

February 19, 2019

The Second Regular February meeting of the Danville City Council was held on February 19, 2019, 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 Alonzo L. Jones, Dr. Gary P. Miller, Sherman M. Saunders, Fred O. Shanks, III, Vice Mayor J. Lee Vogler, Jr., Adam J. Tomer 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 Jones presided.

INVOCATION AND PLEDGE OF ALLEGIANCE

The Invocation was given by Vice Mayor J. Lee Vogler, Jr., the Pledge of Allegiance to the Flag followed.

ANNOUNCEMENTS AND SPECIAL RECOGNITIONS

Presentation of Reaccreditation Certificate to the Danville City Sheriff's Office
Presented by: The Virginia Law Enforcement Professional Standards Commission

Derrick Mays from the Virginia Department of Criminal Justice Services and Sheriff Steve Draper from Martinsville noted they were here to bring congratulations from the Executive Board of the Virginia Law Enforcement Professional Standards Commission, and to recognize the Danville Sheriff's Office for their commitment to law enforcement excellence by their successful completion of the certification process of the Virginia Law Enforcement Accreditation Commission. Sheriff Draper noted the Danville Sheriff's Department has successfully completed the reaccreditation process and he was proud to present Sheriff Mike Mondul with the Certificate of Accreditation through the Virginia Law Enforcement Professional Standards Commission. Mr. Mays presented the Certificate to Sheriff Mondul and stated Danville is certified as an accredited agency for a period of four years. Sheriff Mondul noted he appreciated Mr. Mays and Sheriff Draper being there tonight to present this award to him and members of his office. He is extremely proud of this accomplishment, it was a very difficult and time consuming process, the men and women of the Danville Sheriff's office makes this work, and thanked Council for their support. Council Members and staff noted their congratulations to Sheriff Mondul and his staff and thanked them for their service.

ADD ITEM TO THE AGENDA

Vice Mayor Vogler **moved** to add the General Fund Financial Report to the Agenda. The Motion was **seconded** by Council Member Shanks and carried by the following vote:

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

GENERAL FUND FINANCIAL REPORT

Director of Finance Michael Adkins noted the results of the General Fund through January 31, 2019 was seven months into the fiscal year 2019, and represents 58% of the fiscal year. The

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first category, tax revenues, shows the City received \$29.4M, 50% of budget and an increase of a little over \$2M compared to last year. The increase is primarily personal property taxes, the effect of the rate increase that went into effect the last half of the last fiscal year, and also about a \$1M increase in the consumer driven taxes. The City's charges for services show about \$2.2M received, which is 50% of budget. This is not quite up to 58% because of some timing differences with Adult Detention charges, they vary from month to month and it is also why it shows a decrease compared to last year. Recoveries and Interest earned through January are \$4.3M, on target at 58% of budget, and is also showing an increase of about \$680,000 over last year due to the rising interest rates. Transfers In are on target, those are recorded evenly throughout the year and are at 58%, and a very small increase from last year.

Under Expenditures, Departmental Expenditures are slightly under budget at 55% with a \$43,000 increase over last year. Insurance, Debt Service and Other, which are the Non-Departmental Expenses was at \$6.2M through January, 48% of budget, and also coming in under budget. This represents the decrease in health insurance claims and also refinancing of debt providing some saving opportunities compared to last year. Transfers Out is the most volatile line item, it is transferred as needed. Some years at this point, 100% has been transferred to fund schools and capital projects, currently, they have transferred about 71%; it can't really be compared year to year. In consumer driven taxes, in all three cases, sales, meals and lodging, are slightly surpassing budget, are higher than last year and are good indicators of the local economy. Looking at the Fund Balance, the largest portion is the Unassigned Fund Balance, that is the cash the City has to invest and spend as emergencies arise; at the end of January, that was \$17.6M. The minimum by the end of the fiscal year needs to be \$20.5M, the City receives a lot of tax revenues in June and that is when it will recover the Fund Balance. Staff has budgeted some use of fund balance for the current fiscal year, but perhaps will not have to dip into that if things continue as they have so far.

CONSENT AGENDA

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

Minutes from the Regular Council Meeting held on January 15, 2019 and Minutes from the Regular Work Session held on January 15, 2019; draft copies had been distributed prior to the meeting.

