

April 20, 2021

A Regular Work Session of the Danville City Council convened on April 20, 2021 at 8:16 p.m. in the Council Chambers located on the Fourth Floor of the Municipal Building. Council Members present were: James B. Buckner, L.G. "Larry" Campbell Jr., Bryant Hood, Mayor Alonzo 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 Larking, Deputy City Manager Earl B. Reynolds, Jr., City Attorney W. Clarke Whitfield Jr. and City Clerk Susan M. DeMasi.

Mayor Alonzo L. Jones presided.

MINUTES

Upon **Motion** by Council Member Campbell and second by Council Member Saunders, Minutes of the Regular Work Session held on March 16, 2021 were approved as presented. Draft copies were distributed to Council Members prior to the Meeting.

Council Member Vogler moved to **Amend** the Agenda to add a Closed Session for discussion of legal matters. 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

WORK SESSION ITEMS

REVIEW OF GENERAL FUND FINANCIAL REPORT

Director of Finance Michael Adkins reviewed the General Fund financial results for the third quarter, ending March 31st. The City has been very consistent this year, Revenues for the first three quarters combined were \$74M, about \$500,000 ahead of where the City was last year at the end of March. Local Sales Tax was outperforming expectations; the City has received about \$972,000 more than last year with 75% of the year complete; it was at 82% and about \$655,000 over budget at this point. Most Business Licenses were paid in March, but some companies prefer to pay every quarter, and at the end of March, Business License Revenue was \$685,000 more than last year at this time. Some of that was timing, but Mr. Adkins noted they did budget a little more for this year, and believes it will come in over budget at the end of June. With Interest Revenue, the City was lucky to find investments at 1% this year, where last year they were finding them at 2%; Interest Revenue was about half of what it was which has caused a decrease of \$340,000 from last year. Under Charges for Services, as mentioned in the past, there were less Parks & Rec rentals and also the Adult Detention census was down; those charges for services were less by about \$330,000 from last year. The two local consumer items, Meals Tax and Lodging Tax showed Meals Tax was only \$36,000 less than last year at this time. The City did budget some growth for the current year, were at 72% and not too far off of budget, but still about \$240,000 behind where the City would like to be. Hotel and Motel had the same situation, but only \$65,000 less than last year. They did budget a little more hoping for an increase, were at 66% of budget and about \$146,000 behind. The Local Sales Tax will cover those, and Mr. Adkins stated he did not have any concerns about the Revenue streams at this time. Real Estate and

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Personal Property bills were set to go out in the mail the first week of May and he will be able to report on those in June.

As far as expenditures, Departmental Expenditures were at 61% of budget, much behind the 75% at this point. A lot of that was attributable to CARES Act funds; the City was able to cover \$1M of public safety compensation which has helped, as well as lowered spending. Non-Departmental Expenses, which include transfers to capital, the City's debt service and group health insurance were all on budget and where they should be at this point. The Unreserved Fund Balance was \$22.6M, about \$1.7M ahead of where the City was last March. The City did budget to use about \$4M this year, hopefully they will not need that, but staff will monitor that as they progress.

City Manager Ken Larking noted Mr. Adkins had mentioned some revenue streams that were coming in less than projected. Staff's understanding of the recently passed Stimulus Package by Congress does allow for replacement of lost revenue caused by the pandemic. Staff will be studying that issue and should be able to see some recovery of that difference. There were some other things they were looking at closely related to that Stimulus funding, they have not received all the information about the rules and do not know exactly what they were going to get, but it should be helpful to the City.

DISCUSSION OF FEMA ADVANCED ASSISTANCE FUNDING FOR APPLE BRANCH WATERSHED ENGINEERING STUDY

Council Members had no questions regarding this Agenda item and agreed to put it on an upcoming business agenda.

CONSIDERATION OF THE FORMATION OF A 501(C)(3) CORPORATION BY THE DRHA

Council Member Whittle stated he thought that the Danville Redevelopment and Housing Authority was already a 501(c)(3) and Mayor Jones noted they were not. What they were trying to do was to be able to apply for funding under the 501(c)(3). The new director has been working with Deputy City Manager Earl Reynolds.

Council agreed to put this on an upcoming business agenda.

CLOSED MEETING

At 8:23 p.m., Vice Mayor Miller **moved** that this meeting of the City Council of the City of Danville, Virginia be recessed and that Council immediately reconvene in a Closed Meeting for the following purpose: consultation with legal counsel retained by a public body regarding specific legal matters requiring the provision of legal advice by such counsel, as permitted by Subsection (A)(8) of Section 2.2-3711 of the Code of Virginia, 1986 as amended.

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

Upon unanimous vote at 8:32 p.m., Council reconvened in open session and Vice Mayor Miller **moved** for adoption of the following Resolution:

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CERTIFICATE OF CLOSED MEETING

WHEREAS, the Council convened in Closed Meeting on this date pursuant to an affirmative recorded vote and in accordance with the provisions of the Freedom of Information Act; and

WHEREAS, Section 2.1-344.1 of the Code of Virginia, 1950, as amended, requires a Certification by the Council that such Closed Meeting was conducted in conformity with Virginia Law;

NOW, THEREFORE, BE IT RESOLVED that the Council hereby certifies that, to the best of each Member's knowledge, (i) only public business matters lawfully exempted from open meeting requirements of Virginia Law under Section 2.2-3711 were heard, discussed or considered, and (ii) only such public business matters as were identified in the Motion by which the Closed Meeting was convened were heard, discussed or considered by the Committee.

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

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

MEETING ADJOURNED AT 8:33 P.M.

APPROVED:

s/Alonzo L. Jones

MAYOR

ATTEST:

s/Susan M. DeMasi, CMC

CITY CLERK