DANVILLE CITY COUNCIL WORK SESSION AGENDA

MUNICIPAL BUILDING

March 16, 2021

7:30 P.M.

MEETING CALLED TO ORDER

WORK SESSION ITEMS

A. Consideration of Appointments to Boards and Commissions.
Council Letter Number CL - 2512.

B. Review of General Fund Financial Report.
Council Letter Number CL - 2481.

C. Discussion of New Casino - Entertainment Zoning District.
Council Letter Number CL - 2510.

D. Presentation of the Summer Youth Jobs Program.
Council Letter Number CL - 2513.

E. Presentation of the City Manager's Proposed Budget for Fiscal Year 2022.
Council Letter Number CL - 2514.

PROGRAM UPDATE

COMMUNICATIONS FROM

A. City Manager

B. Deputy City Manager

C. City Attorney

D. City Clerk

E. Roll Call

ADJOURNMENT

Council Letter
City of Danville, Virginia

CL-2512 **Work Session A.**

Work Session Meeting

Meeting Date: 03/16/2021

Subject: Consideration of Appointments to Boards and Commissions

From: Susan M. DeMasi, City Clerk

COUNCIL ACTION

Work Session: 03/16/21

SUMMARY

Consideration of appointments to boards and commissions:

1. Southern Area Agency on Aging.

Attachments

No file(s) attached.

Council Letter
City of Danville, Virginia

CL-2481 **Work Session B.**

Work Session Meeting

Meeting Date: 03/16/2021

Subject: General Fund Financial Report

From: Michael Adkins, Director of Finance

COUNCIL ACTION

Work Session: 03/16/2021

SUMMARY

A brief report will be given on the General Fund financial results as of February 28, 2021. Financial statements are included.

Attachments

Financial Statements

City of Danville
Department of Finance
Michael Adkins, Director

To: Ken F. Larking, City Manager

From: Michael L. Adkins, Director of Finance

Date: March 5, 2021

Subject: Summary of Preliminary General Fund Financial Results for February 28, 2021

After completing the first eight months of fiscal year 2021, revenues are behind the previous year, primarily due to lower interest rates on invested funds, as well as decreased charges for Parks and Recreation activities and Adult Detention services. At February 28, General Fund revenues were $64,815,300 representing 58% of the FY 2021 budget, a decrease of about $1.5 million from the prior year. Last year, at this time, we had collected $66,373,423 or 60% of budget. A decrease of $430,486 is seen in Revenue from Use of Money and primarily relates to a change in interest rates from the prior year, along with decreased rentals of Parks and Recreation facilities. Charges for Services shows a decrease of $330,548 from the prior year, reflecting cancelation of many activities in Parks and Recreation, and also the census at the adult detention facility being 50% or less of normal. Costs in both of these areas are down as well. In addition, the timing of revenues from the Commonwealth resulted in a temporary decrease in both Non-Categorical Aid (State) and Categorical, specifically in the area of Social Services and Aid to Localities.

General Property Tax collections continued with 52.3% of the budgeted real estate realized at the end of February. We continue to see steady performance in the collection of delinquent real estate taxes this year with $699,426 realized in the first eight months of this fiscal year, already accounting for 70% of the current year budget. Local taxes collected through February 28, were $17,081,941 or 60.1% of budget and slightly ahead of prior year to date collections of $16,899,819. Sales tax collections through February amounted to $6,769,884 or 74% of budget, an increase of $892,533 from last year, reflecting the capture of online commerce. Meals taxes collected for the first eight months of the fiscal year amounted to $5,514,782 or 63.8% of budget, a decrease of $111,945 from last year. Business Licenses realized at the end of February were $2,434,885, a decrease of $471,433 from the prior year due to timing as most licenses are not due until March. Lodging taxes received as of February 28 were $946,045, a decrease of $85,612 from the prior year and behind budget at 59.13%. Both meals and lodging tax are still showing effects of the COVID-19 pandemic, while other consumer-driven taxes are performing well at this time. Nearly all other revenue categories are at or near the prior year and are tracking well with budget at this point.

Expenditures at February 28 were $74,345,737 or 61% of budget. This is a decrease of $1.2 million compared to February 2020, primarily resulting from the timing of budgeted transfers to Danville City Schools, offset by budgeted transfers to the Capital Projects Fund. Departmental spending for the first eight months of the year was 60.6% of budget and shows a decrease of about $1,500,000 from last year. The most significant decrease is attributed to covering one month of public safety salaries with CARES Act funding.

Non-departmental expenses, mostly comprised of debt service and group health insurance, increased $490,395 over the prior year, but are on track with budget. In FY 2020, we saw group health insurance expense performing significantly under budget. This year, results are running closer with budget.

General Fund expenditures exceeded revenues by approximately $9.5 million at February 28– very similar to the prior year deficit of $9.2 million. This is typical at this point in the fiscal year for the General Fund because the timing of the revenue recognition is not matched to expenditures. Despite this, unassigned fund balance is currently $769,000 better than the prior year.

We will continue to monitor the financial performance in the General Fund and alert you of any significant developments.

