

March 20, 2018

The Second Regular March meeting of the Danville City Council was held on March 20, 2018, 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 John B. Gilstrap, Vice Mayor Alonzo L. Jones, Dr. Gary P. Miller, Sherman M. Saunders, Fred O. Shanks, III, 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.

Mayor Gilstrap presided.

INVOCATION AND PLEDGE OF ALLEGIANCE

The Invocation was given by Council Member L.G. "Larry" Campbell, Jr.; the Pledge of Allegiance to the Flag followed.

COMMUNICATIONS FROM VISITORS

Mayor Gilstrap recognized Paul Liepe, representing Friends of the Old West End, a neighborhood organization, who spoke about a marketing program they have been working on. About one third of the OWE is vacant or for sale and they are particularly interested in tapping the market of those 100,000 people who move from the northeast to the south every year. Mr. Liepe showed their website www.oldwestendva.com, discussed their marketing program and publication, the *Old West End Gazette*.

MINUTES

Upon **Motion** by Council Member Buckner and **second** by Council Member Campbell, Minutes for the Regular Council Meeting held on February 20, 2018, were approved as presented. Draft copies had been distributed prior to the Meeting.

NEW BUSINESS

CITY CODE – CONSIDERATION OF AMENDING DANVILLE CITY CODE CHAPTER 30 TO ADD POTENTIAL CONFLICTS OF INTEREST TO THE LIST OF SPECIAL QUALIFICATIONS WHEN EVALUATING COMPETITIVE BID PROPOSALS

Council Member Campbell **moved** for adoption of an Ordinance entitled:

ORDINANCE NO. 2018-03.04

AMENDING CHAPTER 30 OF THE CODE OF THE CITY OF DANVILLE, VIRGINIA, 1986, AS AMENDED, ENTITLED "PROCUREMENT CODE" MORE SPECIFICALLY ARTICLE 2, ENTITLED "COMPETITIVE BIDDING", SECTION 50, ENTITLED "BID EVALUATION" TO ALLOW THE CITY TO CONSIDER POTENTIAL CONFLICTS OF INTEREST WHEN EVALUATING COMPETITIVE BID PROPOSALS.

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

VOTE: 6-3
AYE: Campbell, Gilstrap, Jones, Miller,

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NAY: Saunders and Vogler (6)
Buckner, Shanks, Whittle (3)

BUDGET APPROPRIATION – CONSIDERATION OF AMENDING THE FY2018 BUDGET APPROPRIATION ORDINANCE TO PROVIDE FUNDS FOR A RECREATION ENRICHMENT PROGRAM

Upon **Motion** by Council Member Vogler and **second** by Council Member Miller, an Ordinance entitled:

ORDINANCE NO. 2018-03.05

AMENDING THE FISCAL YEAR 2018 BUDGET APPROPRIATION ORDINANCE TO PROVIDE FUNDS IN THE AMOUNT OF \$55,220 FOR A RECREATION ENRICHMENT PROGRAM AND THE LOCAL IN-KIND SHARE OF \$135,260 FOR A TOTAL APPROPRIATION OF \$190,480 AND APPROPRIATION OF SAME

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

BUDGET AMENDMENT – CONSIDERATION OF AMENDING THE FY2018 BUDGET APPROPRIATION ORDINANCE TO ANTICIPATE RECEIPT OF GRANT FUNDS FROM THE VIRGINIA DEPARTMENT OF EMERGENCY MANAGEMENT – TECHNICAL RESCUE TEAM - \$38,289

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

ORDINANCE NO. 2018-03.06

AMENDING THE FISCAL YEAR 2018 BUDGET APPROPRIATION ORDINANCE TO PROVIDE FOR A GRANT FROM THE VIRGINIA DEPARTMENT OF EMERGENCY MANAGEMENT IN AN AMOUNT OF \$38,289 FOR EQUIPMENT FOR THE DANVILLE FIRE DEPARTMENT TECHNICAL RESCUE TEAM AND APPROPRIATING SAME

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

BUDGET APPROPRIATION - CONSIDERATION OF AMENDING THE FY2018 BUDGET APPROPRIATION ORDINANCE TO ANTICIPATE GRANT FUNDS FROM THE VIRGINIA DEPARTMENT OF EMERGENCY MANAGEMENT IN THE AMOUNT OF \$78,000

