

February 15, 2022

The Second Regular February meeting of the Danville City Council was held on February 15, 2022, 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., Bryant Hood, Mayor Alonzo L. 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 F. Larking, Deputy City Manager Earl B. Reynolds, Jr., City Attorney W. Clarke Whitfield Jr., and City Clerk Susan M. DeMasi.

INVOCATION

The Invocation was given by Sherman M. Saunders followed by the Pledge of Allegiance.

Mayor Jones noted citizens have seen the new scooters around town, and he had two questions for the City Manager, how does one get a scooter, and is there anyone in the City maintaining them. City Manager Ken Larking explained the City of Danville does have Bird Scooters, a private company that has an agreement with the City for the right to use the right of way and operate their company within the city. If a citizen wants to use the scooter, they would download their mobile app, fill in the information, including funds and start riding. The app will keep charging the rider until they were done. There was a local contact person who works for Bird who was responsible for going and finding the scooters and putting them back; if they were broken, they will get them fixed. Council Member Saunders questioned if there was any liability to the City if someone got hurt and Mr. Larking noted he believed it was all on the company. If the rider wants to report an issue with the scooter, there were a few options including emailing [Hello@Bird.co](mailto>Hello@Bird.co), or calling at 866-205-2442; if they have the app, they can report issues on the app.

COMMUNICATIONS FROM VISITORS

No one desired to speak.

CONSENT AGENDA

Mayor Jones opened the floor for a Public Hearing regarding the Budget Items on the Consent Agenda. Notice of the Public Hearing was published in the *Danville Register & Bee* on February 8, 2022. No one present desired to be heard and the Public Hearing was closed.

Council Member Vogler **moved** for approval of the Consent Agenda:

Minutes from the Regular Council Meeting held on January 18, 2022. Draft copies of the minutes had been distributed prior to the meeting.

Budget Ordinance – Amending the Fiscal Year 2022 Budget Appropriation Ordinance for State Aviation Capital Grant Funding

An Ordinance Entitled, Ordinance No. 2022-02.04, Amending the Fiscal Year 2022 Budget Appropriation Ordinance to Provide for Additional State Aviation Funding for the Purpose of Completing Airport Terminal Building Renovations in the Amount of \$834,929 plus the Local Share in the Amount of \$227,321 to be Provided Through the Fiscal Year 2022 Issuance of Bonds for Capital and Special Projects and Appropriating Same.

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Budget Amendment – Amending the Fiscal Year 2022 Budget Appropriation Ordinance for Litter Control and Recycling Grant Funds

An Ordinance Entitled, Ordinance No. 2022-02.05, Amending the Fiscal Year 2022 Budget Appropriation Ordinance to Anticipate Grant Funds from the Commonwealth of Virginia for Litter Control and Recycling Efforts in the Amount of \$12,124.00 and Appropriating Same.

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

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

APPOINTMENTS

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

RESOLUTION NO. 2022-02.02

A Resolution Appointing Bryant Hood to the Dan River Business Development Center to fill an unexpired term ending June 30, 2022.

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

NEW BUSINESS

GENERAL FUND FINANCIAL REPORT AS OF JANUARY 31, 2022

Chief Financial Officer Michael Adkins reviewed the General Fund Financials through January 31, 2022, which was seven months into the fiscal year, and 58% complete. Revenues for the General Fund came in above \$61M, \$3M more than the prior year, and about 53% of budget which was where they expect to be at this point of the year. Driving that increase over the last year were General Property Taxes and Local Consumer Taxes. General Property Taxes saw a good collection of Personal Property and Real Estate with the first half billings of this fiscal year. Delinquent Collections of Real Estate were going well at 62% of budget, about \$660,000 in delinquent real estate taxes were collected at this point. The City was seeing an increase in shared tax revenue with the County; the City and County together own several industrial parks, and taxes from those parks were increasing as well. In the local consumer driven taxes, sales tax was at \$6.2M, 61% of budget, and about \$500,000 more than last year; the City was seeing an average of \$900,000 a month in sales tax; last year, that average was just over \$800,000 a month, and prior to that, FY19 and before, the City was in the \$700,000s. Mr. Adkins noted that shows that the tax on on-line commerce has made a substantial difference in collections. Meals tax came in at \$5.8M which was 68% of budget, a full 10% ahead of budget at this point, and nearly \$1M more than last year. Lodging taxes have also rebounded quite a bit at \$1.2M at the end of January, and 81% of budget; that was probably the only area where staff backed off the