CITY OF DANVILLE, VIRGINIA
GENERAL FUND REPORT
67% OF YEAR LAPSED AS OF FEBRUARY 28, 2021
PRE-CLOSING FIGURES - SUBJECT TO CHANGE - UNAUDITED

	Budgets & Appropriations For Current Year	Actual Revenues & Expenditures For Year-to-Date	Percent Realized/Expended This Year	Encumbrances	Balance to be Realized/Expended	Actual Revenues & Expenditures At This Date Last Year
REVENUES:						
Property Taxes	$ 34,515,700	$ 17,251,030	49.98%		$ 17,264,670	$ 17,291,085
Other Local Taxes	28,117,000	17,081,941	60.75%		11,035,059	16,899,819
License Permits & Privilege Fees	258,350	159,823	61.86%		98,527	187,090
Fines & Forfeitures	345,550	158,013	45.73%		187,537	222,010
Revenue From Use Money & Property	1,161,715	792,636	68.23%		369,079	1,223,122
Charges For Services	3,393,360	2,066,447	60.90%		1,326,913	2,396,995
Miscellaneous Revenue	130,523	195,884	150.08%		(65,361)	89,378
Recovered Cost	7,979,452	4,958,731	62.14%		3,020,721	5,176,948
Non-Categorical Aid	5,868,720	3,364,979	57.34%		2,503,741	4,060,863
Shared Expenses (Categ. Aid State)	5,174,940	3,357,669	64.88%		1,817,271	3,157,793
Categorical Aid (State)	9,328,810	5,182,059	55.55%		4,146,751	5,432,987
Emergency Services (Federal)	27,020	-	0.00%		27,020	-
Categorical Aid (Federal)	79,754	10,754	13.48%		69,000	-
Transfers From Utilities	15,353,000	10,235,333	66.67%		5,117,667	10,235,333
Transfers From Other	-	-			-	-
TOTAL REVENUES	**$ 111,733,894**	**$ 64,815,300**	**58.01%**		**$ 46,918,594**	**$ 66,373,423**
EXPENDITURES:						
General Government Administration	$ 11,094,670	$ 7,460,066	67.24%	$ 199,255	$ 3,435,349	$ 7,114,570
Judicial Administration	7,330,179	4,805,121	65.55%	25,639	2,499,420	4,732,981
Public Safety	31,355,298	19,144,506	61.06%	387,210	11,823,582	20,299,800
Public Works	4,436,941	2,737,298	61.69%	129,933	1,569,709	2,813,630
Health, Education, Welfare & Soc. Svc.	8,971,175	4,393,147	48.97%	107,122	4,470,907	4,762,542
Parks, Recreation & Cultural	5,227,943	2,811,993	53.79%	92,139	2,323,811	2,989,999
Community Development	2,188,374	1,407,723	64.33%	142,611	638,040	1,594,206
Non-Departmental	12,341,416	7,917,804	64.16%	-	4,423,612	7,427,409
Transfer to Schools - Operating	30,552,929	17,264,301	56.51%	1,426,907	11,861,721	19,054,876
Transfer to Capital Projects	3,655,040	3,694,870	101.09%	-	(39,830)	2,638,930
Transfer to Other Funds	4,552,690	2,708,909	59.50%	-	1,843,781	2,123,467
TOTAL EXPENDITURES	**$ 121,706,654**	**$ 74,345,737**	**61.09%**	**$ 2,510,817**	**$ 44,850,101**	**$ 75,552,410**
Revenue over(under) Expenditures		$ (9,530,437)				$ (9,178,987)
FUND BALANCE:						
Beginning Fund Balance 07/01/2020		$ 43,310,847				$ 39,927,182
Revenue over(under) Expenditures		(9,530,437)				(9,178,987)
Ending Fund Balance 02/28/2021		**$ 33,780,410**				**$ 30,748,195**
Composition of Fund Balance:						
Reserved for Encumbrances/Designated Funds		$ 10,156,213				$ 7,892,853
Unassigned		23,624,197				22,855,342
TOTAL FUND BALANCE 02/28/2021		**$ 33,780,410**				**$ 30,748,195**

City of Danville, Virginia
Summary of Other Local Tax Revenues - PRE-CLOSING - UNAUDITED
For the period ending February 28, 2021

