DANVILLE CITY COUNCIL REGULAR MEETING AGENDA

MUNICIPAL BUILDING

January 16, 2018

7:00 P.M.

PRESIDING:	John B. Gilstrap, Mayor	
CITY COUNCIL MEMBERS:	James B. Buckner L.G. "Larry" Campbell, Jr. Alonzo L. Jones, Vice Mayor Gary P. Miller	Sherman M. Saunders Fred O. Shanks, III J. Lee Vogler, Jr. Madison J. Whittle
STAFF:	Ken F. Larking, City Manager Earl B. Reynolds, Jr., Deputy City Manager	W. Clarke Whitfield, Jr., City Attorney Susan M. DeMasi, City Clerk

The City Council is the City of Danville's legislative body and is composed of nine Council members. Council members are elected to serve a four year term of office and elects one of its own to serve as Mayor and presiding officer for a two year term.

Time and Place of Meeting
The public is invited and encouraged to attend and participate in the City Council meetings. The City Council meets in the City Hall, Fourth Floor, Council Chambers at 7:00 p.m. on the first and third Tuesday of each month. All meetings of the Council are open to the public.

Communications from Visitors
Communication from Visitors is an opportunity for citizens to address Council on matters not on the agenda. Citizens who desire to speak on agenda items will be heard when the agenda item is considered. Each speaker shall clearly state his or her name and address. Each individual speaker shall have five uninterrupted minutes. A representative of a group may have up to ten uninterrupted minutes to make a presentation. The representative shall identify the group and a group may have no more than one spokesperson. Time will be kept using the electronic timer on the podium.

Guidelines for Public Hearings
For Public Hearings the applicant or his or her representative shall be the first speaker(s). There shall be

a time limit of ten (10) minutes for the applicant's or his or her representative's presentation. The presiding officer shall then solicit comments from the public, asking those in favor of the proposal to speak first, and then those opposed to the proposal. Each speaker must clearly state his or her name and address. There shall be a time limit of three (3) minutes for each individual speaker. If the speaker represents a group, there shall be a time limit of five (5) minutes. A speaker representing a group shall identify the group at the beginning of his or her remarks. A group may have no more than one spokesperson. The presiding officer may limit or preclude comment which is repetitive, redundant, cumulative, or irrelevant to the subject of the public hearing. After public comments have been received, in a land use case, the applicant or the representative of the applicant, at his or her discretion, may respond with a rebuttal. There shall be a five (5) minute time limit for rebuttal.

MEETING CALLED TO ORDER

ROLL CALL

INVOCATION - J. Lee Vogler, Jr.

PLEDGE OF ALLEGIANCE TO THE FLAG

COMMUNICATIONS FROM VISITORS

Citizens who desire to speak on matters not listed on the agenda will be heard at this time. Citizens who desire to speak on agenda items will be heard when the agenda item is considered.

MINUTES

A. Consideration of Approval of Minutes from Regular Council Meeting held on December 19, 2017.
Council Letter Number CL - 1818

APPOINTMENTS

A. Consideration of Appointments to the following Board:
Council Letter Number CL - 1820.

1. A Resolution Reappointing Emmet Young to the Fair Housing Board
2. A Resolution Appointing Tommy Bennett to the Fair Housing Board

NEW BUSINESS

A. Consideration of Approving the City of Danville's Revised Financial Policies.
Council Letter Number 1817.

Resolution Approving the Financial Policies for the City of Danville.

B. Consideration of Endorsing the Naming of the Danville Public Library and approving the Design and Style of a New Sign.
Council Letter Number CL - 1822

1. A Resolution Naming the Danville Public Library, “The Ruby B. Archie Public Library.”

2. A Resolution Approving the Style and Design of the Sign to be Placed on the Danville Public Library Honoring Mrs. Ruby B. Archie.

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-1818 **Meeting Minutes** **Item #: A.**

City Council Regular Meeting

Meeting Date: 01/16/2018

Subject: Consideration of Approval of Minutes

From: Susan M. DeMasi, Clerk of Council

COUNCIL ACTION

Business Meeting: 1/16/2018

SUMMARY

Consideration of Approval of Minutes from Regular Council Meeting held on December 19, 2017.
Council Letter Number CL - 1818

Attachments

Meeting Minutes

December 19, 2017

The Second Regular December meeting of the Danville City Council was held on December 19, 2017, at 7:03 p.m. in the Council Chambers located on the Fourth Floor of the Municipal Building. The following Council Members were present: James B. Buckner, Mayor John B. Gilstrap, Vice Mayor Alonzo L. Jones, Dr. Gary P. Miller, Sherman M. Saunders, J. Lee Vogler, Jr., and Madison J.R. Whittle (7). L.G. "Larry" Campbell Jr., and Fred O. Shanks, III were absent. (2)

Staff Members present were: City Manager Ken F. Larking, City Attorney W. Clarke Whitfield Jr., and City Clerk Susan M. DeMasi. Deputy City Manager Earl B. Reynolds, Jr. was absent.

Mayor Gilstrap presided.

INVOCATION AND PLEDGE OF ALLEGIANCE

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

ANNOUNCEMENTS AND SPECIAL RECOGNITIONS

Mayor Gilstrap recognized Amy Boles, Danville Pittsylvania Chamber of Commerce, who gave Council an update on activities from the Chamber of Commerce, including being named the DMO for the City of Danville, the Chamber's new website, the new LOVE sign for the area and upcoming events. Council members commended Ms. Boles on her work and stated they looked forward to further updates.

COMMUNICATIONS FROM VISITORS

Mayor Gilstrap recognized Warrick Scott appeared before Council and presented a petition of 700 signatures for Council to consider approval of recognition signage, identifying Danville as the home of Wendell Scott. The signs would be placed at the five entrance points into Danville, and that the Wendell Scott Foundation be afforded the right of approval once the signs are designed. Mr. Scott noted there are signatures of Danville residents who are in support of the expense of taxpayer funds for the signage through a budget line item to be determined by the City Manager and/or Council. Mayor Gilstrap questioned the City Attorney regarding the Memorial Commission that reviewed the naming of the library, and Mr. Whitfield explained it is for a City owned facility and believed this would be a Council decision not a Memorial Commission decision. Council Members thanked Mr. Scott for the presentation and noted they looked forward to having a conversation regarding this matter. Vice Mayor Jones requested Council have a discussion this evening in the work session.

Mayor Gilstrap recognized Wayne Allen, owner of the Historic North Main Theatre and gave Council an update on his efforts to turn the area around the theatre into the Danville Theatre and Arts District.

Mayor Gilstrap recognized Michael Ellyson, Founding Director of the Recovery Refuge Peer Support Center and Marty Jackson, newly seated Board President. Mr. Ellyson noted on December 21st, all community service providers offering services to those having mental health and addiction challenges, or coming out of mental institutions will have no services from December 22-26th unless it is through emergency services or first responders. Recovery Refuge will be offering services December 22 through the 26th.

CONSENT AGENDA

All matters listed under the Consent Agenda are considered to be routine, have previously been discussed by City Council and/or introduced for First Reading. There will be no separate discussion on these items and they will be enacted by one motion. If discussion is desired by a Council Member or a citizen, the item(s) will be removed from the consent process and considered separately.

Council Member Whittle **moved** for adoption of the following Consent Agenda Items:

Minutes

Minutes for the Regular Council Meeting held on November 21, 2017, as presented. Draft copies had been distributed prior to the Meeting.