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budget coming through the pandemic, but only \$100,000 on budget; that was performing well at \$366,000 more than last year. All of the revenue from State and Federal sources were on track with budget and in line with the expenditures they reimburse the City for.

On the Expenditure side, the Departments were at about 52.5% of budget, trailing budget which staff likes to see; it was still about \$1M more than last year. Last year, the City was able to use CARES Act Funding to cover one month of public safety salaries; that was not available to the City this year, and was primarily the reason for the increase over last year. Non-Departmental Expenses were primarily Debt Service and Group Health Insurance; both of those were on track at 58% of budget, where they should be. The General Fund results to this point were very encouraging and Mr. Adkins noted he has no budgetary concerns at this time.

In response to Mr. Whittle, Mr. Adkins explained that the CARES Act allowed localities to cover public safety salaries for a period of time; the City chose one month to allocate those funds. The City also received American Rescue Plan money; those were funds that the City was now considering how to budget and allocate.

Council Member Campbell questioned the reserves and Mr. Adkins noted the City ended the year with \$34M in the Unassigned Fund Balance for the General Fund, an increase over last year. It was hard to look at that in the interim as it always dips down in the middle of the year because revenues tend to come in in two installments. Right now, the City was in the low twenties which was where they normally were at this time, with no concerns.

Council Member Vogler noted they had discussed raising the threshold for the reserves, going as high as 30% or at least 25%. Would that be looked at during this budget session and Mr. Adkins explained the City, knowing they have the school bonds coming up, would have to tweak their financial policies to accommodate for that issuance because it was so much. They would have to put in language that says, except for those school bonds which were supported by the sales tax, these were the limits that were in place. That would be a good time to incorporate a change in the fund balance policy; 25% was a good step and he was discussing that with the City's financial advisors. As revenues increase, and staff expects them to increase substantially in the next few years, that automatically makes the dollars the City has to have in the fund balance reserve more, whatever that percentage was that increased as well. That needs to be looked at to analyze the impact, to make sure the City wasn't getting too far ahead of themselves. Mr. Larking noted they have estimates on what they think the revenues would be when the casino opens. When it first opens it will likely be a partial year of revenue and it might be higher than expected. It would be good to have a trend of what that revenue looks like and have that information as staff formulates what the new fund balance policy will be. Some of the projections call for \$38M of new revenue; if that was added to the annual budget and the City has to do 20% of that, that was a significant amount more they have to have available for fund balance. Gauging what that policy ought to be, staff will need to rely on the advice of Mr. Adkins, the financial advisors and what the best amount was to use when they do credit presentations for the rating agencies. The goal ultimately was to have enough money to handle any emergencies but also to get a good credit rating so when the City borrows funds, they can get lower interest rates.

CONSIDERATION OF IMPOSING AN ADDITIONAL GENERAL LOCAL SALES TAX AND A LOCAL USE TAX AT A RATE OF ONE PERCENT

Mayor Jones opened the floor for a Public Hearing regarding Additional General Local Sales Tax and Local Use Tax. Notice of the Public Hearing was published in the *Danville Register & Bee* on February 7, 2022. No one present desired to be heard and the Public Hearing was closed.

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CONSIDERATION OF AMENDING CERTAIN SECTIONS OF CHAPTER 37 OF THE DANVILLE CITY CODE BY CREATING A NEW ARTICLE XIII "IMPOSITION OF ADDITIONAL SALES AND LOCAL USE TAX" AND NEW SECTION 37-185 ENTITLED "IMPOSITION OF ADDITIONAL SALES TAX; USE OF REVENUES FOR CONSTRUCTION OR RENOVATION OF SCHOOLS".