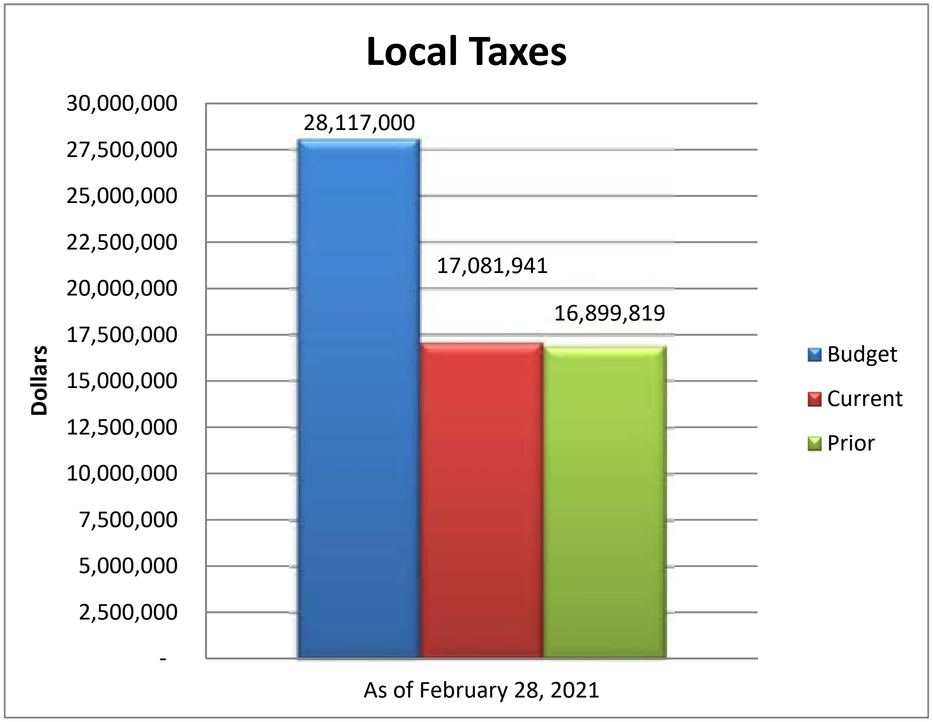
Description	Current Budget	Revenue Realized	Percentage Realized	Prior Year Budget	Prior Year Realized	Percentage Prior Year
Sales Tax	$ 9,150,000	$ 6,769,884	73.99%	$ 9,150,000	$ 5,877,351	64.23%
Business Licenses	5,250,000	2,434,885	46.38%	5,200,000	2,906,317	55.89%
Meals Tax	8,645,000	5,514,782	63.79%	8,400,000	5,626,727	66.98%
Utility Taxes	967,000	611,404	63.23%	975,000	631,187	64.74%
Vehicle License Fees	990,000	280,118	28.29%	990,000	277,633	28.04%
Bank Stock Tax	900,000	-	0.00%	900,000	37,860	4.21%
Recordation Tax	180,000	260,563	144.76%	195,000	209,797	107.59%
Hotel Motel Tax	1,600,000	946,045	59.13%	1,514,250	1,031,657	68.13%
Daily Property Rental Tax	15,000	9,594	63.96%	18,400	42,918	233.25%
Motor Vehicle Tax	175,000	134,681	76.96%	150,000	113,126	75.42%
DMV Fees	245,000	119,986	48.97%	220,000	145,246	66.02%
TOTAL	$ 28,117,000	$ 17,081,941	60.75%	$ 27,712,650	$ 16,899,819	60.98%

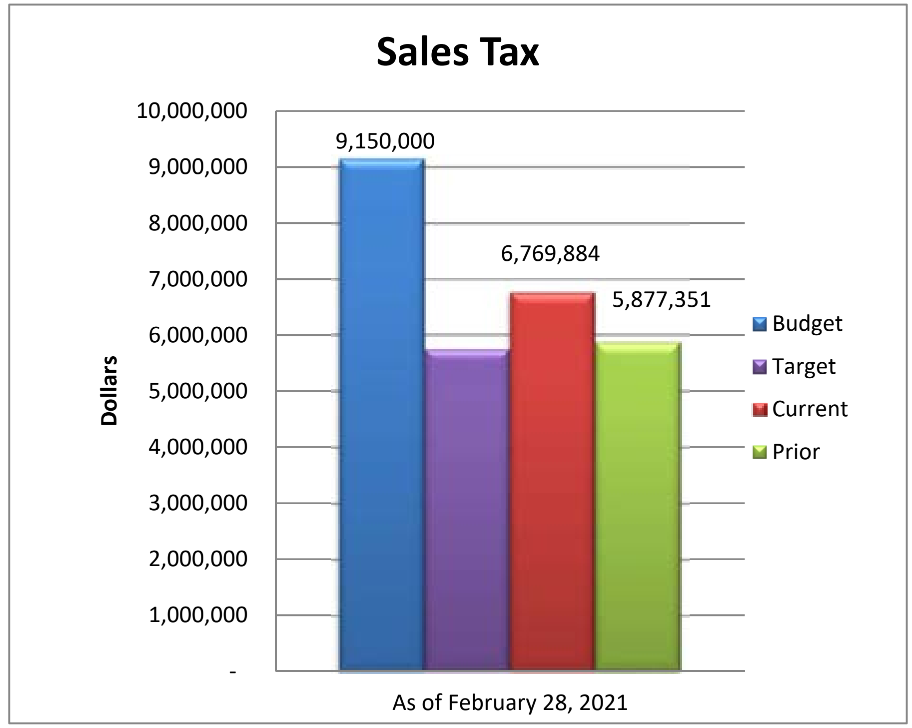
CITY OF DANVILLE, VIRGINIA
GENERAL FUND
COMPOSITION OF FUND BALANCE
PRELIMINARY - AS OF FEBRUARY 28, 2021

