

May 21, 2020

The Second May meeting of the Danville City Council was held on May 21, 2020, at 7:01 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, Dr. Gary P. Miller, Sherman M. Saunders, Fred O. Shanks, III, Adam J. Tomer, Vice Mayor J. Lee Vogler, Jr., and Madison J.R. Whittle (9). Council Member Campbell entered the meeting at 7:08 p.m. Council Members attended the meeting via Zoom.

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. Staff members attended the meeting via Zoom.

Mayor Jones noted, *"I want to thank our citizens who are tuning in tonight to watch our City Council meeting. I want to cover the following items before we begin the meeting tonight. Notice for this meeting was posted on May 8, 2020 in compliance with the Virginia Freedom of Information Act. The Agenda was posted on the City's website on May 14, 2020. The agenda for tonight's meeting may be found online at www.mysdanvilleagendas.info. This meeting is being broadcast live on both River City TV and the City's Facebook page. As you know, declarations of emergency have been declared by the President, Governor, and City Manager. Because of this State of Emergency and the need for social distancing, the Council is conducting this meeting electronically under the authority of the City's Continuity of Operations Ordinance. Public comments and comments for public hearings were solicited prior to the meeting, copies were provided to each Council member before the meeting, and will be included with the meeting minutes. Also, all Council members are attending tonight's meeting electronically via Zoom and I will ask them at any time they wish to make comments to raise their electronic hand to be recognized and to identify themselves when speaking. All votes will be by roll call and recorded in the minutes as usual."*

INVOCATION

The Invocation was given by Dr. Gary P. Miller

ANNOUNCEMENTS AND SPECIAL RECOGNITIONS

Mayor Jones read a Proclamation entitled, *High School Senior Celebration Week*, noting the week May 29, through June 6, 2020 in the City of Danville, Virginia was High School Senior Celebration Week.

COMMUNICATIONS FROM VISITORS

All Communications from Visitors are received by telephone or by submission of a form through the City of Danville website. No submissions were received for the May 21, 2020 meeting.

CONSENT AGENDA

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

Approval of Minutes from the Regular Council Meeting held on April 21, 2020. Draft copies of the minutes had been distributed prior to the meeting.

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Budget Amendment – Consideration of Amending the Fiscal Year 2020 Budget Appropriation Ordinance for a Grant for the Victim Witness Program

An Ordinance entitled, Ordinance No. 2020-05.02, presented by its First Reading on May 7, 2020, Amending the Fiscal Year 2020 Budget Appropriation Ordinance to Provide for a Grant from the Commonwealth of Virginia for a Victim Witness Program in the Amount of \$177,083 and Appropriating Same.

Budget Amendment – Consideration of Amending the Fiscal Year 2020 Budget Appropriation Ordinance for a Domestic Violence Victim Program Grant

An Ordinance Entitled, Ordinance No. 2020-05.03, Presented by its First Reading on May 7, 2020, Amending the Fiscal Year 2020 Budget Appropriation Ordinance to Provide for a Grant from the Commonwealth of Virginia for a Domestic Violence Victim Program Grant in the Amount of \$44,635 and Appropriating Same.

The Motion was **seconded** by Vice Mayor Vogler and carried by the following vote:

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

OLD BUSINESS

City Manager Ken Larking noted yesterday, Council Members Miller and Saunders met with Dr. Jones and School Board Members Brandon Atkins and Elizabeth Leggett regarding the budget, the status of the Educational Compact, and the school system's budget plans for next year. The operational budget for DPS was \$22,812,500 which was a \$150,000 increase over the previous year. Their budget was impacted by reductions in state revenues due to COVID-19. They had indications earlier that there would be funding available to provide a 2% pay increase for teachers; unfortunately, that was on hold at this time, but included was an average 1.3% increase. In December, DPS had a draft of a budget request which called for an additional \$727,641 in local funds, but their request had been reduced since that time. He had recommended \$150,000, and that was targeted for salary increases for personnel in DPS. Staff will be getting information related to how DPS compares to other similar school systems regarding the percentage of their budget that was spent on administrative staff and instructional staff. They were told it was very comparable to other school systems. They also requested and received an analysis of the cost of DPS' lease for the School Board office; it shows that the cost per square foot was below market for the River District at about \$6.15 but they do plan to evaluate their options at the end of their lease term. The Education Compact also discussed the development of a master plan, and part of that plan was an evaluation of their capital including their schools and the school board office.

