# DANVILLE CITY COUNCIL WORK SESSION AGENDA

## MUNICIPAL BUILDING

## January 2, 2018

## 7:30 P.M.

**MEETING CALLED TO ORDER**

**MINUTES**

A. Consideration of Approval of Minutes of Special Work Session held on December 5, 2017 and Regular Work Session held on December 5, 2017.
Council Letter Number CL - 1814.

**WORK SESSION ITEMS**

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

1. Fair Housing Board

**PROGRAM UPDATE**

**ECONOMIC DEVELOPMENT UPDATE**

**COMMUNICATIONS FROM**

A. City Manager

B. Deputy City Manager

C. City Attorney

D. City Clerk

E. Roll Call

**CLOSED MEETING**

As Permitted by Subsection (A)(3) of Section 2.2-3711 of the Code of Virginia, 1950, as amended for discussion or consideration of the acquisition of real property or of the disposition of publicly held real property; and

As Permitted by Subsection (A)(5) of Section 2.2-3711 of the Code of Virginia, 1950, as amended for discussion concerning a prospective business or industry related to economic development.

A. Motion to Convene in Closed Meeting
B. Motion to Reconvene in Open Meeting
C. Motion to Certify Closed Meeting

**ADJOURNMENT**

# Council Letter
## City of Danville, Virginia

**CL-1814** **Meeting Minutes** **Item #: A.**

**Work Session Meeting**

**Meeting Date:** 01/02/2018

**Subject:** Consideration of Approval of Meeting Minutes

**From:** Susan M. DeMasi, Clerk of Council

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**COUNCIL ACTION**

Work Session: 1/02/2018

**SUMMARY**

Consideration of Approval of Minutes of Special Work Session held on December 5, 2017 and Regular Work Session held on December 5, 2017.
Council Letter Number CL - 1814.

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**Attachments**

Meeting Minutes

Meeting Minutes

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A Special Work Session of the Danville City Council convened on December 5, 2017 at 5:34 p.m. in the Fourth Floor Conference Room of the Municipal Building. Council Members present were: James B. Buckner, L. G. “Larry” Campbell Jr., Mayor John B. Gilstrap, Vice Mayor Alonzo L. Jones, Dr. Gary P. Miller, J. Lee Vogler, Jr., Sherman M. Saunders, Fred O. Shanks, III and Madison J.R. Whittle (9). *Mr. Campbell entered the meeting at 5:35 p.m.; Mr. Vogler entered the meeting at 5:39 p.m.*

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

Mayor Gilstrap presided.

## ECONOMIC DEVELOPMENT UPDATE

Director of Economic Development Telly Tucker explained these items relate to the two resolutions Council will be voting on tonight. Several months ago, Council discussed a $1M grant application to the Tobacco Commission for a 30,000 square foot shell building at the Cyber Park on Lot12B, which is at the corner of Slayton and Stinson. The Resolution of Support enables Mr. Tucker to apply for the grant, it will come from the Southern Area Allocation, and will require a one to one match from the locality. If approved, it will come back to Council to approve the receiving of the grant and discussion about the details of the construction. Staff has received a letter of support from the Danville Area Development Foundation and the Danville Industrial Development. They have agreed to cover the interest on a loan for a period of up to two years so that the City does not have to put up any money directly. The format would be similar to the shell buildings done in the past. The IDA would most likely take out a loan, the DID or DADF will pay the interest for a period of two years and ultimately, if the building has not been sold at the end of that time period, the City or the IDA would have the option to refinance the building, bond or purchase it. In response to Mr. Saunders, Mr. Tucker noted Pittsylvania County is also applying for a $1.5M grant which they will have to match, for a second shell building in Cane Creek. Mr. Tucker explained the second resolution is in support of Project Lignum; that request is being made by RIFA to the Tobacco Commission to use $1.1M of both the City’s and the County’s allocation toward grading a lot in Berry Hill. That money will go into the ground to prepare a site. If the project does not move forward, that money would be returned to the allocation. This is a proactive step to apply so if and when Project Lignum states they are moving forward, the funds are in place to begin bidding the grading project. The grading costs associated with that also include state monies and an additional TROF grant which does not require a match. Mr. Tucker explained all that will be poured into getting the company a site ready pad. The investment is made in RIFA’s asset as opposed to going to the Company.