Amending the FY2018 BAO for a Litter Control and Recycling Grant

An Ordinance entitled Ordinance No. 2017-12.01 Amending the Fiscal Year 2018 Budget Appropriation Ordinance to Anticipate Grant Funds from the Commonwealth of Virginia for Litter Control and Recycling Efforts in the Amount of $9,839 and Appropriating Same.

The Consent Agenda was **adopted** by the following vote:

VOTE:	7-0-2
AYE:	Buckner, Gilstrap, Jones, Miller, Saunders, Vogler and Whittle (7)
NAY:	None (0)
ABSENT:	Campbell, Shanks (2)

APPOINTMENTS

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

Resolution No. 2017-12.06 - Reappointing Sherman M. Saunders as a Member of the Danville Pittsylvania Regional Industrial Facility Authority.

Resolution No. 2017-12.07- Reappointing Fred O. Shanks, III as a Member of the Danville Pittsylvania Regional Industrial Facility Authority.

Resolution No. 2017-12.08 - Reappointing J. Lee Vogler, Jr., as an Alternate Member of the Danville Pittsylvania Regional Industrial Facility Authority.

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

VOTE:	7-0-2
AYE:	Buckner, Gilstrap, Jones, Miller, Saunders, Vogler and Whittle (7)
NAY:	None (0)
ABSENT:	Campbell, Shanks (2)

NEW BUSINESS

ACCEPTING FOUR NISSAN LEAF ELECTRIC VEHICLES AND CHARGERS

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

RESOLUTION NO. 2017-12.09

A RESOLUTION ACCEPTING OWNERSHIP OF FOUR NISSAN LEAF ELECTRIC VEHICLES AND CHARGERS FROM FERMATA ENERGY.

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

Council Member Miller noted this was a great thing to receive the four vehicles for free, and Mr. Buckner questioned the possibility of the City having some chargers put up in different locations throughout the City.

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

VOTE:	7-0-2
AYE:	Buckner, Gilstrap, Jones, Miller, Saunders, Vogler and Whittle (7)
NAY:	None (0)
ABSENT:	Campbell, Shanks (2)

AUTHORIZING THE APPLICATION FOR GRANT FUNDING TO EXPAND BUS SERVICES TO HALIFAX AND PITTSYLVANIA COUNTIES

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

RESOLUTION NO. 2017-12.10

AUTHORIZING AN APPLICATION BY THE CITY OF DANVILLE, VIRGINIA TO THE VIRGINIA DEPARTMENT OF RAIL AND PUBLIC TRANSPORTATION FOR STATE AND FEDERAL GRANTS FOR OPERATING AND CAPITAL COSTS TO EXPAND BUS OPERATIONS TO HALIFAX AND PITTSYLVANIA COUNTIES FOR FISCAL YEAR 2019.

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

City Manager Ken Larking explained the City has been working with Halifax County and Pittsylvania County to expand the City's bus service to provide regional transportation for those going from Danville to South Boston and Danville to Chatham, and possibly extended to Gretna as well. The City will be the lead agency to apply for this grant, the Counties being served by this are committing to pay for their portion of the cost; much of the cost is being gathered through grants as well. The City of Danville will not be paying any extra to provide transportation but will be the lead agency that provides the service. This will provide opportunities for people to get to work or to educational opportunities throughout the region.

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

VOTE: 7-0-2

AYE: Buckner, Gilstrap, Jones, Miller, Saunders, Vogler and Whittle (7)
NAY: None (0)
ABSENT: Campbell, Shanks (2)

ADOPTION OF A RESOLUTION OF SUPPORT FOR THE VIRGINIA GROCERY INVESTMENT PROGRAM AND FUND

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

RESOLUTION NO. 2017-12.11

IN SUPPORT OF THE CREATION OF THE VIRGINIA GROCERY INVESTMENT FUND AND PROGRAM

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

Council Member Vogler explained Council is voting on a resolution of support for a Bill that is going to the General Assembly put in by Senator Stanley to address food deserts across Virginia. It sets up a fund that will incentivize grocery stores to open in areas that are lacking quality stores, particularly in low income areas.

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

VOTE: 7-0-2
AYE: Buckner, Gilstrap, Jones, Miller, Saunders, Vogler and Whittle (7)
NAY: None (0)
ABSENT: Campbell, Shanks (2)

COMMUNICATIONS

City Manager Ken Larking wished everyone a Merry Christmas, Happy Holidays and Happy New Year; City Attorney wished Happy Holidays to everyone.

ROLL CALL

Council Member Saunders wished everyone a Merry Christmas, noted the light show in Ballou Park is absolutely beautiful and encouraged citizens to go by and see it. Mr. Saunders thanked Council for what they do every day.

Council Member Vogler stated the light show is fantastic and after, there are activities inside the center for children. Mr. Vogler thanked the Scott family for attending tonight and for all they continue to do, and thanked everyone that attended this evening. Mr. Vogler reminded citizens the Recovery Refuge Christmas Extravaganza is December 22-26 at 212 Murphy Circle, and it is the closing days of 100 Ways 100 Days initiative, citizens can submit ideas at 100waysdanville.tumblr.com.

Council Member Whittle thanked everyone who attended tonight and participated. Mr. Whittle noted it has been an honor to be on Council, and wished everyone a Merry Christmas and Happy New Year.

Council Member Buckner wished everyone a Merry Christmas and Happy New Year and encouraged citizens to visit the Chrismon Tree. Mr. Buckner thanked all who attended tonight from the Scott Foundation.

Mayor Gilstrap wished everyone a Merry Christmas, Happy Holidays, Happy Hanukkah, Happy Kwanza and Happy New Year.

Vice Mayor Jones thanked the Scott Foundation and family members for all they do and thanked citizens for attending. There are a lot of good things going on in Danville and wished everyone a safe and happy Christmas.

Council Member Miller thanked everyone who came tonight, thanked the City workers for what they do, the teachers and all those that make the City so great.

The meeting adjourned at 8:08 p.m.

APPROVED:

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MAYOR

ATTEST:

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CITY CLERK

Council Letter
City of Danville, Virginia

CL-1820 **Appointments** **Item #: A.**

City Council Regular Meeting

Meeting Date: 01/16/2018

Subject: Consideration of Appointments to Boards and Commissions

From: Susan M. DeMasi, Clerk of Council

COUNCIL ACTION

Business Meeting: 01/16/2018

SUMMARY

Consideration of Appointments to the following Board:
Council Letter Number CL - 1820.

1. Fair Housing Board

Attachments

Resolutions

PRESENTED: ______________

ADOPTED: ______________

RESOLUTION NO. 2018 - __. __

A RESOLUTION REAPPOINTING EMMETT YOUNG AS A MEMBER OF THE FAIR HOUSING BOARD.

BE IT RESOLVED by the Council of the City of Danville, Virginia, that Emmett Young be, and he is hereby reappointed as a member of the Fair Housing Board to serve as such for a three year term commencing January 1, 2018 and ending December 31, 2021.

APPROVED:

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MAYOR

ATTEST:

____
CITY CLERK

PRESENTED: ______________

ADOPTED: ______________

RESOLUTION NO. 2018 - __. __

A RESOLUTION APPOINTING TOMMY BENNETT AS A MEMBER OF THE FAIR HOUSING BOARD.