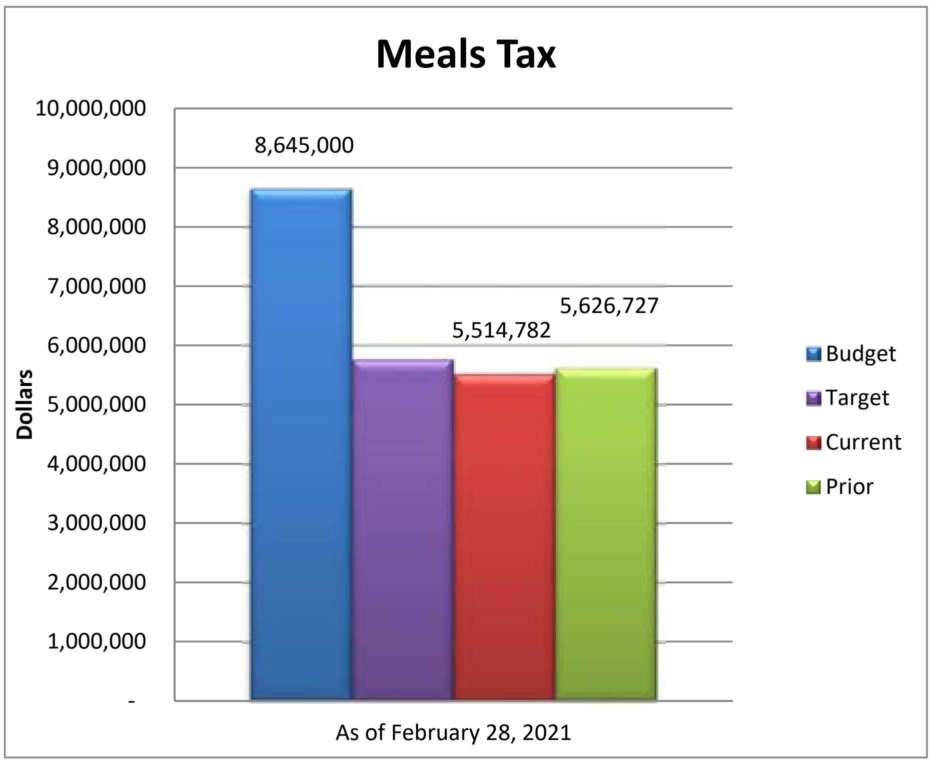
Beginning Total Fund Balance, July 1, 2020	43,310,847.48
Add: General Fund Revenues	64,815,299.75
Deduct: General Fund Expenditures	(74,345,737.16)
Ending Total Fund Balance, February 28, 2021	33,780,410.07

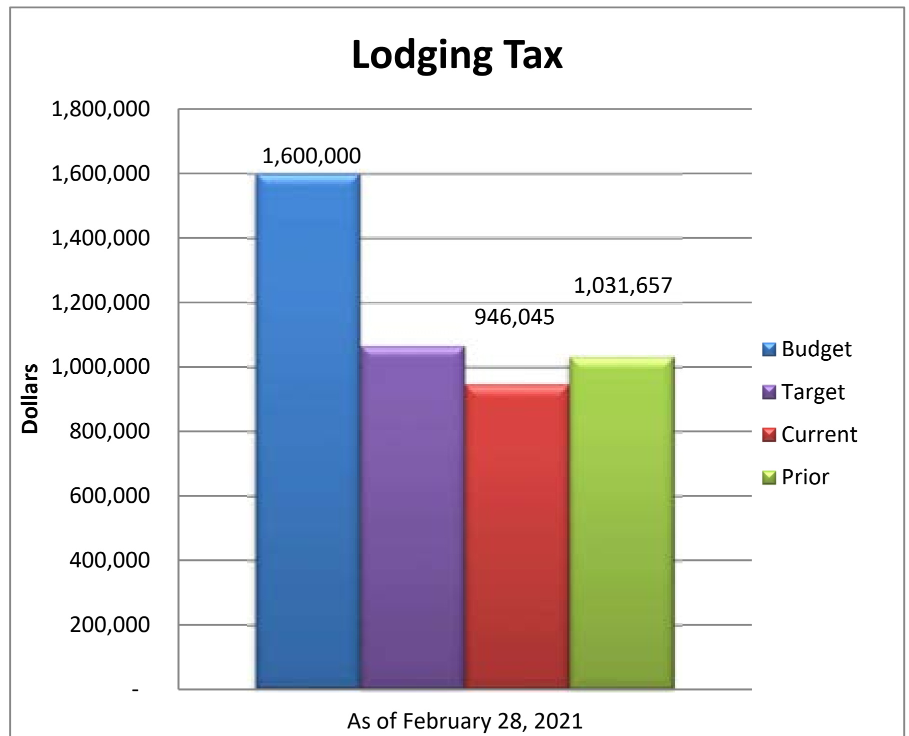
Composition of Fund Balance:	
Restricted for Commonwealth Attorney	108,985.76
Restricted for Police Department	58,782.48
Restricted for Fire Department	96,319.34
Committed for Sheriff's Department	240.92
Committed to Schools	3,814,751.71
Committed to Budget Stabilization	3,000,000.00
Assigned to Sheriff's Department	18,182.85
Assigned to Community Development	6,368.58
Assigned for Encumbrances	2,510,816.64
Nonspendable (Inventory and Prepaids)	541,764.75
UNASSIGNED	**23,624,197.04**
Total Fund Balance, February 28, 2021	33,780,410.07

