

June 15, 2021

The Regular June meeting of the Danville City Council was held on June 15, 2021, at 7:07 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). *(The Council meeting began late due to difficulties with equipment in Chambers.)*

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

INVOCATION

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

Mayor Jones recognized the Vaccination Team who will be leaving in a couple of weeks and thanked them for their service.

ANNOUNCEMENTS AND SPECIAL RECOGNITIONS

Mayor Jones recognized Danielle Montague, Danville Parks & Recreation, Health & Wellness Coordinator, who discussed the City's upcoming Juneteenth Celebrations on Sunday, June 20, 2021.

COMMUNICATIONS FROM VISITORS

Mayor Jones recognized Vincent Brown, Winston-Salem NC and Gerald Harris of Danville, VA who discussed their apprenticeship painting program and passed out booklets to Council.

Mayor Jones recognized Ms. Cassandra Butler, Program Manager for Elite Business Strategies - Educate and Vaccinate, who noted they will continue to do outreach efforts in the area, encouraged people to get vaccinated and thanked Council for their support.

Mayor Jones recognized Quonell Totten who invited citizens to the Annual Rock Da Block celebration on June 26, 2021 from 4:00 to 8:00 p.m. at Taylor Drive/Old Pumpkin Creek location. Mr. Totten introduced Janet Edwards, one of the team members from One Accord Connections who discussed bringing entertainment to Danville.

Mayor Jones recognized Gordon Bartholomew who noted his concern with wildlife in the City, and the missing signs from Memorial Drive for the geese crossing.

Mayor Jones recognized Julius Bryant, 458 Williamson Road who spoke about his home on the corner of Williamson Road and Bluegrass, the condition of the road and the need to be paved.

CONSENT AGENDA

Mayor Jones opened the floor for a Public Hearing regarding Budget Appropriations on the Consent Agenda. Notice of the Public Hearing was published in the *Danville Register & Bee* on June 8, 2021. No one present desired to be heard and the Public Hearing was closed.

Council Member Campbell **moved** to approve the following Consent Agenda items:

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Approval of Minutes from Regular Council Meeting held on May 18, 2021. Draft copies of the Minutes had been distributed prior to the meeting

Budget Amendment - Amending the Fiscal Year 2021 Budget Appropriation Ordinance for Funds for the Development of the River Front Park, in the Amount of \$740,000

An Ordinance entitled, Ordinance No. 2021-06.03, Amending the Fiscal Year 2021 Budget Appropriation Ordinance to Provide for an Award from the State of Virginia Department of Conservation and Recreation in the Amount of \$740,000 for the Development of the River Front Park and Appropriation of Same.

Budget Amendment – Amending the Fiscal Year 2021 Budget Appropriation Ordinance for American Rescue Plan Funds in the Amount of \$29,142,851

An Ordinance Entitled, Ordinance No. 2021-06.04, Amending the Fiscal Year 2021 Budget Appropriation Ordinance by Increasing Revenues from the US Department of Treasury for the American Rescue Plan in the Amount of \$29,142,851 to be used as Specified by the American Rescue Plan.

The Motion was **seconded** by Council Member Vogler 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 REPORT THROUGH MAY 31, 2021

City of Danville Director of Finance Michael Adkins gave the General Fund Financial Report through the end of May with 92% of the fiscal year complete. Because there were only two weeks left in the fiscal year he wanted to focus more on where the City was right now. On May 31st, revenues were 86% of budget, very much on track and where the City usually finds itself at that point in the year. Looking at the current status, June was a significant time of collections for the City and he does have information on performance as of today. Real Estate collections through today shows the City met its budget on June 7th which was when the tax bills were due; today, the City was \$460,000 over budget on current real estate collections. Delinquent Real Estate collections show the City at 86% and about \$140,000 under budget, but they still have the rest of this month, and accounting standards lets the City look into the future. If the city collects additional revenues in July and August they can pull those back into the correct fiscal year; the City still has some time to make up that difference.