Council Member Saunders noted he was very pleased to see there would be a five year plan, with City Council and School Board members talking about the educational plan for the school system and the future. Mr. Saunders noted he concurred with the City Manager about the \$150,000 to the school system, there have been some reductions and they were waiting to see what the funding will be after the pandemic issues resolves. Council Member Miller stated there was a small bit of good news, the population of pupils actually increased this year, and that meant more money from the State. He thought the master plan was a good idea, it was a five year plan, and it will be reviewed every year to see if it needed to be changed. The School Board Chairman will

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report on the schools in October and also right before budget to give an interim report on how things were going as far as truancy, dropouts, improvements and what has happened in the last six months. DPS had wanted to receive a 2-3% increase from the state, but that did not happen, and to give a 1.3% increase for teachers was about \$330,000, so \$150,000 was about half of that. By giving the teachers increases in salaries they have been able to retain the teachers, over 90%, which means were less long term substitutes; Danville wants to keep attracting good teachers. They also asked if Galileo was going to be moved and they were committing to that as well, hopefully to the Langston area, but it would be a separate school. Mayor Jones thanked Council Member Saunders and Council Member Miller for serving on the Compact Committee.

APPROVAL OF THE FISCAL YEAR 2021 DANVILLE PUBLIC SCHOOLS BUDGET

Upon **Motion** by Vice Mayor Vogler and **second** by Council Member Miller, a Resolution entitled:

Resolution No. 2020-05.03, presented by its First Reading on May 7, 2020, Approving the Budget of the School Board of the City of Danville for the Fiscal Year Ending June 30, 2021,

was **presented** for adoption.

Vice Mayor Vogler thanked the City Manager, Mr. Saunders and Dr. Miller for the report on the meeting they had, and questioned the extra \$150,000, was that for raises just for the teachers or for personnel across the board and Mr. Larking noted the \$150,000 would cover a portion of the teacher pay increases but the school system as a whole plans to have step increases for all staff, which was a larger number. Mr. Vogler questioned if any additional positions were added this year and Mr. Larking stated they had discussed some mental health workers to be added; they originally proposed more, but they had to cut that back. The purpose was to have some mental health specialists in the school system to help with the special needs of a certain part of the student body. Mr. Vogler asked if there was any discussion on plans to reopen the schools in the fall, and Mr. Larking explained they have multiple plans because they don't know exactly what they will be facing when they go back. It depends on the pandemic at that time, their goal was to open in August. Mr. Vogler thanked all the teachers and staff at DPS, particularly the teachers who have done an amazing job working to keep the students engaged.

Council Member Shanks noted the increase Council gave the School Board last year covered part of the salary increases; that action was taken to fill those temporary positions with full time employees. The City Manager had stated that the rental rate for the office downtown was below market rate, and there was vacant space at Langston, and questioned were the properties like Glenwood, Taylor and Townes Lea owned by the School Board or by the City. Mr. Larking stated Glenwood and Townes Lea are owned by the City; staff has been trying to find potential users for both those buildings but have not been successful so far. They were examining a potential proposal right now but were worried it might not be in keeping with what the community wants for Glenwood. The Taylor building was owned by the school system and they have been in discussions with potential developers to develop that site into housing; so far the numbers have not worked for that. Mr. Larking noted from their discussions, DPS has a lease that ends on September 30, 2024, at their current site; their rent includes utilities and they pay \$276,420 per year for that building. They were going to lease until 2024 and have committed to examine their capital needs during the five year plan going forward. Mr. Shanks noted he was interested to hear they are exploring other opportunities.

