



**DANVILLE CITY COUNCIL REGULAR MEETING
AGENDA
REVISED
MUNICIPAL BUILDING**

April 16, 2024

7:00 PM

PRESIDING: Alonzo L. Jones, Mayor

CITY COUNCIL MEMBERS:

James B. Buckner	Dr. Gary P. Miller, Vice Mayor
L.G. "Larry" Campbell, Jr.	Sherman M. Saunders
Bryant Hood	J. Lee Vogler, Jr.,
Barry P. Mayo	Madison J. Whittle

STAFF:

Ken F. Larking, City Manager	W. Clarke Whitfield, Jr., City Attorney
Earl B. Reynolds, Jr., Deputy City Manager	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, who have signed up to speak at www.danvilleva.gov/council or by contacting the Office of the City Clerk, 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, and shall have three uninterrupted minutes. A representative of a group may have up to five 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 - VICE MAYOR GARY P. MILLER

PLEDGE OF ALLEGIANCE TO THE FLAG

ANNOUNCEMENTS AND SPECIAL RECOGNITION

- A. Certificate of Recognition
Presented to John Wilt
- B. Update on Averett University
Dr. Tiffany Franks

MEETING MINUTES

- A. Consideration of Approval of Minutes from Regular Council Meeting held on March 19, 2024.
Council Letter Number CL - 429.
Consideration of Approval of Minutes from Regular Council Meeting held on March 19, 2024.

NEW BUSINESS

- A. Review of General Fund Financials as of March 31, 2024.
Council Letter Number CL - 1146.
Review of General Fund Financials as of March 31, 2024. Financial Statements are included.
- B. Consideration of Approving a Resolution to Issue General Obligation Bonds.
Council Letter Number CL - 1234.
Resolution Providing for the Issuance, Sale and Award by the City of Danville, Virginia, of One or More Series of General Obligation Public Improvement Bonds, Heretofore Authorized, and Providing for the Form, Details and Payment of Such Bonds.
- C. Consideration of an Update of the City of Danville's Procurement Code.
Council Letter Number CL - 1274.
An Ordinance Repealing and Reordaining in its Entirety Chapter 30, Entitled "Procurement", of the Code of the City of Danville, Virginia, 1986, As Amended.
- D. Consideration of Amending Danville City Code Chapter 24 Regarding Parades and Other Assemblies.
Council Letter Number CL - 1164.
An Ordinance Repealing, Replacing, and Reordaining Chapter 24, Entitled "Parades and Other Assemblies" of the Code of the City of Danville, Virginia, 1986, As Amended.
- E. Consideration of Amending the Fiscal Year 2024 Budget Appropriation Ordinance by Anticipating the Proceeds from the Issuance of Utility Revenue Bonds.
Council Letter Number CL - 1256.

An Ordinance Amending the Fiscal Year 2024 Budget Appropriation Ordinance to Provide for the Proceeds from the Sale of Utility Revenue Bonds and Appropriating Same.

First Reading

- F. Consideration of Amending the Fiscal Year 2024 Budget Appropriation Ordinance by Anticipating the Proceeds from the Issuance of General Obligation Bonds.

Council Letter Number CL - 1257.

An Ordinance Amending the Fiscal Year 2024 Budget Appropriation Ordinance by Anticipating the Proceeds from the Issuance of Bonds and Appropriating Same for Anticipated Expenditures.

First Reading

- G. Consideration of Amending the Fiscal Year 2024 Budget Appropriation Ordinance for a Recreation Enrichment Program in the Amount of \$326,615.

Council Letter Number CL - 1272.

An Ordinance Amending the Fiscal Year 2024 Budget Appropriation Ordinance to Provide for Funds in the Amount of \$64,447 for a Recreation Enrichment Program and the Local In-Kind Share of \$262,168 for a Total Appropriation of \$326,615 and Appropriation of Same.

First Reading

COMMUNICATIONS FROM VISITORS

Communication from Visitors is an opportunity for citizens, who have signed up to speak, 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 three uninterrupted minutes. A representative of a group may have up to five 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.

COMMUNICATIONS

A. City Manager

B. Deputy City Manager

C. City Attorney

D. City Clerk

E. Roll Call

ADJOURNMENT

Council Letter
City of Danville, Virginia



CL - 429

MEETING MINUTES A.

City Council REGULAR MEETING

Meeting Date: April 16, 2024

Subject: Approval of Meeting Minutes

From: Susan DeMasi, City Clerk

COUNCIL ACTION

Consideration of Approval of Minutes from Regular Council Meeting held on March 19, 2024.

Attachments

1. Meeting Minutes
-

March 19, 2024

The Second March meeting of the Danville City Council was held on March 19, 2024, at 7:00 p.m. in the Council Chambers located on the Fourth Floor of the Municipal Building. The following Council Members were present: James B. Buckner, L.G. "Larry" Campbell Jr., Bryant Hood, Mayor Alonzo L. Jones, Barry Mayo, Vice Mayor Gary P. Miller, J. Lee Vogler, Jr., and Madison J.R. Whittle (8). Sherman M. Saunders was absent (1).

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

Mayor Jones presided.