Upon **Motion** by Council Member Campbell and **second** by Council Member Mayo, an Ordinance entitled:

ORDINANCE NO. 2022-02.06

AN ORDINANCE AMENDING AND REORDAINING CERTAIN SECTIONS OF CHAPTER 37, ENTITLED "TAXATION," OF THE CODE OF THE CITY OF DANVILLE, VIRGINIA, BY CREATING A NEW ARTICLE XIII, ENTITLED "IMPOSITION OF ADDITIONAL SALES AND LOCAL USE TAX; USE OF REVENUES FOR CONSTRUCTION OR RENOVATION OF SCHOOLS" AND ADDING A NEW SECTION §37-185, ENTITLED "IMPOSITION OF ADDITIONAL SALES TAX; USE OF REVENUES FOR CONSTRUCTION OR RENOVATION OF SCHOOLS".

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

CONSIDERATION OF AMENDING CERTAIN SECTIONS OF CHAPTER 37 OF THE DANVILLE CITY CODE BY AMENDING ARTICLE XIII BY ADDING A NEW §37-186 ENTITLED "IMPOSITION OF ADDITIONAL LOCAL USE TAX; USE OF REVENUES FOR CONSTRUCTION OR RENOVATION OF SCHOOLS".

Upon **Motion** by Council Member Campbell and **second** by Council Member Mayo, an Ordinance entitled:

ORDINANCE NO. 2022-02.07

AN ORDINANCE AMENDING AND REORDAINING CERTAIN SECTIONS OF CHAPTER 37, ENTITLED "TAXATION," OF THE CODE OF THE CITY OF DANVILLE, VIRGINIA, BY AMENDING ARTICLE XIII, ENTITLED "IMPOSITION OF ADDITIONAL SALES AND LOCAL USE TAX; USE OF REVENUES FOR CONSTRUCTION OR RENOVATION OF SCHOOLS" BY ADDING A NEW § 37-186, ENTITLED "IMPOSITION OF ADDITIONAL LOCAL USE TAX; USE OF REVENUES FOR CONSTRUCTION OR RENOVATION OF SCHOOLS".

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

CONSIDERATION OF THE 2022 SUMMER WORK EXPERIENCE AND EMPLOYMENT PROGRAM FOR YOUTH AND YOUNG ADULTS

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

RESOLUTION NO. 2022-02.03

A RESOLUTION APPROVING THE EXPERIENCEWORKS PROGRAM FOR YOUTH AND YOUNG ADULTS AND THE USE OF AMERICAN RESCUE PLAN FUNDS TO PROVIDE THE CITY'S MATCHING INVESTMENT IN THE IMPLEMENTATION OF THE PROGRAM.

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

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

COMMUNICATIONS

City Manager Ken Larking noted he had sent an email to Council asking them if they would like him to request that the Virginia Department of Corrections hold a Public Hearing regarding their proposal to put a Parole and Probation Office within the City of Danville on Sandy Court. There were a several emails from adjoining property owners expressing questions and concerns about this. The letter they received indicated that City Council could request that the Department of Corrections have a public hearing to seek input on their plans. Mr. Larking noted he wanted to see if the Council would like to ask for that. City Council indicated they would like a Public Hearing to be held, and Council and the Mayor directed the City Manager to make the request for a Public Hearing.

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

Vice Mayor Miller noted he called the Deputy City Manager with a question from a constituent who asked about programs for tenants to improve their property, was there anything for owners of the buildings. Mr. Reynolds told him if a citizen owns property and wants to fix it up, there were low interest loans through the housing department. Dr. Miller noted a question they were asked every day was, what were they doing at the casino site; there was heavy equipment working on the site, and told citizens to just drive by to see.

Council Member Saunders thanked Council and the Mayor for the recognition at the last Council meeting, it was not expected.