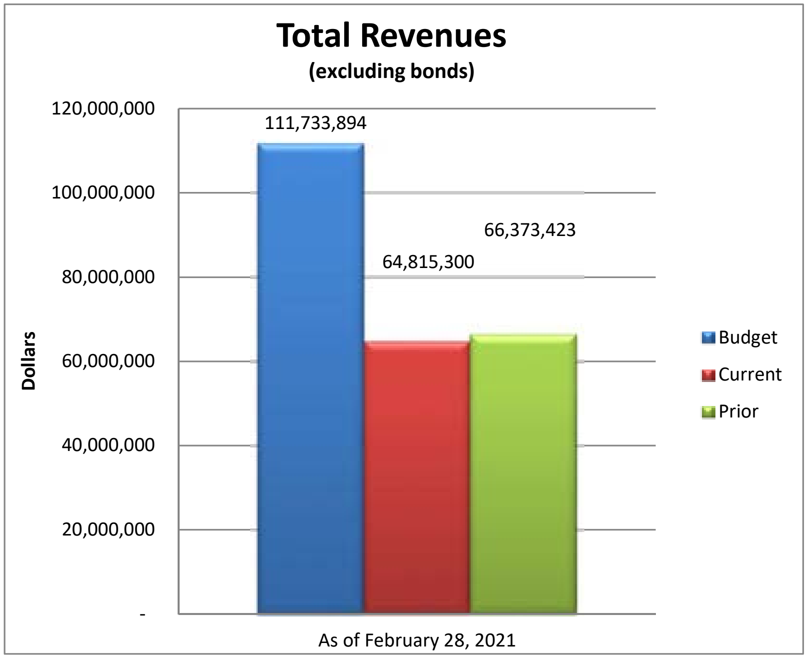
Unassigned fund balance from above	23,624,197.04
Unassigned Minimum per policy (20% of General Fund Operating Revenues) based on FY 2021 budget	22,346,778.72
Current surplus (deficit) over (under) minimum	1,277,418.32


Local Taxes
30,000,000
27,500,000
25,000,000
22,500,000
20,000,000
17,500,000
15,000,000
12,500,000
10,000,000
7,500,000
5,000,000
2,500,000
-
Dollars
28,117,000
17,081,941
16,899,819
Budget
Current
Prior
As of February 28, 2021

