

August 17, 2021

The Second Regular August meeting of the Danville City Council was held on August 17, 2021, at 7:00 p.m. in the Council Chambers located on the Fourth Floor of the Municipal Building. The following Council Members were present: James B. Buckner, L.G. "Larry" Campbell Jr., Bryant Hood, Mayor Alonzo L. Jones, Barry P. Mayo, Vice Mayor Gary P. Miller, Sherman M. Saunders, J. Lee Vogler, Jr., and Madison J.R. Whittle (9).

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 RECOGNITIONS

Mayor Jones recognized members of American Legion Post Auxiliary 1097, who presented a 9/11 Freedom Flag to the City of Danville in memory of those who lost their lives. Council Members thanked Post 1097 members for coming to Council and for the Freedom Flag.

COMMUNICATIONS FROM VISITORS

Mayor Jones recognized Crystal Cobbs, representing Black Brand Dan River Region, and introduced members Cynthia Terry, Petrina Carter and Lashawn Farmer. Ms. Cobbs noted the month of August was National Black Business Month, highlighting the role of African American businesses to the black community and overall national economy. Black Brands was a black chamber of commerce throughout Hampton Roads and the Dan River Region, and they were actively recruiting members to reach their goal of 100 founding members in the next ninety days. Citizens who were interested can visit their website at www.blackbrand.biz , or call 434-421-5040.

Mayor Jones recognized Tommy Bennett, President of the Danville Chapter of the NAACP, who thanked the Mayor and Council members who attended the funeral of Norma Brower in Atlantic City, and thanked Deputy City Manager Earl Reynolds for reading the Resolution at the funeral. Mr. Bennett introduced Ms. Brower's sister, and noted Ms. Brower's memorial service for Danville will be at 11:00 a.m. on August 28th in the field of Westmoreland.

Mayor Jones recognized Louis Garnett, 607 Fairhaven Circle who stated about four months ago there was a small altercation at his house, he had to take an ambulance and a charge was put on his child which should not have been there; the charge was dismissed. Mr. Garnett voiced his complaints against the prosecutor on this case.

CONSENT AGENDA

Mayor Jones opened the floor for a Public Hearing regarding the Budget Appropriation Items. Notice of the Public Hearing was published in the *Danville Register & Bee* on August 10, 2021. No one present desired to be heard and the Public Hearing was closed.

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

Approval of Minutes from Regular Council Meeting and Regular Work Session held on July 20, 2021. Draft copies of the Minutes had been distributed prior to the meeting.

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Budget Amendment - Consideration of Amending the Fiscal Year 2022 Budget Appropriation Ordinance for Additional State Aviation Funding

An Ordinance entitled, Ordinance No. 2021-08.03, Amending the Fiscal Year 2022 Budget Appropriation Ordinance to Provide for Additional State Aviation Funding for the Purpose of Completing Design Services to Develop an Aircraft Parking Ramp and Automobile Parking Lot for Future Corporate Hangar Development in the Amount of \$71,116 plus Local Share in the Amount of \$17,779 to be Provided by a Transfer from the Support of General Funds and Appropriating Same.

Budget Amendment - Consideration of Amending the Fiscal Year 2022 Budget Appropriation Ordinance in the Amount of \$200,000 for the Purchase of 53.45 Acres at Anglers Park

An Ordinance entitled, Ordinance No. 2021-08.04, Amending the Fiscal Year 2022 Budget Appropriation Ordinance to Provide for an Award from the Virginia Outdoors Foundation in the Amount of \$200,000 for the Purchase and Development of 53.45 Acres at Anglers Park and Appropriation of Same.

Budget Amendment - Consideration of Amending the Fiscal Year 2022 Budget Appropriation Ordinance for Economic Development Incentives in the Amount of \$1,025,000

An Ordinance entitled, Ordinance No. 2021-08.05, Amending the Fiscal Year 2022 Budget Appropriation Ordinance for One Commonwealth Opportunity Fund Grant from the Virginia Economic Development Partnership in the Amount of \$135,000, Two Tobacco Region Opportunity Fund Grants from the Virginia Tobacco Region Revitalization Commission in the Amounts of \$350,000 and \$270,000, and One for a Total of Tobacco Region Opportunity Fund Loan from the Virginia Tobacco Region Revitalization Commission in the Amount of \$270,000 for a Total of \$1,025,000 as Economic Development Incentives for Taxable Capital Investments and Job Creation in the Commonwealth of Virginia.

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

VOTE: 9-0
AYE: Buckner, Campbell, Hood, Jones, Mayo,
Miller, Saunders, Vogler and Whittle (9)
NAY: None

APPOINTMENTS

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

Resolution No. 2021-08.03 – Reappointing Janet Gwynn to the Community Improvement Council.

Resolution No. 2021-08.04 - Appointing Kasey Cunningham to the Community Improvement Council.