Amending the FY2019 BAO to Provide for a State Department of Aviation Grant in the Amount of \$7,500 and for the Local Share of \$7,500 for a Total Appropriation of \$15,000

Ordinance No. 2019-02.02, presented by its First Reading on February 5, 2019, Amending the Fiscal Year 2019 Budget Appropriation Ordinance to Provide for a State Department of Aviation Grant for the Purpose of Providing Funding to Promote Aviation Awareness at the Danville Regional Airport in the Amount of \$7,500 and for the Local Share in the Amount of \$7,500 to be Provided by the General Fund Support of Grants for a Total Appropriation of \$15,000 and Appropriating Same.

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

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

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APPOINTMENTS

Vice Mayor Vogler **moved** for adoption of the following Resolutions:

Resolution No. 2019-02.02 - Appointing Jason Payne as a Member of the Airport Commission to fill the Unexpired Term of Scott Brown.

Resolution No. 2019-02.03 - Appointing Harold Garrison to the Building Code Board of Appeals.

Resolution No. 2019-02.04 – Appointing Vanessa Cain to the Danville Redevelopment and Housing Authority to fill the Unexpired Term of Tia Yancey.

Resolution No. 2019-02.05 – Appointing Matthew Bailey to the Danville Pittsylvania Community Services Board.

Resolution No. 2019-02.06 – Appointing Tia Hairston to the Danville Community Policy & Management Team as the Representative for Danville Public Schools.

The Motion was **seconded** by Council Member Campbell 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

PUBLIC HEARING – CONSIDERATION OF VACATING A RIGHT OF WAY ON PATTON STREET

Mayor Jones opened the floor for a Public Hearing regarding Vacating a Right of Way on Patton Street. Notice of the Public Hearing was published in the *Danville Register & Bee* on February 11, 2019 and February 18, 2019. No one present desired to be heard and the Public Hearing was closed.

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

ORDINANCE NO. 2019-02.03

VACATING APPROXIMATELY 0.01 ACRE OF PUBLIC RIGHT-OF-WAY ON PATTON STREET.

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

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APPROVAL OF THE EMERGENCY OPERATIONS PLAN FOR THE CITY OF DANVILLE, VIRGINIA

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

RESOLUTION NO. 2019-02.07

APPROVING AN UPDATED EMERGENCY OPERATIONS PLAN FOR THE CITY OF DANVILLE, VIRGINIA.

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

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

CONSIDERATION OF DESIGNATION OF THE DNDC AS THE CITY'S OFFICIAL LAND BANK ENTITY

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

ORDINANCE NO. 2019-02.04

DESIGNATING THE DANVILLE NEIGHBORHOOD DEVELOPMENT CORPORATION AS A LAND BANK ENTITY FOR THE PURPOSE OF ASSISTING THE CITY OF DANVILLE IN ADDRESSING VACANT, ABANDONED, AND TAX DELINQUENT PROPERTIES AND TO AUTHORIZE THE CITY MANAGER TO ENTER INTO A MEMORANDUM OF AGREEMENT, AS AMENDED, SETTING THE TERMS AND CONDITIONS OF SUCH DESIGNATION.

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

Council Member Whittle questioned Section 4, Sources of Funds, loans and in kind services from the City, and Deputy City Manager Earl Reynolds explained the Land Bank Entities Act governing land banks in Virginia had a list of sources that land banks may use to obtain funding; that is why the language is there. It depends on what the project is, whether or not a particular source of funds is appropriate and whether or not the entity that has the funds is willing to loan or grant them to the NDC for that purpose; it is not a mandate.

Mr. Whittle noted in the third paragraph, the City authorizes the DNDC access to the following services provided by the City, mowing and trimming of the grass and other vegetation, securing vacant structures, boarding of doors and windows and other means of entry. If the City discontinues the provision of any such services, the DNDC will provide a detailed annual budget of those costs necessary to assume those services. Mr. Whittle questioned if that bill would come back to the City and Mr. Reynolds noted it would. Mr. Larking explained those are things the City already does for these properties. They are held in trust by the DRHA on behalf of the City, and the City has been performing these items. Mayor Jones noted once these homes are purchased, the City no longer does that and Mr. Larking noted that was correct. Mr. Whittle noted Section 5 states the DNDC performs the public function on behalf of the City, and that Council does not have any representation on that Board; Mayor Jones asked if a Council Member can be assigned to that Board, and Mr. Reynolds noted he does

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not believe the Land Bank Entities Act prohibits that. When the organization was chartered as a 501(c)(3), the officers and board members were named in the legal charter; the charter would have to be amended to allow that. Mr. Whittle questioned the section stating, on behalf of the City there shall not be required to pay any taxes upon property acquired or used by the DNDC. Mr. Reynolds explained the properties currently being held in trust by the housing authority, the housing authority is not paying any taxes on those properties. Once those properties are transferred to the DNDC, that non-tax paying status will continue until such time as the property is transferred out of the land bank into private hands and redeveloped.