Mr. Saunders noted a 90% retention rate of licensed teachers because of Council's assistance with their raises last year was really good news. There will be three new members on the school

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board in July, and Mr. Saunders stated he would like them to come to a Council meeting to introduce themselves so Council can continue to strengthen their partnership as they move forward.

Council Member Whittle noted he had a couple meetings with the Superintendent and members of the school board. They said they had 250 homeless children and he wanted to know if that had been brought up in the Compact or in the new budget. Mr. Larking explained Council Member Saunders had asked about wrap around services provided by the school system. They discussed partnerships with various organizations in the City including governmental agencies and non profits, trying to help provide wrap around services to all students. There are some very challenged children in the community in situations they shouldn't be in; the schools provide some stability to those students. Dr. Jones and the school board members said they have increased the contact they have with students by providing them meals on a regular basis; they started out with seven sites and it was up to twelve where they are delivering food to students. They have found it was a great way to have contact. DPS did want to say that they probably haven't done a good enough job in letting everyone know about these partnerships and they will be working on promoting that in some way.

Mr. Shanks noted it was imperative that all the instructional positions were handled by qualified personnel. He thinks they made a big step last year for that to happen; this year's raises continue the process, at least for the instructional part of the budget. His concern was, under several of the past superintendents, there was an increase in administrative positions that concerned him and hopes as Danville moves forward, they continue to watch those administrative, non-instructional positions. Mr. Shanks questioned the future of Galileo, was it going to be at Langston and Mr. Larking stated right now DPS was saying it would be Langston if it were to be approved. It would require capital funds for renovation; there was the 1% local option sales tax that could be under consideration by voters in November. If that passes they would have the ability to move forward, it would take a period of time to make the improvements.

Vice Mayor Vogler noted the City of Danville faces challenges that other localities do not, looking at Martinsville, they face more challenges but their schools are fully accredited. They have to figure out why they were able to be successful and Danville was still facing challenges. In response to Mr. Vogler regarding the sales tax, Mr. Larking explained typically the School Board would request City Council place the item on the ballot for the referendum. Council would have to adopt a resolution that that would take place, it would go to Circuit Court which would get it to the registrar, and the registrar would place it on the ballot. If approved in November, Council would have a period of time to determine when it would be enacted. The City would get the help of their financial advisors to determine how much could be borrowed based on the revenue coming in, and that would determine what kind of renovations would occur. Sales tax revenue in the past has been about \$9M but has been reduced recently due to the pandemic and that will have to be examined closely. The school system was planning to engage with some outside partners to educate the public on what the needs were including renovations to GWHS, Langston and two other schools. Mr. Vogler noted he would like a joint meeting with the school board before this happens.

Mr. Shanks noted talking about the sales tax for the Langston renovations, he hopes that full consideration was given to the cost of updating the Langston campus versus the cost of the necessary work at the Galileo campus. He does not understand why the sales tax issue was not being considered for repairing Galileo; Galileo was successful, it was small and people say they want to make more room for Galileo. There were certain students that excel in a smaller classroom situation, Galileo has proven that and he hates to see that school campus given up. Mr. Shanks noted he thought City Council, the School Board and the citizens of Danville needed to have the

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opportunity to look at the plan, to see what the sales tax increase was proposing and hopes the community has that conversation.

Mayor Jones thanked Council for an outstanding dialogue, and to all the staff and teachers of DPS, Council appreciates all they were doing; Mayor Jones thanked Council Members Saunders and Miller for all they do.

The **Motion** was carried by the following vote:

VOTE: 7-1-1
AYE: Buckner, Campbell, Miller, Saunders,
Shanks, Vogler and Whittle (7)
NAY: Tomer (1)
ABSTAIN: Jones (1)

APPOINTMENTS

Vice Mayor Vogler **moved** for adoption of a Resolution entitled:

Resolution No. 2020-05.06 – Appointing Katherine Waller to the Danville Community Policy & Management Team as the Danville Health Department Representative.