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

ORDINANCE NO. 2018-03.07

AMENDING THE FISCAL YEAR 2018 BUDGET APPROPRIATION ORDINANCE TO PROVIDE FOR A GRANT FROM THE VIRGINIA DEPARTMENT OF EMERGENCY MANAGEMENT IN AN AMOUNT OF \$78,000 FOR EQUIPMENT FOR THE DANVILLE FIRE DEPARTMENT HAZMAT TEAM AND APPROPRIATING SAME

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

Mayor Gilstrap noted two items needed to be added to the Agenda, as requested by the Director of Finance and the City Attorney, Items E and F. Item E will be an extension of a Moral Obligation Support Agreement securing a borrowing by the Industrial Development Authority for Virginia Small Business Financing Authority. Mayor Gilstrap noted Item F will be the Moral Obligation for Virginia Community Capital.

Council Member Miller made a **Motion** to add Items E and F to the Agenda, the Motion was **seconded** by Council Member Buckner.

Council Member Shanks questioned why these items came to Council so late and were not discussed in work session. Director of Finance Michael Adkins apologized for the lack of time for the Moral Obligation renewals; it came to his attention that the City would need to extend these, shortly after the last Council meeting. These were set up as twenty year paybacks and he was not aware that there was a five year maturity in place. These loans mature at the end of this month and the financial institutions requested that the Moral Obligations be extended during the period of refinancing for another five years. Mr. Adkins explained he received a Notification of Maturity from the Bank around the seventh of this month. Mr. Shanks noted this is a Moral Obligation that Council passed on behalf of the IDA and questioned if the IDA was aware of this; Mr. Adkins noted they were not until their meeting which was last week.

Council Member Whittle questioned if the interest rate was set during this period and Mr. Adkins noted they will be set and does not expect them to be much different; one was at four percent and the other at five percent. Mr. Whittle asked if there was a five year rollover and Mr. Adkins stated another five years and it will continue that way until the twenty year period is completed. Mr. Whitfield noted once that happens there will be new moral obligation agreements, this is to just cover the time it takes to get them refinanced. Council Member Vogler noted for the benefit of citizens, could Mr. Adkins specify what building 500 Cane Creek was and Mr. Adkins explained that was originally outfitted for GOK and it will soon be occupied by Unison. Mr. Vogler asked if this was typically something Council would have a public comment section for or is this normally voted on without a public hearing. Mr. Whitfield noted Council has never had a public hearing for this before.

Council Member Saunders questioned if this was an extension of an existing item and they want more time, and Mr. Adkins noted they were moral obligations approved five years ago and this is an extension to allow for the negotiation of another five year term on the existing loan. Once that is set, new moral obligations will come forward for approval for the next five year period. Mr. Saunders questioned if the Bank and staff are okay with this and it is just a matter of the Council giving its final endorsement, and Mr. Adkins noted that was correct.

Mr. Saunders called for the question.

The **Motion** to add Item E and Item F to the Agenda, was carried by the following vote:

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

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**AUTHORIZING THE EXTENSION OF A MORAL OBLIGATION SUPPORT AGREEMENT
SECURING A BORROWING BY THE IDA WITH THE VIRGINIA SMALL BUSINESS
FINANCING AUTHORITY**

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

RESOLUTION NO. 2018-03.03

A RESOLUTION AUTHORIZING THE EXTENSION OF A MORAL OBLIGATION SUPPORT AGREEMENT SECURING A BORROWING BY THE INDUSTRIAL DEVELOPMENT AUTHORITY OF DANVILLE, VIRGINIA

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

Council Member Shanks noted one was for \$1.5M and the other was \$500,000, for a total of \$2M for a building that is already built. Mr. Shanks stated he wished Council had some background information prior to this and asked if this was the building built as a spec building, and Mr. Whitfield noted he believes it may be this building that was built by a local contractor and eventually up-fitted. Mr. Shanks noted he would like to know how much the City purchased that building for.