INVOCATION AND PLEDGE OF ALLEGIANCE

Council Member L.G. "Larry" Campbell, Jr., gave the Invocation followed by the Pledge of Allegiance.

ANNOUNCEMENTS AND SPECIAL RECOGNITIONS

Presentation: City Manager's Proposed Fiscal Year 2025 Budget
Presented by: Ken Larking, City Manager

City Manager Ken Larking, thanked his budget team and presented his proposed budget to Council for Fiscal Year 2025, noting the theme for this year's budget was "Danville is Home, Home is Here". The goal was to create the right type of environment for people to want to call Danville home, for children to receive a great education, and to have an engaged workforce that can support their lifestyle and ability to have a family. For Danville to become a great community, they need to invest in certain areas. The goal for any community was to create an environment where a child attends school, stays or goes off to college, has the opportunity to come back, have a job, be able to be close to family, and live in a community that has the amenities they were looking for. The recommended budget strategy was to take care of basic core services through the traditional revenue streams. Danville was one of three cities that have a casino in its community, and it does produce a great deal of revenue. They do not want to lean on that to provide core city services, but paying for those services through the traditional revenue means that any other community in Virginia has. They want to make sure they were providing good quality education for their K-12 system, but also through workforce development initiatives, to continue to build great quality of life amenities in the communities where they retain current residents, and attract new residents. They have seen great growth through economic development, and want to continue those efforts because if Danville was going to be successful as a community, if they were going to be able to pay for core city services on an ongoing basis, where costs keeping going up, they need to have additional growth through Economic Development that produces new tax revenue that enables the City to continue those efforts.

This was a balanced budget with no tax increases; the total for all funds was \$350M, about \$22M more than the current year. In the current year, revenues were paying for ongoing expenses. In the General Fund, the real estate tax rate was tied for third lowest in the state at \$0.84; the recommended budget maintains that tax rate. Mr. Larking noted he was proposing a \$0.10 decrease in the personal property tax rate which would be an annual impact of about \$400,000. There was also a proposal to increase the threshold for elderly tax relief to \$40,000; staff does not know what that will cost, but there will be some impact. There was establishment of a short-term rental fee to go along with the program that was just adopted by Council a few months ago, and some additional fee adjustments in the planning department. Under the Utility Funds, there were

no rate changes, and they will continue to invest in its infrastructure to make sure they have reliable service. There was a proposed \$1.00 increase to the solid waste fee, this will be the second of three years of \$1.00 increases that was originally proposed last year. Under the cemetery fund they were recommending some minor increases in line with what other communities charge.

Under Utility Fund highlights, the proposed budget was \$180M, which was \$4.6M less than the current year, with no proposed rate changes. Mr. Larking noted Danville's utility rates were average when compared to others in the state, and that includes investor-owned utilities. The City's gas, sewer, and water rates were well below average than other communities. Danville was a full service utility provider unlike any other community in Virginia; the cost of those utilities was generally low at the rate level, utilization drives what people pay. The budget includes funding for substation upgrades, right-of-way clearance, and sewer and water line maintenance.

General Fund highlights show the recommended budget was \$164M, which was a \$25M increase. Major revenue increases driving that include an additional \$12M in gaming tax revenue, \$3.2M in real estate taxes, \$1.8M in personal property taxes, \$1.2M in interest earnings, \$842,000 in business licenses, and about \$700,000 each in delinquent real estate, personal property, and sales tax. A portion of these, in addition to the \$12M in gaming tax revenues, were driven by new revenue from the casino as well, particularly under the Personal Property taxes and the business licences.

Expenditure highlights show only \$5M of the casino revenue was being used for ongoing expenses because they have a development agreement with Caesars where they make a minimum payment of \$5M; the City can count on that to pay for reoccurring expenses. There were increases related to personnel costs; last year Council adopted and approved a new pay plan, and that cost was ongoing. State government required a minimum wage increase that had to be implemented and the City had a pay for performance system that staff wanted to continue. Health insurance costs were going up and the retirement system requires additional funds to stay at 100% funding.

Casino revenue was broken down into the following categories: about \$5.2M for economic development initiatives, \$3.5M for capital and special projects, \$3.1M for park upgrades, and \$2M for a future balloon payment on an IDA loan. There was also \$1.5M for lease and debt services payments for police headquarters, \$1.25M for Danville Public School initiatives that were currently being paid for with their version of ARPA money, and \$1M for neighborhood street resurfacing, in addition to the funding from VDOT. Other categories include tourism, blight removal, gang prevention efforts, arts commission, a grants administrator, two positions in parks and recreation to help maintain the new parks that were coming online, and continuation of the summer internship program.

In Capital and Special Projects there was \$1.1M for IT system upgrades for public safety, \$160,000 to match grant funds for the airport, \$700,000 for improvements to fire stations, \$262,000 for police equipment, funding for city hall renovations, and PLAN Danville will be nearing completion, and they will soon need to do a total rewrite of zoning and development. There was also funding for the museum, and some funding for wayfinding. Economic Development projects have \$3.3M for property purchase and improvements which includes funding for parking decks, incentive money, site development money, and required money for the Schoolfield Corridor development program, which was part of the development agreement with Caesars, estimated to be about \$185,000. There was also funding for international recruitment so they can bring in more companies to the community.