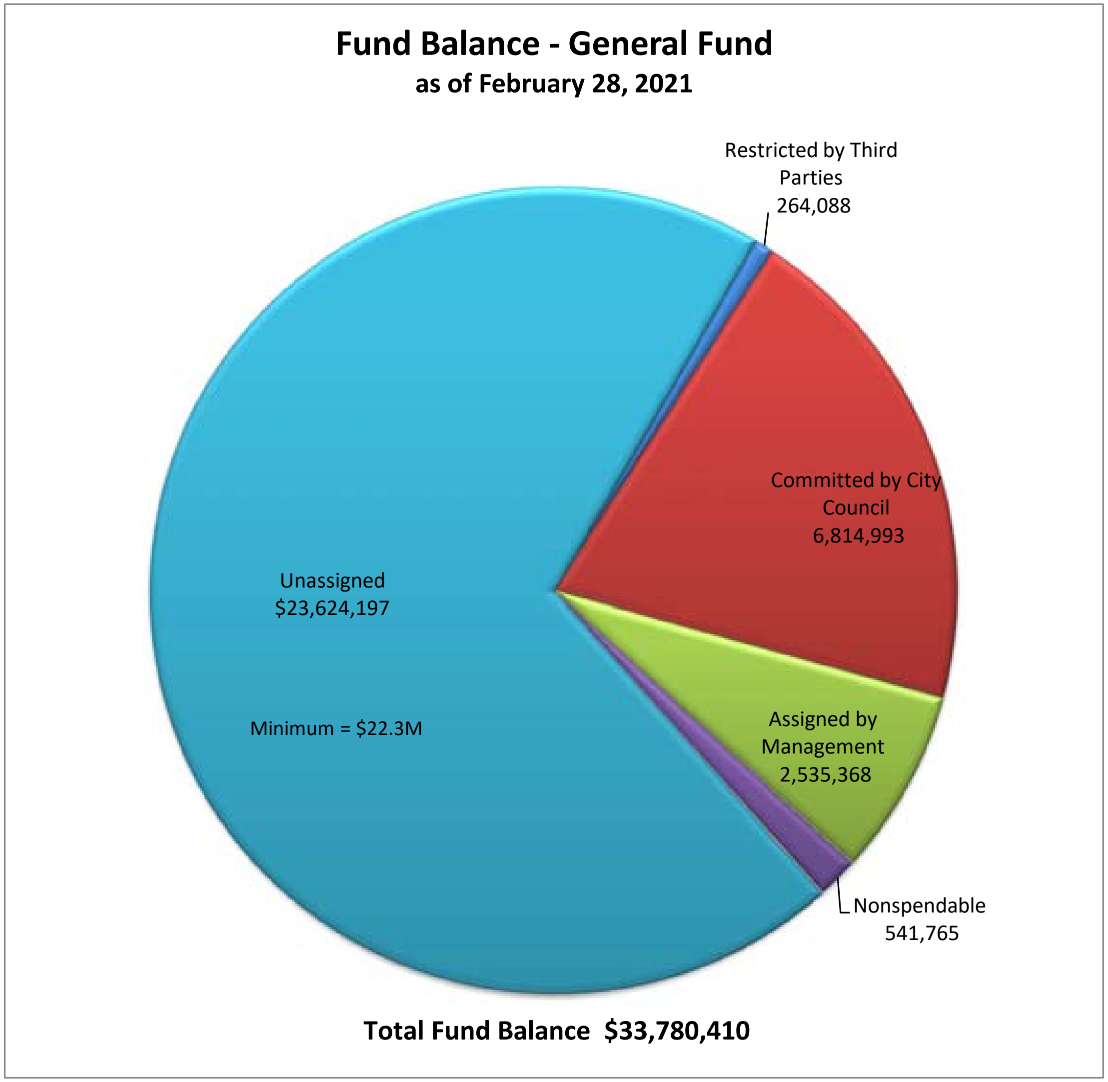

Sales Tax
10,000,000
9,000,000
8,000,000
7,000,000
6,000,000
5,000,000
4,000,000
3,000,000
2,000,000
1,000,000
-
Dollars
9,150,000
6,769,884
5,877,351
Budget
Target
Current
Prior
As of February 28, 2021


Meals Tax
10,000,000
9,000,000
8,000,000
7,000,000
6,000,000
5,000,000
4,000,000
3,000,000
2,000,000
1,000,000
-
Dollars
8,645,000
5,514,782
5,626,727
Budget
Target
Current
Prior
As of February 28, 2021

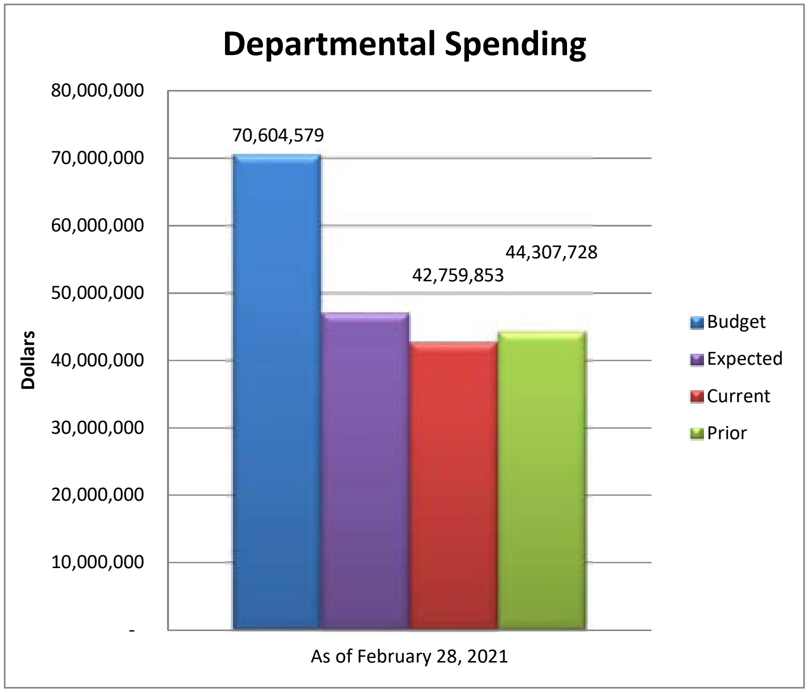

Lodging Tax
1,800,000
1,600,000
1,400,000
1,200,000
1,000,000
800,000
600,000
400,000
200,000
-
Dollars
1,600,000
946,045
1,031,657
Budget
Target
Current
Prior
As of February 28, 2021



Total Revenues
(excluding bonds)
120,000,000
100,000,000
80,000,000
60,000,000
40,000,000
20,000,000
-
Dollars
111,733,894
64,815,300
66,373,423
Budget
Current
Prior
As of February 28, 2021



Fund Balance - General Fund
as of February 28, 2021
Restricted by Third Parties
264,088
Committed by City Council
6,814,993
Unassigned
$23,624,197
Minimum = $22.3M
Assigned by Management
2,535,368
Nonspendable
541,765
Total Fund Balance $33,780,410



Departmental Spending
80,000,000
70,000,000
60,000,000
50,000,000
40,000,000
30,000,000
20,000,000
10,000,000
-
Dollars
70,604,579
42,759,853
44,307,728
Budget
Expected
Current
Prior
As of February 28, 2021

Council Letter
City of Danville, Virginia

CL-2510 **Work Session C.**

Work Session Meeting

Meeting Date: 03/16/2021

Subject: Consideration of New Casino - Entertainment Zoning District

From: Doug Plachcinski, Planning Division Director

COUNCIL ACTION

Work Session: 03/16/2021

SUMMARY

The new zoning district, intended to apply only to the casino/entertainment development site, will address building standards, open spaces, parking, on and off-site signage, entrances, landscaping, exterior lighting, outdoor sound, and screening/buffers.

RECOMMENDATION

This is a work session item for Council input.

