

August 18, 2020

The Second Regular August meeting of the Danville City Council was held on August 18, 2020, 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., Mayor Alonzo L. Jones, Samuel A. Kushner, Barry P. Mayo, Vice Mayor Gary P. Miller, Sherman M. Saunders and J. Lee Vogler, Jr., (8) Madison J.R. Whittle was absent (1)

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

INVOCATION

The Invocation was given by Sherman M. Saunders, followed by the Pledge of Allegiance.

COMMUNICATIONS FROM VISITORS

City Council did not receive any comments through its online portal or phone line prior to the deadline.

Mayor Jones recognized Rachel Covington and Steven Osborne, members of the River District Association Board of Directors who appeared before Council regarding the potential closure of the Main Street Court House Post Office. Ms. Covington spoke about the economic development benefits of a downtown post office and that the closing of this post office could have a devastating effect on Danville's downtown. Mr. Osborne noted that the River District Association requests that strong consideration be given now and in the future that the Court House Post Office stay open. The RDA has expressed this concern in letters to Postmaster Hodges, Senators Kaine and Warner, and Representative Riggleman. Mr. Hodges requested that City Council ask the City Manager to send a similar letter of support in an effort to keep the downtown post office open.

CONSENT AGENDA

Council Member Campbell **moved** for adoption of the following Consent Agenda items:

Minutes from the Regular Council Meeting held on July 21, 2020, and minutes from the Regular Work Session held on July 7, 2020. Draft copies of the minutes had been distributed prior to the meeting.

Budget Amendment – Amending the Fiscal Year 2021 Budget Appropriation Ordinance to Provide for a Virginia Commission for the Arts Grant in the Amount of \$4,500

An Ordinance entitled, Ordinance No. 2020-08.01, Amending the Fiscal Year 2021 Budget Appropriation Ordinance to Provide for a Virginia Commission for the Arts Grant in the Amount of \$4,500, and to Provide for the Local Share in the Amount of \$5,000 for a Total Grant of \$9,500.

Budget Amendment – Amending the Fiscal Year 2021 Budget Appropriation Ordinance for Funds from the Danville Regional Foundation in the Amount of \$37,187.50

An Ordinance entitled, Ordinance No. 2020-08.02, Amending the Fiscal Year 2021 Budget Appropriation Ordinance by Increasing Revenues from Danville Regional Foundation in the Amount of \$37,187.50 for the Study on the Use of Potential Casino Revenue and Appropriating the Same.

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

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

Mayor Jones asked the City Manager for an update on the Casino in Danville. City Manager Ken Larking noted the City has pretty much reached a development agreement with Caesars Entertainment; the agreement will be under consideration by Council at the September 1, 2020 Council meeting. Mr. Larking reviewed the timeline of casino gaming being allowed in Danville, the procedures the City took to get a referendum on the November ballot, and Danville selecting Caesars Entertainment as their preferred casino operator. Mr. Larking reviewed some of the items in the development agreement including Caesar's agreeing to construct a casino with a minimum of \$400M in capital investments, including multiple restaurants and bars, a hotel with 300, four-star rooms, a 35,000 square foot conference center, a 2,500 seat entertainment venue, and a pool and spa; the resort was expected to open in 2023. They will employ 1300 full time equivalent employees, earning an hourly wage of \$15.00, provide an array of benefits including health insurance, paid time off for vacation and holidays, educational benefits and savings benefits to its employees, and generate 900 construction jobs during the construction period. By the end of 2020, Caesars will pay \$5M to purchase the Schoolfield site, within 30 days of the referendum pay the City \$15M, guarantee a minimum of \$5M of gaming tax revenue per year for every full year Caesars was in operation, provide a supplemental annual payment directly to the City based on a percentage of net gaming revenue, reimburse the City up to \$360,000 for the cost of the Schoolfield Master plan, purchase one fire engine and one EMS vehicle, make contributions to community groups for education and other charitable purposes, and establish a dedicated funding source to pay for infrastructure, community and economic development in the Schoolfield neighborhood and the corridor from the site to the North Carolina border. Based on estimates provided by Caesars and reviewed by the City's consultants, it was expected by year three of operations, the development project will produce the following revenues for the City: \$22M in state collected gaming tax revenue permitted by the State to the City, \$12M in supplemental payments to the City, and \$4.2M in meals, sales, hotel, motel, and property taxes.