Council identified their priority areas as education, economic development, and public safety. The budget for education includes \$27.8M which was a \$2.4M increase over the current year; this

March 19, 2024

includes the entire request made by Superintendent Hairston through the school board to City Council for their operations. Under Economic Development there was \$9.3M in airport upgrades, \$5.2M for various economic development projects, and \$3.9M for park improvements. Public Safety has \$2M for the Fire Department for equipment and building upgrades, \$563,000 for the police department IT upgrades, gang prevention, and \$60,000 for the Danville Life Saving Crew.

Between now and April 30, Council can go over the budget and recommend any changes or additions. There will be public hearings regarding the school budget and the city budget, and it needs to be adopted by the second meeting in June, on June 18, 2024.

CONSENT AGENDA

Mayor Jones opened the floor for a Public Hearing regarding Consent Agenda Items. Notice of the Public Hearing was published in the *Danville Register & Bee* on March 12, 2024.

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

Minutes from the Regular Council Meeting held on February 20, 2024. Draft copies of the minutes had been distributed prior to the meeting.

Consideration of Amending the Fiscal Year 2024 Budget Appropriation Ordinance for Virginia Department of Transportation Project Appropriations

An Ordinance Entitled, Ordinance No. 2024-03.06, Amending the Fiscal Year 2024 Budget Appropriation Ordinance for Capital Improvement Projects to be Undertaken within the City of Danville and to be Financed by Anticipating Revenues from Virginia Department of Transportation in the Amount of \$11,111,966.

Consideration of Amending the Fiscal Year 2024 Budget Appropriation Ordinance for a Site Prep Engineering Services Grant

An Ordinance Entitled, Ordinance No. 2024-03.07, Amending the Fiscal Year 2024 Budget Appropriation Ordinance by appropriating additional State Aviation Funds for the purpose of completing Site Prep Engineering Services to Develop an Aviation Training Facility Building and Hangar in the Amount of \$95,643 and Providing Local Matching Funds in the Amount of \$31,539 for a Total Amount of \$127,182 and Appropriating Same.

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

Council Member Whittle noted in the last meeting, Council asked the developer to do a couple of things, if they followed up and did what they said they were going to do, which was not on the agenda, but about the conservation easement and couple of other things; Council does not have any leverage on that. City Attorney Clarke Whitfield noted they do not unless it was an amended part of the motion, and he does not recall that being an amended part of the motion.

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

VOTE: 8-0-1
AYE: Buckner, Campbell, Hood, Jones, Mayo, Miller,
Vogler and Whittle (8)
NAY: None (0)

March 19, 2024

ABSENT: Saunders (1)

OLD BUSINESS

CONSIDERATION OF AUTHORIZING THE ISSUANCE OF BONDS OF THE CITY OF DANVILLE, VIRGINIA

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

ORDINANCE NO. 2024-03.05

AN ORDINANCE AUTHORIZING THE ISSUANCE OF BONDS OF THE CITY OF DANVILLE, VIRGINIA, IN THE MAXIMUM AGGREGATE PRINCIPAL AMOUNT OF \$16,000,000 TO FINANCE THE ACQUISITION, CONSTRUCTION AND EQUIPPING OF VARIOUS CAPITAL PROJECTS.

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

Council Member Whittle questioned how much was bonded out for the electric department last year, and asked when the City stops borrowing; Mr. Larking stated that information was shared with Council after the last meeting. In general, the City borrows funds in the General Fund and the Utility Funds for various projects because whatever was being borrowed was going to last multiple years. The people benefiting from that infrastructure were the ones paying for it. Interest rates have been low, so it has been a good business decision to borrow to do these projects; if the City was paying as they go, it would be challenging and impactful to the ratepayers.

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

VOTE: 7-1-1
AYE: Buckner, Campbell, Hood, Jones, Mayo,
Miller and Vogler (7)
NAY: Whittle (1)
ABSENT: Saunders (1)

NEW BUSINESS

REVIEW OF GENERAL FUND FINANCIALS AS OF JANUARY 31, 2024

Chief Financial Officer Michael Adkins began review of the General Fund Financials as of February 29, 2024, which marks the eighth month of the fiscal year or 67% complete. Revenues totaled \$90M for this period which was 64% of budget; the reason it was not at 67% was the large collection of personal property and real estate taxes does not occur until May or June. As a reminder, the Fiscal Year 2024 budgeted revenues anticipated an increase of about \$16.5M over the prior fiscal year. As of February 29, the actual revenues were about \$16.3M ahead of last year. As long as that pattern continues, revenues were in a good place with four months remaining in the fiscal year. A large portion of this increase was related to casino operations; the City received \$9M of either direct payments or pass through from the state related to the casino operation. Other contributors to the increase include interest earnings; rates were higher now than they were when they prepared the budget. Local consumer taxes were adding about a \$2.7M increase over last year and State funding was also up by about \$1.6M that was typically tied to expenditures; the state supports reimbursements for Social Services and Constitutional Offices. Under Local Consumer Taxes, Mr. Adkins noted last month he gave a sneak peak of the amounts of sales tax