Attachments

Topic Memorandum

City of Danville
Community Development
Planning Division

MEMORANDUM

DATE: March 2, 2021

TO: City Council

FROM: Doug Plachcinski, Planning Division Director

RE: CASINO + ENTERTAINMENT ZONING DISTRICT

This task creates a new Zoning District with use and development standards for the future casino + entertainment complex development at the former Schoolfield mill site.

The zoning district, intended to apply only to the casino + entertainment development addresses:

- ✓ **Purpose and Intent**
- ✓ **Uses**
  - o Uses permitted by right, special use permits, and accessory uses
- ✓ **Buildings**
  - o Maximum building height maximum/architectural element height (buildings capped at smokestack height?)
  - o Minimum yard requirements (yard setbacks similar to industrial development?)
  - o Architectural materials
- ✓ **Open spaces**
  - o % open space on property accessible to guests/public and may include stormwater management features
- ✓ **Parking**
  - o How many parking spaces will they need? Surface lots or decks? To include a ratio based on hotel rooms, entertainment venue seating, all other public spaces in the complex (excluding those specific to the hotel), and employee parking. .
- ✓ **On and off-site signage**
  - o On-site wall and freestanding sign area and height limitations.
  - o Off-site sign allowances modeled after existing language in PSC-O zoning district adopted for Coleman Marketplace Development
- ✓ **Entrances**
  - o Driveway spacing
  - o Pedestrian connections
- ✓ **Landscaping**
  - o Frontage landscaping, interior landscaping
- ✓ **Exterior Lighting**
  - o Allow "uplighting" of building and features, but no spill over at property lines.
  - o Searchlights?

- ✓ **Outdoor Sound**
  - o Appropriate hours, sound spillover. Not currently allowed in zoning ordinance.
- ✓ **Screening and physical buffers**
  - o Screening adjacent to neighbors along Wood Avenue and Bishop Avenue to include fencing and landscaping.

PROPOSED ADOPTION TIMELINE:

- ✓ March 8, Planning Commission initiates zoning ordinance text amendment
- ✓ March 16, City Council work session
- ✓ March 18, Draft to Caesar's for input
- ✓ April 12, Planning Commission public hearing and text amendment recommendation to City Council.
- ✓ May 4, City Council public hearing and zoning ordinance text amendment ordinance adoption.
- ✓ June 7, Planning Commission public hearing and Schoolfield Site rezoning recommendation to City Council.
- ✓ July 6, City Council public hearing and Schoolfield Site rezoning ordinance adoption.

Council Letter
City of Danville, Virginia

CL-2513 **Work Session D.**

Work Session Meeting

Meeting Date: 03/16/2021

Subject: Discussion on Danville's Summer Youth Jobs Program

From: Earl B. Reynolds, Jr., Deputy City Manager

COUNCIL ACTION

Work Session: 03/16/2021

SUMMARY

The City, in partnership with community non-profit partners, has developed a program to offer summer employment opportunities to fifty (50) youth and young adults (ages 16-24) during the summer of 2021. The total cost of the program is anticipated to be $203,534.00 with the City share estimated to be $131,193.00 or 64.5% of the estimated total program cost.

BACKGROUND

The program design which is being recommended is as follows:

Summer Youth Employment Program

Goals:

1. Provide meaningful, paid work-based learning experiences for 50 youth/young adults, ages 16 – 24.
2. Identify opportunities to leverage/pool funding from multiple sources based on identified "wins" for participating partners.
3. Connect employers to a diverse talent pool.
4. Prepare students with transferable, in-demand skills and provide an opportunity to earn industry certifications (ex. NCRC).

Structure and Timeline:

This is an eight-week experience with an expectation that participants will complete 280 hours (avg. 35 hours per week).

In-School Youth

Work Readiness Boot Camp		June 7th –	June 11th
Week 1:	OJT/Worksite	June 14th -	June 17th
	Debrief/Workshops	June 18th	
Week 2:	OJT/Worksite	June 21st -	June 25th
Week 3:	OJT/Worksite	June 28th -	July 1st
	Debrief/Workshops	July 2nd	(Optional)
Week 4:	OJT/Worksite	July 5th -	July 9th
Week 5:	OJT/Worksite	July 12th -	July 16th
Week 6:	OJT/Worksite	July 19th -	July 23rd

Week 7:	OJT/Worksite	July 26th -	July 28th
	Debrief/Celebration	July 29th -	July 30th

The above timeline can be replicated for *out-of-school youth*, starting as early as funding is secured and partners have availability to assist. This would allow partner agencies an opportunity to expend dedicated funding during the FY 21 fiscal year ending June 30, 2021.

Interns will be paid a stipend of $2,800 based on performance and attendance. The stipend will be paid in four biweekly installments of $700 per installment (less applicable taxes).

WBL/Career Coaches will be available to provide intensive 1:1 coaching. It is recommended that we have a 1:10 coach to youth ratio. Coaches will conduct scheduled visits to work sites and document participant progress providing comprehensive data to understand how youth are progressing in the program. The team will also use this information to make adjustments, modifying and improving the experience. Coaches will also assist with identifying more immediate participant needs: food insecurity, housing challenges, behavioral concerns, etc.