Mayor Gilstrap noted his concern was Council was put in the position where they really don't have a choice and questioned if Council doesn't approve it what would happen. Mr. Adkins noted the worst case scenario is the banks refuse to renew the loan for another five years and the full principal has to be paid back. Mr. Adkins explained plans are for the building to be occupied, and the payment plan is based on collecting the lease revenue from the occupant and using that to pay back the principal. Council Member Vogler noted he was just notified that the building was built by Quality Construction as a spec building. Vice Mayor Jones noted the issue, as the City Manager explained, was something that if Council had information on beforehand they would probably be in favor of. Mr. Saunders questioned what is the absolute latest the City can make a decision about this and Mr. Larking stated by the end of this month. Mr. Whitfield noted this is an extension of something Council has already done; Council voted and approved these Moral Obligations, this is just a 120 day extension of those to allow the City to renegotiate with the banks.

Mr. Buckner called for the question.

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

VOTE: 9-0

AYE: Buckner, Campbell, Gilstrap, Jones, Miller,
Saunders, Shanks, Vogler and Whittle (9)

NAY: None (0)

**AUTHORIZING THE EXTENSION OF A MORAL OBLIGATION SUPPORT AGREEMENT
SECURING A BORROWING BY THE IDA WITH VIRGINIA COMMUNITY CAPITAL**

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

RESOLUTION NO. 2018-03.04

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**AUTHORIZING THE EXTENSION OF A MORAL OBLIGATION SUPPORT AGREEMENT
SECURING A BORROWING BY THE INDUSTRIAL DEVELOPMENT AUTHORITY OF
DANVILLE, VIRGINIA**

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

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

COMMUNICATIONS

City Manager Ken Larking congratulated several staff members on awards they received, Director of Parks & Recreation Bill Sgrinia and his staff for winning two North Carolina Association of Festival & Event Awards at their most recent conference. Congratulations to the City's Budget Director Cynthia Thomasson and Assistant to the City Manager Amanda Paez for receiving the Distinguished Budget Presentation Award from the Government Finance Officer's Association, for the third year in a row. Also congratulations to the City's Director of Finance Michael Adkins and his staff for receiving the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officer's Association, the City has won this award for more than thirty years.

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

ROLL CALL

Council Member Saunders encouraged citizens to continue to update their skills, the City is bringing in jobs from around the world and they are requiring special skill sets. Mr. Saunders encouraged citizens to use Danville Community College, Averett University, American University, all the training facilities in the City and the region.

Council Member Vogler noted two great new restaurants opened this past week, Mucho at 530 Craghead Street and Firehouse Subs opened yesterday; Ken Jones, a Danville firefighter owns it. Mr. Vogler reminded citizens of oldwestendva.com, encouraged everyone to check out the website and thanked those in attendance this evening.

Council Member Whittle asked the City Manager to bring Council up to speed on the \$173M Build America Bonds; Mr. Larking noted the City right now has nothing to worry about, Congress re-authorized the subsidy and he can give Mr. Whittle more details. Mayor Gilstrap asked if Mr. Whittle would like this item added to a work session agenda; Mr. Whittle noted he will meet with the City Manager and it can be put on a work session if needed.

Council Member Buckner noted Mucho is a great new restaurant in the River District, is very proud of Ken Jones and the opening of Firehouse Subs and many years of success for both. Saturday at the Community Market is the second Kickin Chicken Wing Ding event. Mr. Buckner noted because of the school shootings, the City should come up with some kind of drill for students and faculty in the schools.

Vice Mayor Jones noted there were many great things going on in Danville last weekend, Council Members attended the ribbon cutting for Mucho, Saturday at the IALR was a career

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job fair for teachers for Danville Public Schools, it was very successful. Mr. Saunders and he attended Ms. Alice Wilson Toler's 100th birthday celebration. 500 Youth N Black had over three hundred young people in attendance at the event; Sunday, Council was invited to the Community Choir at First Baptist Church and on Sunday night, Mr. Buckner and he attended the Southside Region Celebration at White Oak at Blairs. Monday was the ribbon cutting for Ken Jones at Firehouse Subs; there are wonderful things going on in the City.

Council Member Miller recognized the Tunstall students in attendance and stated the food at Mucho was very good. Dr. Miller noted the comedy hour at the North Main Theatre was excellent and when he finished he went down Craghead Street and at 9:30 p.m. there were lots of people out going to restaurants and walking around. The River District Wing Ding chicken event is this weekend, it is a fundraiser for the River District Association.

The meeting adjourned at 7:42 p.m.

APPROVED:

MAYOR

ATTEST:

CITY CLERK