## CLOSED MEETING

At 5:48 p.m., Vice Mayor Jones **moved** that this meeting of the City Council of Danville, Virginia be recessed and that Council immediately reconvene in a Closed Meeting for the following purposes: discussion or consideration of the acquisition and/or disposition of real property for a public purpose where discussion in an open meeting would adversely impact the bargaining position of the City as permitted by Subsection (A)(3) of Section 2.2-3711 of the Code of Virginia, 1950, as amended; and an Economic Development discussion and update concerning prospective business or industry where no previous announcement has been made and/or the expansion of an existing business or industry where no previous announcement has been made as permitted by Subsection (A)(5) of Section 2.2-3711 of the

Code of Virginia, 1950 as amended; and discussion or consideration of the investment of public funds where competition or bargaining is involved, where, if made public initially, the financial interest of the governmental unit would be adversely affected as permitted by Subsection (A)(6) of Section 2.2-3711 of the Code of Virginia, 1950 as amended.

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

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

Upon unanimous vote at 6:58 p.m., Council reconvened in open session and Vice Mayor Jones **moved** adoption of the following Resolution:

**<u>CERTIFICATE OF CLOSED MEETING</u>**

WHEREAS, the Council convened in Closed Meeting on this date pursuant to an affirmative recorded vote and in accordance with the provisions of the Freedom of Information Act; and

WHEREAS, Section 2.1-344.1 of the Code of Virginia, 1950, as amended, requires a Certification by the Council that such Closed Meeting was conducted in conformity with Virginia Law;

NOW, THEREFORE, BE IT RESOLVED that the Council hereby certifies that, to the best of each Member's knowledge, (i) only public business matters lawfully exempted from open meeting requirements of Virginia Law under Section 2.2-3711 were heard, discussed or considered, and (ii) only such public business matters as were identified in the Motion by which the Closed Meeting was convened were heard, discussed or considered by the Committee.

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

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

MEETING ADJOURNED AT 6:54 P.M.

APPROVED:

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MAYOR

ATTEST:

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CITY CLERK

A Regular Work Session of the Danville City Council convened on December 5, 2017 at 7:49 p.m. in the Fourth Floor Conference Room of the Municipal Building. Council Members present were: James B. Buckner, L. G. "Larry" Campbell Jr., Mayor John B. Gilstrap, Vice Mayor Alonzo L. Jones, Dr. Gary P. Miller, J. Lee Vogler, Jr., Sherman M. Saunders, Fred O. Shanks, III and Madison J.R. Whittle (9).

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

Mayor Gilstrap presided.

**MINUTES**

Upon **Motion** by Council Member Shanks and **second** by Council Member Campbell, Minutes of the Regular Work Session held on November 9, 2017, were approved as presented. Draft copies were distributed to Council Members prior to the Meeting.

**WORK SESSION ITEMS**

**CONSIDERATION OF APPOINTMENTS TO THE DANVILLE PITTSYLVANIA REGIONAL INDUSTRIAL FACILITY AUTHORITY**

The City Clerk explained these appointments are normally considered by the City Council. Mayor Gilstrap noted the two present members are Fred Shanks and Sherman Saunders, and Alternate Member Lee Vogler. Mayor Gilstrap questioned if the current members wished to continue and they indicated they did; there were no objections from Council Members. The resolutions for these appointments will be presented at the next business meeting of Council.

**CONSIDERATION – ACCEPTING FOUR NISSAN LEAF ELECTRIC VEHICLES AND CHARGERS**

City Manager Ken Larking noted the City has Nissan Leaf vehicles plugged into various stations around the City; they have been used by the departments for free by a company that offered them to the City. Director of Utilities Jason Grey explained the company, Fermata, are originally from UVa and are designing several different vehicle to grid products, partnering with several local companies in Danville. They are at the end of their two year Tobacco Commission grant; they cannot sell the assets, they have to give them to someone within the Tobacco Commission footprint. Mr. Grey noted there are two vehicles at City Hall, and two are at Wastewater.

Mr. Buckner questioned if Mr. Grey knew what the usage for electric vehicles is in the City and Mr. Grey noted he did not know how many were used. Mr. Buckner asked if the City should look at, in certain public parking areas, installing some electric vehicle chargers. Mr. Grey explained the City may want to do a feasibility study to see how many people are interested. In response to Dr. Miller's question if there is usually a charge, Mr. Grey stated there is. There is a company that has an App and people charge their cars using the App on their phone. Mr. Vogler noted Michael Philips with Virginia Clean Cities, who helped the City with the change to propane fuel, mentioned wanting to donate a station or two to the City for electric vehicles; that may something the City would want to revisit.

