

March 5, 2024

A Regular Work Session of the Danville City Council convened on March 5, 2024 at 9:54 p.m. in the Conference Room located on the Fourth Floor of the Municipal Building. The following Council Members were present: James B. Buckner, L.G. "Larry" Campbell Jr., Bryant Hood, Barry Mayo, Vice Mayor Gary P. Miller, and J. Lee Vogler, Jr. (6). Mayor Alonzo L. Jones, Sherman M. Saunders, Madison J.R. Whittle were absent (3)

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

Vice Mayor Miller presided.

MINUTES

Upon **Motion** by Council Member Vogler and **second** by Council Member Mayo, Minutes of the Regular Work Session held on February 6, 2024, were approved as presented. Draft copies were distributed to Council Members prior to the Meeting.

WORK SESSION ITEMS

Chief Financial Officer Michael Adkins introduced John Rife with Taxing Authority Consulting Services, explaining the City uses them for third party collections of their real estate, personal property and utility bills that become delinquent. Mr. Rife was here to give an update on their efforts, to make sure Council was aware of what they do, and the results they have obtained.

Mr. Rife noted he was a partner with Taxing Authority Consulting Services, a law firm that has been working with the City for several years, collecting real estate and personal property taxes, utilities, smaller portfolios, and damaged accounts. The collection rates so far were excellent: personal property was at about a 65% collection rate, and real estate was at 80%. Their auctions were better attended, and the results were much higher in the amounts they were able to recover than just a few years ago. That was a testament to everything the City has put into place and all the development they have. At the last auction, they had more properties redeemed from a tax sale, where they pay up in full; they would prefer to collect it rather than sell it. They had twenty-three judicial sale items in January, six of them redeemed and of the seventeen they sold, they ended up recovering over \$150,000 in tax penalty, interest and nuisance abatement liens.

Council Member Campbell questioned if the properties were more in the low-income areas, and Mr. Rife noted he was not sure about the last seventeen. In their selection process, they try to get a diverse valuation batch together; the more diverse valuation they have, the better participation in the audience and the better results from an overall perspective. One thing they discussed with Finance they want to do this year going forward on the real estate accounts, they want to pick up the ones that have nuisance abatement liens, so the City can stop mowing the grass and get them back into active hands. That may stem some of the lien signing and recordation the City has to do. From an overall collections perspective, litigation was probably the least effective way to go about collecting on accounts. When an account first comes into their office, they send out letters; in the last thirty days, they sent out about 1,800 letters on city accounts. Those were not new accounts, they cycle them through and try to find better addresses for those that may have a bad address. They were always looking for assets they might leverage to collect on the accounts, such as bank or wage liens; those were much more effective than going to court and spending money to get service of process. Mr. Rife noted that by state code and city ordinance, their fee was contingent in nature, so they only collect on what they bring in,

March 5, 2024

and that was 20%. For real estate accounts that go to litigation, it was 25%; all of that was added to the delinquent tax bill, so the City does not pay anything for their time.

Mr. Buckner noted he has been to several of the auctions, and they do spread out the types of properties. At the last auction they had beautiful homes on Westover Drive and also lots in other neighborhoods; it was not just targeted to blighted neighborhoods. They have done a really good job collecting tax dollars that were owed to the City. Mr. Rife noted he looked over the last twelve calendar months and they have returned \$2,000,000 to the City. Since Fiscal Year 2021, they have returned about \$6.2M to the City.

Vice Mayor Miller noted that personal property was at 65% and real estate at 80%, what was the industry average and Mr. Rife noted it would depend; a lot of it was when they got the account. Some localities might hold it for three years before they get it; finance sends over the accounts after they were about a year delinquent. He does not know that he can say there was an industry standard. Mr. Rife stated he was extremely pleased with the personal property rate, it was a depreciating asset that was mobile and were hard to collect. The 65% collection rate they have on that so far was pretty good.

Council thanked Mr. Rife for his presentation and the work being done for the City.

ECONOMIC DEVELOPMENT UPDATES

Assistant Director of Economic Development and Tourism Kelvin Perry noted they will be having their procurement fair that they partner on with Caesars Virginia, on April 10th from 9:00 a.m. to 5:00 p.m. Information was out encouraging vendors, as well as asking people to come and participate. It was a way for them to understand how to do business with all the localities within the Southern Virginia region.

