, City Council will be asked to take other formal actions to authorize and issue the School Bonds.

BACKGROUND
The Virginia General Assembly approved HB 1634, which was signed into law by the Governor on March 19, 2019, and which took effect on July 1, 2019, as Chapter 648 of the 2019 Acts of the General Assembly of the Commonwealth of Virginia. HB 1634 is codified at Virginia Code §58.1-605.1. It provides the City of Danville with the statutory authority to levy a general retail sales tax at a rate not to exceed one percent (1%) to provide revenue solely for capital projects for the construction or renovation of schools in the City of Danville if approved by a majority of the voters in a referendum, held in accordance with Virginia Code §24.2-684 and initiated by a resolution of the Council of the City of Danville. This resolution was passed by City Council on June 1, 2021 and the citizens of Danville voted to approve this in November 2021.

After analyzing the revenue that will be generated by this 1% local option sales tax, and working with Davenport & Company the City's financial advisor, it has been determined that general obligation bonds in an amount not to exceed $141 million could be issued. The resulting debt service would be covered in full by the 1% local option sales tax revenue, with any excess revenue being used for pay-as-you-go school capital needs. This is the maximum amount that would be issued. The actual amount of bonds issued may be less once the actual additional revenue, project timelines, the mix of taxable/nontaxable bonds, and the prevailing interest rates have been determined.

RECOMMENDATION

Staff recommends City Council adopt the attached Resolution of Official Intent to Reimburse Expenditures with Proceeds of a Borrowing.

Attachments

Resolution

PRESENTED: ____________________

ADOPTED: ______________________

RESOLUTION NO. 2021-____.____

RESOLUTION OF OFFICIAL INTENT TO REIMBURSE EXPENDITURES WITH PROCEEDS OF A BORROWING.

WHEREAS, the City of Danville, Virginia (the "City"), plans to undertake a program of capital improvement projects involving the renovation of, and construction of additions to, Danville public schools (collectively, the "Project"); and

WHEREAS, plans for the Project have advanced, and the City expects to advance its own funds to pay expenditures related to the Project (the "Expenditures") and to receive reimbursement for such Expenditures from proceeds of tax-exempt bonds to be issued by or on behalf of the City (the "Bonds").

NOW THEREFORE, BE IT RESOLVED, BY THE CITY COUNCIL OF THE CITY OF DANVILLE, VIRGINIA:

1. The City intends to issue, or request a conduit issuer to issue, Bonds of one or more series to pay the costs of the Project in a principal amount not currently expected to exceed $141,000,000.

2. The City intends that the proceeds of the Bonds be used to reimburse the City for Expenditures with respect to the Project made on or after the date that is no more than 60 days prior to the date hereof. The City reasonably expects on the date hereof that it will reimburse the Expenditures with the proceeds of the Bonds.

3. Each Expenditure was or will be, unless otherwise approved by bond counsel, either (a) of a type properly chargeable to a capital account under general federal income tax principles (determined in each case as of the date of the Expenditure), (b) a cost of issuance with respect to the Bonds, (c) a nonrecurring item that is not customarily payable from current revenues or (d) a grant to a party that is not related to or an agent of the City so long as such grant does not impose any obligation or condition (directly or indirectly) to repay any amount to or for the benefit of the City.

4. The City intends to make a reimbursement allocation, which is a written allocation by the City that evidences the City's use of proceeds of the Bonds to reimburse an Expenditure, no later than 18 months after the later of the date on which the Expenditure is paid or the Project is placed in service or abandoned, but in no event more than three years after the date on which the Expenditure is paid. The City recognizes that exceptions are available for certain "preliminary expenditures," costs of issuance, certain *de minimis* amounts, expenditures by "small issuers" (based on the year of issuance and not the year of expenditure) and expenditures for construction of at least five years.

5. The City intends that the adoption of this Resolution confirms the "official intent" within the meaning of Treasury Regulations Section 1.150-2 promulgated under the Internal Revenue Code of 1986, as amended.

6. This Resolution shall take effect immediately upon its passage.

Adopted December ____, 2021.