BE IT RESOLVED by the Council of the City of Danville, Virginia, that Tommy Bennett be, and he is hereby appointed as a member of the Fair Housing Board to serve as such for a three year term commencing January 1, 2018 and ending December 31, 2021.

APPROVED:

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MAYOR

ATTEST:

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CITY CLERK

Council Letter
City of Danville, Virginia

CL-1817 **New Business** **Item #: A.**

City Council Regular Meeting

Meeting Date: 01/16/2018

Subject: Updates to Financial Policies

From: Michael Adkins, Director of Finance

COUNCIL ACTION

Business Meeting: 01/16/2018

SUMMARY

Management is recommending one change and one addition to the City's financial policies. The change will allow for a possible reduction in the transfers from Utility Funds to the General Fund, if the average investment in fixed assets decreases over a five-year period. Currently, the policy does not allow for a decrease in this transfer for any reason. The decrease will be limited to the lesser of the actual decrease in the average five-year investment in fixed assets, or 1%. The addition to the City's financial policies will require the City to have a five-year financial plan presented to City Council annually. This is a requirement for the recent grant and memorandum of understanding between the City and the National Resource Network. The National Resource Network is assisting the City with the creation of the first five-year financial plan. In addition, establishing this policy of having a multi-year financial plan each year will be viewed favorably by our bond rating agencies.

RECOMMENDATION

Management recommends approving the revised financial policies. The two aforementioned items are the only changes being made.

Attachments

Resolution

Proposed Changes

Financial Polices with Revisions

PRESENTED:________________________

ADOPTED: __________________________

RESOLUTION NO. 2018-____.____

RESOLUTION APPROVING THE FINANCIAL POLICIES FOR THE CITY OF DANVILLE.

NOW THEREFORE, BE IT RESOLVED by the Council of the City of Danville, Virginia, that the Financial Policies of the City of Danville, copies of which are attached hereto, made a part hereof, as if fully set forth within be, and the same are hereby, approved.

APPROVED:

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MAYOR

ATTEST:

____
CITY CLERK

Approved as to
Form and Legal Sufficiency:

____
City Attorney

PROPOSED CHANGES TO FINANCIAL POLICIES:

5. Utility Contributions to the General Fund

CURRENT:
To emulate tax burdens imposed on taxable utilities in other communities, transfers from Utility Funds to the General Fund will be increased based on the growth in net fixed assets. The increase in the transferred amount from a utility fund will be calculated on the basis of half of the average proportional growth of that fund's net fixed assets (fixed assets less depreciation) over the previous five fiscal years, rounded to the nearest thousand. In order to preserve the City's credit score with American Municipal Power, the Electric Fund will have the additional requirement that a minimum of six months cash reserves be maintained.* In no event will contributions from the Electric, Gas, Water, and Wastewater Funds be reduced from one year to the next. Applicable adjustments in the General Fund contributions will be implemented every other year as part of the biennial utility rate studies.

PROPOSED CHANGE:
To emulate tax burdens imposed on taxable utilities in other communities, transfers from Utility Funds to the General Fund will be increased based on the growth in net fixed assets. The increase in the transferred amount from a utility fund will be calculated on the basis of half of the average proportional growth of that fund's net fixed assets (fixed assets less depreciation) over the previous five fiscal years, rounded to the nearest thousand. If this calculation indicates a decreased investment in net fixed assets for the five-year period, the transfer could be reduced by the calculated percent of decrease, up to a maximum decrease of 1%. In order to preserve the City's credit score with American Municipal Power, the Electric Fund will have the additional requirement that a minimum of six months cash reserves be maintained.* ~~In no event will contributions from the Electric, Gas, Water, and Wastewater Funds be reduced from one year to the next.~~ Applicable adjustments in the General Fund contributions will be implemented every other year as part of the biennial utility rate studies.

3.8 Multi-year Financial Planning:

PROPOSED ADDITION:
The City will annually present a five-year General Fund financial forecast to City Council that must include:

- An in-depth analysis of revenues, expenditures, and all long-term obligations;
- A plan for eliminating any funding shortfalls that would prevent adoption of a balanced budget in any year covered by the five-year forecast;
- Identification of requirements for achieving a balanced budget for the upcoming fiscal year and the subsequent fiscal year; and
- The expected effect on the City's unreserved fund balance with regard to fund balance policies.

Financial Policies

City of Danville, Virginia

11/15/2011

Revised January 16, 2018

Table of Contents

Approved by Resolution #2011-11.08 of the Danville City Council
November 15, 2011

<u>Introduction</u>: Written, adopted financial policies have many benefits, such as assisting elected officials and staff in the financial management of the City, saving time and energy when discussing financial matters, engendering public confidence, and providing continuity over time as elected officials and staff members change. While these policies will be amended periodically, they will provide the basic foundation and framework for many of the issues and decisions facing the City. They will promote sound financial management and assist in the City's stability, efficiency, and effectiveness. Policies are designed to conform to state and local regulations, generally accepted accounting standards, standards set by the Governmental Accounting Standards Board (GASB) and the Government Finance Officers Association (GFOA), and best practices employed by other local governments. The City Manager's "Administrative Policies & Procedures" and operating procedures maintained by municipal departments supplement these Financial Policies.

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1. Guiding Principles

The City provides a wide variety of essential and desirable services and facilities to its residents, visitors, businesses, and institutions. The Danville City Council and staff are responsible for managing municipal finances wisely, ensuring adequate funding to meet current and future needs, appropriately accounting for all revenues and expenditures, and complying with all applicable regulations. To satisfy these obligations, the Council and staff are committed to developing a sound financial plan for municipal operations, maintenance, and capital improvements. To achieve this, the City Council:

- Establishes financial policies;
- Sets policy guidance for preparation of operating and capital improvement budgets;
- Adopts budgets for all funds based on adopted policies and in accordance with the City Charter and State laws; and
- Oversees the administration of finances and budgets undertaken by the City Manager.

2. Financial Structure

In accordance with the GASB, the financial structure of the City will be divided into tax-supported governmental funds (including a General Fund to support the governmental services of the City) and self-supporting proprietary funds established for nongovernmental purposes. Proprietary funds will include a series of enterprise funds, which shall be managed as business enterprises supported by revenues derived by that enterprise. A list of funds with descriptions of each is provided in the Appendix of this document.

3. Budget

The Council will annually adopt a budget that includes funds as may be required by law or by sound financial practices and generally accepted accounting principles. The budget will control the levy of taxes and expenditures for all City purposes during the ensuing fiscal year. The City budget will be balanced using approved funding sources, including fund balances. The annual budget will serve as the official plan of services and facility operations intended to accomplish the City's goals and objectives.

3.1 Budget Preparation & Adoption

The budget process is one of the most important undertaken by the City each year. However, the City Charter provides only minimal guidance on how the budget is to be prepared, reviewed, and adopted.* It simply states that

- The City Manager is responsible for preparation of the budget;
- A proposed budget is to be presented to the City Council no later than April 1st;
- No more than 30 days later, after collaboration with the Council, the Manager is to introduce a completed budget;
- A brief synopsis of the budget is to be published in the newspaper and Council is to conduct a public hearing; and
- The budget is to be adopted before July 1st.