they received in February, which was a reflection of December retail activity; that was \$1.35M and a new record for the City for one month of collections of sales tax. Sales tax now was at a total of \$8.7M or 73.5% of budget and an increase of \$1M over last year. Business license revenue typically comes in mostly in January, February and March, which was when those business licenses had to be renewed. This February was a record for one month of business licenses, the City received \$2.9M, in total they had received \$4.4M or 65% of budget. They will see another large influx of business license payments during the month of March; the business license revenue was up about \$450,000 over last year. Mr. Adkins noted he did look to see the number of business licenses that have been issued so far; looking at last year from July to February, that number was 1,653; this year from July to February, the City has issued 1,780 business licenses, up about 127. Meals tax at the end of February was at \$8M or 71% of budget and an increase of \$815,000 over last year, and lodging tax was at \$2M or 85% of budget and an increase of \$400,000 over last year. Mr. Adkins explained he looked at nightly stays that were recorded for this year and looking at the average monthly number of stays from last year to this year, that has increased from 17,745 stays per month to 20,360 stays per month; that was up about 2,600 motel or hotel lodging stays each month.

On the Expenditure side, Departmental Spending was currently at 64% of budget, lagging budget at about 3%; they typically see it lag about 2-3% through the year. Non-departmental expenses were primarily debt services and group health insurance. Debt services were right on target and the City's last debt services payment for this fiscal year was made this month. Group health insurance was trending a little ahead of budget and projecting to the end of the year, they will likely end up around 7% ahead of budget. However, with additional interest earnings and savings through position vacancies he does not see any problem covering those items. Mr. Adkins noted that all transfers from the General Fund in support of capital projects have been booked, and those were done in February. In summary, the general fund financial performance was doing very well.

CONSIDERATION OF APPROVING A RESOLUTION TO ISSUE UTILITY REVENUE BONDS

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

RESOLUTION NO. 2024-03.02

A RESOLUTION PROVIDING FOR THE ISSUANCE AND SALE BY THE CITY OF DANVILLE, VIRGINIA, OF A TAXABLE UTILITY SYSTEM REVENUE BOND, SERIES 2024, IN A PRINCIPAL AMOUNT NOT TO EXCEED \$13,520,000, HERETOFORE AUTHORIZED, AND PROVIDING FOR THE FORM, DETAILS AND PAYMENT OF SUCH BOND.

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

Council Member Campbell asked the City Manager to explain why this money needed to be borrowed, and Mr. Larking stated borrowing was used so that the people benefiting from that investment were paying for the services over time. It was difficult to make large capital expenditures at one time. The city has a AA bond rating, and it allows them to borrow money at lower rates.

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

VOTE: 7-1-1
AYE: Buckner, Campbell, Hood, Jones, Mayo,
Miller and Vogler (7)
NAY: Whittle (1)

March 19, 2024

ABSENT: Saunders (1)

CONSIDERATION OF AUTHORIZING AND APPROVING AN ORDINANCE ALLOWING THE CITY OF DANVILLE TO PARTICIPATE IN THE VIRGINIA MUNICIPAL INVESTMENT TRUST

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

ORDINANCE NO. 2024-03.08

AN ORDINANCE TO AUTHORIZE THE CITY OF DANVILLE, VIRGINIA TO ESTABLISH A TRUST FOR THE PURPOSE OF INVESTING IN ACCORDANCE WITH SECTION 2.2-4501 *et seq.* AND 15.2-1300 OF THE VIRGINIA CODE.

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

Council Member Whittle asked for clarification on this item, and Mr. Adkins explained that the City uses the Local Government Investment Pool sponsored by the state treasurer's office. As the City has money in their bank accounts, rather than let it sit there and not invest it, it was a mechanism to do short term investments; LGIP has been paying about 5% on returns. They offer overnight liquidity; the City can put money there and then draw it back out the next day if needed. They do not have the ability to invest funds for 30, 60, or 90 days; it was either investing overnight or longer, such as three to five years. This was a new trust that has been developed just for Virginia localities and it will be governed by Virginia localities. There will be representation for advisement from a former state treasurer and personnel who used to work for LGIP. It gives the opportunity to do more short-term investments.

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

VOTE: 8-0-1
AYE: Buckner, Campbell, Hood, Jones, Mayo, Miller,
Vogler and Whittle (8)
NAY: None (0)
ABSENT: Saunders (1)

CONSIDERATION OF AMENDING THE FISCAL YEAR 2024 BUDGET APPROPRIATION ORDINANCE FOR THE FISCAL YEAR 2024 COMPREHENSIVE SERVICES ACT APPROPRIATION

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

ORDINANCE NO. 2024-03.09

AN ORDINANCE AMENDING THE FISCAL YEAR 2024 BUDGET APPROPRIATION ORDINANCE BY APPROPRIATING COMPREHENSIVE SERVICES ACT FUNDS AND PROVIDING LOCAL MATCHING FUNDS FOR A TOTAL AMOUNT OF \$5,309,442 AND APPROPRIATING SAME.