Mr. Whittle questioned when the City gets the vehicles, do they take on the maintenance as well, and Mr. Grey noted the City would be responsible for any maintenance costs after the Company gives the vehicles to the City.

Council agreed to put this on an upcoming business meeting.

Mr. Buckner asked Mr. Grey to start a study to see if electric chargers would be beneficial in the City. Mr. Larking stated if Mr. Vogler gets in touch with the person who offered free chargers, staff could connect with him and see what makes the most sense on where those should be located. The City could judge how many people are using them by seeing how many use the free ones; if they get regular use and if it looks like the City could use more, they can look into that. Mr. Vogler noted he would reach out to that person.

**REVIEW OF RETIREE AND EMPLOYEE BENEFIT CHANGES FOR 2018**

Director of Human Resources Sara Weller stated staff gives an annual update on employee benefits for the upcoming insurance year. The City had a challenging renewal this year, utilization was extremely high which affected that. Carrie Bartlett from One Digital Advisors has been working on the City's account; Brett Jackson, the CEO of Gateway Health and Chris McFarling, the City's account manager with Gateway Health were also present. Ms. Weller explained when the renewal came back, they worked very diligently with Ms. Bartlett, the City and SOVAH to help meet that challenge and get the City's renewal down.

Ms. Bartlett reviewed her PowerPoint presentation *2018 Employee Benefits Renewal Review* (a copy of which has been retained in Laserfiche, in the City Clerk's folder, *Presentations to Council.)*

Ms. Bartlett began with the Executive Summary, stating the medical renewal this year was a 41.2% increase which was $3.6M. They worked with their team at Gateway, as well as obtained updated claims information and were able to get the renewal down to a 30.5% increase. Benefit changes were looked at to help mitigate that increase as well, and some benefit changes were made. After that, the renewal was down to a 21% increase, which was $1.8M. Ms. Bartlett noted the claims coming in for November have started to look better than they have been historically. Mayor Gilstrap questioned if the $1.8M was the City's portion and Ms. Bartlett noted it was a combination of what the City was paying as well as employees. Ms. Bartlett reviewed other benefits for employees which include voluntary dental plan, voluntary vision, life and disability, FSA and COBRA administration. The dental program had a 5% decrease resulting in a $30,000 savings for employees. They were able to get significant savings in the life insurance program, about $82,000, by moving from the Hartford to the Standard; they will be administering the disability program as well. The Flexible Spending Account and COBRA administration are staying with Discovery Benefits who have administered them in the past.

Ms. Bartlett noted Gateway worked with SOVAH and Duke hospitals to get reductions in how things are charged to employees for services; long term, the City will continue to see savings. Employees will also have access to preferred providers at no additional charge as well as having access to some onsite education as well.

Mr. Shanks asked if Centra was approached and Ms. Bartlett explained initially the City's overall utilization is heavier at the SOVAH health systems and Duke; most of the City's claims come out of there. There are some at Centra, and that is something they are exploring and monitoring.

Ms. Bartlett stated the City is self-funded, which means it pays claims as they come in, and starting in August of last year, the claims started going up; that was under the Anthem plan. They continued to go up over the first six months of the plan year with Gateway and has impacted the overall cost of the plan. There are stop-loss projections that gives the City additional protection if claims exceed $150,000; the City had many claims that did that. Ms. Bartlett noted recent claims look much better than they have in the past. Ms. Bartlett explained health care reform or PPACA, is a very nominal impact at this point, only $4,200 total; most of the fees have gone away. The City's 2018 total premium is expected to be $10.8M, the City portion is $7.4M and the employees are paying about $3.3M. They got updated numbers from the renewal, have seen some shifts in enrollment, and they are going to work on what that cost shift will be for the City.

Mr. Saunders questioned retired employees keeping healthcare benefits, and Ms. Weller explained retirees have the option to continue the same insurance plan, the challenge is the full cost of the insurance is extremely expensive. Employees are aware of this when they retire, especially those retiring early and not Medicare eligible. Staff gives them places they can shop and find other plans, but they are very expensive as well. The City is finding that people are waiting to retire until they are Medicare eligible.

