



DANVILLE CITY COUNCIL REGULAR MEETING AGENDA

MUNICIPAL BUILDING

November 15, 2022

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 - Vice Mayor Gary P. Miller

PLEDGE OF ALLEGIANCE TO THE FLAG

ANNOUNCEMENTS AND SPECIAL RECOGNITION

Presentation: Danville Transportation System
Presented by: Marc Adelman, Director of Transportation

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 matters not listed on the agenda or on matters which do not have a public hearing, will be heard at this time. Citizens who desire to speak on agenda items that have a public hearing will be heard when the agenda item is considered and the public hearing is opened.

CONSENT AGENDA

- A. Consideration of Approval of Minutes from Regular Council Meeting held on October 18, 2022.
Council Letter Number CL - 2874.

- B. Consideration of Amending the Fiscal Year 2023 Budget Appropriation Ordinance for Grant Funds Related to Food Service Operations at W.W. Moore, Jr., Detention Home.
Council Letter Number 2851.

An Ordinance Amending the Fiscal Year 2023 Budget Appropriation Ordinance for a Federal Grant in the Amount of Approximately \$31,746 to Aid the Food Service Operations at W. W. Moore, Jr. Detention Home and Appropriating Same.

FINAL ADOPTION

- C. Consideration of Accepting Virginia Juvenile Community Crime Control Act Funding.
Council Letter Number CL - 2852.

An Ordinance Amending the Fiscal Year 2023 Budget Appropriation Ordinance for a Grant from the Department of Juvenile Justice in the Amount of \$86,999 and a Local Share of \$39,830, for a Total Appropriation of \$126,829, to Provide for the Electronic Monitoring and Outreach Detention Programs, Youth Gang Violence Prevention Programs, and Online Intervention Programs for the City of Danville at the W. W. Moore Jr. Detention Home and Appropriating Same.

FINAL ADOPTION

- D. Consideration of Amending the Fiscal Year 2023 Budget Appropriation Ordinance for a US Department of Justice Community Policing Development Program Grant.
Council Letter Number CL - 2864.

An Ordinance Amending the Fiscal Year 2023 Budget Appropriation Ordinance by Increasing Revenue from the United States Department of Justice Community Policing Development Program Grant in the Amount of \$106,554 for use in Conducting a Comprehensive Case Study to Understand the Danville Police Department's Success in Decreasing Crime and Improving Community Collaboration and Trust.

FINAL ADOPTION

APPOINTMENTS

- A. Consideration of Appointments to the Industrial Development Authority.
Council Letter Number CL - 2887.
1. A Resolution Reappointing David Cumbo to the Industrial Development Authority.
 2. A Resolution Reappointing John Laramore to the Industrial Development Authority.
 3. A Resolution Reappointing Philip Hall to the Industrial Development Authority.

NEW BUSINESS

- A. Review of General Fund Financial Results as of October 31, 2022.
Council Letter Number CL - 2822.
- B. Consideration of Submitting an Enterprise Zone Amendment Application for City Enterprise Zone #1.
Council Letter Number CL - 2854.
1. Public Hearing
 2. A Resolution Authorizing the City Manager to Submit to the Virginia Department of Housing and Community Development an Enterprise Zone Amendment Application for the City Enterprise Zone #1.
- C. Consideration of Authorizing and Approving Execution of a Moral Obligation Agreement.
Council Letter Number CL - 2876.
- A Resolution of the Council of the City of Danville, Virginia Approving and Authorizing a Moral Obligation Support Agreement With the Industrial Development Authority of Danville, Virginia for the 1 Ecomnets Way Project.
- D. Consideration of Endorsing a Virginia Highway Safety Improvement Program Application.
Council Letter Number CL - 2850.

A Resolution of the City Council of the City of Danville, Virginia Authorizing Endorsing a Virginia Highway Safety Improvement Program Application.

- E. Consideration of Approving a Policy on Collective Bargaining.
Council Letter Number CL - 2880.

A Resolution of the City of Danville, Virginia Regarding City Employee-Management Relations and Collective Bargaining.

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-2874

Consent Agenda A.

City Council Regular Meeting

Meeting Date: 11/15/2022

Subject: Consideration of Approval of Meeting Minutes

From: Susan M. DeMasi, City Clerk

COUNCIL ACTION

Business Meeting: 11/15/2022

SUMMARY

Consideration of Approval of Minutes from Regular Council Meeting held on October 18, 2022.

Council Letter Number CL - 2874.

Attachments

Meeting Minutes

October 18, 2022

The Second Regular October meeting of the Danville City Council was held on October 18, 2022, 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). *Council Member Vogler left the meeting at 7:10 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 Sherman M. Saunders followed by the Pledge of Allegiance.

ANNOUNCEMENTS AND SPECIAL PRESENTATIONS

Presentation: Partnership for Regional Prosperity
By: Beth Doughty

Mayor Jones recognized Beth Doughty from Partnership for Regional Prosperity who spoke regarding the history of the partnership to help address change for the best outcomes. Ms. Doughty noted the group started in July of 2021 with the mission to cultivate strategic transformation by convening, encouraging, and organizing efforts to build prosperity. Prosperity was a key value, not only the name, but the mission as well, and discussed investments and jobs within the community, as well as opportunities and challenges that have been faced. Ms. Doughty stated Rebecca Ryan, a futurist, will be giving a presentation on November 14th at 5:30 pm at the Institute for Advanced Learning and Research. This was a free event with a complimentary dinner pre-registration was required. Ms. Doughty has been speaking to civic groups and asking what they would like people to say about Danville and Pittsylvania County twenty years from now and there were two specific responses. They want it to be a great place to live, work, and raise a family, and they want it to be an example of success and resilience. In the next couple of months, the Partnership will hold several exercises around the region for people to come together, to consider and talk about trends and projections in areas such as education, job growth, poverty, and inclusion. Mrs. Doughty thanked Council for their time.

Council Member Vogler thanked Ms. Doughty for coming and giving the presentation; he was very excited about what the group was going to do and that he loved the name. Two of his favorite words were in the name, "partnership" and "prosperity", and he hoped to see a lot of both in the years ahead. Council Member Campbell noted his agreement with Council Member Vogler and added that his concern was with all the good coming to Danville, what were some of the concerns on engaging all areas of the community that don't leave out certain sections. Ms. Doughty stated that she understood Council Member Campbell's concerns and that those same questions and concerns have been part of the Partnership's conversations.

COMMUNICATIONS FROM VISITORS

Mayor Jones recognized Ann Moore-Sparks, CEO and President of the Danville-Pittsylvania Chamber of Commerce, and Christy Harper, Director of Member Engagement for the Chamber, who noted their support of DCC's Job and Resource Fair. The Chamber thanked DCC for organizing this event; there were more than 1,383 positions available for hire. The region was going to see rapid growth and must be prepared to take advantage of the opportunities coming

its way. Ms. Harper shared information regarding the Job Fair on Tuesday, November 1st from 9:00 a.m. to 3:00 p.m. at the Danville Community Market, 629 Craghead Street, Danville, and stated more information can be found on the Chamber's Facebook page, City website, River City TV, or by reaching out to Council Member Mayo at DCC. Paul Farrar, Director of the TARE Program for DCC, stated TARE was designed to help eligible students eliminate barriers to education, for free. There were certain eligibility requirements in order to attend the program, and information on the program can be found on the DCC website and at the resource fair.

Council Member Mayo stated that flyers with a QR code were circulating, and that code can be used to register early so citizens do not have to fill out the paperwork when they arrive. Council Member Saunders stated looking at the announcement, Halifax, Danville, and Pittsylvania County were being represented at the job fair, but all citizens from all regions were invited to attend. Council Member Miller commented on the unemployment rate fourteen years ago and how he has seen prosperity growing in Danville with the jobs that were coming. Council Member Hood asked when it stated all citizens, does that include felons, and Council Member Mayo stated that it included everyone no matter what their circumstances were. Mayor Jones thanked everyone for working diligently on putting this job fair together.

Mayor Jones recognized Dale McCray, Lead Organizer for the International Brotherhood of Electrical Workers who spoke on behalf of the Danville Power and Light Department. Mr. McCray stated the IBEW was a leader in utility unions. Recently, several workers in the power and light department reached out to IBEW to form a union. After some research, it was apparent that due to some changes in law in the state of Virginia, that was now a possibility for City workers. They proceeded to see if there was a majority of workers who wanted to form a union and the majority of city workers do want a union. According to the new law, Danville City Council has the authority to pass a resolution or ordinance defining how their employees can organize in a union and be represented. The IBEW was there to partner with Council any way they saw fit, to accomplish this. Mayor Jones asked Mr. McCray to take the City Manager's card and contact him regarding this issue.

Mayor Jones recognized Lynwood Jones of the Eastside Riders Motorcycle Club who introduced themselves to Council. Mr. Jones noted they were trying to give back and shed a positive light on the motorcycle community. In August, they partnered with Walmart to raise money for the Children's Miracle Network and collect school supplies. The Club looked to assist local businesses and events that were taking place in the City. They can be reached via Eastside Riders Motorcycle Club Facebook page. Council Member Saunders thanked Mr. Jones for coming tonight, speaking on behalf of bikers and what they are doing in the community.

Mayor Jones recognized Reverend Percy Pass and Mildred Richardson who spoke to Council about the Youth Summit 2022 being held at Laurel Grove Missionary Baptist Church on October 29th from 11am to 2 pm. The address was 3421 Kerns Church Road and youth can register by sending an email to lgyouthsumit@gmail.com.

MEETING MINUTES

Upon **Motion** by Council Member Whittle and **second** by Council Member Campbell, Minutes from the Regular Council Meeting held on September 20, 2022, were approved as presented. Draft copies of the minutes had been distributed prior to the meeting.

NEW BUSINESS

REVIEW OF GENERAL FUND FINANCIAL REPORTS THROUGH SEPTEMBER 30, 2022.

Director of Finance Michael Adkins reported the financial results of the General Fund through the first quarter, September 30th of the new fiscal year. Total revenues as compared to budget were on track; as of September 30th, Revenues were at \$21.8M, representing 18% of budget. For comparison, last year at this time, revenues were \$20M, or 17% of budget. Mr. Adkins noted he cannot yet comment on the Real Estate or Personal Property Taxes for the current fiscal year; the first billing and collection cycle of that will begin next month with those bills going out the first week of November. The collection of delinquent taxes continued to perform well; the City has realized about \$565,000 in the first three months of FY23, an increase of about \$42,000 from last year at this time. They were planning another public auction of delinquent parcels which has proven to be effective for getting those abandoned properties back in the hands of active owners. That auction will be held in Chambers on Friday, December 16th, and it will be advertised closer to that time. With regard to local consumer taxes, Sales Tax was on track at \$25.6% of budget, a little above budget, running about \$67,000 ahead at this point. Meals tax exceeded budgeted expectations at 29% of budget, currently surpassing last year at this time by about \$240,000. Lodging taxes as well were outperforming at 33% of budget, an increase of about \$171,000 from last year at this time. Mr. Adkins noted Council Member Whittle had asked last time he was there about the event at VIR; that event took place the first week of September, so those businesses have until of this month to get those collections in and he will be able to comment more the next time he reports. In September, the City received its first installment of the 1% Local Option Sales Tax; this enabled the City to issue bonds for school capital projects. The first installment would represent sales from the month of July, was \$745,000. The City based their borrowing for the schools and the debt service structure with an estimate of receiving between \$680,000 and \$700,00 per month; the City was in a very comfortable spot. Any excess revenue that develops over the next twenty years has to be used on school capital; staff will monitor that month to month and will be in communication with the school system so they know the status. With regard to State revenues, those were on track at 23% of budget; most of the State revenues were correlated to expenditures such as Social Services expenditures and Constitutional Offices. Looking at Departmental expenditures, those were also under budget at 23%. Non Department Expenses were ahead of budget at 33%, but it was important to note that this category contains several items that were not paid out equally throughout the year, the biggest one being debt service. Most of the City's bonds have payments that were due twice a year, in September and March. Usually, at the end of September, the City has made 50% of their debt service payments for the year and why it pushes up above 25% for the first quarter. The FY 2023 Bond issuance was underway; the City Manager and the Economic Development Director and Mr. Adkins will be making their credit presentation to the rating agencies this Friday, and they will assess a credit rating for the new bonds. Also, the FY 22 year end audit was underway, it was progressing well and he was not aware of any issues at this point; it was typically completed at the end of November.

Vice Mayor Miller noted \$563,000 in delinquent taxes was a good job; to get that amount of money the City would have to raise its Real Estate tax 2.5 cents on the hundred; Council does not like to do that and encouraged staff to continue to collect those delinquent taxes. Also, the 1% sales tax, that was not for medicines and foods, and Mr. Adkins noted that was correct.