Council Member Shanks asked if the DNDC will be in a position where they will be leasing any properties. Mr. Reynolds noted there are a number of properties that were multi-family, vacant, abandoned properties when they were put into land trust with the housing authority, some of those properties will be revitalized as rental properties. They could be redeveloped by a private interest; if it is redeveloped by the DNDC, then they would be the owner, they would rent them out and they would be tax paying properties. Mr. Shanks stated they would collect real estate property tax at that time once it becomes leased out even though they are tax exempt, and Mr. Reynolds noted they would.

Mr. Shanks questioned at the time of the report, how much has been funded for the entity and Mr. Reynolds explained the City of Danville has invested \$250,000 in the organization, that was seed money in this current budget. Mr. Reynolds noted there are other funding sources that have been obtained since Ms. Coles has been on staff, for smaller community based projects through the Danville Regional Foundation, the Community Foundation and some smaller grants from some other entities in the local community as well. Mr. Shanks asked if Mr. Reynolds anticipated an annual budget for the City to contribute to the DNDC and Mr. Reynolds stated just for the oversight and administration of the land bank. Mr. Shanks noted the part that was added protecting the interest of private investors in a bidding situation was good. It says the DNDC will seek to collaborate with known private sector bidders who are interested in purchasing such properties located within the DNDC target areas which once they are redeveloped in accordance with the Corporation's plans, programs and objectives will further the Corporation's community improvement mission. Mr. Shanks noted he thought that actively addresses the intent of the organization not to be in competition with private investors.

Council Member Miller noted one of his concerns was the accountability of programs the City sets up and subsidizes with taxpayer's money. This program must be self-sustaining even if key members leave; it must be accountable to the City Manager and Council. Dr. Miller noted he had his concerns, addressed them to the City Manager and Deputy City Manager and the result was the addition of Section 6, paragraph 2. It says the DNDC will shall maintain an inventory of all property and shall make the inventory available for public view and inspection at all times, provide the Danville City Council and City Manager an annual report detailing the current status of all the properties within the land bank and a detailed accounting of how all properties were transferred or currently used or developed. Dr. Miller noted, this maintains accountability.

Vice Mayor Vogler noted for clarification, the City has about 200 – 250 properties it maintains and this is simply being shifted over to the land bank. The land bank's goal is to get these properties sold, back into the hands of the private sector and back on the tax roll. As far as the seed funding, the City has allocated money far beyond the \$250,000 for blight eradication in the budget; this is simply a mechanism of the City's blight eradication strategy. This is a new concept, it didn't exist in Virginia until a year or two ago, with the legislation Danville

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spearheaded to get passed. Properties become a nuisance to the community when landowners neglect to keep their buildings secure and habitable and lots maintained. Land banks acquire problem properties and clear them of liens for immediate reuse or future development. It is a proven strategy for the stabilization of communities throughout the United States. Land banks secure vacant, derelict buildings and oversee lot maintenance in order to stabilize neighborhoods and ultimately get them in the hands of private citizens who want them to be vibrant, contributing structures to the City. Most vacant and abandoned properties have serious legal and financial barriers that detract responsible private investors. Many abandoned properties have a clouded title which introduces a level of uncertainty. Many tax foreclosed properties have accumulated years of back taxes that exceed the market value of the property. A land bank is designed to address the inventory of problem properties the private market has discarded and to convert these neighborhood liabilities into assets that advance community based goals. Mr. Vogler stated he believes this is going to help build stronger neighborhoods and ultimately save taxpayer money. This land bank is a landmark achievement for the City and would like to thank everyone who helped make it a reality.

Council Member Buckner noted for clarification, there was no possibility that the land bank was going to hold properties and become land owners, that is not part of it. The land bank's sole purpose is to acquire troubled, derelict properties, tax foreclosed properties and get them back into the hands of investors or home ownership and Mr. Reynolds stated that was correct.