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

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

NEW BUSINESS

APPROVING AND AUTHORIZING THE CITY OF DANVILLE, VIRGINIA TO SELL THE PINNACLES HYDROELECTRIC COMPLEX TO NORTHBROOK ENERGY

Mayor Jones opened the floor for a Public Hearing regarding the Sale of the Pinnacles Hydroelectric Complex. Notice of the Public Hearing was published in the *Danville Register & Bee* on May 14, 2020. City Council did not receive any comments through their on line portal or telephone call in line, and the Public Hearing was closed.

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

RESOLUTION NO. 2020-05.07

APPROVING AND AUTHORIZING THE CITY OF DANVILLE, VIRGINIA TO SELL THE PINNACLES HYDROELECTRIC COMPLEX TO NORTHBROOK ENERGY FOR THE AMOUNT OF \$8,200,000.

The Motion was **seconded** by Council Member Miller.

Council Member Shanks noted this idea surfaced about two years ago with the Utility Commission and he had been totally opposed to the concept. He felt it was important that the

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City maintain and enjoy the benefits of that facility. However, after hearing all the issues that are involved including some settlement issues, and the Federal Energy Regulatory Commission, regulations which will require a lot more work to meet their standards, it will be a very costly process for the City. In the meantime, this power plant has some value to someone else, they would sell that electricity back to the City and the City would not have the cost of going through the FERC process. In the meantime, the City has major needs for their utility system that the \$8.2M could help address. Although this was a difficult decision, he thought the aging plant was better run by a company that runs many facilities across the area. That was why the Utility Commission was recommending this and hopes City Council would follow through with this recommendation.

City Attorney Clarke Whitfield reminded Council pursuant to the Virginia Constitution, the sale of property requires seven affirmative votes of Council.

Mr. Whittle questioned was there any reason why the City couldn't put a couple of new generators below that and not have to lower the head of the dam to add some more power. Director of Utilities Jason Grey explained the plan was restricted by the pipeline size that comes from the lower dam; there was pipeline capacity generation amount restricted by the amount of water that can flow through that pipeline. The two mile pipeline would have to be upgraded in order to do something. Vice Mayor Vogler noted when he first heard about this he had some concerns, but Council Member Shanks made a lot of great points and he agrees with what he says. Mr. Vogler thanked Mr. Shanks for the years he has been the representative on the Utility Commission. Looking at the cost benefit moving forward, some of the things the City would be facing if they were still in possession of this, it makes more sense. Mr. Vogler noted he was comfortable with this and will be voting yes. Dr. Miller noted he would also like to compliment Mr. Shanks, he has done a great job on the Utility Commission. Dr. Miller stated he thought this was a win-win situation; the City retains the power, still gets credit on their energy portfolio for hydroelectric power, and there will be a fewer employees. This dam was built in 1936; each year, the City would have to put more money to maintain the dam, plus a lot of regulatory costs as well. The City will be relieving itself of a lot of liability by selling the dam.

The Motion **FAILED** by the following vote:

VOTE: 6-3
AYE: Campbell, Jones, Miller, Saunders,
Shanks, Vogler (6)
NAY: Buckner, Tomer, and Whittle (3)

Vice Mayor Vogler questioned if this could be brought back up again at a later date. Mr. Whitfield noted there should be a way to either renew the Motion or reconsider the Motion at a later meeting, but not at this evening's meeting. Mr. Whittle noted he did not have his comfort level with this, would like to take another bite at the apple if it comes back around and would like to study it a little bit more.

APPROVING AND AUTHORIZING THE CITY OF DANVILLE, VIRGINIA TO ENTER INTO A PURCHASE POWER AGREEMENT AND INTERCONNECTION AGREEMENT WITH NORTHBROOK ENERGY - RESOLUTION NO. 2020-05.08

THIS AGENDA ITEM WAS NOT HEARD BY COUNCIL.