CONSIDERATION OF RELEASING EXISTING LIENS ON PARCEL #20340

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

RESOLUTION NO. 2022-10.02

A RESOLUTION APPROVING AND AUTHORIZING THE RELEASE OF CITY-HELD LIENS AGAINST REAL PROPERTY IDENTIFIED AS PARCEL #20340 COLQUHOUN STREET TO FACILITATE ITS DONATION TO THE DANVILLE REDEVELOPMENT AND HOUSING AUTHORITY.

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

VOTE: 7-0-1-1
AYE: Buckner, Campbell, Hood, Mayo,
Miller, Saunders, and Whittle (7)
NAY: None
ABSTAIN: Jones (1)
ABSENT: Vogler (1)

CONSIDERATION OF AMENDING THE DANVILLE CITY CODE TO ADD SECTION 23-9.1 ENTITLED "UNPERMITTED CAMPING ON CITY PROPERTY"

Council Member Buckner **moved** to **TABLE** an Ordinance entitled:

ORDINANCE NO. 2022-10.01

AN ORDINANCE TO ADD SECTION 23-9.1 ENTITLED "UNPERMITTED CAMPING ON CITY PROPERTY" TO CHAPTER 23, ENTITLED "OFFENSES – MISCELLANEOUS" OF THE CODE OF THE CITY OF DANVILLE, VIRGINIA.

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

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

Mayor Jones questioned if there was anyone who would like to speak on New Business Item C. Mayor Jones noted that Council Tabled this item because they wanted to look at this issue further.

Mayor Jones recognized the following citizens who spoke against the Ordinance on Camping:

Larissa Deedrich, Executive Director of Danville Redevelopment and Housing Authority.
Jessica Hearn, 228 Broad Street.
Maggie Richardson, 1100 Main Street, Apartment 3.
Jude Swanson, Director of House of Hope.
Ryan Busby, 331 Virginia Avenue.
Petrina Carter, President and CEO for Tri City Community Action.

COMMUNICATIONS

City Manager Ken Larking reminded Council to mark their calendars for November 12 for a joint meeting with the School Board; the time has not been determined yet.

October 18, 2022

City Attorney Clarke Whitfield noted he wanted to take a moment to commend Deputy City Attorney Alan Spencer for his ethics presentation at their annual conference.

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

Council Member Mayo thanked everyone for coming out and speaking tonight. After listening to everything said, he agrees with Council Member Saunders, Danville was a caring City, and all of the citizens matter.

Vice Mayor Miller gave a shout out to John Hurl, Michael Duncan, and Marc Adelman for attracting a major conference this week for Civil Air Patrol. Those people were staying in the City's hotels and eating in their restaurants; this was a major win for Danville. Dr. Miller also noted Walraven opened a precision machinery headquarters in Danville.

Council Member Saunders stated that Danville was a caring city and was blessed to have wonderful people who want to help others. That was the reason Council was taking a deeper dive into this ordinance before voting on it, and appreciates Council doing that. Mr. Saunders thanked everyone for coming tonight, showing that they care and were willing to help.

Council Member Buckner thanked all the Council Members; it was a pleasure to serve with them. Mr. Buckner noted he and other council members spoke with the GW football team before their big game on Friday night; they had a wonderful time and it was encouraging to hear from them. Mr. Buckner reminded citizens that the 12th Annual Food Truck Rodeo will be held this Saturday, and hoped to see everyone there.

Council Member Campbell stated it was heartwarming to see the citizens and Council concerned about the homeless and those going through difficult times; they all have compassion. Reverend Campbell noted he saw that some of the test scores in the schools moving up; education was important in the community.

Council Member Hood stated that with all the events going on in the community, it shows that they were a caring City. It also speaks on its resilience and coming together as a body.

Mayor Jones recognized the students from Tunstall, thanked them for coming out tonight, and noted the Youth Summit, and All Citizens Job Fair happening on November 1st.

Meeting adjourned at 8:44pm.

APPROVED:

MAYOR

ATTEST:

CITY CLERK

Council Letter

City of Danville, Virginia



CL-2851

Consent Agenda B.

City Council Regular Meeting

Meeting Date: 11/15/2022

Subject: USDA Grant for Food Services at W. W. Moore, Jr. Detention Home

From: Scott Booth, Police Chief

COUNCIL ACTION

First Reading: 11/01/2022

Final Adoption: 11/15/2022

SUMMARY

Each year, the W. W. Moore, Jr. Detention Home receives funds from the United States Department of Agriculture (USDA) as a result of the detention home's participation in the National School Nutrition Program. The revenue from the USDA offsets some of the costs related to the Food Service Operation at the detention home. It is projected the City will receive \$31,746 for Fiscal Year 2023. The amount of funds received may be more or less depending on changes in the daily population.

BACKGROUND

The W. W. Moore, Jr. Detention Home will participate in the National School Nutrition Program during Fiscal Year 2023. The anticipated revenue is projected, and an appropriation is requested, based on utilization rates, reimbursement rates, and the number of days each meal or snack is reimbursed. The USDA reimbursement rates provided by the Department of Juvenile Justice Food Service Operation Unit for Fiscal Year 2023 are as follows: Breakfast - \$2.67; Lunch - \$4.35; and Snack - \$.80. Breakfast and Lunch meals are reimbursed 365 days per year. Snacks are reimbursed 104 days per year. There is no reimbursement for Dinner meals. Based on the Average Daily Population of twelve last Fiscal Year, and the number of days meals and snacks are reimbursed, the W. W. Moore, Jr. Detention Home expects to receive approximately \$31,746. USDA funds are received quarterly by the City of Danville.

RECOMMENDATION

It is recommended that City Council adopt the attached Ordinance appropriating funds within the Special Grants Fund for expenses related to the Food Service Operation at the W. W. Moore, Jr. Detention Home.

Attachments

Ordinance

PRESENTED: _____

ADOPTED: _____

ORDINANCE NO. 2022-_____

AN ORDINANCE AMENDING THE FISCAL YEAR 2023 BUDGET APPROPRIATION ORDINANCE FOR A FEDERAL GRANT IN THE AMOUNT OF APPROXIMATELY \$31,746 TO AID THE FOOD SERVICE OPERATIONS AT W. W. MOORE, JR. DETENTION HOME AND APPROPRIATING SAME.

NOW THEREFORE, BE IT ORDAINED, by the Council of the City of Danville, Virginia that the Fiscal Year 2023 Budget Appropriation Ordinance be, and it is hereby, amended to anticipate revenues from a grant in the amount of approximately \$31,746 from the United States Department of Agriculture to the W. W. Moore, Jr. Detention Home for the purpose of aiding the food service operations and appropriating same in the Special Grants Fund for Fiscal Year 2023, such revenue and appropriation to be as follows:

ANTICIPATED REVENUES

<u>Description</u>	<u>Account No.</u>	<u>Amount</u>
Categorical Aid-State: USDA - Detention Home	60114000-47210	<u>\$ 31,746</u>

ANTICIPATED EXPENDITURES

<u>Description</u>	<u>Account No.</u>	<u>Amount</u>
W. W. Moore, Jr. Detention Home Food Supplies/Food Services	60114000-55825	<u>\$ 31,746</u>

AND BE IT FURTHER ORDAINED, that this appropriation shall be a continuing appropriation and such appropriations shall carry forward from year to year until such funds are expended for the purpose for which they were appropriated; and

BE IT FINALLY ORDAINED, that all other accounts and provisions of the Fiscal Year 2023 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:

Clerk

Approved as to
Form and Legal Sufficiency:

City Attorney

Council Letter

City of Danville, Virginia



CL-2852

Consent Agenda C.

City Council Regular Meeting

Meeting Date: 11/15/2022

Subject: Virginia Juvenile Community Crime Control Act Funding Appropriation

From: Scott Booth, Police Chief

COUNCIL ACTION

First Reading: 11/01/2022

Final Adoption: 11/15/2022

SUMMARY

The Virginia Juvenile Community Crime Control Act (VJCCCA) requires the locality to develop and submit a plan outlining how the City will serve juvenile offenders before intake on complaints, or from the court, on petitions alleging the juvenile is delinquent, in need of services, or in need of supervision, with allocated funds. The locality's plan and funding was approved for Fiscal Year 2023. The VJCCCA Plan for Fiscal Year 2023 will continue to provide the Electronic Monitoring and Outreach Detention Programs. It is projected that 6 juveniles will be served in the Outreach Detention Program and 55 juveniles will be served in the Electronic Monitoring Program. The plan will also offer the Youth Gang Violence Prevention Programs for Department of Juvenile Justice youth and others in the community at risk of gang violence. It is projected the program will serve 16 youth in these programs. In addition, the plan offers online intervention programs through 3rd Millennium Classrooms in the areas of Substance Abuse Education, Shoplifting/Larceny Reduction, and Anger Management. It is projected that 32 juveniles will participate in these courses. During Fiscal Year 2023, the City will receive \$86,999 from the Department of Juvenile Justice to support the delivery of programs and services to juvenile offenders. The City will provide a match of \$39,830. The total allocation to operate the VJCCCA programs is \$126,829.

BACKGROUND

In 1995, the General Assembly enacted the Virginia Juvenile Community Crime Control Act (VJCCCA) which appropriated additional funds to localities to implement non-secure detention programs and services to meet the needs of juveniles involved with the Juvenile & Domestic Relations Court Services Unit. The City has been the recipient of VJCCCA funds since its inception. The VJCCCA funding allows the W. W. Moore, Jr. Detention Home to operate an Electronic Monitoring and Outreach Detention Program and provide other identified services based on the needs of the juveniles referred by the Danville Juvenile & Domestic Relations Court and the community. Without these programs and services, it is possible many of the juveniles would be placed in secure detention or an out-of-home placement, resulting in a greater cost to the locality.

RECOMMENDATION

It is recommended that City Council approve the attached Ordinance appropriating funds to operate non-secure detention programs to provide services for offenders in the Juvenile Justice System and other juveniles at risk of offending.

Attachments

Ordinance

PRESENTED: _____

ADOPTED: _____

ORDINANCE NO. 2022-____.____

AN ORDINANCE AMENDING THE FISCAL YEAR 2023 BUDGET APPROPRIATION ORDINANCE FOR A GRANT FROM THE DEPARTMENT OF JUVENILE JUSTICE IN THE AMOUNT OF \$86,999 AND A LOCAL SHARE OF \$39,830, FOR A TOTAL APPROPRIATION OF \$126,829, TO PROVIDE FOR THE ELECTRONIC MONITORING AND OUTREACH DETENTION PROGRAMS, YOUTH GANG VIOLENCE PREVENTION PROGRAMS, AND ONLINE INTERVENTION PROGRAMS FOR THE CITY OF DANVILLE AT THE W. W. MOORE JR. DETENTION HOME AND APPROPRIATING SAME.

NOW THEREFORE, BE IT ORDAINED by the Council of the City of Danville, Virginia that the Fiscal Year 2023 Budget Appropriation Ordinance be, and it is hereby, amended to anticipate revenues from a grant in the amount of \$86,999 from the Virginia Juvenile Community Crime Control Act for the purpose of operating programs which provide alternatives to detention and appropriating same in the Special Grants Fund, and \$39,830 be appropriated from the General Fund Account such revenue and appropriation to be as follows:

ANTICIPATED REVENUES

<u>Description</u>	<u>Account No.</u>	<u>Amount</u>
Categorical Aid - State Virginia Juvenile Community Crime Control Act (VJCCCA)	61782000-47240	\$ 86,999
Local Share: Transfer In from General Fund	61782000-6101	\$ 39,830
	Total	<u>\$ 126,829</u>

ANTICIPATED EXPENDITURES

<u>Description</u>	<u>Account No.</u>	<u>Amount</u>
Electronic Monitoring:		
FT Salaries & Wages	61782300-51100	\$ 29,110
FICA	61782300-51450	1,873

Retirement ERS	61782300-51525	1,320
Telephone	61782300-54100	590
Travel/Training	61782300-54900	2,000
Equipment – Leased	61782300-54750	7,000
Materials & Supplies	61782300-55930	400
	Total	<u>\$ 42,293</u>

Youth Gang Violence Prevention (Non-DJJ):

FT Salaries & Wages	61782301-51100	\$ 15,675
FICA	61782301-51450	1,000
Retirement ERS	61782301-51525	699
Travel/Training	61782301-54900	1,000
Materials & Supplies	61782301-55930	1,000
	Total	<u>\$ 19,374</u>

Youth Gang Violence Prevention (DJJ):

FT Salaries & Wages	61782302-51100	\$ 18,875
FICA	61782302-51450	754
Retirement ERS	61782302-51525	200
Travel/Training	61782302-54900	1,000
Materials & Supplies	61782302-55930	1,000
	Total	<u>\$ 21,829</u>

Online Intervention:

Substance Abuse Education	61782303-52349	\$ 600
Shoplifting/Larceny Reduction	61782303-52349	600
Anger Management	61782303-52349	720
Machinery & Equipment	61782303-57500	1,500
	Total	<u>\$ 3,420</u>

Outreach:

FT Salaries & Wages	61782305-51100	\$ 35,053
FICA	61782305-51450	1,200
Retirement ERS	61782305-51525	610
Telephone	61782305-54100	650
Travel/Training	61782305-54900	2,000
Materials & Supplies	61782305-55930	400
	Total	<u>\$ 39,913</u>

Grand Total	<u>\$126,829</u>
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AND BE IT FURTHER ORDAINED, that all other accounts and provisions of the Fiscal Year 2023 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:

Clerk

Approved as to
Form and Legal Sufficiency:

City Attorney

Council Letter

City of Danville, Virginia



CL-2864

Consent Agenda D.