Public Service Corporation Real Estate Taxes, like telecom companies that provide telephone services to citizens, that Real Estate Tax was \$175,000 over budget at this point. Personal Property tax collections usually take until the end of June to collect budget, and right now the City only needs about \$14,000 more to meet budget for this year; Mr. Adkins noted he thinks they will meet and exceed that. Delinquent Personal Property has been an area of focus over the last year and a half; the City has surpassed budget on that and currently was \$340,000 over budget. Sales Tax has been performing very well in response to the State's mandate of collecting sales tax for e-commerce. As of May, the City received over \$1M for May sales tax from the state which was

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only the second time that has happened; the first time was back in the holiday season for the past year. The City usually receives its sale tax installments on the 16th of each month; the state will be sending the City \$924,000 tomorrow for the June installment, another very high number for one month. This year, Sales Tax should exceed budget by about \$1M. The Business License season usually peaks in March, most were due then and revenues were \$130,000 over budget. With regard to Meals Tax, with the pandemic, restaurants had capacity limits which have been lifted, the City had recovered and was back up to budget at 92%, with 92% of the year complete. To meet budget in Meals Tax, the City needs \$678,000 in June; the average for the last three months has been over \$800,000 and Mr. Adkins noted he was certain they would meet budget on Meals Tax for the year. Lodging Tax was another area the pandemic caused some struggles in, at the end of May, the City was at 84.5% and would need about \$250,000 in June to meet that. In the past three months the City has received \$135,000, so the City will be short on Lodging Taxes by between \$100,000 to \$125,000. In Bank Stock Tax, the local banks have to pay a tax based on the level of deposits they have during the year; that line item was \$109,000 over budget for this year. Under Recordation Taxes, with interest rates low, there have been a lot of home sales and refinancing, and if a corporate entity refinances their debt such as SOVAH did this year, the result was Recordation Taxes \$212,000 over budget for Fiscal Year 2021.

There were some lines that struggled this year such as Telecom Taxes, consumer taxes people pay on their cell phones, which will be short about \$300,000 this year, and interest earnings will be short because interest rates were so low. Staff did budget very conservatively at about .25% on new investments this year, however, the actual rate was about .10%. Mr. Adkins stated the only other areas they may fall short on were state revenues, categorical aid which was directly related to expenditures; if they were short on revenues, they were also short on the expenditure side and doesn't have quite as negative an effect on the City. Revenues should be about \$1.6M over budget which is good news for the City.

On the Expenditure side, the Departments at the end of May spent 83% of their budget; in prior years it was usually between 84-86% which was very good. Under Non-Departmental Expenses, the main two were Group Health Insurance and Debt Service. The City usually knows what their debt service will be so that was on track with budget. Mr. Adkins stated the City's Group Health Insurance was running about 4-5% above budget at about \$350,000. Last year the City had a savings in group health insurance, under budget by about \$1.2M; this was based on utilization and believes the pandemic caused employees to either postpone doctor's appointments or surgeries they may have planned last year. This year may be a year of catch up, people making those appointments and getting those things taken care of; that may be why the City was over budget because of increased utilization. Mr. Adkins stated the fiscal year ends in about two weeks, it usually takes about six weeks for staff to get all the vendor invoices in and processed, and make sure the revenues were in the proper fiscal year. The next time he reports to Council will probably be around mid-August and he should have firmer numbers on how the fiscal year ended. The City did budget to use about \$4M of fund balance, but at this point, they will probably use substantially less, maybe none, or maybe a small surplus for the year, it was hard to tell right now. The final results will be better than anticipated with the original budget.

PUBLIC HEARING - AUTHORIZING THE CITY MANAGER TO SUBMIT A ONE YEAR ACTION PLAN TO HUD

Mayor Jones opened the floor for a Public Hearing regarding the One Year Action Plan to HUD. Notice of the Public Hearing was published in the *Danville Register & Bee* on May 12, 2021 and May 19, 2021. No one present desired to be heard and the Public Hearing was closed.

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

RESOLUTION NO. 2021-06.16

AUTHORIZING THE CITY MANAGER TO SUBMIT TO THE UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD) A ONE YEAR ACTION PLAN.