Resolution No. 2021-08.05 – Appointing Sonja Ingram to the Commission of Architectural Review to fill an Unexpired Term.

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Resolution No. 2021-08.06 – Appointing Kathryn Waters to the Commission of Architectural Review to fill an Unexpired Term.

Resolution No. 2021-08.07 – Appointing Carolyn Evans to the Danville Pittsylvania Community Services Board.

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

VOTE: 9-0
AYE: Buckner, Campbell, Hood, Jones, Mayo,
Miller, Saunders, Vogler and Whittle (9)
NAY: None

NEW BUSINESS

REVIEW OF GENERAL FUND FINANCIAL RESULTS AS OF JUNE 30, 2021

Director of Finance Michael Adkins reviewed the General Fund results noting the City's fiscal year ended on June 30th. There were still some small items staff cannot adjust until the end of August but feels they have made all the significant adjustments for the fiscal year. It should not change a lot from where they were now.

General Fund Revenues performed very well, ending the year at 101% of budget; that extra percent gave the City \$1.3M more than they had budgeted in revenues for the year. The two main categories seeing the overages were in property taxes and local consumer taxes. Property taxes came in at about \$1.2M over budget; that was split between Real Estate and Personal Property. Real Estate came in at about \$450,000 over budget. Staff did anticipate some increase in property values; they increased about a percent more than anticipated. With Personal Property, speaking to the Commissioner of Revenue, a lot of vehicles held their value, and did not depreciate as much as they usually do. This was probably related to the pandemic and automotive production, and resulted in \$750,000 more in overall budget. Also related to that was the delinquent collection of Personal Property; the City has used an outside collection agency for about a year and half now for personal property, and that has brought in some additional revenue.

Under Local Taxes, Sales Tax outperformed budget for most of the year. This was due to the State's enforcement of sales tax on on-line sales and the City generated about \$1M more than they budgeted from this past year. Despite the pandemic, Meals Tax actually exceeded target by \$244,000; this may be in direct relation to the capacity limits being opened up for restaurants towards the end of the fiscal year. There was also a surge in Recordation Taxes; some corporate entities in the City took advantage of lower interest rates and did some refinancing. When they do that and it was linked to property, they have to file documents with the Courts; the City saw that happen which drove up the Recordation income. Business Licenses exceeded budget by \$163,000 and Bank Stock Taxes also exceeded budget by \$110,000. Lodging was really the only local tax that was significantly below budget, but not by quite as much as staff thought it would be. By the end of the year, the City was only \$87,000 under budget for lodging; that has been doing well since and staff had good expectations for the current year.

As far as shortages in revenue, the Charges for Services were running short, about \$700,000 under budget; the primary two places this was seen was in Parks & Recreation, they were not able to offer as many opportunities for the community this past year, and the lower census seen at the Adult Detention Facility and the Juvenile Detention Facility. In both cases, there was less

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revenue, but less costs involved as well. State Aid was short in the Department of Social Services, that was a reimbursement issue; the more that was expended in Social Services, the more the State reimburses. The only other item was Interest Earnings; interest rates have fallen quite a bit over the last couple of years. When staff prepared the FY 2021 budget, they assumed a half a percent interest rate on CDs and bonds they invest in; in reality that rate was between .1 and .3%, lower than they anticipated. In total, the Revenues came in \$1.3M over budget.

On the Expenditure side, in total, they expended about 90% of budget, which was quite a bit less than usual; the driving force behind that was schools. They had limited face to face instruction, so they did not need to draw down the budgeted funding from the City as quickly as usual; they drew down about 75% during the fiscal year. They do have purchase orders that were issued in FY21, they will be paid for in July or August or subsequent months; once that was in, they will have spent about 86% of their budget for last year. The City does allow the schools to carry this money over, so they will be using that for immediate capital and operating needs; that money does not fall into the City's unassigned fund balance. Most of the City departments expended about 95% of their budget which was lower than normal; normally they spend about 98% of budget. There were two exceptions, Parks & Rec's expenditures were about 85% of budget and Social Services was also about 85% of budget. Once they weigh in the extra revenue and the reduction in spending, the City ended up with a surplus; Mr. Adkins estimated adding \$725,000 to the Unassigned Fund Balance. This will bring the City up to about \$34M in the unassigned fund balance; the original budget had the City drawing from the Unassigned Fund Balance. Regarding Fund Balance, that was about 30% of their annual budget; their policy was a minimum of no less than 20%, but having it above that mark plays well with the credit rating agencies. The voters will be deciding this fall about the 1% sales tax option and the borrowing for school's capital improvements. The City may want to consider raising the fund balance policy sometime in the future, if the City can sustain this level. That would help offset the extra debt the City will be taking on, if it was approved by the voters. It would score well with the credit rating agencies; it would at least keep the City where it was and may help to increase the credit rating in the future.