City Council Regular Meeting

Meeting Date: 11/15/2022

Subject: Fiscal Year 2022 Community Policing Development Microgrant - COPS Office

From: Scott Booth, Police Chief

COUNCIL ACTION

First Reading: 11/01/2022

Final Adoption: 11/15/2022

SUMMARY

The Danville Police Department (DPD) project fulfills the need to build trust/legitimacy with the community and enhance DPD's current efforts of transparency with its community by examining and understanding the nuances of how DPD was able to decrease crime and improve community collaboration/trust. DPD will work with Drs. Roberto and Rachel Santos (Center for Police Practice, Policy, and Research, Radford University in Radford, VA), to conduct a comprehensive case study to understand the effects of DPD's efforts on its relationship with the community and city officials, its organizational culture, and crime and disorder. Using a mixed-methods approach for data collection from a wide array of individuals and groups within the community, local government officials, criminal justice partners, DPD personnel at all ranks, and official crime data, the project seeks to dissect and understand how DPD was successful and identify ways that DPD can refine, adjust, and improve its practices better to institutionalize its proactive community engagement and crime reduction efforts. For the broader law enforcement community, the case study results will offer specific community-based and crime reduction examples based on DPD experiences, considerations, lessons learned, and recommendations for implementation and sustainability. The goal is to guide other agencies and their communities in implementing an organizational model that brings together proactive community engagement and evidence-based crime reduction. The audience who will find the case study most helpful are police leaders, city managers, mayors, and communities who are struggling to systematically implement proactive crime reduction, while at the same time, facing high levels of crime and trying to build relationships with their communities where there is a lack of trust.

RECOMMENDATION

It is recommended that Danville City Council adopt the attached Ordinance Amending the Fiscal Year 2023 Budget Appropriation Ordinance by anticipating revenues in the amount of \$106,554.40 from the United States Department of Justice 2022 Community Policing Development Program.

Attachments

Ordinance

PRESENTED: _____

ADOPTED: _____

ORDINANCE NO. 2022-_____._____

AN ORDINANCE AMENDING THE FISCAL YEAR 2023 BUDGET APPROPRIATION ORDINANCE BY INCREASING REVENUE FROM THE UNITED STATES DEPARTMENT OF JUSTICE COMMUNITY POLICING DEVELOPMENT PROGRAM GRANT IN THE AMOUNT OF \$106,554 FOR USE IN CONDUCTING A COMPREHENSIVE CASE STUDY TO UNDERSTAND THE DANVILLE POLICE DEPARTMENT'S SUCCESS IN DECREASING CRIME AND IMPROVING COMMUNITY COLLABORATION AND TRUST.

WHEREAS, the City of Danville has been awarded a grant from the United States Department of Justice Community Policing Development Program in the amount of \$106,554; and

WHEREAS, the funding will provide reimbursement to the City for expenditures for Drs. Roberto and Rachel Santos (Center for Police Practice, Policy and Research, Radford University in Radford, VA), to conduct a comprehensive case study to understand the effects of Danville Police Department's efforts on its relationship with the community and city officials, its organizational culture, and crime and disorder; and

WHEREAS, the grant requires no matching funds.

NOW THEREFORE, BE IT ORDAINED, by the Council of the City of Danville, Virginia, that the Fiscal Year 2023 Budget Appropriation Ordinance be, and the same is hereby, amended by increasing revenue to anticipate the receipt of funds in the amount of \$106,554 from the United States Department of Justice Community Policing Development Program, such revenue and appropriation to be as follows:

ANTICIPATED REVENUE

<u>Description</u>	<u>Account No.</u>	<u>Amount</u>
COPS Community Policing Development Categorical Aid – Federal Public Safety	61808000-48230	<u>\$106,554</u>

ANTICIPATED EXPENDITURES

<u>Description</u>	<u>Account No.</u>	<u>Amount</u>
COPS Community Policing Development	61808999-50	<u>\$106,554</u>

AND BE IT FURTHER ORDAINED, that this appropriation shall be a continuing appropriation and shall carry forward from year to year until expended for the purpose for which appropriated; and

BE IT FURTHER ORDAINED, that this appropriation shall be a flexible budget for Federal, State, and other grant funding; and

BE IT FINALLY ORDAINED, that all other accounts and provisions of the Fiscal Year 2023 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-2887

Appointments A.

City Council Regular Meeting

Meeting Date: 11/15/2022

Subject: Consideration of Appointments to Boards and Commissions

From: Susan M. DeMasi, City Clerk

COUNCIL ACTION

Business Meeting: 11/15/2022

SUMMARY

Consideration of Appointments to Boards and Commissions.

Council Letter Number CL - 2887.

Attachments

Resolution

PRESENTED: November 15, 2022

ADOPTED: November 15, 2022

RESOLUTION NO. 2022 – 11. 15

A RESOLUTION REAPPOINTING DAVID CUMBO TO THE INDUSTRIAL DEVELOPMENT AUTHORITY.

BE IT RESOLVED by the Council of the City of Danville, Virginia, that David Cumbo be, and he is hereby reappointed as a member of the Industrial Development Authority, for a four-year term commencing November 21, 2022 and ending November 20, 2026.

APPROVED:

MAYOR

ATTEST:

CLERK

PRESENTED: November 15, 2022

ADOPTED: November 15, 2022

RESOLUTION NO. 2022 – 11. 16

A RESOLUTION REAPPOINTING JOHN LARAMORE TO THE INDUSTRIAL DEVELOPMENT AUTHORITY.

BE IT RESOLVED by the Council of the City of Danville, Virginia, that John Laramore be, and he is hereby reappointed as a member of the Industrial Development Authority, for a four-year term commencing November 21, 2022 and ending November 20, 2026.

APPROVED:

MAYOR

ATTEST:

PRESENTED: November 15, 2022

ADOPTED: November 15, 2022

RESOLUTION NO. 2022 – 11. 17

A RESOLUTION REAPPOINTING PHILIP HALL TO THE INDUSTRIAL DEVELOPMENT AUTHORITY.

BE IT RESOLVED by the Council of the City of Danville, Virginia, that Philip Hall be, and he is hereby reappointed as a member of the Industrial Development Authority, for a four-year term commencing November 21, 2022 and ending November 20, 2026.

APPROVED:

MAYOR

ATTEST:

Council Letter

City of Danville, Virginia



CL-2822

New Business A.

City Council Regular Meeting

Meeting Date: 11/15/2022

Subject: General Fund Monthly Financial Report

From: Michael Adkins, Director of Finance

COUNCIL ACTION

Business Meeting: 11/15/2022

SUMMARY

A brief summary of General Fund financial results through October 31, 2022, will be given. Financial statements are included.

Attachments

Financial Statements



To: Ken F. Larking, City Manager
From: Michael L. Adkins, Chief Financial Officer
Date: November 4, 2022

Subject: Summary of Preliminary General Fund Financial Results for October 31, 2022

After completing the first third of the new fiscal year, revenues are ahead of the previous year. As of October 31, General Fund revenues were \$27,960,450. This represents 23.17% of our FY 2023 budget. With the exception of revenue from use of money and property and transfer in from other funds, all revenue categories are ahead of the prior year. The increase over last year is primarily from growth in local taxes, permitting fees related to the casino, and an increase in reimbursement from the State for shared categorical expenditures. The decrease in revenue from use of money and property is a timing difference. Recent increases in interest rates will eventually push performance of this line item ahead of the prior year.

We continue to see steady performance in the collection of delinquent real estate taxes with \$427,027 realized in the first four months of this fiscal year. This accounts for 47.5% of the current year budget. Tax bills for FY 2023 were mailed earlier this month and we will begin realizing collection of current real estate and personal property taxes thorough November and December. Local taxes collected through October 31, were \$9,621,568, or 30.5% of budget. This exceeds FY 2022 collections by \$974,820.

Regarding local taxes, sales tax collections through October amounted to \$3,732,295 or 34.1% of budget, an increase of \$232,036 from last year. Meals taxes collected for the first four months of the fiscal year amounted to \$3,597,869 or 37.8% of budget, an increase of \$328,526 from last year. Business Licenses realized at the end of October were \$636,628, an increase of \$199,954 from the prior year. Lodging taxes received as of October 31, were \$945,858 or 46.7 of budget, an increase of \$217,871 from the prior year. Apart from Utility taxes, all other revenue categories are tracking well with budget at this point. The decrease in utility taxes resulted from a timing difference that will correct itself in the next month.

Expenditures through October 31 were \$44,103,821 or 34.8% of budget. This is an overall decrease of \$1,931,468 when compared to October 31, 2021. The net decrease in transfers to schools of \$6,241,104 at the end of October is offset in part by an increase of \$3,348,135 in departmental expenditures attributed to the timing of payments for maintenance service contracts within general government and an increase in public safety of approximately \$1,497,000 for budgeted purchases of vehicles, increases in labor

and benefits, along with operating expenses related to the new headquarters. The increase in non-departmental expenditures is a combination of an increase in debt service and a transfer to the employee retirement system for the retiree bonus.

General Fund expenditures exceeded revenues by \$16,143,371, an improvement of \$2,949,450 when compared to the prior fiscal year. This is typical for the start 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

33% OF YEAR LAPSED AS OF OCTOBER 31, 2022

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	\$ 36,963,520	\$ 2,598,085	7.03%		\$ 34,365,435	\$ 2,425,386
Other Local Taxes	31,579,500	9,621,568	30.47%		21,957,932	8,646,748
License Permits & Privilege Fees	283,330	215,682	76.12%		67,648	92,869
Fines & Forfeitures	299,600	79,090	26.40%		220,510	85,408
Revenue From Use Money & Property	696,940	201,180	28.87%		495,760	469,142
Charges For Services	3,389,630	1,224,683	36.13%		2,164,947	1,058,049
Miscellaneous Revenue	47,710	100,657	210.98%		(52,947)	103,134
Recovered Cost	8,490,570	2,575,868	30.34%		5,914,702	2,392,418
Non-Categorical Aid	5,528,740	1,633,797	29.55%		3,894,943	1,570,061
Shared Expenses (Categ. Aid State)	5,637,550	1,776,836	31.52%		3,860,714	1,371,351
Categorical Aid (State)	10,048,080	2,763,339	27.50%		7,284,741	2,697,873
Emergency Services (Federal)	27,020	-	0.00%		27,020	-
Categorical Aid (Federal)	-	-			-	-
Transfers From Utilities/Other Funds	17,673,000	5,169,666	29.25%		12,503,334	6,030,030
TOTAL REVENUES	\$ 120,665,190	\$ 27,960,450	23.17%		\$ 92,704,740	\$ 26,942,468
EXPENDITURES:						
General Government Administration	\$ 13,283,994	\$ 5,520,584	41.56%	\$ 286,940	\$ 7,476,471	\$ 4,340,406
Judicial Administration	8,358,031	2,631,777	31.49%	42,640	5,683,614	2,567,213
Public Safety	36,946,805	11,185,194	30.27%	839,273	24,922,339	9,688,638
Public Works	5,080,177	1,534,536	30.21%	242,937	3,302,704	1,434,862
Health, Education, Welfare & Soc. Svc.	9,538,774	2,427,821	25.45%	80,453	7,030,499	2,248,038
Parks, Recreation & Cultural	5,842,651	1,564,064	26.77%	41,051	4,237,536	1,479,419
Community Development	2,719,827	697,379	25.64%	128,046	1,894,401	454,642
Non-Departmental	16,117,970	6,300,596	39.09%	-	9,817,375	4,532,171
Transfer to Schools - Operating	26,300,818	11,615,954	44.17%	14,684,864	-	17,857,058
Transfer to Capital Projects	945,000	165,000	17.46%	-	780,000	610,080
Transfer to Other Funds	1,647,930	460,917	27.97%	-	1,187,013	822,762
TOTAL EXPENDITURES	\$ 126,781,977	\$ 44,103,821	34.79%	\$ 16,346,204	\$ 66,331,952	\$ 46,035,289
Revenue over(under) Expenditures		<u>\$ (16,143,371)</u>				<u>\$ (19,092,821)</u>
FUND BALANCE:						
Beginning Fund Balance 07/01/2022		\$ 46,401,528				\$ 47,090,495
Revenue over(under) Expenditures		(16,143,371)				(19,092,821)
Ending Fund Balance 10/31/2022		<u>\$ 30,258,158</u>				<u>\$ 27,997,674</u>
Composition of Fund Balance:						
Reserved for Encumbrances/Designated Funds		\$ 20,439,898				\$ 21,226,096
Unassigned		<u>9,818,260</u>				<u>6,771,578</u>
TOTAL FUND BALANCE 10/31/2022		<u>\$ 30,258,158</u>				<u>\$ 27,997,674</u>