The City Council and City Manager will exceed the minimum requirements by starting the process earlier, providing more direct Council guidance along the way, and encouraging more active public engagement throughout the process, including during the City Manager's budget preparation process. The City Council will similarly exceed minimum requirements in conducting additional budget hearings and encouraging public input through not only providing testimony at hearings, but also through e-mails, social media tools, telephone calls, and direct discussion. The budget process undertaken by Council and staff will endeavor to

- Maintain a transparent process;
- Provide a steady flow of readily available information to the public;
- Inform, involve, and engage the public;
- Identify and consider issues and concerns of the public; and

* City Charter, §3-3, §8-6, and §8-7

- Achieve public understanding, if not acceptance, of trade-offs and decisions made in adopting a balanced budget.

3.2 Revenue & Expenditure Forecasts

Budget revenue estimates will be conservative, yet realistic. Expenditure estimates will fully cover, but not overstate, projected costs. A five-year forecast of General Fund revenues and expenses will be prepared at the beginning of each budget process to help determine if projected revenues can sustain current services. The City Council will consider the five-year forecast and other information provided and set priorities and offer guidance at the outset of the City Manager's annual budget preparation process. Council will additionally at that time make desired modifications to Financial Policies that might affect the budgeting process.

The City will avoid dependence on temporary or unstable revenues to fund mainstream municipal services. The City will not use one-time revenues to fund ongoing operational costs. Neither will debt be used to fund current expenditures. The City will strive to maintain a reasonable real estate tax rate and will only consider upward adjustments to the property tax as a last resort.

If a deficit is projected for the coming fiscal year, the City will take steps to reduce expenditures and/or increase revenues. If a deficit is caused by emergency or temporary economic conditions, Council may consider a transfer from the Budget Stabilization Fund or the Unassigned Fund Balance to balance the budget as described in Policy 4.

3.3 Service & Facility Charges

Many services and facility uses are allowed by the City without additional charge. Examples include general use or parks and emergency responses by police officers. Services or facility uses that solely benefit an individual or group and can be practicably controlled and priced will be provided at reasonable fees. The City will maximize the application of user charges rather than depending on general revenues and subsidies from other City funds for services so identified and where costs are directly related to the level of service provided. The following principles will apply in establishing user fees:

- City staff will provide services and facilities as efficiently as is possible to keep user fees reasonable and affordable.
- City Council will determine under what circumstances cost subsidies, discounts, or waivers will be granted.
- User fees will otherwise be set at levels that recover full costs, including all direct, capital and facility wear and tear, and overhead expenses.

- Reimbursable work performed by the City shall be billed at actual costs except in cases where firm estimates and/or "not-to-exceed" prices were quoted to a client.
- Where practical, user charges shall be comparable to other neighboring cities and private sector providers. In the interest doing no harm to other local service and facility providers, whether in the private or non-profit sectors, the City will avoid undercutting rates charged by others in Danville.

Departments that impose fees or service charges will prepare and/or update them for inclusion in the annual budget process. Responsibility for consideration and adoption of fees is assigned to the City Council or its boards and commissions as authorized* The City will maintain a current schedule of fees and charges, showing when the fees were last reviewed and/or recalculated.

3.4 Budget Contingency Accounts

Annual budgets will be stripped of informal contingency accounts to protect against expenditure overruns. The City Manager will instead propose appropriation of Contingency Accounts in the General Fund and each utility fund to cover unanticipated expenditure needs. The Contingency Account for each applicable fund shall be established at a minimum of $100,000. If approved by City Council through its appropriation of the budget, Contingency Accounts will be used at the direction and approval of the City Manager.

3.5 Capital Improvement Plan

In addition to the operating budget, the City Manager will annually submit a five-year Capital Improvement Plan (CIP) for review by Council. The CIP will include new or expanded facilities; infrastructure projects; extraordinary maintenance projects; land acquisition; special initiatives such as blight eradication or River District revitalization; large equipment items such as fire trucks; and large computer, telecommunications, and other technology investments. Normally, any such expenditure of $50,000 or more will be included in the CIP. As with the operating budget, items included in the CIP are those considered necessary to maintain public services and facilities. The CIP will show proposed expenditures and associated revenue sources. Current revenues and grants are the preferred methods of financing rather than borrowing. Operating impacts of CIP elements will be will be reported in the plan.

3.6 Legal Level of Control

Budget appropriations shall be legally controlled at the fund level. The City Manager is delegated authority to administer the budget within appropriated fund levels. In accordance with state code, municipal appropriations made to the

* For example, by the Danville Utility Commission in the case of non-consumption fees and charges associated with the City's utilities.

Danville Public Schools (DPS) are administered independently under the authority of the School Board. The DPS is allowed to carry forward $1 million of its unencumbered municipal appropriation at the end of each fiscal year without further consideration and approval by the City Council.

3.7 Budget Administration

The City Manager and department directors are responsible for continuously monitoring revenues and expenditures and for carefully administering adopted budgets. The City Council will receive monthly financial reports and briefings. Council's boards, commissions, and committees charged with budgeting responsibilities will similarly be kept informed.

The City will take immediate corrective actions if, at any time during the fiscal year, expenditure and revenue estimates are such that an operating deficit is projected at year-end. Corrective actions may include a hiring freeze, expenditure reductions, fee increases, or use of contingencies. The City Council may approve additional measures as appropriate.

3.8 Multi-year Financial Plan

Amended by Resolution 2018-XXXX of the Danville City Council, January 16, 2018

The City will annually present a five-year General Fund financial forecast to City Council that must include:

- An in-depth analysis of revenues, expenditures, and all long-term obligations;
- A plan for eliminating any funding shortfalls that would prevent adoption of a balanced budget in any year covered by the five-year forecast;
- Identification of requirements for achieving a balanced budget for the upcoming fiscal year and the subsequent fiscal year; and
- The expected effect on the City's unreserved fund balance with regard to fund balance policies.

4. Fund Balances

Sufficient reserves must be retained by the City at all times to provide financial stability. A properly sized and configured fund balance in each operating fund is essential in accomplishing this. The Governmental Accounting Standards Board requires that General Fund balance elements be structured in five categories that span a continuum of use constraints that classify a fund's net resources from those that have the most constraints placed on their use to the least. What was formally accounted for as the "unrestricted" fund balance is now separated into "assigned" and "unassigned" fund balance accounts.*

- Nonspendable Fund Balance -- amounts that cannot be spent because of form (such as inventory) or because of legally or contractual requirements (such as the principal of an endowment fund, prepaid items, or long-term receivables).
- Restricted Fund Balance -- amounts that are constrained to being used for a specific purpose by external parties (such as grantors, bondholders, or the state or federal governments), through constitutional provisions, or by enabling legislation. Such restrictions normally cannot be removed by City Council.
- Committed Fund Balance -- amounts committed by ordinance for specific purposes by the City Council itself. Council can likewise remove such constraints through an amending ordinance. These relate to expenditures that are not expected to occur routinely. Examples include reserves established by Council to construct a new facility or to purchase property for an industrial park.
- Assigned Fund Balance -- amounts that Council sets aside for specific purposes, but with fewer restrictions than intended with restricted or committed fund balance amounts. Examples include the City's special revenue, capital project, debt service, and budget or rate stabilization funds.
- Unassigned Fund Balance -- amounts that have not been restricted, committed, or assigned and are therefore available for any Council-authorized purpose.

In the case of municipal funds other than the General Fund (for example, utility and enterprise funds) assigned and unassigned fund balances remain combined in "unrestricted" fund balance accounts.