Earlier this evening, the Council approved a grant from DRF to help fund a study to determine how to best invest those dollars. The City formed an advisory group of eleven citizens, diverse members of the community; the group was tasked with getting feedback from the public on the kind of investments the City should make with this new revenue source, for the betterment of everyone in this community. The people selected to this advisory committee will look at things like education, early childhood development, housing and neighborhoods, tourism, including sports tourism, economic development, public safety, historic preservation, the at risk populations in the community, dealing with poverty, and the financial stability of the City. It will be up to the citizens of Danville to decide if casino gaming was right for the community.

Dr. Miller noted that the new firetruck and EMS vehicle were presumably to service the casino and asked Mr. Larking the cost of a new firetruck. Mr. Larking stated it was about \$500,000 for a new fire engine, and an EMS vehicle was about \$300,000; these were to make sure the development was best served by public safety. Mr. Vogler noted some Council Members visited localities of similar size and demographics who have casinos, spoke with the citizens, councils and public safety and asked them the pros and cons of having a casino. Mr. Larking explained originally, the \$20M upfront money from Caesar's included the purchase of Schoolfield and \$3M

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toward the redevelopment of the White Mill, should the company that currently has the White Mill under option, not be able to continue with their project. The City was able to negotiate that the \$3M happen whether the current developer stayed with the option or not; that could be used toward the redevelopment of the White Mill. Mr. Vogler noted hypothetically, if the referendum passes, the City could be looking at the redevelopment of Schoolfield and the White Mill, and Mr. Larking stated that would be the goal; the White Mill was a large building with a big challenge to be developed. It was always going to require some level of incentive in order to have it redeveloped. This project could take City non taxpayer dollars and put it towards making sure the White Mill also gets developed, was a big plus for the community.

Mayor Jones asked Mr. Larking to explain the funds that would go towards community groups and Mr. Larking noted Caesar's was supportive of community organizations in other places that they operate, both nationally and locally. They have had conversations with Averett University and others and will likely talk to them about how they can be supportive of efforts in Danville. Mr. Larking noted one unique thing about this agreement was the original proposal did not say they would guarantee the \$5M annually from the gaming tax revenue, they did agree to that after some negotiations with staff. As part of that, they wanted to make sure the City invested these new revenues around the Schoolfield area to make sure the entrance from North Carolina, the neighborhood around Schoolfield and the surrounding businesses, were of the same high quality they plan to construct at the site. The dedicated revenue source provides a certain percentage of the gaming tax revenue above \$5M to be set aside in a fund that will be used for community and economic development in the Schoolfield area, such as has been downtown.

Mr. Saunders questioned wrap around services to help families in Danville and Mr. Larking noted one of the best things would be the 1300 new jobs coming from the casino that would provide a lot of opportunities for families to have an income, support themselves and their families, and to be successful. The Advisory Committee includes people from agencies within the City who understand that issue and will be able to take some of the comments from the community, distill that information into programs and services that will provide benefits for the at risk community, hopefully improving poverty with opportunities for citizens to take advantage of. Dr. Miller questioned the alliances Caesars was making in the City and Mr. Larking noted it was his understanding that they were working with Averett and maybe DCC about hospitality programs, and would want to defer to a representative from Caesars for that. Council Member Kushner noted he has the list of members on the Advisory Board which include Paul Liepe, Matt Switick, Kenny Lewis, Anne Stratton, Greg Hairston, Joy Wood, Crystal Cobbs, Shelia Williamson Branch, Frank Wickers, Portia Russell and Kristen Barker. Mr. Larking noted their first meeting would be the following week, and they would discuss the logistics of how they would get citizen feedback. Mayor Jones noted there were some people who had made mistakes during their life; if a person had a record would Caesars have jobs for them. Mr. Larking noted there were positions that require a certain level of background, but for many of the positions there will be opportunities for people who have made mistakes in their lives, have corrected those mistakes, and were looking for a better path forward.