City of Danville, Virginia
Summary of Other Local Tax Revenues - PRE-CLOSING - UNAUDITED
For the period ending October 31, 2022

Description	Current Budget	Revenue Realized	Percentage Realized	Prior Year Budget	Prior Year Realized	Percentage Prior Year
Sales Tax	\$ 10,962,050	\$ 3,732,295	34.05%	\$ 10,115,880	\$ 3,500,259	34.60%
Business Licenses	5,430,000	636,628	11.72%	5,450,000	436,674	8.01%
Meals Tax	9,500,000	3,597,869	37.87%	8,471,320	3,269,343	38.59%
Utility Taxes	930,000	250,273	26.91%	940,000	303,498	32.29%
Vehicle License Fees	1,000,000	169,644	16.96%	1,000,000	154,544	15.45%
Bank Stock Tax	1,000,000	-	0.00%	940,000	-	0.00%
Recordation Tax	270,000	138,139	51.16%	200,000	121,707	60.85%
Hotel Motel Tax	2,025,080	945,858	46.71%	1,511,630	727,988	48.16%
Daily Property Rental Tax	12,370	10,362	83.77%	13,200	7,972	60.40%
Motor Vehicle Tax	200,000	77,209	38.60%	162,000	73,177	45.17%
DMV Fees	250,000	63,289	25.32%	260,000	51,587	19.84%
TOTAL	\$ 31,579,500	\$ 9,621,568	30.47%	\$ 29,064,030	\$ 8,646,748	29.75%

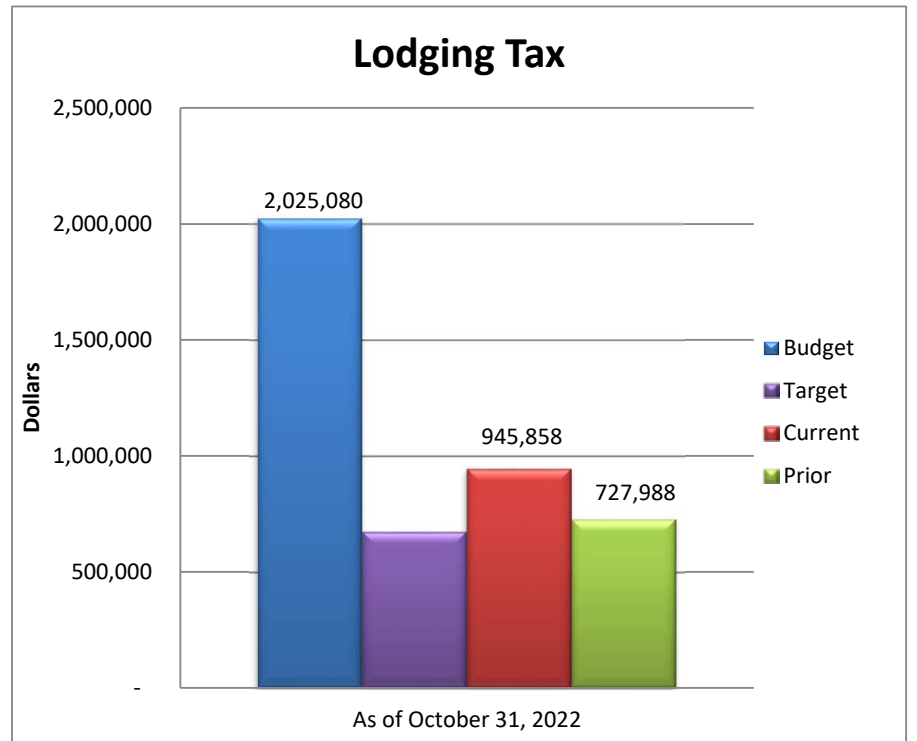
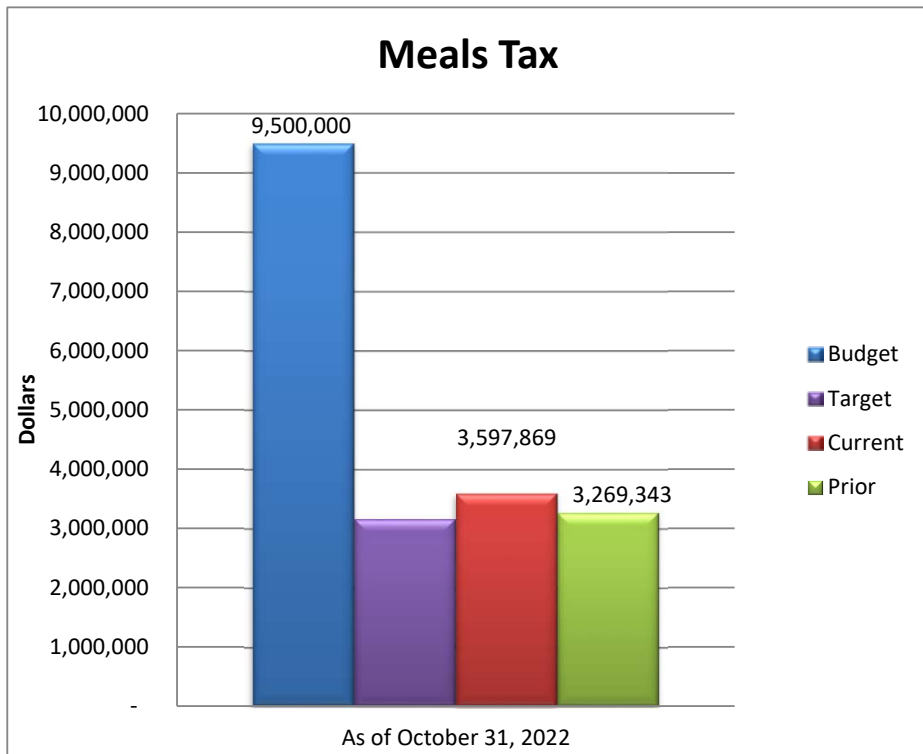
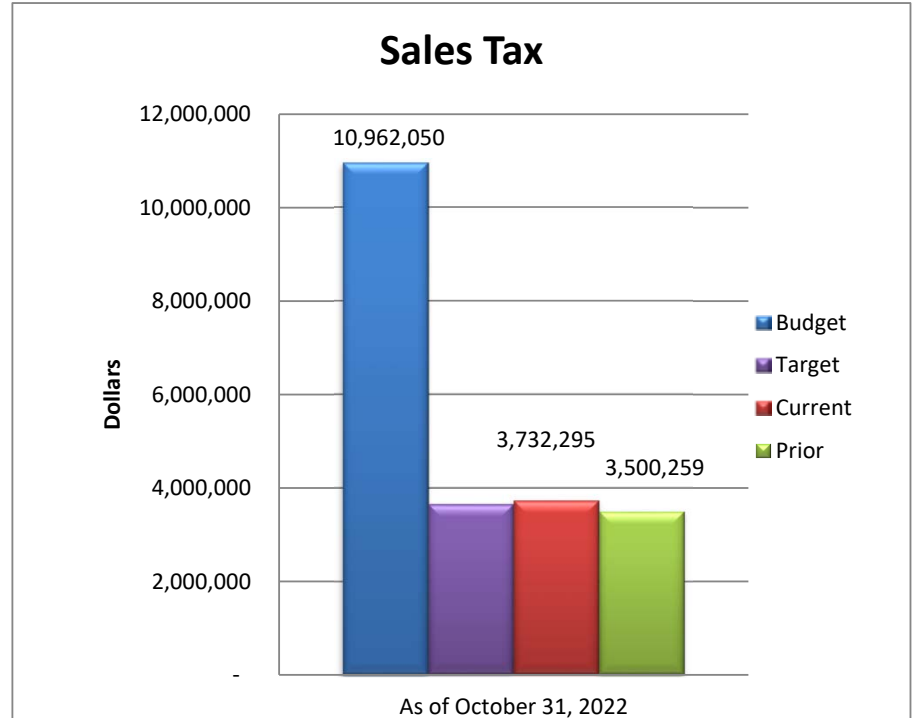
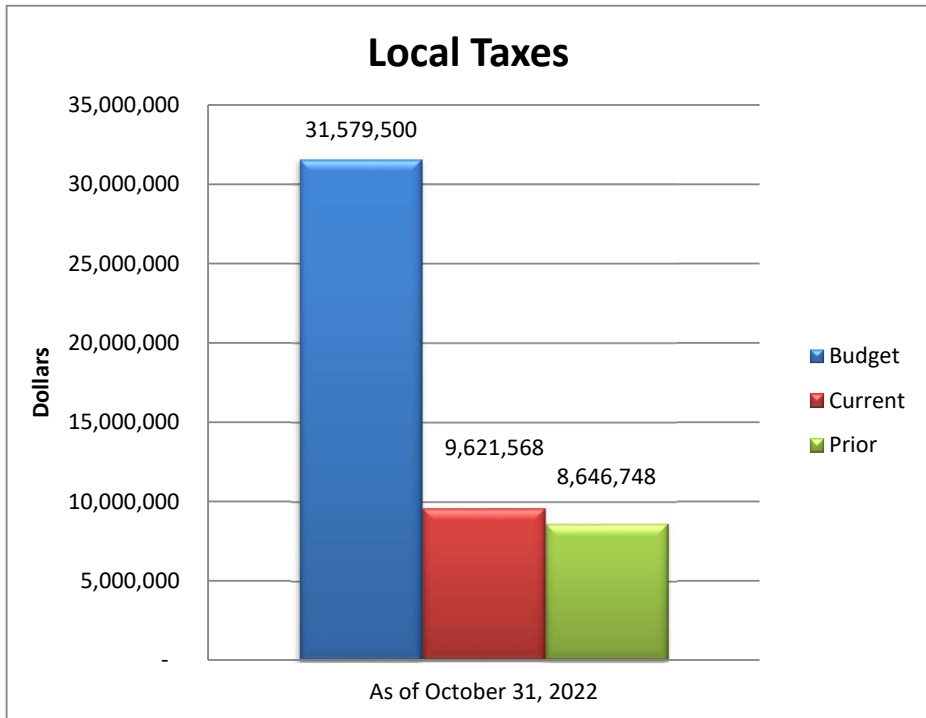
**CITY OF DANVILLE, VIRGINIA
GENERAL FUND
COMPOSITION OF FUND BALANCE
PRELIMINARY - AS OF OCTOBER 31, 2022**