APPROVED:

____
Mayor

ATTEST:

____
Clerk

Approved as to Form and
Legal Sufficiency:

____
City Attorney

Council Letter
City of Danville, Virginia

CL-2677 **New Business C.**

City Council Regular Meeting

Meeting Date: 12/21/2021

Subject: Moving City Council and School Board Elections from May to November

From: W. Clarke Whitfield, Jr., City Attorney

COUNCIL ACTION

Business Meeting: 12/21/2021

SUMMARY

In response to Virginia Senate Bill 1157, the Danville City Council finds it necessary to enact an ordinance to conform the language of the Danville City Code with the Code of Virginia, given that City Council and School Board elections are currently held in May.

In order to conform to Senate Bill 1157, the City proposes adding Chapter 1.5 entitled “City Council Elections and Organizational Meeting; School Board Elections; Etc.” to the City Code, which will move the May elections of both the City Council and the School Board to November, as well as address the current terms of members of both bodies elected in May of 2018 and 2020, and set City Council’s new organizational meeting date at twelve o'clock noon on the first business day of January of each odd-numbered year.

BACKGROUND

The Virginia General Assembly approved Senate Bill 1157 on March 12, 2021. The bill amends and reenacts § 15.2-1400 of the Code of Virginia, to provide that, notwithstanding the provisions of Virginia Code §§ 24.2-222 and 24.2-222.1, any city or town charter, or any other provision of law, general or special, beginning with any election held after January 1, 2022, elections for mayor, members of a local governing body, or members of an elected school board shall be held at the time of the November general election for terms to commence January 1.

The legislation requires that any city currently providing for the election of its mayor, city council, or school board at a May election shall, by ordinance provide for the transition of elections to the November general election date.

RECOMMENDATION

City Staff recommends City Council approve an ordinance to add Chapter 1.5 entitled "City Council Elections and Organizational Meeting; School Board Elections; Etc." to the City Code in order to conform to Senate Bill 1157 by moving the May elections of both the City Council and the School Board to November, as well as address the current terms of members of both bodies elected in May of 2018 and 2020, and to set City Council's new organizational meeting date effective for all elections after January 1, 2022.

Attachments

Ordinance

Attachment 1 New Chapter 1.5 to City Code

PRESENTED:________________________

ADOPTED: __________________________

ORDINANCE NO. 2021____.____

AN ORDINANCE AMENDING AND REORDAINING THE CODE OF THE CITY OF DANVILLE, VIRGINIA, 1986, AS AMENDED, TO ADD A NEW CHAPTER 1.5, ENTITLED "CITY COUNCIL ELECTIONS AND ORGANIZATIONAL MEETING; SCHOOLBOARD ELECTIONS; ETC."

WHEREAS, The Virginia General Assembly approved Senate Bill 1157 on March 12, 2021, Chapter 103 of the Virginia Acts of Assembly - 2021 Special Session I. The bill amends and reenacts § 15.2-1400 of the Code of Virginia, 1950, as amended, to provide that, notwithstanding the provisions of Virginia Code §§ 24.2-222 and 24.2-222.1, §§2-1, 2-3, and 6-2 of the city charter, or any other provision of law, general or special, beginning with any election held after January 1, 2022, elections for members of the City Council, or members of the school board shall be held at the time of the November general election for terms to commence January 1; and

WHEREAS, The legislation requires that any city currently providing for the election of its mayor, city council, or school board at a May election shall, by ordinance provide for the transition of elections to the November general election date; and

WHEREAS, Danville City Council finds it necessary to enact an ordinance to conform the language of the Danville City Code with the Code of Virginia given that city council and school board elections are currently held in May; and

NOW THEREFORE, BE IT ORDAINED, by the Council of the City of Danville, Virginia, that the Code of the City of Danville, Virginia, 1986, as amended, is hereby amended and reordained to add a new Chapter 1.5, entitled "City Council Elections and Organizational Meeting; Schoolboard Elections; etc." as attached hereto and made a part hereof, as if fully set forth herein; and

BE IT FURTHER ORDAINED, that all other provisions and Paragraphs, Subparagraphs, Sections, Articles, and Chapters of the Code be, and the same are hereby continued in full force and effect unless and until the same are hereafter amended or repealed; and

BE IT FINALLY ORDAINED, that this ordinance shall take effect on January 1, 2022.