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

CONSIDERATION OF AMENDING THE FISCAL YEAR 2024 BUDGET APPROPRIATION ORDINANCE FOR COMMUNITY DEVELOPMENT BLOCK GRANT AND HOME GRANT PROGRAMS

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

ORDINANCE NO. 2024-03.10

AN ORDINANCE AMENDING THE FISCAL YEAR 2024 BUDGET APPROPRIATION ORDINANCE FOR PROJECTS TO IMPROVE THE DANVILLE COMMUNITY FINANCED WITH COMMUNITY DEVELOPMENT BLOCK GRANT, HOME INVESTMENT PARTNERSHIP FUNDS FROM THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT, AND ESTIMATED PROGRAM INCOME.

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

COMMUNICATIONS FROM VISITORS

Mayor Jones recognized Pernell Valentine who addressed Council regarding a release of information coming out. He further apologized to an individual in the audience and thanked Council for their time.

Mayor Jones recognized Tremell Jeffries, Chairman of the Almagro Community Council, who addressed Council regarding vacant lots in the community and lots on the demolition list. This caused concern for the historical integrity of the community. They were asking for more equitable ways to acquire affordable housing and were formally asking to form a coalition so they can work more closely with Council to bring services to the community.

COMMUNICATIONS

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

Council Member Mayo thanked everyone for coming out, sent well wishes to Council Member Saunders, and thanked Mr. Jeffries for speaking about the Almagro community. Mr. Mayo noted he went to the IDDU graduation and wanted to give kudos to Ashton Foddrell and Chief Wiles for this program; it shows the citizens that they do matter no matter what they have been through.

Vice Mayor Miller discussed the history of the Almagro community and how important it was to highlight this area in the history of Danville. Dr. Miller also wished Council Member Saunders well.

Council Member Vogler wished Mr. Saunders well and thanked Mr. Jeffries and the Almagro community that came out tonight. It was important to have these conversations, and important for every part of the community to feel heard, and be a part of the success. Mr. Vogler noted he has mentioned that he wants Council to have a people first budget that really looks out for the citizens, and spoke about the budget process and some key points in the budget. Mr. Vogler thanked Dr. Hairston for the work she, the school board, and their budget team have done in improving their budget presentation and transparency.

Council Member Whittle thanked Mr. Jeffries and the Almagro community for being here, and thanked Dr. Hairston and her team for their work on the budget and transparency. Mr. Whittle

March 19, 2024

noted he would lobby Council for lowering tax rates like Council Member Vogler; Council wanted the best for the community. Mr. Whittle wished Council Member Saunders and his wife Sandy the best, and noted he was at a firefighter function over the weekend where Chief Coffey and the City Manager were recognized on how the City reciprocates services.

Council Member Buckner wished Council Member Saunders the best, to get well and healthy enough to go riding in the Spring. Mr. Buckner thanked Mr. Jeffries and the Almagro community for being here tonight and for future conversations to be had in support of the community.

Council Member Campbell noted his prayers to Mr. Saunders and his wife, discussed his concerns for the Almagro community and previous conversations he had with Pastor Bridgeforth, the City Manager, and the Deputy City Manager. A survey of need was done for the Almagro community and Mr. Larking spoke about that survey and areas of concentration. Rev. Campbell stated there will be a procurement job fair at the Institute for Advanced Learning and Research on April 10, and thanked Dr. Hairston and her team for transparency in their budget process.

Council Member Hood thanked the budget team for the budget that was presented tonight, thanked Danville Public Schools for their budget, and the Almagro community for coming out tonight.

Mayor Jones noted they will continue to pray for Council Member Saunders and his wife. Mayor Jones spoke about the Almagro community and memories growing up in that community, and thanked Dr. Hairston for the tour of the school. Mayor Jones thanked everyone for being here tonight.

The meeting was adjourned at 8:17 pm.

APPROVED:

MAYOR

ATTEST:

CITY CLERK

Council Letter
City of Danville, Virginia



CL - 1146

NEW BUSINESS A.

City Council REGULAR MEETING

Meeting Date: April 16, 2024

Subject: Review of General Fund Financials as of March 31, 2024.

From: Michael Adkins, Chief Financial Officer

COUNCIL ACTION

Review of General Fund Financials as of March 31, 2024. Financial Statements are included.

Attachments

1. Financial Statements
-



CITY OF DANVILLE

Department of Finance

To: Ken F. Larking, City Manager

From: Michael L. Adkins, Chief Financial Officer

Date: April 8, 2024

Subject: Summary of Preliminary General Fund Financial Results for March 31, 2024

After completing the first three quarters of fiscal year 2024, revenues are performing well and are exceeding the previous year. As of March 31, General Fund revenues were \$101,027,907, representing 70% of our FY 2024 budget. This is an increase of \$18.2 million over March 31, 2023. Apart from small decreases in charges for services and categorical aid, all major revenue categories are ahead of the prior year. The increase over last year is primarily from growth in property and local taxes, along with the increase for the gaming tax revenue and interest earnings on invested funds.

General Property Tax collections continue to perform well with 55% of the budgeted property tax realized at the end of March. More specifically, real estate tax collections through the end of March amounted to \$10,311,838 or 54% of the budgeted real estate tax revenue. We continue to see steady performance in the collection of delinquent real estate taxes this year with \$777,483 realized in the first three quarters. This accounts for 86% of the current year budget. Personal property tax collections are tracking as expected with 51% realized as of March 31.