APPOINTMENTS

Vice Mayor Miller **moved** for adoption of the following Appointment Resolutions:

Resolution No. 2020-08.03 – A Resolution Reappointing Robert Stowe to the Commission of Architectural Review.

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Resolution No. 2020-08.04 – A Resolution Appointing Jackson Weller to the Commission of Architectural Review to fill the Unexpired Term of Sean Davis.

Resolution No. 2020-08.05 – A Resolution Reappointing Tyrell Payne to the Community Improvement Council.

Resolution No. 2020-08.06 – A Resolution Appointing Kalil Khan to the Planning Commission to fill the unexpired term of Bruce Wilson.

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

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

NEW BUSINESS

REVIEW OF GENERAL FUND FINANCIAL REPORT AS OF JUNE 30, 2020

Director of Finance Michael Adkins noted the preliminary financial statements were included in the agenda packet. Some of the materials they need to completely close out the year were not available until the end of this month, but staff has made all estimates for that material and he did not anticipate any significant changes to what was before Council this evening. Auditors will receive the City's final version of the year end statements sometime in early September, and they will spend six to eight weeks going through the audit process as usual. Mr. Adkins stated he will keep Council informed of any significant changes.

Looking at revenues for Fiscal Year 2020, from previous meetings one of his main concerns given the COVID 19 pandemic, was the effect it would have on the City's local tax revenues. With businesses that were interrupted, shut down or still shut down at this time, the City did not know what effect that would have on sales, meals and lodging taxes. A few months ago, he had mentioned that he anticipated the best case scenario was the City would be about \$1M short, especially looking at sales, meals and lodging taxes. The City actually did a little better being only \$830,000 short of budget in those three areas. To the City's advantage, other local taxes such as business licenses, bank stock tax, and recordation taxes all met or exceeded budget; that helped offset some of those losses. Property taxes were his second concern, the second installment of real estate and first installment of personal property was due on June 5th. Mr. Adkins noted he was happy to report that both the real estate and personal property taxes exceeded budget. Real estate was \$105,000 over budget for current and delinquent collections, and for personal property, the City was about \$172,000 over budget for current and delinquent collections. A lot of Personal Property that exceeded budget was Machinery & Tools at about \$150,000. With Investment earnings and interest rates, right now it was very hard for the City to find anything near 1% to earn interest on; everything was between one half and three quarters. Within 2020, staff was able to acquire several investments in municipal bonds, those had a set rate of at least 2%. The market value of those investments were higher than expected and they had realized revenues there of about \$280,000 over budget. Revenues came in around 99% of budget which was remarkable for the issues the City could have faced with FY 2020.

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Under Expenditures, the City Manager had asked all departments to curtail their spending as much as possible during the fourth quarter, not knowing how revenues would turn out. The City exercised a hiring freeze, only replacing positions when they absolutely had to be replaced, holding vacancies as long as possible. Various trainings offered by state agencies were canceled, postponed, or moved online which saved a lot of travel and training. Parks & Recreation had to cancel most of their spring and summer activities which resulted in cost savings, not needing some temporary part-time help they usually employ during that time. All other departments used everything they could to either delay or avoid spending in the fourth quarter. As a result, the Department Spending came in at 93% of budget for the year. Usually in an average year, departments spend anywhere between 98% to 100% of their budget; this was a 5% savings at least, and Parks & Rec was 85% of their budget for these reasons. Mr. Adkins noted in group health insurance, people perhaps were not able to make routine doctor's appointments, and that had a positive effect on the group health insurance claims. The Employee Health Clinic, which just completed its first year of operations, helped the City as well. Group health insurance expenditures were more than \$1M under budget for FY 2020. With the expenditures coming in less than budgeted and revenue pretty much at budget, the City actually had a surplus for FY 2020, which was not anticipated. The end result was the City was able to add about \$2M to the Unassigned Fund Balance. As the City faces a new year, there were still some economic interruptions with businesses; consumer driven taxes, especially meals and lodging, were recovering; most of them were almost back up to normal, but still have some ways to go. Mr. Adkins noted he believes this was a good report for FY 2020. Council Members thanked Mr. Adkins for his report.