Mr. Perry stated that tomorrow they will have the kickoff for the parking enforcement study from Parking Whisperer. They will be looking at how do they better manage parking in the downtown area. Mr. Vogler questioned when those recommendations would be made public and Mr. Perry noted they would find out the timeline tomorrow. Parking enforcement falls under the Police Department but they only have one attendant; the City was not doing as good a job as they should be. They will be looking with the Police Department at how to better enforce parking, what strategies they could use and what were the technologies out there to help them be more efficient.

COMMUNICATIONS

City Manager Ken Larking noted at the next City Council meeting, he will be presenting the budget and as he normally does, he will have two on two meetings with Council Members leading up to that. The next Council meeting was March 19th, and asked Council Members to look for a request to see when they would be available the week before or the week of, on the Monday. Mr. Larking noted he usually liked to give an embargoed presentation of the budget to the media in the afternoon prior to presenting it to Council.

Mr. Larking stated the IDA was planning to have a tour of the White Mill after their meeting next Tuesday; they were not sure what time the IDA meeting will end, usually it was thirty minutes to one hour long; Council was welcome to attend that walk-through. The developers from the Alexander Company will be there, and it will be an hour-long tour.

March 5, 2024

Mr. Larking reminded the Council of the groundbreaking for the Monument Berryman project tomorrow.

Council Member Campbell stated with reference to the business meeting and the zoning items, the confusion the citizens had, would it have been better if the city could have presented more information about the soil, would that have been more appropriate. Mr. Larking noted he had not been aware that the City had the information, it was done by the IDA; Ms. Bobe had let him know they had it and he plans to post it online. The property had its Phase 1 and Phase 2, and other studies done on the dirt; there were no issues. Mr. Larking noted whenever there was a rezoning request, it was going to be a challenging issue; there will always be people that live nearby that likely will not like change and will use their opportunity to let their opinions be known. The challenge for communities was that they don't hear from people elsewhere in the community that do care and know that kind of thing was needed. In communities where it has been very restrictive to rezone and allow for housing to occur, what ends up happening was there was not enough housing and the housing that exists becomes more expensive. The victims were typically the lower income citizens because all the property values go up much higher and the citizens that can afford it were fine and know that their values were going to go up, but those that can't afford it were priced out of the market. They were displaced and have to find somewhere else to live. City staff wants to be as intentional as possible with their recommendations on housing, that was why they have done housing studies, identified the gaps in the market, and were targeting their incentives towards those gaps so that they can have available the housing that was needed to support the people that live here and the people that want to live here. In the next year's budget there were funds available to redo the zoning ordinance which will hopefully help to streamline some of these processes for development to occur within the City, still giving people plenty of opportunity to be able to voice their opinions, but having good growth that meets the City's needs and helps to capture any growth that might occur from all the economic development that was happening.

Dr. Miller noted it would soon be time to evaluate their employees, the City Manager, City Attorney and City Clerk.

Mr. Vogler noted to add to what the City Manager said, if someone says the City does not have a housing shortage probably was not hearing from the people Council heard from every week about how high the rent was; rent was allowed to be that because there was no other alternative. The way to alleviate that and help stabilize the prices was to have more available housing for people; Council hears that every week.

CLOSED MEETING

At 10:15 p.m., Council Member Vogler **moved** that this meeting of the City Council of the City of Danville, Virginia be recessed and that Council immediately reconvene in a Closed Meeting for the following purpose: an Economic Development discussion and update concerning a 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 more specifically to consider prospective commercial, mixed use, hospitality, and industrial projects considering locating within the City and/or within the region in cooperation with the City's regional partners.

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

March 5, 2024

VOTE: 6-0-3
AYE: Buckner, Campbell, Hood, Mayo,
Miller, and Vogler (6)
NAY: None
ABSENT: Jones, Saunders, and Whittle (2)

Upon unanimous vote at 10:57 p.m., Council reconvened in open session and Council Member Vogler **moved** for adoption of the following Resolution:

CERTIFICATE OF CLOSED MEETING

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 Buckner and carried by the following vote:

VOTE: 6-0-3
AYE: Buckner, Campbell, Hood, Mayo,
Miller, and Vogler (6)
NAY: None
ABSENT: Jones, Saunders, and Whittle (2)

MEETING ADJOURNED AT 10:58 P.M.

APPROVED:

s/Alonzo L. Jones
MAYOR

ATTEST:

s/Susan M. DeMasi, CMC
CITY CLERK