4.1 Unassigned & Unrestricted Fund Balances

Unassigned or unrestricted fund balances are important in maintaining financial stability and are considered by bond rating agencies as key indicators of creditworthiness. They provide the financial resources to deal with emergencies, natural disasters, precipitous economic downturns, revenue shortfalls, and unanticipated expenditures. They also provide cash flow liquidity in responding to fluctuations in major revenue sources, such as with property tax receipts. Unassigned and unrestricted balances themselves generate revenue through investment interest earnings.

* GSAB Statement No. 54, "*Fund Balance Reporting and Governmental Fund Type Definitions,*" effective for fiscal periods beginning after June 15, 2010.

The City Council designates the following minimum levels for unassigned and unrestricted fund balances:

- General Fund -- The unassigned General Fund balance shall be maintained at a level not less than 20% of operating revenues.
- Utility Funds -- The Water, Wastewater, Gas, Electric, and Telecommunications Funds shall maintain unrestricted fund balances equal to at least 90 days of average operating and maintenance expenses, inclusive of transfers to the General Fund, plus 90 days of the next fiscal year's debt service payments.

  During recent years, the Wastewater Fund has been running a deficit and has depleted its unrestricted fund balance. The City's goal is to bring the Wastewater Fund into compliance by FY 2017. During this time, the combined Utility Funds will collectively adhere to this unassigned fund balance policy, meaning the other utility funds will maintain higher than normal levels of cash reserves.
- Other Funds -- The City's other enterprise, internal service, special, and fiduciary funds will be budgeted to fully cover expenses but will not at this time be subjected to unassigned or unrestricted fund balance standards.

Actual fund balance levels may rise and fall during the fiscal year, but will be restored to designated levels during the annual budgeting process. An appropriation from an unassigned or unrestricted fund balance that would result in the balance falling below its designated level requires a majority plus one vote of Council (with six of nine members voting "aye"). No such vote shall be taken until the Council receives a briefing from the City Manager that identifies potential ramifications of the appropriation and includes a financial plan to restore the unassigned or unrestricted fund balance to its designated minimum level within two years.

Because the City's budgets are based on appropriately conservative revenue and expenditure budget projections, it is to be expected that at least some surplus revenue will be added to fund balances at the end of each fiscal year. Surpluses may be appropriated for specific expenditures by the City Council or assigned to fund balance accounts, normally to unassigned or unrestricted fund balances. Unassigned and unrestricted fund balances in excess of established minimum levels may be appropriated by Council for nonrecurring expenditures such as unanticipated budget shortfalls, economic development incentive payments, special projects, acquisition of real property, capital purchases, local matches for grants, pre-payment of existing debt, prepayment of equipment maintenance contracts, and one-time employee pay bonuses. Except during periods of economic recession or under unusual circumstances, excess funds will not be used to support routine operating expenditures. Nor will availability of excess cash reserves be allowed to supplant prudent budgeting practices.

4.2 General Fund Budget Stabilization Reserve

Amended by Resolution 2015-05.03 of the Danville City Council, May 5, 2015

As part of the FY 2012 Budget process, the City Council authorized creation of a Budget Stabilization Fund as part of the General Fund's assigned fund balance using revenues in excess of its designated 20% unassigned fund balance level. The Budget Stabilization Fund will not be used to finance new or expanded services. It is instead intended to help sustain municipal operations during times when revenue sources such as property, sales, meals, and business tax receipts are sluggish due to continuing effects of the economic recession or continuing response to emergencies. As it deems appropriate, the City Council will appropriate revenue from the Budget Stabilization Fund for use during the current or coming fiscal year to sustain current municipal service levels.

The fund is subject to the following restrictions:

- There is no designated minimum size for the Budget Stabilization Fund. It may, from time to time, be drawn down significantly or even depleted entirely. The fund does, however, have an upper limit. Its maximum size will not exceed a balance of $3,000,000. ***(R2015-05.03)***

- The Budget Stabilization Fund will retain interest earnings on the balance of revenues held in the fund.
- After allocation of surplus revenues to designated fund balance reserves, up to one-half of remaining General Fund revenue surpluses will be transferred to the Budget Stabilization Fund at the closing of each fiscal year, subject to its aforementioned maximum size limit.
- The Budget Stabilization Fund is not to be used to offset minor revenue shortfalls. Appropriations from the fund to balance the coming year's budget will be made only in the event that total projected ongoing General Fund revenues are expected to decline more than one percent below the current year's estimated receipts.
- As the Budget Stabilization Fund has no direct revenue source of its own to replenish expended resources, care will be taken in its use.
- Use of the Budget Stabilization Fund will not take the place of prudent budgeting practices that carefully establish appropriate services and service levels, properly maintain municipal facilities, undertake important initiatives, and set fees, charges and taxes necessary to pay associated expenditures.

- Spending cuts or other cost-saving measures must be undertaken in combination with use of Budget Stabilization Fund revenues.

5. Utility Contributions to the General Fund

Amended by Resolution 2018-XXXX of the Danville City Council, January 16, 2018

The Electric, Gas, Water, Wastewater, and Telecommunications Fund all make contributions to the General Fund at levels meant to approximate taxes that would be paid to the City were these enterprises run by private sector utilities, as well as profit that would be earned by shareholders. Total utility fund transfers budgeted for FY 2013 amount to $14,382,000, constituting approximately 15% of General Fund revenues.

FY 2013 Utility Fund contributions to the General Fund are designated as the base rates for these transfers. Transfers from the Telecommunications Fund are handled separately because its primary customers are the City itself and the Danville Public Schools.

FY 2013 General Fund Contribution Amounts

Electric Fund	$	9,562,610
Gas Fund		2,906,330
Water Fund		933,300
Wastewater Fund		677,760

To emulate tax burdens imposed on taxable utilities in other communities, transfers from Utility Funds to the General Fund will be increased based on the growth in net fixed assets. The increase in the transferred amount from a utility fund will be calculated on the basis of half of the average proportional growth of that fund's net fixed assets (fixed assets less depreciation) over the previous five fiscal years, rounded to the nearest thousand. If this calculation indicates a decreased investment in net fixed assets for the five-year period, the transfer could be reduced by the calculated percent of decrease, up to a maximum decrease of 1%. In order to preserve the City's credit score with American Municipal Power, the Electric Fund will have the additional requirement that a minimum of six months cash reserves be maintained.* Applicable adjustments in the General Fund contributions will be implemented every other year as part of the biennial utility rate studies.

* Cash reserves = [annual operating expense (excluding purchased power cost and depreciation) + regular capital maintenance + capital improvements] X (.50 or 180 days/ 360 days)
This does not change the City's Fund Balance Policy, but rather guarantees American Municipal Power the City's Policy will meet or exceed their requirements.

6. Biennial Utility Rate Studies

Under the direction of the Danville Utility Commission, the City shall undertake a utility cost-of-service and rate study every two years. The City will endeavor to set utility rates that are consistently

- Fair, just, and reasonable;
- As low as is prudently possible;
- Structured in a fashion consistent with best utility practices; and
- Generate revenue sufficient to
  - Support continued provision of reliable, safe, environmentally responsible, high quality service;
  - Sustain infrastructure required to accommodate economic development; and
  - Generate sufficient revenue to meet established General Fund contribution obligations.