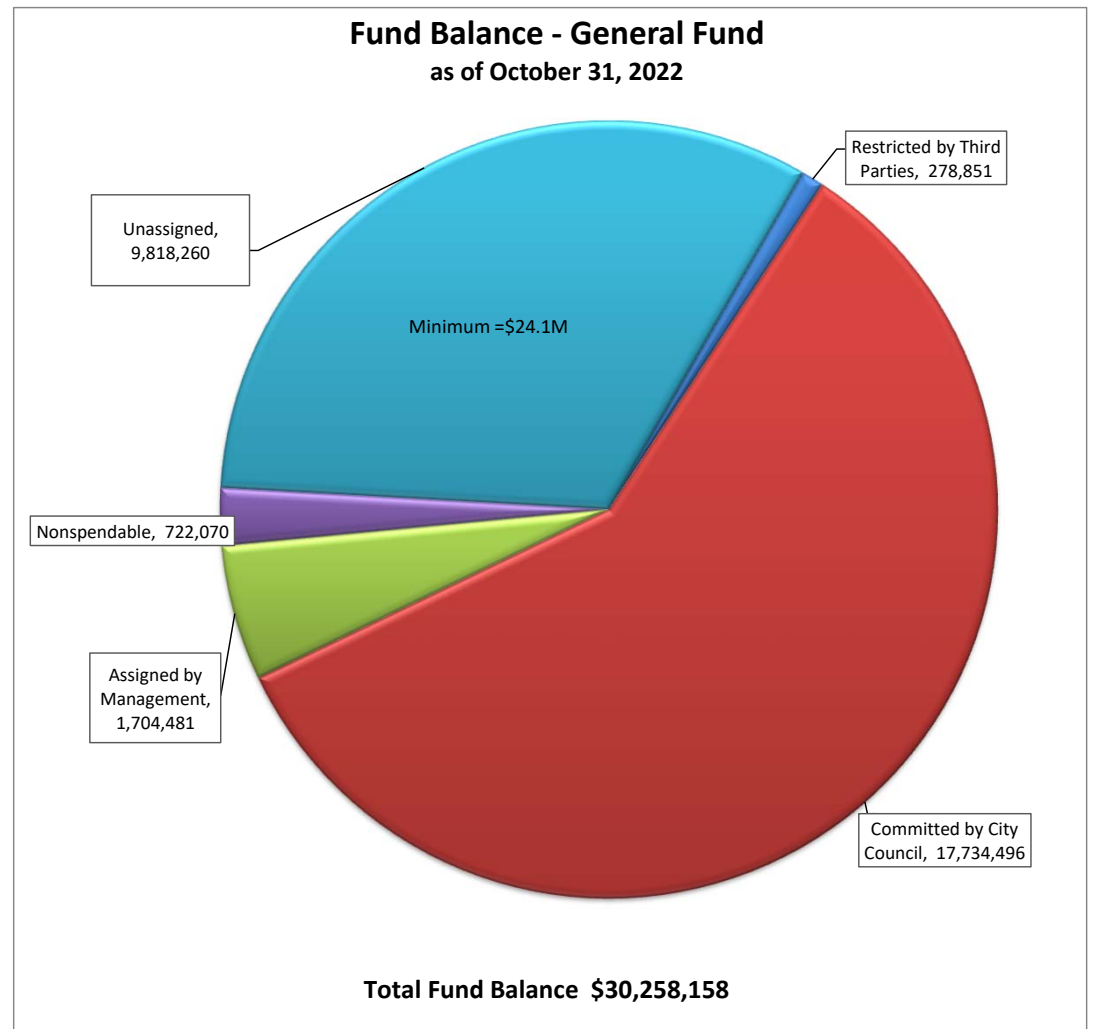
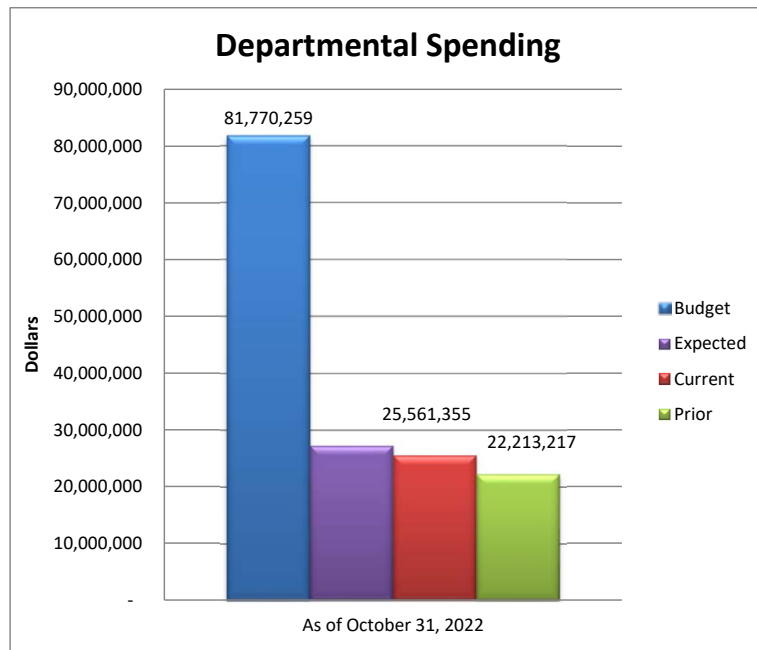
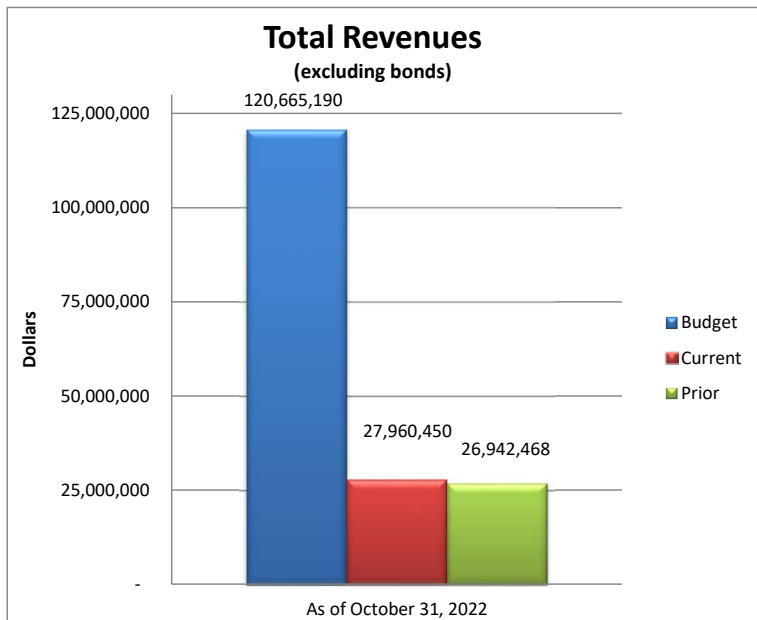
Beginning Total Fund Balance, July 1, 2022	46,401,528.32
Add: General Fund Revenues	27,960,450.41
Deduct: General Fund Expenditures	<u>(44,103,821.13)</u>
Ending Total Fund Balance, October 31, 2022	<u><u>30,258,157.60</u></u>

Composition of Fund Balance:

Restricted for Commonwealth Attorney	103,683.31
Restricted for Police Department	40,230.65
Restricted for Fire Department	134,937.12
Committed for Sheriff's Department	49,631.50
Committed to Schools	14,684,864.37
Committed to Budget Stabilization	3,000,000.00
Assigned to Sheriff's Department	7,170.14
Assigned to Community Development	35,970.70
Assigned for Encumbrances	1,661,339.95
Nonspendable (Inventory and Prepaids)	722,069.78
UNASSIGNED	<u>9,818,260.08</u>
Total Fund Balance, October 31, 2022	<u><u>30,258,157.60</u></u>

Unassigned fund balance from above	9,818,260.08
Unassigned Minimum per policy (20% of General Fund Operating Revenues) based on FY 2022 budget	<u>24,133,038.00</u>
Current surplus (deficit) over (under) minimum	(14,314,777.92)





Council Letter

City of Danville, Virginia



CL-2854

New Business B.

City Council Regular Meeting

Meeting Date: 11/15/2022

Subject: Amendment to Enterprise Zone 1

From: Kelvin Perry, Project Manager

COUNCIL ACTION

Business Meeting: 11/15/2022

SUMMARY

The Office of Economic Development and Tourism is requesting a resolution authorizing the City Manager to sign and submit an application to the Virginia Department of Housing and Community Development (DHCD) to amend the geographic boundaries and incentives for the City's Enterprise Zone Program known as City Enterprise Zone #1. The amendment will allow the City to encourage and incentivize new capital investment and job creation in this developing area of the City. By amending the zone, any business, property owner or developer will qualify for state and local Enterprise Zone incentives.

BACKGROUND

Enterprise Zone #1 consists of approximately 1,822 acres throughout the City of Danville and includes the Central Business District, Tobacco Warehouse District, Cyber Park, Goodyear Boulevard, Dan River Schoolfield Complex, Riverview Industrial Park, and the former Corning Plant. This proposed amendment will delete approximately 32 acres currently in the EZ and add 19.71 acres of commercial property with identified commercial development projects in process or in the near future. Once approved, the amended zone will total approximately 1,809.34 acres.

RECOMMENDATION

City Staff recommends City Council approve a resolution authorizing the City Manager to submit to the Department of Housing and Community Development all the necessary documentation to amend the boundaries in the City's Enterprise Zone # 1.

Attachments

Resolution

Map

PRESENTED: _____

ADOPTED: _____

RESOLUTION NO. 2022-_____._____

A RESOLUTION AUTHORIZING THE CITY MANAGER TO SUBMIT TO THE VIRGINIA DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT AN ENTERPRISE ZONE AMENDMENT APPLICATION FOR THE CITY ENTERPRISE ZONE #1.

WHEREAS, the City of Danville, Virginia, desires to amend the boundaries for the City of Danville Enterprise Zone Program, Enterprise Zone #1, which consists mainly of the Downtown and Tobacco Warehouse Historic Districts, Cyberpark, Goodyear, Dan River Schoolfield Complex, Dan River Headquarters, the former Corning facility, and Riverview Industrial Park; and

WHEREAS, the Enterprise Zone Program guidelines restrict total amount of available acreages to include no more than seven (7) percent of the jurisdictions land area, which in Danville totals 1,900 acres in Zone #1; and

WHEREAS, as at this time City staff is requesting the Council to approve boundary additions and deletions to encourage and incentivize new capital investment and job creation, allowing these areas to qualify for local and state incentives for capital improvements and job creation.

NOW THEREFORE, BE IT RESOLVED, by the Council of the City of Danville, Virginia, that the City Manager be, and he is hereby, authorized to submit to the Virginia Department of Housing and Community Development an application to amend the boundaries and incentives of the City of Danville Enterprise Zone (Enterprise Zone #1); and

BE IT FURTHER RESOLVED by the Council of the City of Danville, Virginia, that that the City Manager, Kenneth F. Larking, be, and he is hereby, authorized to submit all information needed to apply for the Enterprise Zone boundary and incentive amendments and to carry out all program administrative reporting requirements.

APPROVED:

Mayor

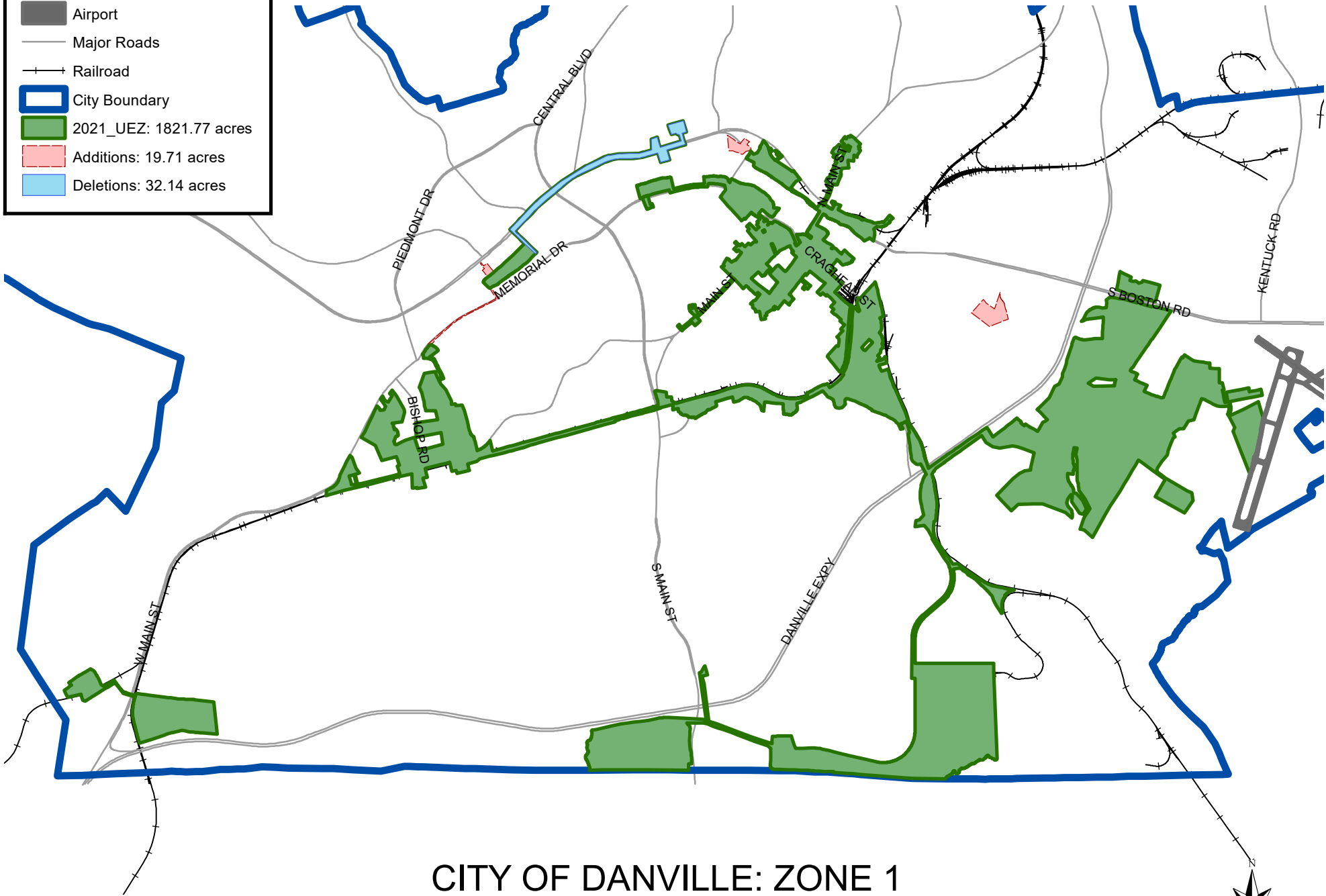
ATTEST:

City Clerk

Approved as to
Form and Legal Sufficiency:

City Attorney

-  Airport
-  Major Roads
-  Railroad
-  City Boundary
-  2021_UEZ: 1821.77 acres
-  Additions: 19.71 acres
-  Deletions: 32.14 acres



CITY OF DANVILLE: ZONE 1
MAP 1

Proposed Boundary: 1809.34 acres



37 of 64

Council Letter

City of Danville, Virginia



CL-2876

New Business C.