Lead Agency and Partners:
The West Piedmont Workforce Development Board (WPWDB) will serve as the lead agency and fiscal agent. The WPWDB will leverage WIOA funds for eligible out-of-school youth participants and adults (age 18 and over). The WPWDB will issue stipends to eligible participants. The WPWDB will also provide intern support services.

The City of Danville, via support from City Council, will provide funding for youth who are not eligible for WIOA funds. The City, as one of the region's largest employers, will also provide internship experiences. The City's Youth and Gang Violence Prevention Coordinator, Robert David, will assist in identifying potential youth participants.

Danville Public Schools (DPS) will also assist in identifying youth participants (in and out-of-school) and will also provide intern support services. In addition, DPS will host the Work Readiness Bootcamp. DPS, as one of the region's largest employers, will provide internship experiences.

The Institute for Advanced Learning and Research (IALR) will provide project facilitation and evaluation services. IALR will also provide staff and funding to support NCRC (Work Keys) testing and Excel workshops. IALR, on behalf of the Dan River Region Collaborative (DRRC), will provide $25,000 to support intern stipends. IALR's WBL Coordinator, Dana Wilson, is available to assist with workplace evaluations prior to intern placement.

All of the partners will promote the opportunity, recruiting additional employers to host youth participants.

Budget:

Item	Unit Cost	Number	Total	Description
Intern Stipends	$2,800	50	$140,000	
Staff - WPWDB	$22,500	1	$ 22,500	4 months 100%: $50K base and 35% fringe
Transportation	$160	50	$ 8,000	$2 one-way Reserve a Ride; 8Wks X 5 days X$2 X 50 X 2 ways
Supplies	$100	50	$ 5,000	Work-related needs
Recognition	$15	75	$ 1,325	Certificates $200/event – 75 people
Meals – boot camp/ training days	$25 per diem	500	$ 12,500	10 days
Admin Fee			$ 14,199	10% of non WIOA costs (WPWDB)
TOTAL			**$203,524.00**	

The goal is for twenty of the youth participants to be WIOA eligible. This would represent 40% of the intern population. Based on a more conservative estimate, we anticipate that 25% of the costs would be paid by the WPWDB, totaling $47,331. Accounting for this and the IALR/DRRC contribution of $25,000, Danville City Council would be asked to provide $131,193.

Meaning of Acronyms:

NCRC -	National Career Readiness Certificate
WBL -	Work-Based Learning
WIOA -	Workforce Innovation and Opportunity Act (formerly the WIA (Workforce Investment Act)

RECOMMENDATION

It is recommended that the Danville City Council concur in the implementation of the Summer Youth Employment Program. An appropriations' ordinance will be presented at City Council's April 6, 2021 Regular Business Meeting for First Reading, with a final adoption on April 20, 2021.

Attachments

No file(s) attached.

Council Letter
City of Danville, Virginia

CL-2514 **Work Session E.**

Work Session Meeting

Meeting Date: 03/16/2021

Subject: Presentation of the City Manager's Proposed Budget for Fiscal Year 2022

From: Ken F. Larking, City Manager

COUNCIL ACTION

Work Session: 03/16/2021

SUMMARY

Each year, the City Manager presents a recommended budget for the following fiscal years. The total proposed budget for FY 2022 is $280,279,860 for operations, capital, and debt service, which includes all funds minus inter-fund transfers. This is $11,173,850 less than the current budget of $291,453,710 – a 3.83% decrease.

The proposed budget maintains current municipal services through FY 2022 and includes funds to address the City Council priority areas of education, economic development, and public safety. The City Council held a retreat in February to review the work of the "Investing in Danville" Committee's public input process, which affirmed these focus areas. The budget includes funds to address these and other priority areas that will enable Danville to be more competitive in attracting people, visitors and businesses to our City.

This year's proposed General Fund Budget is $114,716,420 which is $934,880 less than the current budget of $115,651,300. There are no tax or rate increases proposed and the budget does not include any appropriation of fund balance. This is mainly due to two factors: a nearly $1 million increase in projected sales tax revenue, and the $20 million in property purchase and up front payments from Caesars, Virginia that occurred following the casino gaming referendum last year.

The Danville Utility Commission's recommendations regarding Water, Wastewater, Electric, Gas, and Telecommunications Funds are also included. The total Utility Department budget, which includes electric, gas, water, sewer and broadband, is $167,303,800. This is $10,177,580 less than the current budget of $177,481,380. A biennial rate study was conducted and reviewed by the Utility Commission in 2020, which proposed modifications to the rate structures that will result in net decreases in monthly utility costs for most customer classes.

Traditionally the City Council works with the City Manager and staff to present an Introductory Budget to the public by April 30 with a Public Hearing to be held May and final adoption of the budget by June 30. These dates will be set as City Council reviews the City Manager's Proposed Budget.

BACKGROUND

Chapter 8, Section 8-6 of the City Charter requires the City Manager to present a proposed budget by April 1st of each year. The Charter directs the Manager and Council to then work together in modifying the proposed budget into a version presented to the public no later than April 30. Public comment on the edition of the budget released next month will be actively encouraged through May and June before a final budget is adopted, and funds are appropriated by June 30.

RECOMMENDATION

This is a presentation for discussion purposes.

Attachments

No file(s) attached.