Ms. Bartlett noted when the City moved to Gateway, they made a change in the plans; they made another change this year and focused on the more traditional copay based plan. The deductible increased from $750 to $1500, and the out of pocket maximums also increased from $4000 to $6000 for individuals. The $3000 and $5000 high deductible health plans were maintained and are fairly standard from what is seen in the marketplace. The enrollment for 2018 looks like about 200 employees shifted out of the 750 plan into one of the other plans. There were about 100 more in the 3000 plan and the 5000 plan almost tripled in size; more people are enrolling in the high deductible plans. Ms. Bartlett reviewed the cost per month for the plans for the employees, Health Savings Accounts that help with the high deductibles, the City's Wellness Program, Tobacco Cessation program, and noted the top chronic conditions among City employees are Hypertension, High Cholesterol, Obesity and Diabetes.

Ms. Bartlett reviewed long term strategies including continuing to evaluate Reinsurance and Pharmacy Management options, State options, and look at on-site/near-site clinics, and explained they are looking at local and national options for some type of clinic to be available to employees; the services they would provide is being worked through. Dr. Miller noted the cost of setting up an office with all the equipment and nurse practitioner is very expensive, would it be better to have a designated clinic in town that is contracted; Ms. Bartlett stated that is part of what they are looking at. Mr. Vogler noted there is a company called Care Here, essentially they are contracted out. Employees are getting regular care and it helps the locality costs; Mr. Vogler noted he thought it would be very good for Danville. Ms. Bartlett explained there are different options, there are companies that can come in and provide services; they are also looking locally through SOVAH and Centra and other providers to see if that is a fit. In response to Mayor Gilstrap, Ms. Bartlett explained if the City was not self-insured, their rates would have gone up much more than they did, recommends going to market every two to five years and feels the City has a great partner with Gateway.

Council thanked Ms. Bartlett for her presentation.

**DISCUSSION OF THE CITY OF DANVILLE'S NEPOTISM POLICY**

City Manager Ken Larking stated at the last work session, he brought up this subject to gage City Council's opinion on whether or not they would be open to loosening the nepotism policy in the upcoming version of the personnel regulations. If Council was willing to do that, and gave the City Manager permission to implement it early, it would enable the City to have better success in recruitment, particularly for public safety positions. Council asked Ms. Weller to come to the meeting for a more detailed discussion on the topic and get consent from Council as to which direction they want to see the City going.

Ms. Weller noted she reached out to other localities in Virginia and the feedback is there are two policies, one is very similar to Danville's, where the policy does not allow the hiring of relatives within the same department. Danville's is a little stricter because it limits hiring if the person has access to Human Resources, IT or Financial information of the employee. When Ms. Weller reached out to those localities and asked them about their nepotism policy, noting the City was looking at loosening their policy, their response was, why would you do that. The other localities, the majority of the localities, do not have very restrictive nepotism policies; their policy pretty much states an employee cannot have direct supervision of a relative, which is essentially the policy staff was discussing possibly implementing. When Ms. Weller spoke with those localities, they didn't have any issues or problems with it. Looking at the risk of changes in nepotism policy, concerns can come up from a legality standpoint. If the City starts hiring everybody that is related, at extreme levels, the workforce is going to start to look, sound and act alike; that can be a concern from a discriminatory standpoint. The City could end up in a situation where supervisors might be supervising a relative of a friend or someone over them, and might be less likely to discipline. There might be issues with performance appraisals and making sure those employees are held accountable if the relative is working in the department, that they are getting fair performance appraisals.

Ms. Weller noted from the employee perspective, the concern is that anything that happens to the employee throughout their employment is going to be because of who they are related to, not necessarily because of job performance or abilities. These policies are in place in other organizations, they are managed well and there are no issues. The situation is what is going to work best for the City; the policy in place now works, but that is not to say that another policy wouldn't work and staff couldn't manage this well. Mr. Larking noted the safest option is to stick with what the City has, but the City has an issue, they need to hire people, there are openings, a lot of turnover and there is an opportunity to hire qualified people for positions that need to be filled right now. For practical reasons, he would recommend loosening the nepotism policy, allowing staff to put in place an Administrative Policy and Procedure that would prevent the kinds of troubles that Ms. Weller mentioned earlier, and give staff a way to respond to them so that it will not become a latter issue for the staff.