7. Vehicle Replacement

The City's vehicles are to be used in a fashion that yields the highest possible return on investment. Factors taken into account in determining when each vehicle is replaced will include safety, cost of operation, and resale value. When prudent to do so, a vehicle may be transferred after a time from an organizational unit with intense vehicle operating requirements (i.e., Police Patrol) to another with lower operating demands (i.e., Police Detectives or Building Inspections). While each will be retained as long as it can be driven safely and cost-effectively, the following guidelines will be used for replacing vehicles and large equipment items.

Replacement Guidelines

Sedans, & Bucket or Digger Derrick Trucks	10 years or 100,000 miles
Pickup Trucks & Vans	12 years or 100,000 miles
Other Equipment	12 years or 10,000 hours

Old vehicles replaced by new ones will be sold as soon as practicable. The City will avoid "fleet creep" wherein use of old, replaced vehicles is continued. If additions to the fleet can be justified, they will be included in the City Manager's proposed budget and considered by City Council.

The City's utilities finance their own fleets. Vehicles operated by General Fund departments and other funds are financed through the Motorized Equipment Fund. Vehicle rental rates are charged for applicable vehicles at rates established by the City Manager. Rental rates are reviewed annually and revised as needed to ensure that sufficient funds are available to replace vehicles.

8. Investments

Investment of revenues will be made in conformance with best practices to meet four primary objectives:

- Safety – to preserve invested funds with minimal risk of loss
- Diversity – to avoid excessive market risk
- Liquidity – to maintain sufficient to meet cash flow and operating requirements
- Yield – to produce maximum interest earnings

City Manager is responsible for control of City revenues. Responsibility for investing idle funds is delegated to the Finance Director.

All excess cash, except for cash in certain restricted and special accounts, will be pooled for investment purposes. The investment income derived from the pooled investment account shall be allocated to the contributing funds based upon the proportion of the respective average balances relative to the total pooled balance. Interest earnings shall be distributed to the individual funds not less than annually.

9. Debt Management

City recognizes the primary purpose of facilities and equipment is to support provision of public services. Using debt financing to meet the capital needs of the community, the City must balance between debt financing and "pay-as-you-go" methods. The City realizes failure to meet the demands of growth may inhibit its continued economic viability but also realizes too much debt may have detrimental effects.

9.1 General Authority

The Constitution of Virginia and State Code authorizes localities to issue debt within certain limitations. The Constitution restricts the amount of General Obligation debt – that is, debt payable from general municipal revenues and backed by the full faith and credit of a city – to 10% of the assessed valuation of real property in the jurisdiction plus any applicable limitations set forth in the city's charter. In determining the debt applicable to the 10% legal debt limit, the following types of debt are excluded:

- Notes issued in anticipation of the collection of revenue and maturing within 12 months;
- Bonds secured by the full faith and credit of the municipality, for which the principal and interest payments are made with revenues earned by the utility or facility (double-barrel bonds);
- Bonds of the municipality, the principal and interest on which are payable exclusively from the revenues and receipts of a utility system or other specific undertaking from which a city may derive a revenue (revenue bonds); and
- Financial instruments on which the debt service payments are contingent upon annual appropriations by the governing body (lease purchase agreements and reimbursable agreements).

With the following exceptions, the City Charter is more restrictive in providing that no debt shall be issued until approved by a majority of the qualified voters at an election. Issuance of the following may be authorized by City Council without voters' approval:

- Up to $6 million of bonds in any one fiscal year to finance capital expenditures, excluding capital improvements related to water, sewer, gas, and/or electric improvements.
- Up to $10 million of bonds in any one fiscal year to finance capital expenditures relating to the City's water, sewer, gas, or electric systems or other undertaking from which the City may derive a revenue.
- Up to $25 million of bonds or notes in anyone fiscal year for capital expenditures relating to the City's water treatment, wastewater treatment, stormwater treatment, solid waste disposal, or recycling facilities, and any extraordinary maintenance improvements or expansions of transmission, and distribution infrastructure for the electric or gas systems.
- Bonds of any amount necessary to pay costs or expenditures related to annexation.
- Refunding bonds issued to refinance existing debt.
- Notes issued in anticipation of revenue not to exceed $500,000 with a maximum maturity of 24 months.
- Contractual obligations other than bonds and notes, such as lease-purchase contracts.

9.2 City of Danville Standards

The City will maintain the following standards to ensure a higher level of financial security than that afforded by meeting minimum State standards:

- <u>Debt to Assessed Value</u>: Debt supported by General Fund tax revenue will not exceed 3.0% of total taxable assessed value of property within City limits. For the purposes of calculating this ratio, assessed value shall include real property and personal property.
- <u>Debt Service to Expenditures</u>: Debt service paid from general tax revenue will not exceed 10% of total General Fund Expenditures, including transfers out.
- <u>Debt Payout Ratio</u>: The City will structure its bond issues to maintain an overall 10-year payout ratio (the amount of principal retired within 10 years) of not less than 60%.
- <u>Derivatives</u>: The City will not use interest rate exchange agreements, swaps, or other derivatives in managing its debt portfolio.

Other standards adhered to by the City of Danville include the following:

- No debt will be issued until an ordinance has been adopted by Council by affirmative vote of two-thirds (six of nine) of its members.
- Long-term borrowing for capital improvements will be confined to such improvements and projects that cannot be reasonably financed from current revenues.
- In consideration of bond issue cost, bond issues shall be appropriately sized, preferably not less than $3 million. Several projects may be grouped together in a single bond issue. However, no single project element should cost less than $100,000, as lower level expenditures will be included in operating budgets and financed with current revenues.
- Capital improvements that are financed by issuing general obligation bonds, revenue bonds, or other long-term debt, including lease-purchase obligations, will be repaid within a period not to exceed the expected useful life of the improvement.
- Unless required to be credited to a trustee held account by requirements of a trust indenture, it is the accounting policy of the City to recognize temporary investment earnings on bond proceeds in the General Fund in order to match transfers out to the Debt Service Fund for bond interest expenditures.
- To maintain a predictable debt service burden, the City will give preference to debt that carries a fixed interest rate. However, consideration may be given to variable rate debt. Conservative estimates will be used in budgeting variable rate debt service interest expenses. Variable rate debt will be limited to no more than 20% of total outstanding debt.

9.3 Long & Medium-Term Debt

The City makes use of general obligation and revenue bonds for debt financing normally extending over 20 to 30 years and lease-purchase financing for debt paid over five to 10 years.

- General Obligation Bonds -- General obligation bonds will be used for public improvement projects that have a direct benefit to the citizens of Danville. General obligation bonds may be used to finance utility projects if doing so is more cost effective than using revenue bonds.
- Revenue Bonds -- The City uses revenue bonds to finance utility projects when general obligation bonds are not feasible or cost effective.
- Lease-Purchases -- Lease-purchase obligations, bonds, or other debt instruments may be used as a medium-term (4 to 10 years) method of borrowing for the financing of vehicles, specialized equipment, or capital improvements. Assets with a longer useful life may be lease financed if it is determined it is in the City's best interest. The equipment or improvement must have an expected life of more than five years and cost in excess of $100,000. Such debt will be paid before expiration of the expected life of the equipment or improvement acquired.

9.4 Short-Term Debt

The City's policies regarding fund balance and unrestricted cash reserves are designed to eliminate the need to borrow to meet operating cash flow requirements. However, from time to time, as part of an overall plan to stabilize utility rates and manage its utility business over a multi-year planning period, the City may borrow on a short-term basis through the issuance of short-term notes or through the procurement of a line of credit. Security for the notes or line of credit may include a pledge of utility revenues on a gross or net basis or the general obligation pledge of the City. Bond Anticipation Notes (BANs) may be issued for capital related cash purposes to reduce the debt service during the construction period of a project or to provide interim financing. BAN financing is limited to five years or less.