City Council Regular Meeting

Meeting Date: 11/15/2022

Subject: Consideration of Moral Obligation with Virginia Community Capital

From: Corrie Bobe, Director of Economic Development

COUNCIL ACTION

Business Meeting: 11/15/2022

SUMMARY

On March 8, 2022, the Industrial Development Authority of Danville, Virginia (IDA) approved financing terms from Virginia Community Capital for the purchase and renovation of an industrial building in Danville, Virginia. This 20,164 square foot building is located at 1 Ecomnets Way in Airside Industrial Park, which totals approximately 5 acres. City Council approved a Moral Obligation for this loan at its April 5th meeting. Since this time, construction costs have increased resulting in the need to update the Commitment Letter and request an approval of a new Moral Obligation reflecting this increase. The total cost to purchase and renovate this building is now \$3,325,000.

BACKGROUND

The IDA self-funded the purchase of the building on July 15, 2021 for \$925,000. The loan includes the purchase and the tenant improvement costs, which is estimated to total \$2,400,000. The loan will be amortized over a 20-year period with an 11-year term. VCC will allow interest-only payments during the 12-month construction phase and the interest rate will be fixed at 5%. After the first year, there will be a 5-year ARM with an initial rate and floor of 5%. The bank is requesting a moral obligation from the City as part of its commitment to lend.

RECOMMENDATION

Staff recommends that Council approves a moral obligation for this loan with Virginia Community Capital.

Attachments

Resolution

Moral Obligation

Commitment Letter

PRESENTED: _____

ADOPTED: _____

RESOLUTION NO. 2022-_____._____

A RESOLUTION OF THE COUNCIL OF THE CITY OF DANVILLE, VIRGINIA APPROVING AND AUTHORIZING A MORAL OBLIGATION SUPPORT AGREEMENT WITH THE INDUSTRIAL DEVELOPMENT AUTHORITY OF DANVILLE, VIRGINIA FOR THE 1 ECOMNETS WAY PROJECT.

WHEREAS, the Industrial Development Authority of Danville, Virginia (the "Authority") is supporting and financing remodeling, related construction, and equipping of an industrial building on property commonly referred to as 1 Ecomnets Way, Danville, VA 24540 (Tax Parcel ID 77394) (the "Project"); and

WHEREAS, the Authority now proposes to undertake the financing of the Project, including necessary expenses incidental thereto, by a loan from Virginia Community Capital in the maximum amount of \$3,325,000 (the "Loan") pursuant to the terms of certain loan documents (the "Loan Documents"); and

WHEREAS, amounts due under the Loan Documents (the "Debt Service") are to be paid by the Authority from rent of the Project facilities, as well as funds that are subject to appropriation in each fiscal year by the City of Danville, Virginia (the "City"), with the City being responsible for such Debt Service on a moral obligation basis; and

WHEREAS, in connection with the Loan, Virginia Community Capital desires that the commitment of the City provide such funds, subject to annual appropriation as described above, be set forth in a Moral Obligation Support Agreement (the "Moral Obligation Agreement") between the City and the Authority; and

WHEREAS, the Moral Obligation Agreement has been presented to the Council of the City of Danville, Virginia, (the "Council") substantially in the final form attached hereto and made a part hereof.

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

1. Form and Authorization of Moral Obligation Agreement. The Moral Obligation Agreement is hereby approved, with such variations, insertions, changes, or deletions (including without limitation changes to the date thereof) as may be approved by the Mayor or Vice Mayor of the City or the City Manager. The execution and delivery of the Moral Obligation Agreement is hereby approved and authorized.

2. Execution and Delivery of Moral Obligation Agreement. The Mayor and the Vice Mayor of the City and the City Manager, any of whom may act, are each authorized and directed to execute the Moral Obligation Agreement on behalf of the City. The Clerk and Deputy Clerk of the City, either of whom may act, are each authorized and directed to execute and affix the seal of the City to the Moral Obligation Agreement and deliver the Moral Obligation Agreement to the other parties thereto.

3. Further Actions. The Mayor and the Vice Mayor of the City, and other officers and agents of the City, including the City Manager, the Finance Director, the City Clerk, the Deputy City Clerk, and the City Attorney, are authorized and directed to take such further actions as they deem necessary regarding the execution and delivery of the Moral Obligation Agreement, including, without limitation, the execution and delivery of any instruments, closing documents, and certificates with respect to or as may be required for the closing of the Loan. All such actions previously taken by the Mayor, Vice Mayor or such other officers and agents are hereby approved, ratified, and confirmed.

4. Limitation of Liability of Officials of the City. No covenant, condition, agreement, or obligation contained herein shall be deemed to be a covenant, condition, agreement, or obligation of an officer, employee, or agent of the City in his or her individual capacity, and no officer of the City executing the Moral Obligation Agreement shall be liable personally on the Moral Obligation Agreement or be subject to any personal liability or accountability by reason of the execution and delivery thereof.

5. Effective Date. This Resolution shall take effect immediately.

APPROVED:

Mayor

ATTEST:

City Clerk

Approved as to
Form and Legal Sufficiency:

City Attorney

CERTIFICATE

The undersigned Clerk of the City of Danville, Virginia, does hereby certify that the foregoing constitutes a true and correct extract from the minutes of a meeting of the City Council held on _____, 2022, and of the whole thereof so far as applicable to the matters referred to in such extract. I hereby further certify that such meeting was a regularly scheduled meeting and that, during the consideration of the foregoing Resolution, a quorum was present. The vote of the members of the City Council upon the foregoing Resolution was as follows:

<u>Member</u>	<u>Present/Absent</u>	<u>Vote</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

WITNESS MY HAND and the seal of the City of Danville, Virginia, this ____ day of _____, 2022.

Clerk, City of Danville, Virginia

MORAL OBLIGATION SUPPORT AGREEMENT OF CITY OF DANVILLE

THIS MORAL OBLIGATION SUPPORT AGREEMENT (this "**Moral Obligation Agreement**") made as of the ____ day of _____ 2022, by and between the **CITY OF DANVILLE, VIRGINIA**, a political subdivision of the Commonwealth of Virginia (the "**City**"), and the **INDUSTRIAL DEVELOPMENT AUTHORITY OF DANVILLE, VIRGINIA**, a political subdivision of the Commonwealth of Virginia (the "**Authority**"), to-wit:

Background

A. The Authority was created under the Industrial Development and Revenue Bond Act (§15.2-4900 et seq.) of the Code of Virginia, 1950, as amended, (the "**Code**") to promote development, industry, and trade.

B. In an effort to promote development, trade, and the local economy, the Authority is financing the remodeling, related construction, and equipping of a shell building on property commonly referred to as 1 Ecomnets Way, Danville, VA 24540 (Tax Parcel ID 77394) (the "**Project**").

C. The Authority has obtained a commitment from Virginia Community Capital to finance up to \$3,325,000 (the "**Loan**") of the projected costs of the Project, and such Loan will be secured, among other interests, by a pledge of the revenues and receipts received by the Authority from payments made by the City pursuant to this Moral Obligation Agreement.

D. Virginia Community Capital requires that the City and the Authority enter into this Moral Obligation Agreement as a condition of making the Loan..

E. As used herein, the term "**Payments Due**" shall mean all monthly payments of principal and interest due, as well as any other amounts due to Virginia Community Capital, under the terms of the agreements, notes, bonds, instruments, and other documents setting forth the provisions of and related to the Loan (collectively, the "**Loan Documents**").

F. Section 15.2-953 of the Code provides that any locality may appropriate money to an industrial development authority for the purpose of promoting economic development.

Agreement

NOW, THEREFORE, for and in consideration of the covenants and the mutual benefit to be derived therefrom and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. The Authority, in consultation with the City, will determine, prior to closing of the Loan and subsequently, as part of its budget process, by April 1st prior to each subsequent fiscal year that this Moral Obligation Agreement is in effect, those portions of the Payments Due in such fiscal year which the Authority will not be able to pay from revenues and receipts

associated with the Project, its revenues and receipts generally, or other funds of the Authority available to make Payments Due, for purposes of determining the amounts to be requested from, and paid (subject to the limitation of Section 6) by the City for the City's immediately succeeding fiscal year such that Payments Due can be made by the Authority during such fiscal year to Virginia Community Capital (the "**Appropriated Sums**"). Further, upon such determination, the Authority shall provide notice of such Appropriated Sums requested by the Authority in connection with the Project to the City (the "**Notice**"). The City Manager shall include the Appropriated Sums requested by the Authority in the budget submitted to the Council of the City of Danville, Virginia (the "**City Council**") for the following fiscal year as an amount to be appropriated to or on behalf of the Authority. The City Manager shall deliver to the Chairman of the Authority within ten (10) days after the adoption of the City's budget for each fiscal year, but not later than July 15th of each year, a certificate (the "**City Certificate**") stating whether the City Council has appropriated to or on behalf of the Authority the Appropriated Sums requested. The City shall deliver a copy of the City Certificate to Virginia Community Capital concurrent with the delivery to the Chairman of the Authority.

2. Subject to the limitation of Section 6, the City shall make payment to the Authority or the Authority's assignee of all Appropriated Sums. In the event of an acceleration of the Loan in accordance with the Loan Documents, the City agrees to pay, subject to the limitation of Section 6, an amount equal to all Payments Due that are payable or to become payable under this Moral Obligation Agreement. Appropriated Sums and Payments Due, as the case may be under this Section 2, shall be payable in a timely manner, without notice or demand, in accordance with the Loan Documents

3. The Authority and the City acknowledge and agree that this Moral Obligation Agreement and all payments and rights hereunder (except the rights of the Authority to receive notices) will be assigned as part of an assignment agreement to be executed by the Authority in favor of Virginia Community Capital in connection with the Loan. The City consents to such assignment and agrees to pay to Virginia Community Capital all amounts payable by the City that are so assigned at the principal corporate office of Virginia Community Capital, or such other address as Virginia Community Capital may direct.

4. Except as otherwise provided in this Moral Obligation Agreement, including the limitation in Section 6, the obligations of the City to make all payments and to observe all other covenants, conditions, and agreements hereunder shall be absolute and unconditional, irrespective of any right of setoff, recoupment, or counterclaim the City may otherwise have, and the City shall not suspend or discontinue any such payments or fail to observe and perform any of its covenants, conditions, and agreements hereunder.

5. While recognizing that it is not empowered to make any binding commitment to pay Appropriated Sums or make Payments Due beyond the current fiscal year, the City Council in authorizing the execution of this Moral Obligation Agreement has stated its intent to make annual appropriations sufficient to pay Appropriated Sums or make Payments Due, as the case may be, and as such it is hereby recognized by the parties hereto that this Moral Obligation Agreement, to the extent permitted by law, creates strictly a moral obligation of the City to pay such amounts.

6. Notwithstanding anything in this Moral Obligation Agreement to the contrary, the City's obligations to pay the cost of performing its obligations under this Moral Obligation Agreement, including its obligations to pay Appropriated Sums and make all Payments Due, as the case may be, shall be subject to and dependent upon appropriations being made from time to time by the City Council for such purpose; provided, however, that the City Manager or other officer charged with the responsibility for preparing the City's annual budget shall include in the budget for each fiscal year of the City as a single appropriation the amount of all Appropriated Sums and Payments Due, as the case may be, to be paid by the City during such fiscal year.