Mr. Saunders stated he read the policy, and he has some concerns about morale. While talking to people around the State, the State Police are loosening some of their requirements to get local police officers to take jobs with them. The City needs police officers, if Council can do something to make that work, he is open to that idea. Mr. Buckner noted he is for the policy change. Mr. Larking noted if the City implements this policy and it turns out not to be a good idea or didn't work, it can be changed. They would probably grandfather in anyone that got in, that is always an option. Mr. Shanks noted his agreement with Mr. Larking, and stated the City needs to take advantage of an opportunity to change the policy for the benefit of the people; this is a good time.

Mayor Gilstrap called for a straw poll to change the policy and Council agreed to change it.

Mr. Larking noted it has been practiced in the past where if the City is aware that a policy is in the path of being changed, can staff go ahead and proceed with some hiring if there are opportunities. Council did not have any objections.

Mayor Gilstrap noted Mr. Vogler requested to add an item to this evening's agenda; Council has no objection to adding an item.

*Mr. Jones left the meeting at 9:00 p.m.*

**DISCUSSION OF GROCERY FUND**.

Mr. Vogler stated he sent out an email to Council regarding legislation going to the General Assembly in January that will support increased investment in the Virginia Grocery Investment Fund which provides incentives for grocery stores to open in high poverty areas and also places where there are "food deserts." Martinsville has already passed a resolution in support of it and other localities are going to also. It would be beneficial for several areas in Danville. Assistant to the City Manager Amanda Paez explained she has printed out the Bill that was pre-filed last week and did reach out to the Health Collaborative to get information regarding food deserts and food access in Danville to help write the resolution. Ms. Paez questioned if Council wants this for adoption at the next regular session or would Council like to review the resolution during the work session on the 19th. Mr. Vogler proposed voting on it at the next business meeting. Ms. Paez noted this is not time sensitive; Martinsville did not pass a resolution, but added it to their legislative agenda, a bullet point to support the legislation.

Mr. Larking questioned if the City has done a legislative agenda and Ms. Paez noted this was her tenth session, the City did one legislative agenda and that was prepared by the City Attorney's office. Mr. Vogler noted he thought it would be more impactful if the City has this as a stand-alone as opposed to mixing it in with other legislation. Mr. Shanks questioned exactly what would it do for Danville, and Mr. Vogler explained it is a fund that will be used as an incentive for grocery stores to locate in designated areas that are deemed to be lacking, high poverty areas that would not be high on the list for a grocery store. Ms. Paez noted the fund will be administered through DHDC and will be providing incentives, technical assistance and also working to identify community partners to create new innovative projects. Dr. Miller noted Richmond did this in Church Hill in the east end; that was a food desert in a poverty area.

After further discussion, Council agreed to put this on the December 19th business agenda.

Dr. Miller noted Council should think about having a legislative agenda, some points that Council favors.

**PROGRAM UPDATE**

Mr. Larking stated the City will be having police chief candidates and assessors in town this week, there are four very strong, diverse candidates. Mr. Larking noted they are working to have an announcement by the end of the year and get them started first thing in the new year. Mr. Larking noted he will call each Council Member, discuss the candidates and the reason why he feels the top candidate is his choice.

**COMMUNICATIONS**

Dr. Miller noted the Sports Tourism Committee will be meeting tomorrow at 2:00 p.m.

Mr. Vogler questioned when the Data Center will be discussed and Mr. Larking noted he will ask Mr. Tucker about the status of that. Mr. Whitfield noted this would normally be part of the annual budget, making it a separate division and then determine what tax they want to use. In response to Mr. Vogler, Mr. Whitfield stated he doesn't think Council has to wait until the budget process, but he will look into that; he doesn't know what rules there are about setting taxes in the middle of the budget year.

MEETING ADJOURNED AT 9:27 P.M.

APPROVED:

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MAYOR

ATTEST:

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CITY CLERK

# Council Letter
# City of Danville, Virginia

**CL-1820** **Work Session Item #: A.**

**Work Session Meeting**

**Meeting Date:** 01/02/2018

**Subject:** Consideration of Appointments to Boards and Commissions

**From:** Susan M. DeMasi, Clerk of Council

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**COUNCIL ACTION**

Work Session: 1/02/2018

**SUMMARY**

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

1. Fair Housing Board

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**Attachments**

*No file(s) attached.*

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