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BUDGET AMENDMENT – CONSIDERATION OF AMENDING DANVILLE CITY CODE TO MAINTAIN THE REAL ESTATE TAX RATE

Mayor Jones opened the floor for a Public Hearing regarding Maintaining the Real Estate Tax Rate. Notice of the Public Hearing was published in the *Danville Register & Bee* on April 15, 2020. City Council did not receive any comments through their on line portal or telephone call in line, and the Public Hearing was closed.

Upon **Motion** by Council Member Shanks and **second** by Council Member Whittle, an Ordinance entitled:

ORDINANCE NO. 2020-05.04

AMENDING AND REORDAINING SECTIONS 37-27, 37- 28 AND 37-29 OF THE DANVILLE CITY CODE THEREBY MAINTAINING THE REAL ESTATE TAX OF EIGHTY-FOUR (84) CENTS ON EVERY ONE HUNDRED DOLLARS OF ASSESSED VALUE EFFECTIVE JULY 1, 2020.

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

COMMUNICATIONS

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

Council Member Saunders thanked the voters who came out to the polls, and those who voted absentee in this unusual election at a very unusual time with regard to the pandemic. Also, special thanks to all the candidates who participated in these events, and a special thanks to the citizens for their cooperation and support. Many thanks to the City employees who continue providing services to the citizens. To those on the front lines, healthcare workers, fire, police, rescue workers, public works and others, Council thanks them all. To the City Manager, he continues to amaze him, it was almost incomprehensible to understand how he does all the things he does so well. He was extremely talented and blessed. To Mayor Jones, at such a time as this, he was destined to be their team and City leader; he does it so well.

Council Member Shanks noted his agreement with Council Members Saunders, Mayor Jones was doing an excellent job, he has faced some unusual circumstances and he excels at what he does. Mr. Shanks noted the City had an exciting business announcement on Monday, the negotiation with Caesars to operate a destination resort casino at the Schoolfield site. Mr. Shanks noted he was very excited and hoped the citizens of the City of Danville were as excited; they will make the final call. That was the way the legislation was written, the way Delegate Marshall, when he brought the concept to the City insisted upon. It became law that it was going to require a local referendum on whether a casino could operate in the city of Danville. What was equally important was that Danville did things differently than the four other localities in Virginia that have similar opportunities. Danville did things that resulted in the best outcome for the citizens of Danville; Mr. Shanks noted he was proud to be a part of that. It has tremendous financial potential for Danville and it was imperative that City Council did the right thing for the citizens, under his leadership. Every way Council took down this road, Mr. Larking led Council in the right direction, whether it was hiring a special lobbyist for this issue, or hiring consultants that specialized in casinos. Mr. Larking excelled at every aspect, he thinks he did a wonderful job.

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Council Member Tomer noted his agreement with Council Member Shanks, the whole process of how Council selected a casino operator was unlike how any other area did it. He believes Danville did it the right way and that was in part because of the City Manager and how he helped lead Council down the right path. Mr. Tomer congratulated the individual that won in the recent City Council election and wanted to thank Council Member Shanks for his service to the City. Every meeting that he has been with him, he has always done his homework, always come prepared, always asked tough questions and his voice of fiscal responsibility will be missed on this Council. Mr. Tomer noted he wished Mr. Shanks the best of luck going forward, and thanked him for his service.