10. Capitalization

Capital costs are costs incurred on the purchase of land, buildings, construction and equipment to be used in the provision of municipal services. Capital costs do not include labor costs except for labor used for construction. Unlike operating costs, capital costs are one-time expenses, although payment may be spread out, or "capitalized," over many years in financial reports. Capital outlays are budgeted as expenditures during the applicable fiscal year and then as fixed assets in financial statements thereafter. The threshold for capitalizing capital assets is $5,000 for equipment, $25,000 for capital leases, and $100,000 for infrastructure and buildings. Capitalization thresholds are applied to individual, rather than to groups of fixed assets. Fixed asset accounts are not treated as having cash value in governmental accounting.

The following policies apply to the capitalization of fixed assets:

- Capital assets are reported as the sum of the initial invoice cost, the value of any trade-in for equipment items, installation cost excluding in-house labor, and ancillary charges, such as freight and transportation charges, site preparation costs, and professional fees. Interest costs for borrowed funds are capitalized for construction projects only.
- Donated capital assets are valued at their estimated fair market value on the date donated.
- Maintenance, repairs, and minor equipment are charged to operations when incurred and are booked as fixed assets in the event they materially change capacities or extend useful lives of capital assets.
- Depreciation of fixed assets is recorded over applicable useful lives on a straight-line basis.
- Upon the sale or retirement of land, buildings, and equipment, the cost and related accumulated depreciation, if applicable, are eliminated from the respective accounts, and any resulting gain or loss is included in current year's operations.

11. Grants

City departments will take full advantage of state, federal, business, and foundation grants to achieve municipal goals and objectives. The City Manager will ensure that required matching funds are available before making application for grants and that careful consideration is given to administrative and regulatory requirements, as well as accommodation of ongoing operating costs. Grants that require budget adjustments to authorize increased expenditures are taken to City Council in the form of proposed budget ordinance amendments.

12. Pay Adjustments for City Retirees

Amended by Resolution 2014-06.01 of the Danville City Council, June 3, 2014

Chapter 32 of the City Code establishes the Employees' Retirement System (ERS) of the City of Danville for the purpose of providing a pension benefit to City employees upon retirement. The City strives to provide a pension benefit that is competitive in order to hire and retain a highly skilled workforce. However, pension benefits must also be affordable and the ERS plan must maintain a healthy funded status with sufficient investment earnings and City contribution levels that are sustainable within the City's budget. This ensures the City's ability to provide a promised benefit to both current and future retirees.

The pension benefit shall be calculated according to Chapter 32, Article III of the City Code. The City will not grant post-retirement cost-of-living increases for its retirees through the ERS. However, in the event that the following criteria are met, lump sum ad-hoc pension bonuses of up to one-half of the retiree's base pension payment may be appropriated by City Council from current operating revenues as part of the annual personnel expense budget. Only those hired before July 1, 2014 are eligible to receive bonuses. The following criteria will be used to consider provision of such bonuses:

1. The cumulative inflation growth since the most recent pay adjustment for retirees as measured by the "All Urban Consumers Consumer Price Index" (CPI-U) has been at least 5%;
2. The Retirement System's funded status for the prior fiscal year is at least 90% (as calculated by dividing actuarial value of assets by the accrued liability as of the appropriate valuation date);
3. The City's contribution to fund the normal cost of the pension plan, as a percent of payroll, for the budgetary period under review is no more than 12%; and
4. Operating revenues from applicable funds are available to cover the cost.

The following chart will be used to determine the amount of bonus to be considered by Council based on varying levels of ERS funding contributions. The bonus amount will be calibrated against the City's combined contribution to fund the normal pension cost. In no event will the Council-authorized bonus exceed one-half of the retiree's normal monthly benefit payment.

City's Combined ERS Contribution as % of Payroll*	% of Bonus Available
> 12%	0
> 11% but ≤ 12%	25%
> 10% but ≤ 11%	50%
> 9% but ≤ 10%	75%
≤ 9%	100%

*As determined in the appropriate actuarial valuation

Retirees are not eligible for a bonus until the first year anniversary of their retirement date. The retirement date is defined as the first day of the month following the employee's separation date.

The cost of the bonus will be allocated to the various City funds based on each fund's full-time payroll budget.

The effective date of this plan provision is July 1, 2014.

Appendix

City of Danville Funds

Operating Funds

- The General Fund – The General Fund is the primary operating fund for government activities. Its most significant sources of funding are general property taxes, other local taxes and transfers from the various utility funds. The most significant expenditures from this fund are for public safety, public works programs including infrastructure maintenance, health and welfare programs and contributions to other funds for education and capital improvements. The accounting records are maintained on a modified accrual basis.

Enterprise Funds

Utility Funds: The Wastewater, Water, Gas, Electric, and Telecommunications Funds are all designed to be self-supporting with user fees that cover the expenses for the collection system and treatment facilities and contributions to the General Fund. All use an accrual basis of accounting.

- Wastewater Fund – This fund provides accountability for activities relation to the treatment of household, commercial, and industrial wastewater.
- Water Fund – This fund provides accountability for activities relating to the treatment and distribution of potable water to residential, commercial, and industrial users.
- Gas Fund – This fund provides accountability for activities relating to the purchase and distribution of natural gas to residential, commercial, and industrial users.
- Electric Fund – This fund provides accountability relating to the purchase of electricity, production of electricity, and operating and maintenance costs. The operating and maintenance costs cover the hydro-electric facilities, transmission system and the distribution system.
- Telecommunications Fund – The Telecommunications Fund is an e-Rate service provider to the Danville Public Schools and the Pittsylvania County Schools and maintains and operates nDanville, a high-tech fiber optic network.

Other Enterprise Funds:

- Transportation Fund – This fund provides for activities relating to mass transit bus services. The fund is on an accrual basis of accounting. However, the fund is not self-supporting. Operation and maintenance costs are paid by user fees from passengers of the bus service, local federal and state grants and transfers from the General Fund.

- Sanitation Fund – This fund provides for activities relating to the collection and disposal of solid waste. This fund is self-supporting with user fees, which cover the operating and maintenance cost. The fund is on an accrual basis of accounting.
- Cemetery Services Fund – The Cemetery Fund provides for funeral services, sale of lots and record keeping. The staff provides services to local funeral homes and can assist residents and non-residents who are interested in purchasing at-need and pre-need burial lots. Additionally, this fund provides for the maintenance of the eight municipally owned cemeteries. The fund is designed to be self –supporting; however, an annual subsidy from the General Fund has been required. The fund is on an accrual basis of accounting.

Internal Service Funds:

- Insurance Fund – This fund provides accountability for all City costs relating to workers compensation on a self-insured basis, general insurance provided by outside insurance carriers – excluding group health and life, risks covered by statewide pools and risks other than worker compensation on a self-insured basis. The fund is supported by charges to the user departments on a cost-reimbursement basis and is on a modified accrual basis of accounting.
- Central Services Fund – This fund provides accountability for the acquisition of office supplies, the cost of interoffice mail, central mailroom and printing services, which are provided to the various department of the city. The fund is supported by charges to the user departments on a cost-reimbursement basis and is on a modified accrual basis of accounting.
- Motorized Equipment Fund – This fund provides accountability for the acquisition and maintenance of motorized vehicles for various departments of the City. The fund is supported by charges to the user department on a cost-reimbursement basis and is on a modified accrual basis.