Mayor Jones asked Director of Parks & Recreation Bill Sgrinia to share with citizens about All-America Cities and Mr. Sgrinia explained Danville was selected as one of the finalists for the All-America Cities. There was a group of people who have been working very hard to present the City's story, which was based on community health, to the rest of the country. The group today at 11:00 a.m. did a fantastic job and the City will find out tomorrow evening if they make it as one of the award winners. Mayor Jones noted they will be at Ballou Park at the Senior Center at 7:30 p.m. to see if the City wins.

AUTHORIZING AN ACCESS LICENSE ON CITY OWNED PROPERTY

Mayor Jones opened the floor for a Public Hearing regarding an Access License on City Owned Property. Notice of the Public Hearing was published in the *Danville Register & Bee* on August 11, 2020. No one present desired to be heard and the Public Hearing was closed.

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

RESOLUTION NO. 2020-08.07

AUTHORIZING AN ACCESS LICENSE ON CERTAIN CITY-OWNED REAL PROPERTY FOR THE PROVISION OF RADIO SERVICES.

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

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

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

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

RESOLUTION NO. 2020-08.08

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

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

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

PUBLIC HEARING - CONSIDERATION OF AUTHORIZING THE ISSUANCE OF BONDS OF THE CITY OF DANVILLE, VIRGINIA

Mayor Jones opened the floor for a Public Hearing regarding the Issuance of Bonds for the City of Danville. Notice of the Public Hearing was published in the *Danville Register & Bee* on August 4, 2020 and August 11, 2020. No one present desired to be heard and the Public Hearing was closed.

Council Member Kushner requested an overview of this item. Mr. Adkins explained Item B was the reimbursement Resolution. The City's adopted budget for Fiscal Year 2021 calls for a borrowing to fund specific capital improvement projects, both for general government and for utility projects. That first action approved this evening was for, once the City issues those bonds, it doesn't have to wait until they actually receive those bond proceeds to begin the projects; it allows the City to reimburse itself with those proceeds from a borrowing. This action for First Reading, opens the door to allow the City to put together a borrowing. There was another resolution that will have to be passed by City Council later in September to actually issue bonds. The City Charter allows the City to issue up to \$6M in general government obligation bonds, for general government projects and another \$10M per year for utility infrastructure. This ordinance allows the City to use that borrowing capacity if needed, it was good for two fiscal years, the fiscal year in which it was approved and for the following fiscal year.

Upon **Motion** by Vice Mayor Miller and **second** by Council Member Buckner an Ordinance entitled:

ORDINANCE NO. 2020-08.03

AUTHORIZING THE ISSUANCE OF BONDS OF THE CITY OF DANVILLE, VIRGINIA, IN THE MAXIMUM AGGREGATE PRINCIPAL AMOUNT OF \$16,000,000 TO FINANCE THE ACQUISITION, CONSTRUCTION AND EQUIPPING OF VARIOUS CAPITAL PROJECTS

was presented by its **First Reading**, as required by City Charter, to lie over before final adoption.

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AUTHORIZING EXECUTION OF A PURCHASE CONTRACT AND ACTUAL PURCHASE OF PARCEL #60450

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

RESOLUTION NO. 2020-08.09

A RESOLUTION OF THE CITY COUNCIL OF DANVILLE, VIRGINIA APPROVING AND AUTHORIZING THE EXECUTION OF A PURCHASE CONTRACT AS WELL AS THE ACTUAL PURCHASE OF PARCEL NUMBER 60450, PARK AVENUE, FOR A PURCHASE PRICE NOT TO EXCEED \$85,000 AND CLOSING COSTS