Council Member Vogler noted that Danville was being known as the comeback City. It was just a handful of years ago it unfortunately had gotten a reputation as a crime city; Danville was reaching all-time highs in a number of categories. This Council pushed for change and the City Manager hired a new police chief who implemented change in a number of ways; the City was seeing the results of that. Over the last three years, violent crime was down 51% in the City, homicides were down 51.3%, robberies were down 67.4%, aggravated assaults were down 47.5%, and property crimes were down 23%; across every metric, crime was down in the City over the last three years. It was a testament to the leadership throughout the City, but particularly in the police department. Leadership matters and community policing works.

Council Member Whittle noted he had a question for the City Manager, asking if the GIS site was working well. Mr. Larking noted he believed it was, there were some upgrades made to the parcel viewer, but he will check to make sure it was working properly.

Council Member Buckner noted he uses that site every day, and it was changed; if they were using an old link, they need to delete it and reload the new link. Mr. Buckner stated today's press conference regarding crime in Danville was incredible, it was what they strive for as a City, why they work so hard as a community, and he was very happy to see the results of what was happening. Mr. Buckner noted someone mailed him a letter, looking like an attempt to educate him on his family's history, but they got his name wrong and the rest was completely wrong as well. If they wanted to reach out to him, he would be glad to educate them on what he knows about his family.

Council Member Campbell asked the City Manager, at one time they were looking at expanding the

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River District up to North Theatre, was that process ended or was it still being pursued. Mr. Larking stated he did not believe they were pursuing expanding the River District at this time. Mayor Jones noted he believed Council Member Campbell was talking about taking the City's vision up North Main. Mr. Larking explained they were putting more focus on the North Main Hill area; it was an area that includes that section near the Theatre. The River District Association was expanding the footprint of the areas that they serve, and was adding that section, and the City has provided assistance to businesses within that area. He does not know what the process would be to change the boundaries of the River District, there might be some complications with Main Street designations. Right now, they have all the same tools to be able to assist them if there were trying to open a business. Rev. Campbell questioned if that was an historic district and Mr. Larking noted he believed it did have an historic designation.

Mr. Vogler noted he remembers discussing this several years ago, and at that time, the property owners on North Main Hill didn't really want to be included in the River District because they wanted to have their own unique identity. In the last work session, there was a discussion of commercial corridors the City was going to be looking to improve including North Main Hill. Mr. Whittle noted the Enterprise Zone could be moved from the River District at times if it was necessary and Mr. Larking explained the Enterprise Zone encompasses more than just the River District, there were several parts of the City that were included. Rev. Campbell questioned in reference to grants, would it be a different variation of grants, or basically be all the same and Mr. Larking noted he believed it would be all the same.

Council Member Hood extended his condolences to the Scott family on the passing of Wendell Scott Jr., this past week. In honor of Black History Month, he would like to acknowledge the Wendell Scott Foundation for their annual Wendell Scott Gala they held at the NASCAR Hall of Fame in Charlotte, NC.

Council Member Mayo noted he wanted to recognize the Scott Family for what they have done in the community and the passing of Wendell Scott, Jr. Mr. Mayo noted kudos to the summer work program, pushing it more and more to the young people. Mr. Mayo noted he was very proud of the Danville Police Department on the job they have done in the community; the Police Department was engaging with the citizens and that was a good thing to see. The City was growing, construction was going to start on the casino and the River District, opportunities for jobs were coming and he wanted the citizens to know and prepare themselves. Being part of DCC Workforce Development and career opportunities, to the citizens, the opportunities were there for them.

Mayor Jones thanked everyone who was there tonight, hearing about the opportunities for the students and young adults in the intern program, and thanked the City's partners for that. Mayor Jones thanked Mr. Saunders for his Invocation and noted City Council supports the teachers and educators in the City.

ADJOURNED: 7:44 P.M.

APPROVED:

s/Alonzo L. Jones
MAYOR

ATTEST:

s/Susan M. DeMasi, CMC
CITY CLERK