Special Funds:

- Capital Projects Fund – General Government – This fund provides accountability for financial resources used for major construction projects relating to general government use. Funding resources include proceeds from the sale of bonds, federal and state grants and transfers from the General Fund. The fund operates on a modified accrual basis of accounting.
- Community Development Fund – This fund provides accountability for projects and programs involving Federal funds received through the Community Development Block Grant (CDBG) program. Funding

resources include CDBG funds and program income from some of the programs. The fund operates on a modified accrual basis.

Fiduciary Funds:

- Cemetery Maintenance Fund – This fund is a permanent fund used to account for funds set aside to provide for the perpetual care of the City cemeteries. Only the earnings from the investments of this fund may be expended.
- Retirement Fund – This fund is used to account for the investments of the City of Danville Employees Retirement System. This fund is audited and provides financial reports separate from all other City funds. Funding is provided by contributions from the City and investment earnings.

Council Letter
City of Danville, Virginia

CL-1822 **New Business Item #: B.**

City Council Regular Meeting

Meeting Date: 01/16/2018

Subject: Consideration of Memorial Commission Recommendation

From: Susan M. DeMasi, Clerk of Council

COUNCIL ACTION

Business Meeting: 1/16/2018

SUMMARY

An application was made to the Memorial Commission requesting the Danville Public Library be named in honor of Mrs. Ruby B. Archie, to "The Ruby B. Archie Memorial Library." The Memorial Commission met on November 17, 2017, with all members present and after consideration agreed that:

1. Mrs. Archie was a "qualified honoree" as defined in Section 2-305;
2. The application was a "qualified application" as defined in Section 2-305;
3. The Public Library was an appropriate public facility to be named after the proposed honoree; and
4. To name the Danville Public Library, "The Ruby B. Archie Memorial Danville Public Library."

At their meeting on December 6, 2017, a majority of the members agreed to the proposed design and cost. Fundraising efforts are being conducted in the community to raise the funds to pay for the cost of the new signage, as per City Code. At the 1/02/2018 Work Session, Council reviewed the Commission's decision and recommended the Library be renamed "The Ruby B. Archie Public Library."

Council is required to approve the style and design of any monument and/or sign to be erected or placed upon public property to honor an individual. Two renderings are attached to this Council Letter for Council's consideration, to illustrate the style and design of a new sign to be placed on the Library honoring Mrs. Ruby B. Archie.

BACKGROUND

Ms. Ruby B. Archie was a citizen of Danville, who served her community as a teacher, Council Member, Vice Mayor and Mayor. The Memorial Commission has found Ms. Archie to be a qualified honoree and has agreed to name the Danville Public Library, "The Ruby B. Archie Public Library" in her honor.

RECOMMENDATION

Staff recommends approving the attached Resolution endorsing the naming of the the Danville Public Library, "The Ruby B. Archie Public Library." and the Resolution approving the style and design of the new sign to be placed on the Library.

Attachments

Resolution
Resolution
Sign - Option A
Sign - Option B

PRESENTED: ____________________

ADOPTED: ______________________

RESOLUTION NO. 2018 -____.____

A RESOLUTION NAMING THE DANVILLE PUBLIC LIBRARY, "THE RUBY B. ARCHIE PUBLIC LIBRARY."

WHEREAS, Mrs. Ruby B. Archie served the City of Danville as a Member of the Danville City Council from July 1, 1994 through June 26, 2010, served as Vice Mayor from September 1, 1996 through June 30, 1998 and served as the first African American Female Mayor of the City of Danville from July 1, 1998 through June 30, 2000; and

WHEREAS, Mrs. Archie served the City of Danville as a School Teacher in the Danville Public School System for thirty-seven years, mentoring both students and teachers as well as serving as the Chairman of the English Department at George Washington High School; and

WHEREAS, Mrs. Archie served the City of Danville and the Mid-Atlantic Region of the United States as a Member the Alpha Kappa Alpha Sorority for over fifty years, including as the 16th Mid-Atlantic Regional Director; and

WHEREAS, on May 18, 2010 Mrs. Archie was presented the Liberty Bell Award by the Danville Bar Association in recognition of her promoting an understanding of the law and teaching civic responsibility during her career as a teacher and as a member of City Council; and

WHEREAS, Mrs. Archie showed compassion, intelligence, and humor as a Teacher, Council Member, Vice-Mayor and Mayor, bringing honor, wisdom and dignity to the City of Danville; and

WHEREAS, Mrs. Archie encouraged children and adults in lifelong learning; and

WHEREAS, a large number of citizens and members of Danville City Council have expressed a desire to name the Danville Public Library after Mrs. Archie; and

WHEREAS, an application was filed with the City's Memorial Commission by Ms. Cynthia Polk to consider naming the Danville Public Library in honor of Mrs. Archie; and

WHEREAS, the Memorial Commission has found that Mrs. Archie is a qualified honoree worthy of having a public facility named on her behalf, that the application is a qualified application, and that the Public Library is an appropriate facility to be named after Mrs. Archie.

NOW THEREFORE, BE IT RESOLVED by the Council of the City of Danville, Virginia that the building located at 511 Patton Street, Danville, Virginia, currently known as the Danville Public Library, be, and it is hereby named "The Ruby B. Archie Public Library" in recognition of Ms. Archie's many contributions.

AND BE IT FINALLY RESOLVED that the City Manager, Ken Larking, be, and is hereby directed to take such action necessary to effect the naming of the building located at 511 Patton Street, currently known as the Danville Public Library as "The Ruby B. Archie Library."

APPROVED:

____
MAYOR

ATTEST:

____
CLERK

Approved as to
Form and Legal Sufficiency:

____
City Attorney

PRESENTED: ____________________

ADOPTED: ______________________

RESOLUTION NO. 2018 -____.____

A RESOLUTION APPROVING THE STYLE AND DESIGN OF THE SIGN TO BE PLACED ON THE DANVILLE PUBLIC LIBRARY HONORING MRS. RUBY B. ARCHIE

WHEREAS, Council, by previous resolution, has named the Danville Public Library located at 511 Patton Street "The Ruby B. Archie Public Library" in recognition of Ms. Archie's many civic contributions; and

WHEREAS, the style and design of any monument and/or sign to be erected or placed upon public property to honor an individual must be reviewed and approved by the City Council of the City of Danville prior to installation; and

WHEREAS, the attached rendering illustrates the style and the design of the new sign to be placed on the Library honoring Mrs. Ruby B. Archie.

NOW THEREFORE, BE IT RESOLVED by the Council of the City of Danville, Virginia that the style and design of the new sign to be placed on the Library honoring Mrs. Ruby B. Archie, is hereby approved for installation; and

AND BE IT FINALLY RESOLVED that the City Manager, Ken Larking, be, and is hereby directed to take such action necessary to effect the installation of the new sign including but not limited to any application to the Community Development Department and any boards or commissions required to approve the new sign.

APPROVED:

____
MAYOR

ATTEST:

____
CLERK

Approved as to
Form and Legal Sufficiency:

____

City Attorney

Option A

$2,500.00

Ruby B. Archie
Public Library

Option B

$2,600.00