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

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

COMMUNICATIONS

City Manager Ken Larking noted he was at the All-America City presentation this afternoon and stated how proud he was of the community. This was a grass roots effort to apply for All-America City status and it was an honor to be a finalist. Parks & Recreation had one of the three highlighted programs the City presented in their application. Mr. Larking noted he was proud of City staff and the Parks & Recreation department for the Fit Mobile Program they developed and used as part of the story of what the City was doing to improve the health outcomes of the community. Working on the issue of health equity and health outcomes, the City was able to showcase two outcomes, one was YHELI, the Youth Health Equity Leadership Institute. The young people involved in that program had great on time graduation rates, excellent GPAs and a valedictorian; it was an excellent program. The other program was the Community Healthcare Worker Program. Many communities have people who do not have confidence using the health system. The Community Health Worker Program brought people in, trained them to go into the community to talk to people they know, that may come from backgrounds similar to theirs and explain to them things they can do to improve their health outcomes, and not rely so much on the ER. Mr. Larking noted he was proud of the City employees who were involved in this, and the community as a whole deserves a lot of credit for being named a finalist. Mr. Larking thanked Amanda Paez, Arnold Hendrix, Marc Aron, Bill Sgrinia, Jason Bookheimer, Danielle Scott and the other city employees that worked hard to make sure this application received the recognition it deserved.

Council Member Buckner noted one of the City's own was being honored, they are naming an apartment complex after Sherman Saunders. That dedication will happen September 3rd at 6:00 p.m.; it was very well deserved. Mr. Buckner noted all the work that has been done by City staff, the Mayor, and citizens of Danville for the All-America City event, make him proud of the things the City does and looks forward to the announcement the next evening.

Council Member Campbell noted to the community, City Council members, church members and friends who supported him during his time of grief at the loss of his wife, it was very touching, and it has not been easy. Mr. Campbell noted he was thankful, asked everyone to keep him and his family in their prayers as they move forward; he was glad to be back at Council.

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Council Member Kushner noted many years ago there were billboards at the entrances to the City and those billboards displayed a large, red, white and blue shield, and captioned on the shield was "Danville, Virginia, All-America City." Everyone felt proud of that designation, and so it was now, that they welcome the opportunity to be designated an All-America City again. People all over the country will learn that not only did Danville compete in this competition, which in itself was a star in the crown, but hopefully with the announcement, they will know that Danville went the distance and won the prize. Mr. Kushner noted he hoped the City considers the erection of bill boards and other appropriate identifiers that proclaim to those that come through the City that this was a City of winners. Mr. Kushner thanked City staff, they have not been given enough credit; Mr. Larking organized this initiative and his staff really produced. Congratulations to everyone who participated.

Council Member Mayo noted he has enjoyed every minute being with Council, being in this position, and he feels honored. To Council Member Saunders, there couldn't be a better person honored with the naming of the building. Mr. Mayo noted he would be there, as a proud member of Council and as Mr. Saunders friend. Mr. Mayo noted there will be a Unity Matters event taking place. It will cover what unifies the community, the City and the citizens. The main focus was education; there will be over fifteen agencies participating, educating the community. This takes place next Friday at Bibleway on Grant Street, and encouraged citizens to attend. Mr. Mayo noted PATHS will start doing COVID testing at Vance Street Baptist Church, starting next month.

Vice Mayor Miller noted it was a great honor for Mr. Saunders, they were looking forward to that dedication, and welcomed Mr. Campbell back, noting his wife will be sorely missed. Dr. Miller noted another person has died on the Dan River on one of the dams. Dams were being removed along the East Coast, a relative of the old textile mills. They need to be taken down, they are dangerous. The City put up signs and warning barriers but people still walk on them; Council needs to look at that again. Dr. Miller noted City workers did not sign up for the pandemic, the police, fire, waste collectors, parks and recreation, economic development, all the people in the City had no idea they would be involved in something like this; a special thanks to all those people.

Mayor Jones noted one of the things that brought him back to Danville, that got him excited about Danville, was the young people. Council members talked about the young people in the community, it was so exciting to see the young people active and engaged. They were moving Danville forward, partnering with the City and was exciting to see this happening. Mayor Jones commented on the honor being bestowed on Mr. Saunders and was excited about the dedication; it was amazing how much he has given to the community.

The meeting adjourned at: 8:07 p.m.

APPROVED:

s/Alonzo L. Jones
MAYOR

ATTEST:

s/Susan M. DeMasi, CMC
CITY CLERK