Council Member Campbell stated he does not see how they will have profit if they are dealing with derelict properties, while trying to upgrade the community. Mr. Larking noted there was a certain amount of cost associated with the City dealing with blighted property; that cost has been in their blight eradication project. Now the City is trying to utilize the expertise of an organization whose sole focus is trying to get these properties redeveloped. There is an opportunity for the entity to recoup a little bit, maybe very little at all. Reverend Campbell asked with reference to anything sold will it be to the highest bidder and Mr. Larking explained if the land bank is auctioning off property, they will be looking for a combination of best developer and amount, and what is best for the neighborhood going forward.

Council Member Tomer asked if this was one more program the City was going to fund in perpetuity and Mr. Larking explained the hope was for it to be self-sustaining at some point in the future. Mr. Tomer noted self-sustaining on optioned land or tax credits and Mr. Larking noted, and other programs. The DNDC is a separate legal entity and has the ability to do a number of things in addition to the land bank to be self-sustaining. Mr. Tomer noted it has to sustain itself or the City is going to have to subsidize it and questioned what the City's maximum exposure and Mr. Larking noted an annual appropriation.

The **Motion** passed with the following vote:

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

DIRECTING THE CITY MANAGER TO NEGOTIATE ESTABLISHMENT OF A RIFA AT VIRGINIA INTERNATIONAL RACEWAY

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

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RESOLUTION NO. 2019-02.08

DIRECTING THE CITY MANAGER TO NEGOTIATE ESTABLISHMENT OF A RIFA AT THE VIRGINIA INTERNATIONAL RACEWAY IN ORDER TO FACILITATE CONTINUED OPERATION AND FURTHER DEVELOPMENT.

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

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

COMMUNICATIONS

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

ROLL CALL

Vice Mayor Vogler noted the GW Eagles Boys Basketball team won again tonight over EC Glass, 86-47. They have had a tremendous year and encouraged citizens to support the team. Mr. Vogler noted he would like to recognize and thank Council Member Sherman Saunders for the work he has done in a number of things, particularly serving on City Council with dignity and honor for over twenty years. That makes him one of the longest tenured council members in the history of the City. Mr. Vogler thanked Council Member Saunders for all that he has done, for the City and the region, and particularly for the work he has done on City Council.

Council Member Buckner thanked the Public Works Department, Ric Drazenovich and his crew for prepping the roads in case of snow and ice; Mr. Hendrix will be keeping everyone updated on weather conditions. Mr. Buckner invited citizens to join them as they unveil the placement of an historical highway marker on Thursday, February 28th at 2:00 p.m. for First State Bank at 201 Union Street.

Council Member Campbell thanked Vice Mayor Vogler for recognizing Council Member Saunders, noted his admiration of Mr. Saunders, the advice he gives all Council and thanked him for all he has done. Reverend Campbell noted he would be at the unveiling for First State Bank and was at the ribbon cutting for the new restaurant Soul Food, and wished them well.

Council Member Miller noted the unveiling of the historic highway marker was next Thursday. GW has a great team, believes they can win the State Championship this year and encouraged citizens to go out and support them. Dr. Miller reminded citizens to report potholes to public works so they can repair them.

Council Member Saunders thanked Mr. Vogler and Council for their kind words. Mr. Saunders noted Council has heard about the Hoops don't Shoot program and last Sunday, he witnessed at the River Church fifteen young men and woman getting baptized from the program; that was a wonderful thing to watch and an example they set for others.

Council Member Shanks wished citizens a safe evening.

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Mayor Jones welcomed Miss Tomer, daughter of Council Member Tomer to the meeting, thanked the Vice Mayor for honoring Council Member Saunders and thanked Mr. Saunders for all he has done. Mayor Jones noted they attended the ribbon cutting of Soul Food Express on Nor Dan, and for Blush and Bashful. Mayor Jones stated the Register & Bee used to sponsor the Holiday Shoot Out tournament at George Washington High School and to the City Manager, he would like to find some partners, rename the Tournament and, the City take it over possibly for a year or two, until they can find some other partners to take it over. It was a great event. Mayor Jones noted he would like the school system to be involved and any partners the City can get.

The meeting adjourned at 7:59 p.m.

APPROVED:

s/ Alonzo L. Jones
MAYOR

ATTEST:

s/ Susan M. DeMasi, CMC
CITY CLERK