Regarding local taxes, sales tax collections through March amounted to \$9,715,710 or 82% of budget, an increase of \$1,123,284 from last year. Meals taxes collected for the first three quarters of the fiscal year amounted to \$9,027,674 or 79% of budget, an increase of \$840,297 from last year. Business Licenses realized through the end of March were \$7,164,986, an increase of \$1,221,776 from the prior year. Lodging taxes received as of March 31, were \$2,321,297 or 94% of budget, an increase of \$437,759 from the prior year. The direct payments from Caesar's Virginia received through March 31, were \$3,756,086 or 75% of budget. Apart from small decreases in utility taxes, vehicle license fees, and DMV fees, all other local tax revenue categories are tracking well with budget and are exceeding the prior year at this point.

Expenditures through March 31 were \$104,329,113 or 66% of budget. This is an overall increase of nearly \$1.9 million when compared to March 31, 2023. This increase is primarily attributed to an increase in Public Safety expenditures of \$1.5 million due to the debt service expense related to the new police headquarters along with an increase in salaries and benefits and an increase in Community Development expenditures, transfers to capital projects and transfers to other funds of nearly \$10 million related to budgeted increases for support of ongoing economic development projects. This increase in expenditures is offset by a decrease in transfers to schools of \$10.8 million.

General Fund expenditures exceeded revenues by \$3.3 million, an improvement of \$16.3 million when compared to the deficit of \$19 million in the prior fiscal year. Typically, the General Fund is in a deficit for most of the fiscal year due to the timing of revenue recognition not being matched to expenditures. The next influx of revenue will occur in May and June when real estate and personal property tax bills are levied. At this point, the General Fund is performing above expectations with several revenues exceeding budget and departmental expenditures trailing budget. We will continue to monitor the financial performance in the General Fund and alert you of any significant developments.

CITY OF DANVILLE, VIRGINIA

GENERAL FUND REPORT

75% OF YEAR LAPSED AS OF MARCH 31, 2024

PRE-CLOSING FIGURES - SUBJECT TO CHANGE - UNAUDITED

	Budgets & Appropriations For Current Year	Actual Revenues & Expenditures For Year-to-Date	Percent Realized/Expended This Year	Encumbrances	Balance to be Realized/Expended	Actual Revenues & Expenditures At This Date Last Year
REVENUES:						
Property Taxes	\$ 38,347,010	\$ 20,989,532	54.74%		\$ 17,357,478	\$ 19,981,866
Other Local Taxes	41,230,430	33,598,719	81.49%		7,631,711	26,298,137
License Permits & Privilege Fees	424,040	555,386	130.97%		(131,346)	391,893
Fines & Forfeitures	277,760	146,226	52.64%		131,534	138,756
Revenue From Use Money & Property	3,969,170	4,270,238	107.59%		(301,068)	1,167,755
Charges For Services	3,140,340	1,843,296	58.70%		1,297,044	2,220,527
Miscellaneous Revenue	25,100	193,288	770.07%		(168,188)	188,518
Recovered Cost	8,900,992	6,708,315	75.37%		2,192,677	6,227,692
Non-Categorical Aid	15,382,620	10,052,077	65.35%		5,330,543	4,244,008
Shared Expenses (Categ. Aid State)	6,021,050	4,093,340	67.98%		1,927,710	4,172,988
Categorical Aid (State)	10,223,090	6,880,629	67.30%		3,342,461	5,949,386
Emergency Services (Federal)	27,020	-	0.00%		27,020	-
Categorical Aid (Federal)	-	5,860	0.00%		(5,860)	9,435
Transfers From Utilities	15,588,000	11,691,000	75.00%		3,897,000	11,831,750
TOTAL REVENUES	\$ 143,556,622	\$ 101,027,907	70.37%		\$ 42,528,715	\$ 82,822,712
EXPENDITURES:						
General Government Administration	\$ 14,613,948	\$ 10,565,566	72.30%	\$ 352,411	\$ 3,695,972	\$ 10,296,553
Judicial Administration	9,211,265	6,137,646	66.63%	-	3,073,619	6,353,330
Public Safety	38,820,603	28,042,390	72.24%	390,380	10,387,833	26,500,752
Public Works	5,267,922	3,473,834	65.94%	86,258	1,707,830	3,625,811
Health, Education, Welfare & Soc. Svc.	10,006,616	5,556,395	55.53%	71,379	4,378,841	5,655,097
Parks, Recreation & Cultural	6,330,734	4,190,421	66.19%	46,662	2,093,651	3,653,690
Community Development	4,842,522	3,509,505	72.47%	79,586	1,253,431	1,547,770
Non-Departmental	19,223,535	13,527,782	70.37%	362	5,695,392	12,702,322
Transfer to Schools - Operating	36,633,907	16,637,454	45.42%	-	19,996,454	27,467,353
Transfer to Capital Projects	9,158,854	9,125,003	99.63%	-	33,851	3,145,000
Transfer to Other Funds	3,892,050	3,563,118	91.55%	-	328,932	1,516,597
TOTAL EXPENDITURES	\$ 158,001,957	\$ 104,329,113	66.03%	\$ 1,027,039	\$ 52,645,805	\$ 102,464,276
Revenue over(under) Expenditures		\$ (3,301,207)				\$ (19,641,564)
FUND BALANCE:						
Beginning Fund Balance 07/01/2023		\$ 55,069,404				\$ 46,401,528
Revenue over(under) Expenditures		(3,301,207)				(19,641,564)
Ending Fund Balance 03/31/2024		\$ 51,768,197				\$ 26,759,964
Composition of Fund Balance:						
Reserved for Encumbrances/Designated Funds		\$ 15,699,888				\$ 8,470,657
Unassigned		36,068,309				18,289,307
TOTAL FUND BALANCE 03/31/2024		\$ 51,768,197				\$ 26,759,964