7. Throughout the term of this Moral Obligation Agreement, the City Manager or other officer charged with the responsibility for preparing the City's annual budget shall deliver to the Authority and Virginia Community Capital within ten (10) days after the adoption of the City's annual budget for each fiscal year, but not later than the beginning of each such fiscal year, a certificate stating whether an amount equal to the Appropriated Sums and Payments Due, as the case may be, which will come due during such fiscal year has been appropriated by the City Council in such budget. If, by the beginning of such fiscal year, the City Council has not appropriated funds for the payment of Appropriated Sums or Payments Due, as the case may be, coming due for the then current fiscal year, the City Manager or other officer charged with the responsibility for preparing the City's Annual Budget shall give written notice to the City Council of the consequences of such failure to appropriate, including, among others, the right of Virginia Community Capital to accelerate Payments Due in accordance with the Loan Documents, and request the City Council to make a supplemental appropriation for such purposes.

8. If at any time the Appropriated Sums as determined pursuant to Section 1 are insufficient to make payments of the Authority's portion of principal and interest due under the Loan Documents, the Authority (or Virginia Community Capital as assignee of the Authority) shall notify the City Manager (or other officer charged with the responsibility for preparing the City's Annual Budget) of the amount of such insufficiency, and the City Manager shall submit to the City Council at its next regularly scheduled meeting or as promptly as practicable, but in any event within forty five (45) days, a request for a supplemental appropriation in the amount necessary to cover such insufficiency.

9. Virginia Community Capital, by executing the Receipt and Acknowledgement below, agrees to apply any funds so appropriated and paid to it by the City pursuant to this Moral Obligation Agreement toward the Authority's obligations under the Loan Documents in accordance with the terms of the Loan Documents.

10. The City Council hereby undertakes a non-binding obligation to appropriate such amounts as may be requested from time to time pursuant to Sections 5, 7 and 8 above, to the fullest degree and in such manner as is consistent with the Constitution and laws of the Commonwealth of Virginia. The City Council, while recognizing that it is not empowered to make any binding commitment to make such appropriations in future fiscal years, hereby states its intent to make such appropriations, as may be necessary, consistent with this Agreement.

11. Nothing herein contained is or shall be deemed to be a lending of the credit of the City to Virginia Community Capital, the Authority, the Project, or to any other person or entity (unless specifically set forth otherwise), and nothing herein contained is or shall be deemed to be a pledge of the faith and credit or the taxing power of the City, nor shall anything herein contained legally bind or obligate the City Council to appropriate funds for the purposes described herein.

12. Any notices or requests required to be given hereunder shall be deemed given if hand- delivered or sent by registered or certified mail, postage prepaid, addressed as follows:

If to the City: City of Danville, Virginia
Municipal Building, 427 Patton Street (24541)
P. O. Box 3300
Danville, VA 24543
Attention: City Manager

With a copy to: The City Attorney's Office
Municipal Building, 427 Patton Street (24541)
P. O. Box 3300
Danville, VA 24543
(434) 799- 5122

If to the Authority: Industrial Development Authority of Danville, Virginia
c/o City Attorney
Municipal Building, 427 Patton Street (24541)
P.O. Box 3300 (24543)
Danville, Virginia

With a Copy to: City Attorney
The City Attorney's Office
P. O. Box 3300
Danville, Virginia 24543

If to Virginia
Community Capital:
Virginia Community Capital
110 Peppers Ferry Road NW
Christiansburg, VA 24073
Attention: Cindy Snider, AVP,
Small Business Loan Officer

13. If any clause, provision, or paragraph of this Agreement shall be held illegal or invalid by a court, the illegality or invalidity of such clause, provision, or paragraph shall not affect any of the remaining clauses, provisions, or paragraphs hereof, and this Agreement shall be construed and enforced as if such illegal or invalid clause, provision, or paragraph had not been contained herein. In case any question should arise as to whether any provision contained

herein shall be in violation of law, then such provision shall be construed to be the agreement of the parties hereto to the full extent permitted by law.

14. This Moral Obligation Agreement and the performance thereof shall be governed by and enforced under the laws of the Commonwealth of Virginia, and if legal action by either party is necessary for or with respect to the enforcement of any or all of the terms and conditions hereof, then exclusive venue therefore shall lie in the City of Danville, Virginia, as the location of the Project.

15. This Moral Obligation Agreement supersedes all prior understandings and agreements of the parties with respect to the subject matter hereof and contains the entire agreement and understanding of the parties in connection with the transactions contemplated hereby.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the City and the Authority have caused this Moral Obligation Agreement to be executed in their names and on their behalf by their duly authorized representatives, all as of the date first above written.

CITY COUNCIL, CITY OF DANVILLE

By: _____

Name: Kenneth F. Larking

Title: City Manager

(SEAL)

Attest:

City Clerk

**INDUSTRIAL DEVELOPMENT AUTHORITY OF
DANVILLE, VIRGINIA**

By: _____

Name: T. Neal Morris

Title: Chairman

(SEAL)

Attest:

Secretary

RECEIPT AND ACKNOWLEDGEMENT

Receipt of the foregoing original counterpart of the Moral Obligation Support Agreement dated as of _____, 2022, between the City of Danville, Virginia and the Industrial Development Authority of Danville, Virginia, is hereby acknowledged.

VIRGINIA COMMUNITY CAPITAL

By: _____
Name:
Title:



October 3, 2022

Corrie Teague Bobe
Director
IDA of Danville
427 Patton Street
Danville, VA 24541

Re: IDA of Danville Term Loan - Commitment Letter

Dear Corrie:

We are pleased to advise you that Virginia Community Capital and VCC Bank (the "Lender") has approved your loan request for a Commercial Real Estate and improvements (the "Commitment") subject to the following terms and conditions:

Basic Terms

- a. **Borrowers:** IDA of Danville
- b. **Pledge:** Moral Obligation of the City of Danville
- c. **Loan Amount:** The loan will be a two phase loan in an amount equal to the lesser of \$3,325,000 or 100% of the appraised value of the Property as determined by an appraisal ordered and reviewed by the Bank. Phase One will be a non-revolving line of credit and Phase Two will be a term loan.
- d. **Repayment Terms:** Phase One: The loan will be payable in monthly interest only payments for the first twelve (12) months from the date of loan closing. Phase Two: The loan will be payable in monthly payments of principal and interest based on an amortization of twenty (20) years. The loan will mature eleven (11) years from the date of loan closing.
- e. **Use of Proceeds:** Refinance existing debt on building located at 1 eConnets Way Danville, VA 24540 plus financing of upfits to CRE.
- f. **Interest Rate:** Phase One: The interest rate will be fixed at 5.0%. Phase Two: 5 Year ARM with an initial rate and floor of 5.0%. The interest rate will be adjusted to 5 YR CMT + 3.28% on the fifth anniversary and every five (5)

years thereafter. If the loan is not closed in 90 days from the date of this letter, the bank reserves the right to reset rate.

- g. **Loan Commitment Fee:** .65% of the VCC Loan Amount due at loan closing One-fourth (\$5,400) of this fee shall be due at the signing of the commitment letter and is non-refundable. The remainder of the commitment fees shall be due and payable at Loan closing. Fees shall be considered fully earned and non-refundable once paid.
- h. **Closing Date:** Closing of this Loan shall take place no later than **90 days from the date of this letter** (the "Closing Date").
- i. **Collateral:** 1st DOT on 1 eConnets Way Danville, VA 24540, Assignment of leases and Moral Obligation of City of Danville.

Closing Conditions:

- City of Danville Moral Obligation must be approved by Danville City Council and provided to VCC prior to loan closing.
- CRE appraisal for property being financed, with results deemed sufficient by VCC Bank
- Construction budget with 5% contingencies
- Fixed price construction contract reviewed with Risk
- Draws will have 5% retainage
- VCC approved 3rd party Construction monitoring will be required.
- Payment and Performance Bond or 10% LOC required from GC
- \$100,000 required for Interest Reserve
- Site Plan, Survey, Zoning and Plans and Specifications reviewed by Risk prior to closing
- VCC Bank listed as First Mortgagee on business property insurance
- VCC Bank listed as First Mortgagee on property and liability insurance for CRE being financed.
- If property is in a flood zone, flood insurance will be required with VCC listed as Lender's Loss Payee
- No adverse change in guarantors or borrowers' financials as of 6/30/21

1. Conditions:

Quality of Documents and Items: Each document and item required to be submitted to Lender pursuant to this Commitment shall be satisfactory in form and substance to Lender and its legal counsel, in their sole discretion. All legal costs of closing this transaction will be borne by the Borrower and shall be due upon demand.

Conditions of Loan: As conditions precedent to the closing of the Loan, all conditions and requirements in this Commitment must be satisfied to Lender's

satisfaction, as determined by Lender in its sole discretion, and Borrower must have provided or caused to be provided to Lender, and Lender must have received, reviewed and found satisfactory, the following:

- a. **Loan Documents:** Promissory Note with confession of judgement provisions, loan agreement, deed of trust, consents and all such other and further documents as Lender may require (collectively, the "Loan Documents"), duly executed acknowledged and/or sworn to, delivered, recorded and/or filed, upon the terms of this Commitment and containing such representations and warranties and affirmative, negative and other covenants, together with other additional terms and conditions, as Lender may require.

Closing Cost: All costs incurred will be the responsibility of the Borrower. The loan documents will be prepared by an attorney. Any requested changes by the Borrower will be reviewed by the Bank's legal counsel at a rate of \$500/hour.
- b. **Authority and Capacity:** Evidence of the existence, good standing, authority and capacity of Borrower and Guarantor and their respective constituents and representatives as Lender may require. Borrower's and Guarantor's organizational documents shall be subject to review by Lender and must be acceptable to Lender.
- c. **Insurance:** Borrower's effective, paid-up policies of title insurance in the amount of the Loan in favor of the Lender (containing affirmative mechanics' lien coverage and such other coverages and endorsements as the Lender shall require in its sole discretion), fire and all-risk replacement cost coverage (including Builder's Risk coverage) of all insurable Collateral and with loss proceeds payable to Lender; comprehensive general public liability insurance with Lender as additional insured; and such other or additional insurance, and covering such risk, as Lender shall require in its sole discretion. All policies must be written by insurers, in amounts, with endorsements, and on terms and conditions satisfactory to Lender in its sole discretion.
- d. **Attorney's Opinion:** The written opinion(s) of counsel for Borrower and Guarantor, addressed to Lender, confirming the legal status and authority of Borrower and Guarantor, the due authorization, execution and delivery, and the validity, binding effect and enforceability of the Loan Documents, the creation, validity, and perfection of the liens and security interests created by the Loan Documents and such other matters as Lender requests. Such counsel and opinion(s) must be satisfactory to Lender in its sole discretion.
- e. **Plans and Specifications:** A complete set of final plans and specifications for the Project if available (collectively, the "Plans and Specifications")

shall be submitted to and approved by the Lender prior to the closing of the Loans. Any material deviation from the approved Plans and Specifications must be approved by Lender in writing.

- f. **Appraisal:** The Lender's obligation to make the Loan is conditioned upon receipt and review by the Lender of an appraisal of the real estate collateral acceptable to the Lender with an appropriate loan to value acceptable to Lender. The loan to value will not exceed 100% based on the value of the project real estate. Lender appraisal review fee will be \$350.00 for which Borrower is responsible for payment at closing.
- g. **Environmental Matters:** A Phase I environmental site assessment will be obtained prior to closing on the subject property. In the event that the Lender determines that additional environmental assessment is necessary, Borrower agrees to this requirement. Lender will charge a \$100.00 environmental report review fee which Borrower agrees to pay at closing.
- h. **Miscellaneous:** Such other evidence, documents, certificates, opinions and items requested by Lender that are customarily provided in loan transactions of this type or necessary in connection with any other requirement of this Commitment.
- i. **Date for Submission:** All submissions must be made and all conditions must be satisfied by Borrower at least seven (7) business days prior to Loan Closing.

2. **General Conditions**

- a. **Termination of Commitment:** Lender may terminate this Commitment if there shall have occurred, in the opinion of Lender, from the date of Borrower's application for the Loans (a) any change in the ownership or capital structure of Borrower or Guarantor, (b) any material adverse change with respect to the security for the Loans or other source of repayment of the Loan, (c) any material adverse change in the business or financial condition of Borrower or the Guarantor, or any other change in any facts submitted to Lender in connection with the Commitment, (d) any damage to the Real Property, the improvements thereon or any of the other assets of the Borrower by fire, casualty or other cause or any asset of the Borrower is taken in condemnation or other like proceeding, or any such proceeding is pending at the time of Closing, or (d) any pending or threatened litigation by or against Borrower, any affiliate of Borrower, or Guarantor.
- b. **Participation or Sale of Loans:** Lender may sell the Loans or undivided ownership or participation interests in the Loans and disclose such financial and other information regarding Borrower, and/or Guarantor which Lender may deem necessary in connection therewith. Borrower and Guarantor shall

execute, acknowledge and deliver any and all instruments reasonably requested by Lender in connection with the foregoing.