APPROVED:

____
Mayor

ATTEST:

____
Clerk

Approved as to
Form and Legal Sufficiency:

____
City Attorney

CHAPTER 1.5 - CITY COUNCIL ELECTIONS AND ORGANIZATIONAL MEETING; SCHOOL BOARD ELECTIONS; ECT.

ARTICLE I. - IN GENERAL

Sec. 1.5-1. – General Change in City Council and School Board Elections and Organizational Meetings.

The Virginia General Assembly approved Senate Bill 1157 on March 12, 2021, Chapter 103 of the Virginia Acts of Assembly - 2021 Special Session I. The bill amends and reenacts § 15.2-1400 of the Code of Virginia, 1950, as amended, to provide that, notwithstanding the provisions of Virginia Code §§ 24.2-222 and 24.2-222.1, §§2-1, 2-3, and 6-2 of the city charter, or any other provision of law, general or special, beginning with any election held after January 1, 2022, elections for members of the City Council, or members of the school board shall be held at the time of the November general election for terms to commence January 1.

State Law reference— Authority of City to Change City Council and School Board Elections and Organizational Meetings, Code of Virginia, § 15.2-1400.

ARTICLE II. - CITY COUNCIL

Sec. 1.5-2. –City Council Elections

The governing body of the city shall be the council, which shall consist of nine members, who shall be elected at large. On and after January 1, 2022, four (4) council members shall be elected at the general election in November 2022 to serve for terms of four (4) years, and five (5) council members shall be elected at the general election in November 2024 to serve for terms of four (4) years, and successors shall be elected each fourth year, respectively, thereafter by the qualified voters of the City of Danville. All terms for council members shall commence on January 1 next following the date of the November election and continue until their successors have been duly elected and qualified.

Sec. 1.5-3. –City Council Terms

No term of a member of city council shall be shortened in implementing the change to the November election date. The members of the city council who were elected at a May general election and whose terms are to expire as of June 30 shall continue in office until their successors have been elected at the November general election in even numbered years and have been qualified to serve.

Sec. 1.5-4. – Inaugural or Organizational Meeting of the Council

An inaugural or organizational meeting of the council shall take place in the council chamber in the municipal building at twelve o'clock noon on the first business day of January of each odd-numbered year. The meeting shall be called to order by the city clerk, who shall administer the oath of office to the newly elected members of the council. In the absence or inability of the city clerk, the meeting may be called to order and the oath administered by the city attorney. The first business of the council shall be the election of a mayor and vice mayor. Until this business has been completed, the council shall not adjourn for a period longer than forty-eight hours. The procedure for the election of the Mayor and Vice Mayor by the members of council shall follow subsections B and C of § 2-5 of the city charter.

Sec. 1.5-5. – All Other Provisions to Remain in Effect

Except for the changes to the date of elections and corresponding changes in the terms of office established in this section, all other provisions of the city charter relating to the election of council members shall remain in effect.

ARTICLE III. – SCHOOL BOARD

Sec. 1.5-6. –School Board Elections

The supervision of schools in the division shall be vested in the school board selected as provided in this chapter or as otherwise provided by law. On and after January 1, 2022, three (3) school board members shall be elected at the general election in November 2022 to serve for terms of four (4) years, and four (4) school board members shall be elected at the general election in November 2024 to serve for terms of four (4) years, and successors shall be elected each fourth year, respectively, thereafter. All terms for school board members shall commence on January 1 next following the date of the November election and continue until their successors have been duly elected and qualified

Sec. 1.5-7. – School Board Terms

No term of a member of the school board shall be shortened in implementing the change to the November election date. The members of the school board who were elected at a May general election and whose terms are to expire as of June 30 shall continue in office until their successors have been elected at the November general election in even numbered years and have been qualified to serve.

Sec. 1.5-8. – All Other Provisions to Remain in Effect

Except for the changes to the date of elections and corresponding changes in the terms of office established in this section, all other provisions of the city charter relating to the election of school board members shall remain in effect.