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

APPROVING CHANGES TO THE CITY'S PERSONNEL SYSTEM REGULATIONS

Vice Mayor Miller **moved** for adoption of an Ordinance entitled:

ORDINANCE NO. 2021-06.05

AMENDING THE PERSONNEL SYSTEM OF THE CITY OF DANVILLE PROVIDING FOR THE CLASSIFICATION, COMPENSATION, AND EMPLOYEE DEVELOPMENT FOR EMPLOYMENT POSITIONS OF THE CITY.

The Motion was **seconded** by Council Member Vogler 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 A MORAL OBLIGATION WITH AMERICAN NATIONAL BANK

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

RESOLUTION NO. 2021-06.17

AUTHORIZING AND APPROVING EXECUTION OF A MORAL OBLIGATION AGREEMENT BY AND BETWEEN THE CITY OF DANVILLE, VIRGINIA AND AMERICAN NATIONAL BANK AND TRUST COMPANY, A VIRGINIA BANKING CORPORATION.

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 A SUPPORT AGREEMENT WITH THE DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY

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

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RESOLUTION NO. 2021-06.18

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF DANVILLE, VIRGINIA APPROVING A SUPPORT AGREEMENT WITH THE DANVILLE-PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY

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

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

CONSIDERATION OF AMENDING THE FISCAL YEAR 2021 BUDGET APPROPRIATION ORDINANCE FOR ADDITIONAL FEDERAL AVIATION FUNDING

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

ORDINANCE NO. 2021-06.06

AMENDING THE FISCAL YEAR 2021 BUDGET APPROPRIATION ORDINANCE TO PROVIDE FOR ADDITIONAL FEDERAL AVIATION FUNDING FOR THE PURPOSE OF COMPLETING DESIGN SERVICES TO REHABILITATE TAXIWAY CONNECTIONS AND THE SOUTH RAMP AT THE DANVILLE REGIONAL AIRPORT WITH NO LOCAL MATCHING SHARE

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

Council Member Whittle questioned if the City was working to get bigger jets into the Airport, and will this help with the bigger planes that want to come in for the casino. Director of Transportation Marc Adelman explained the south ramp was the prime location for business aviation development. When they have had prospects looking at the airfield for locations, that has been the most desired spot; it was isolated, it was a large ramp with good utility access. In the short term, it was definite that the City needed surplus aircraft parking. The first week in June, when the VIR race occurred, they had over thirty jets in the field and the parking ramp was maxed out; they had to park a jet on a runway and close the shorter, cross wind runway because they didn't have enough aircraft parking space. Mr. Whittle asked if the City had a plan they were working on for when they get to that point with bigger planes and Mr. Adelman noted they were not working directly with Caesars, staff was anticipating what may be needed, and six projects were going on right now that were directly related to anticipating increased traffic, from terminal building renovations to increased fuel supply to meet demand. They have worked with Caesars on one project, that was the Airport promotional video and they do have a relationship that will grow over time.

COMMUNICATIONS

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

City Attorney Clarke Whitfield explained that now the pandemic has eased, at the first meeting in July, staff will return to the dais, meetings will go back to normal and work sessions will return to the conference room across the hall.

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Vice Mayor Miller noted last Tuesday at the HOME sign there was an interdenominational ceremony of several area ministers, and choral groups, to honor the 223 citizens who died from the pandemic in the Danville Pittsylvania County area.

Council Member Campbell noted on June 6th he turned seventy years old and thanked his daughters for the surprise birthday party.

Council Member Hood noted as the country has opened up, the City was fortunate to continue to take a strategic approach when it comes to thriving as a City, and putting their best effort forward. Mr. Hood noted he was proud of the City and the direction it was going as a whole.

Council Member Mayo noted a Happy Birthday to Council Member Campbell, and thanked Mr. Brown for his apprenticeship program. Mr. Mayo noted he did a basketball camp last week, and has been doing it for twenty years teaching kids the game.

Mayor Jones thanked Council Member Saunders for his Invocation and congratulated Council Member Campbell on his seventieth birthday.

ADJOURNED: 8:11 P.M.

APPROVED:

s/Alonzo L. Jones
MAYOR

ATTEST:

s/Susan M. DeMasi, CMC
CITY CLERK