Vice Mayor Vogler noted his agreement with Council who had thanked the Mayor for his leadership. In the two years he has been Mayor he has faced unprecedented flooding, and now an unprecedented pandemic; he has handled it all in stride and been a great example for all Council, on how to handle the office with compassion and dignity for all citizens. To the City Manager, he has been reading about what other localities were doing to help local businesses, particularly restaurants or stores. These restaurants right now are only allowed to do outdoor eating which was easier for some than others, some have large patios, others don't. Some places are loosening regulations to allow restaurants to use some of their parking for seating, or some of the sidewalks and asked if the City was looking at doing any of these things. Mr. Larking noted staff has been looking into this for the past few weeks, about how the City could be more flexible and creative in helping the small businesses. Ms. Bobe, the Economic Development director has had several conversations related to that and he directed them to come back with ideas on how the City could be more flexible on how the businesses could use public spaces. They were also working with the Community Development and Planning Departments to look at how the City could at least temporarily relieve some of the regulations regarding land use for businesses who don't have sidewalks in front that might be better able to utilize parking spaces. Staff will balance that against the safety of the public in general. The Economic Development department established some grant programs to small businesses to help them be innovative and serve their public at this time where they haven't been able to in the past; Danville was one of the few localities that has done that. The funding from the CARES Act actually allows local governments to get reimbursed for those costs; even though the City was ready to do it on their own, they will be able to get some of that funding reimbursed and maybe expanded. The City was trying to do as much as they could for small businesses including the Standing Together Six Feet Apart program. The City has purchased decals for businesses and will be distributing them through the fire department. Mr. Vogler thanked the citizens of Danville who voted in this election for him to serve another term on Council; he was very excited to come back and continue to be a part of this great team. Peggy Petty and her staff did a great job doing all they could to make sure people could exercise their right to vote. Mr. Vogler congratulated Barry Mayo on his victory and looks forward to working with him, and thanked Mr. Shanks for his many years of service to the City, not only on the City Council, but the numerous boards and commissions that he has served on.

Council Member Whittle congratulated Barry Mayo and thanked the former school board members that were there doing a great job and the new ones coming in. Mr. Whittle noted Mr. Shanks' and his family grew up together and Mr. Shanks had encouraged Mr. Whittle to run for Council.

Council Member Buckner congratulated everyone on the election and thanked Mr. Shanks for his many years of service and dedication to the City. To Mr. Larking, he did an outstanding job along with Ms. Bobe and staff negotiating with Caesars Entertainment; they all look forward to the future of Danville, what this means for the economy and the people of the City, and he looked forward to getting the referendum passed.

Council Member Campbell noted his agreement with what has been said, stating he has disagreed

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with Mr. Shanks many times, but it was good to disagree, and continue to be friends. The special announcement was outstanding, the future of Danville was bright. Council wanted to salute all the graduates and Reverend Campbell thanked all the people who worked with him for his re-election.

Council Member Miller congratulated all the winners of the election but there really aren't any losers in democracy. People spend time, money and effort to run, they are all winners. Adam Tomer said it best, Fred always does his homework, and whether you agree or disagree, you better come with some facts and figures if you are going to disagree with him. Also to the poll workers, they exposed themselves with people coming out to vote; they took protective action and Peggy Petty did a great job with that. The resort and casino was an economic shot in the arm potentially, it will bring a lot of jobs, hotel rooms, and an entertainment center. Dr. Miller encouraged citizens to attend the town halls that will be put on so they can see exactly what the benefit would be; it will be the citizens, not Council who decides. Dr. Miller questioned the status of the traffic light on South Main Street and Mr. Larking noted the City was moving forward on that; it was contingent on the funding which he believes the City has part of it in this year's budget and part in next year's budget.

Mayor Jones noted to Jason Grey, not to be discouraged, he and his staff have done a lot work on the Pinnacles, give Council some time. Mayor Jones stated teachers and some of the people in the school system feel as though they are not appreciated, and with the Virginia Department of Education in there right now, all their hard work seems denied. Mayor Jones thanked the Council Members, they have put their energies behind education, and wanted citizens to know they were serious about education. Council and the School Board together were going to do something about education. To Marc Aron and Arnold Hendrix along with the Public Works staff and many others, they have been out there all week long giving citizens information with regard to the flooding. Mayor Jones thanked all of City staff for what they were doing, and encouraged citizens to be safe.

The meeting adjourned at: 8:28 p.m.

APPROVED:

s/Alonzo L. Jones
MAYOR

ATTEST:

s/Susan M. DeMasi, CMC
CITY CLERK