CONSIDERATION OF ADOPTING A CITIZEN PARTICIPATION PLAN

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

RESOLUTION NO. 2021-08.08

AUTHORIZING THE CITY TO ADOPT A CITIZEN PARTICIPATION PLAN.

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

VOTE: 9-0
AYE: Buckner, Campbell, Hood, Jones, Mayo,
Miller, Saunders, Vogler and Whittle (9)
NAY: None

APPROVAL OF THE APPOINTMENT OF DEPUTY CITY CLERKS FOR THE DANVILLE CITY COUNCIL

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

RESOLUTION NO. 2021-08.09

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A RESOLUTION APPOINTING W. CLARKE WHITFIELD, JR., AND AMANDA ALLEN AS DEPUTY CITY CLERKS FOR THE CITY OF DANVILLE, VIRGINIA.

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

VOTE: 9-0
AYE: Buckner, Campbell, Hood, Jones, Mayo,
Miller, Saunders, Vogler and Whittle (9)
NAY: None

AUTHORIZING AND APPROVING THE VIRGINIA ABATEMENT FUND AND SETTLEMENT ALLOCATION MEMORANDUM OF UNDERSTANDING

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

RESOLUTION NO. 2021-08.10

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF DANVILLE, VIRGINIA AUTHORIZING AND APPROVING, AND CONFIRMING AUTHORIZATION AND APPROVAL, OF THE VIRGINIA ABATEMENT FUND AND SETTLEMENT ALLOCATION MEMORANDUM OF UNDERSTANDING

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

VOTE: 8-0-1
AYE: Buckner, Campbell, Hood, Jones, Mayo,
Miller, Saunders, and Vogler (8)
NAY: Whittle

COMMUNICATIONS

City Manager Ken Larking stated regarding the Census information that came out recently and was reported in the paper, the population for the City of Danville did decrease, but nowhere near what it was projected. He thinks that was a testament to the things the City was doing in the community and would like to thank Ken Gillie, the Community Development Director. He was the representative from the City, with a lot of help from his team, who reached out to neighborhoods and helped them with their census forms. Mr. Larking thanked the community for taking the time to fill out their forms; he understands there were some under counts in certain neighborhoods, so there was work to be done. Based on the data the City received, he feels they have flattened out and were on a path to having an increased population for the next census. Mr. Larking thanked all those involved for their work.

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

Vice Mayor Miller noted most of that population loss occurred after the loss of Dan River; in the last few years the City has held its own. Every indicator says that with all the industry coming in, they will be attracting more people to come live here; he predicts a big increase over the next few years. Dr. Miller noted there were fourteen people in intensive care on ventilators, twelve have COVID and none vaccinated. Dr. Miller encouraged citizens who haven't gotten the vaccine to get it now.

Council Member Saunders asked citizens to remember Officer Bonnie Jones, and her family. Mr.

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Saunders noted he has heard about booster shots for COVID and qualifying for those boosters, and if they become available he would encourage those eligible to receive the booster. Mr. Saunders encouraged citizens who haven't had the vaccine to get it.

Council Member Vogler noted his agreement with what has been said regarding COVID. He got his vaccine this year and strongly encouraged citizens to get it. He has not regretted getting the vaccine, if there was a booster shot, he will get that as well.

Council Member Campbell noted he has repeated his story many times, to have experienced having the virus, feeling you were going die and in the process of being sick, never seeing his wife again, that she was gone. He has heard Council Members many times encouraging people to get the vaccine and he encouraged everyone to get it to protect themselves, their family and friends.

Council Member Hood acknowledged the school board and administration, keeping the students safe during this first week of school and encouraged people to keep them in prayer; these were difficult times. The Southside Area Tennis Association has sign ups for tennis teams, the deadline was August 23rd, and league dates are from September 9 through October 24th, from 6:30 to 8:00 p.m., Thursday evenings at the GWHS.

Council Member Mayo noted his agreement with Council Members; hearing stories of people getting COVID, and others dying, if citizens haven't taken the vaccine, they need to get it. These were trying times, and he continued to pray for the schools. Mr. Mayo noted it was good to see Ms. Brower's sister at Council, they will all miss Norma Brower.

Mayor Jones noted Ms. Cobbs' group, Black Brand, if citizens want to join, go to www.BlackBrand.biz or call 434-421-5040. Mayor Jones encouraged citizens to keep Officer Bonnie Jones in their prayers; their prayers and thoughts were with her and her family. He and Mr. Buckner had an opportunity to be at the schools, went to GLH Johnson, and they had a great time greeting the children coming back to school. Mayor Jones encouraged citizens to apply to serve on City Boards and Commissions, and also to get the COVID vaccine. Mayor Jones thanked all the city staff for all they do.

ADJOURNED: 8:10 P.M.

APPROVED:

s/Alonzo L. Jones
MAYOR

ATTEST:

s/Susan M. DeMasi, CMC
CITY CLERK