- c. **Applicable Laws:** This Commitment and the Loan Documents shall be governed entirely by Virginia law and applicable United States Federal Law.
 - d. **Entire Agreement:** The terms set forth above represent the entire understanding between Borrower and Lender with respect to the subject matter of this Commitment, and this Commitment supersedes any prior and contemporaneous agreements, commitments, discussions and understandings, oral or written, with respect to the subject matter hereof. This Commitment will terminate upon, and not survive, the execution and delivery of the Loan Documents.
 - e. **Controlling Agreement:** This Commitment is hereby limited so that in no event shall the interest taken, reserved, contracted for, charged or received exceed the maximum non usurious amount permitted by applicable law; and any provision possibly to the contrary shall be automatically reformed and the interest payable automatically reduced to such maximum amount, without necessity of execution of any amendment or new document.
 - f. **Assignment:** This Commitment cannot be assigned by Borrower without Lender's prior written approval, nor shall any third party rely hereon or be deemed a party benefited hereby.
 - g. **Costs:** Borrower shall pay on demand all out-of-pocket costs and expenses incurred by Lender or Borrower, in connection with the Loan (pre-and post-closing), including but not limited to, all costs associated with documenting, recording, closing; and all fees and expenses of Lender's outside legal counsel and the cost of any other reports deemed necessary by Lender, whether or not the Loan closes. Such costs and expenses incurred at or prior to the Loan Closing shall be due and payable prior to the closing of the Loan. The provisions of this paragraph shall survive the expiration or termination of this Commitment.
 - h. **Financial Reporting Requirements:** City of Danville, IDA of Danville, Audits will be provided annually.
3. **Acceptance; Termination:** This Commitment shall terminate automatically without notice at 5:00 pm Eastern Standard Time on or before November 8th 2022, unless before that time Borrower has accepted it by delivering a signed original of this letter to the Lender at its address shown at the beginning of this Commitment along with the \$5,400 commitment fee deposit. If all the conditions of this Commitment have not been satisfied or if Lender and Borrower are unable to agree on and reduce to writing all of the Loan Documents in a manner satisfactory to Lender by the Closing Date, time being of the essence, or if there has been any misrepresentation or any material error in anything submitted to

Lender regarding the Loan or pursuant to any other provision hereof, the Lender shall have the option to terminate this Commitment. Upon any such termination, the Lender shall have no obligation to extend any credit hereunder, the Lender shall be entitled to retain all fees and other sums paid by Borrower to the Lender in connection with this Commitment, and all obligations hereunder shall terminate except as specified in Section 6.7.

THE LOAN DOCUMENTS WILL REPRESENT THE FINAL AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN AGREEMENTS BETWEEN THE PARTIES.

Very Truly Yours,

VCC Bank

Cindy Snider

Cindy Snider

AVP, Small Business Loan Officer

540-250-0055

The undersigned accept and agree to all of the terms and conditions of the foregoing Commitment.

For the Borrower:

Name

IDA of Danville

By: _____ (SEAL)

Name: T. Neal Morris

Title: IDA Board Chair

Date

For the Guarantor:

City of Danville

Name

By: _____ **(SEAL)**

Name: Ken Larking

Title: City Manager

Date

Council Letter

City of Danville, Virginia



CL-2850

New Business D.

City Council Regular Meeting

Meeting Date: 11/15/2022

Subject: Virginia Highway Safety Improvement Program Project Application

From: Brian Dunevant, Assistant Public Works Director & City Engineer

COUNCIL ACTION

Business Meeting: 11/15/2022

SUMMARY

The Department of Public Works is submitting a project application to the Virginia Department of Transportation for Virginia Highway Safety Improvement Program funds. If awarded, the allocated funding will be used to install Flashing Yellow Arrows at the following signalized intersections: Main Street at Holbrook Street, Piney Forest Road at Arnett Boulevard, Piney Forest Road at Audubon Drive, and West Main Street at Park Avenue.

BACKGROUND

The Virginia Highway Safety Improvement Program (VHSIP) receives federal and state safety funding to implement safety improvements across the roadway network in Virginia. The VHSIP requires a data-driven, strategic approach to improving highway safety on all public roads, that focuses on safety performance. Localities can submit a funding application for specific safety improvements as identified in the Local Systematic Initiatives.

RECOMMENDATION

It is recommended that City Council approve the attached resolution of support for the proposed Virginia Highway Safety Improvement Program funding application.

Attachments

Resolution

PRESENTED: _____

ADOPTED: _____

RESOLUTION NO. 2022-____.____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF DANVILLE,
VIRGINIA AUTHORIZING ENDORSING A VIRGINIA HIGHWAY SAFETY
IMPROVEMENT PROGRAM APPLICATION.

WHEREAS, in accordance with the Commonwealth Transportation Board construction allocation procedures, it is necessary that a resolution be received from the sponsoring local jurisdiction or agency requesting the Virginia Department of Transportation (VDOT) to establish a project in the City of Danville.

NOW THEREFORE, BE IT RESOLVED, by the Council of the City of Danville, Virginia, that the City requests the Commonwealth Transportation Board to establish a project for installing flashing yellow arrows at various signalized intersections throughout the city; and

BE IT FURTHER RESOLVED, that the City of Danville hereby agrees to provide its share of the total cost for preliminary engineering, right-of-way acquisition, and construction of this project in accordance with the project financial documents; and

BE IT FURTHER RESOLVED, that the City of Danville hereby agrees to enter into a project administration agreement with VDOT and provide the necessary oversight to ensure the project is developed in accordance with all applicable federal, state, and local requirements for design, right-of-way acquisition, and construction of the project; and

BE IT FURTHER RESOLVED, that the City of Danville will be responsible for maintenance and operating costs of the facility as constructed unless other arrangements have been made with VDOT; and

BE IT FURTHER RESOLVED, that if the City of Danville subsequently elects to cancel the project, the City of Danville hereby agrees to reimburse VDOT for the total amount of costs expended by VDOT through the date VDOT is notified of such cancellation. The City of Danville also agrees to repay any funds previously reimbursed that are later deemed ineligible by the Federal Highway Administration or VDOT; and

BE IT FINALLY RESOLVED, that the City Council of the City of Danville hereby grants authority for the City Manager to apply for funds and execute project administration agreements, as well as other documents necessary for approved projects.

APPROVED:

Mayor

ATTEST:

Clerk

Approved as to
Form and Legal Sufficiency:

City Attorney

Attest: _____
SUSAN M. DEMASI, CITY CLERK

ALONZO JONES, MAYOR

In my capacity as the duly appointed Clerk of the City of Danville, I hereby certify that Resolution # _____ which is hereto attached, was adopted at a duly called and constituted meeting of the City of Danville held at the Municipal Building at 427 Patton Street on _____. Said meeting was called to order by Mayor Alonzo Jones at 7:00pm with the following members present who remained in attendance throughout and constituted a quorum:

The City Council of the City of Danville voted unanimously to adopt attached Resolution # _____.

Given under my hand this _____ day of _____.

SUSAN M. DEMASI, CITY CLERK

STATE OF VIRGINIA
CITY OF DANVILLE

Attested Photocopy:

On this _____ day of _____, I Susan DeMasi, attest that the preceding document is a true, exact. Complete and unaltered photocopy made by me of Resolution # _____.

SUSAN M. DEMASI, CITY CLERK

Council Letter

City of Danville, Virginia



CL-2880

New Business E.

City Council Regular Meeting

Meeting Date: 11/15/2022

Subject: City Council's Policy on Collective Bargaining

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

COUNCIL ACTION

Business Meeting: 11/15/2022

SUMMARY

This resolution sets out the City Council's policy on collective bargaining. It prohibits any official, employee, appointee, or agent of the City, vested with or possessing any authority, to recognize any labor union or other employee association or organization as a bargaining agent of any City officers or employees, or to collectively bargain or enter into any collective bargaining contract.

While the resolution prohibits collective bargaining, this resolution sets forth the Council's policy of promoting orderly and constructive relationships between the City and its employees in support of its responsibility to residents to provide for their health, safety, welfare, and the uninterrupted operations and functions of government. It places on the City Manager the responsibility to develop, promote, and maintain written policies and procedures to enhance positive employee relations and allow for input of staff in personnel policy decision-making whenever reasonable and feasible in his sole and final determination.

BACKGROUND

As you will recall, effective May 1, 2021, the General Assembly through Code § 40.1-57.2, authorized local governments with the authority to recognize labor unions or other employee associations and to collectively bargain or enter into any collective bargaining contract with any such union or association. The attached resolution is modeled on others that have been approved throughout the Commonwealth.

RECOMMENDATION

It is recommended that City Council approve the attached resolution setting forth its policy on collective bargaining.

Attachments

Resolution

PRESENTED: _____

ADOPTED: _____

RESOLUTION NO. 2022-_____-_____

A RESOLUTION OF THE CITY OF DANVILLE, VIRGINIA REGARDING
CITY EMPLOYEE-MANAGEMENT RELATIONS AND COLLECTIVE BARGAINING.

WHEREAS, effective May 1, 2021, Virginia Code § 40.1-57.2 provides that, no state, county, city, town, or like governmental officer, agent, or governing body is vested with or possesses any authority to recognize any labor union or other employee association as a bargaining agent of any public officers or employees, or to collectively bargain or enter into any collective bargaining contract with any such union or association or its agents with respect to any matter relating to them or their employment or service unless, in the case of a county, city, or town, such authority is provided for or permitted by a local ordinance or by a resolution; and

WHEREAS, the City of Danville, Virginia (the "City") has not adopted an ordinance or resolution establishing authority to recognize bargaining agents for its employees, or to collectively bargain, or to negotiate and enter into collective bargaining agreements; and

WHEREAS, the Council of the City of Danville (the Council), understanding its option to enable collective bargaining under state law, finds it in the public interest generally and in the interest of all the City's employees to set forth its policy and position regarding employee-management relations generally and relating to collective bargaining in particular; and

WHEREAS, it is the policy of the City to promote a positive workplace environment for its employees and open doors to management where employee concerns may be heard and addressed; and

WHEREAS, it is further the policy of the City to promote a dedicated and high-performing workforce that supports the City's responsibility to the health, safety, and welfare of its residents and the uninterrupted operations and functions of government; and

WHEREAS, the City Council recognizes that the establishment of reasonable means and procedures for employees to address the terms and conditions of their employment with management is essential to the advancement of the above policies and goals.

NOW THEREFORE, BE IT RESOLVED, by the Council of the City of Danville Virginia as follows:

A. Statement of Policy: It is the public policy of the Council to promote orderly and constructive relationships between the City and its employees in support of its responsibility to residents to provide for their health, safety, welfare, and the uninterrupted operations and functions of government. Understanding that unresolved differences between the City and its employees may be detrimental to those public service goals and to the interests of City employees, the Council commits to maintaining reasonable means and processes for their speedy and effective resolution.

B. Employee-Management Relations: To advance the public policy set forth in Section A, the City Manager shall continue to develop, promote, and maintain written policies and procedures, consistent with applicable law, to enhance positive employee relations, including but not necessarily limited to establishing and encouraging use of channels for individual employee communication with supervisors, managers, and/or the City Manager; developing informal dispute resolution procedures; and allowing for input of staff in personnel policy decision making whenever reasonable and feasible in the sole and final determination of the City Manager/designee and pursuant to procedures established by the City Manager. The policies specified here shall apply with respect to

matters not covered by the City's employee grievance procedure adopted in compliance with applicable state law requirements.

AND BE IT FURTHER RESOLVED, by the Council of the City of Danville, pursuant to Virginia Code § 40.1-57.2, collective bargaining is not authorized in the City, and no official, employee, appointee, or agent of the City is vested with or possesses any authority to recognize any labor union or other employee association or organization as a bargaining agent of any City officers or employees, or to collectively bargain or enter into any collective bargaining contract with any such union or association or organization or its agents with respect to any matter relating to them or their employment or service; and

BE IT FINALLY RESOLVED, by the Council of the City of Danville, as used in this Resolution, the following terms shall have the meanings set forth below:

Collective Bargaining means the performance, by mutual obligation, of an employer, by its representatives, and the exclusive bargaining representative of employees to meet and negotiate in good faith with the intention of reaching an agreement governing any matter(s) relating to the employees' terms and conditions of employment.

Collective bargaining agreement means the written legal contract between an employer that engages in collective bargaining and an exclusive bargaining agent representing employees generally or employees in a particular group or unit, resulting from collective bargaining.

Employee association or organization means an organization, including a labor union, in which employees participate and that exists for the purpose, in whole or in part, of representing employees in collective bargaining concerning terms and conditions of employment.

Exclusive bargaining representative and exclusive bargaining agent mean an employee association or organization recognized by an employer that engages in collective bargaining as the only organization authorized to bargain collectively for all employees in a particular group or unit.

APPROVED:

Mayor

ATTEST:

City Clerk

Approved as to
Form and Legal Sufficiency:

City Attorney