**CITY OF DANVILLE, VIRGINIA
GENERAL FUND
COMPOSITION OF FUND BALANCE
PRELIMINARY - AS OF MARCH 31, 2024**

Beginning Total Fund Balance, July 1, 2023	55,069,403.89
Add: General Fund Revenues	101,027,906.54
Deduct: General Fund Expenditures	<u>(104,329,113.25)</u>
Ending Total Fund Balance, March 31, 2024	<u><u>51,768,197.18</u></u>

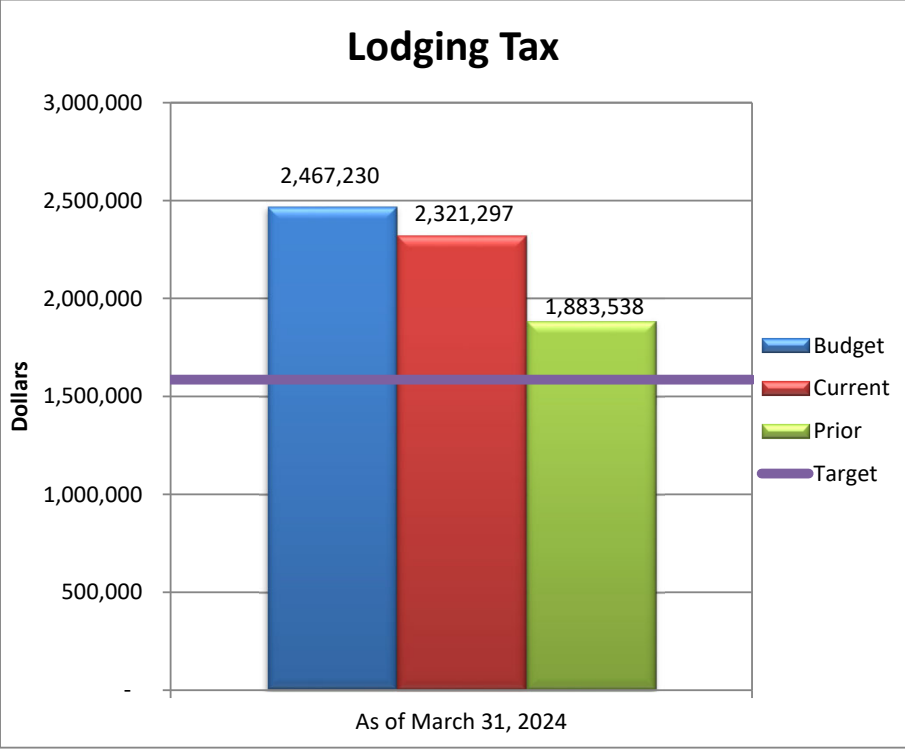
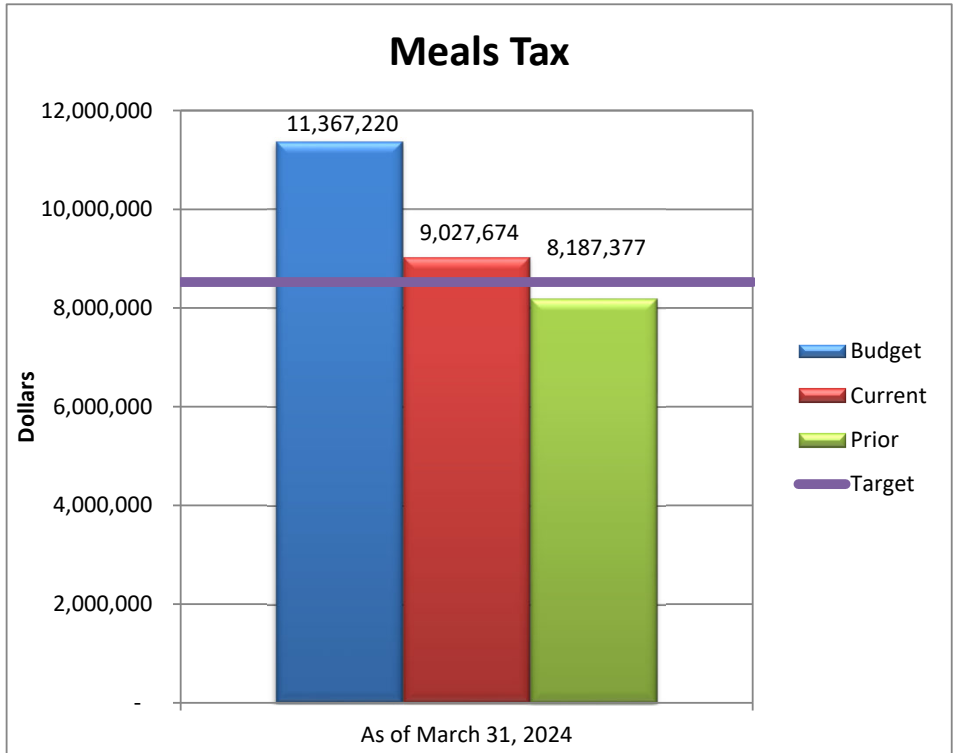
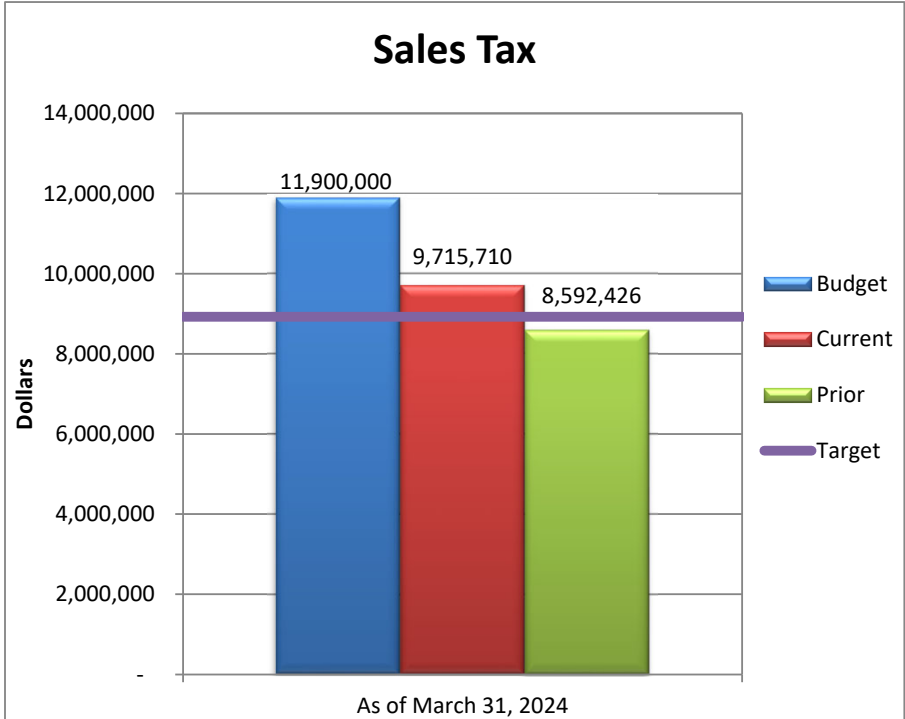
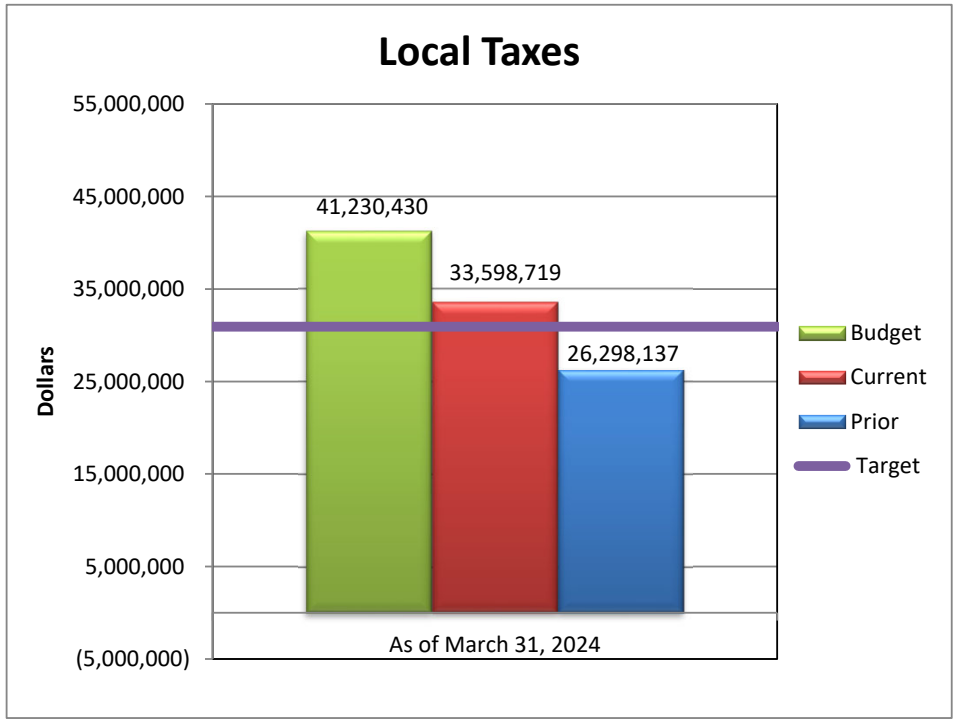
Composition of Fund Balance:

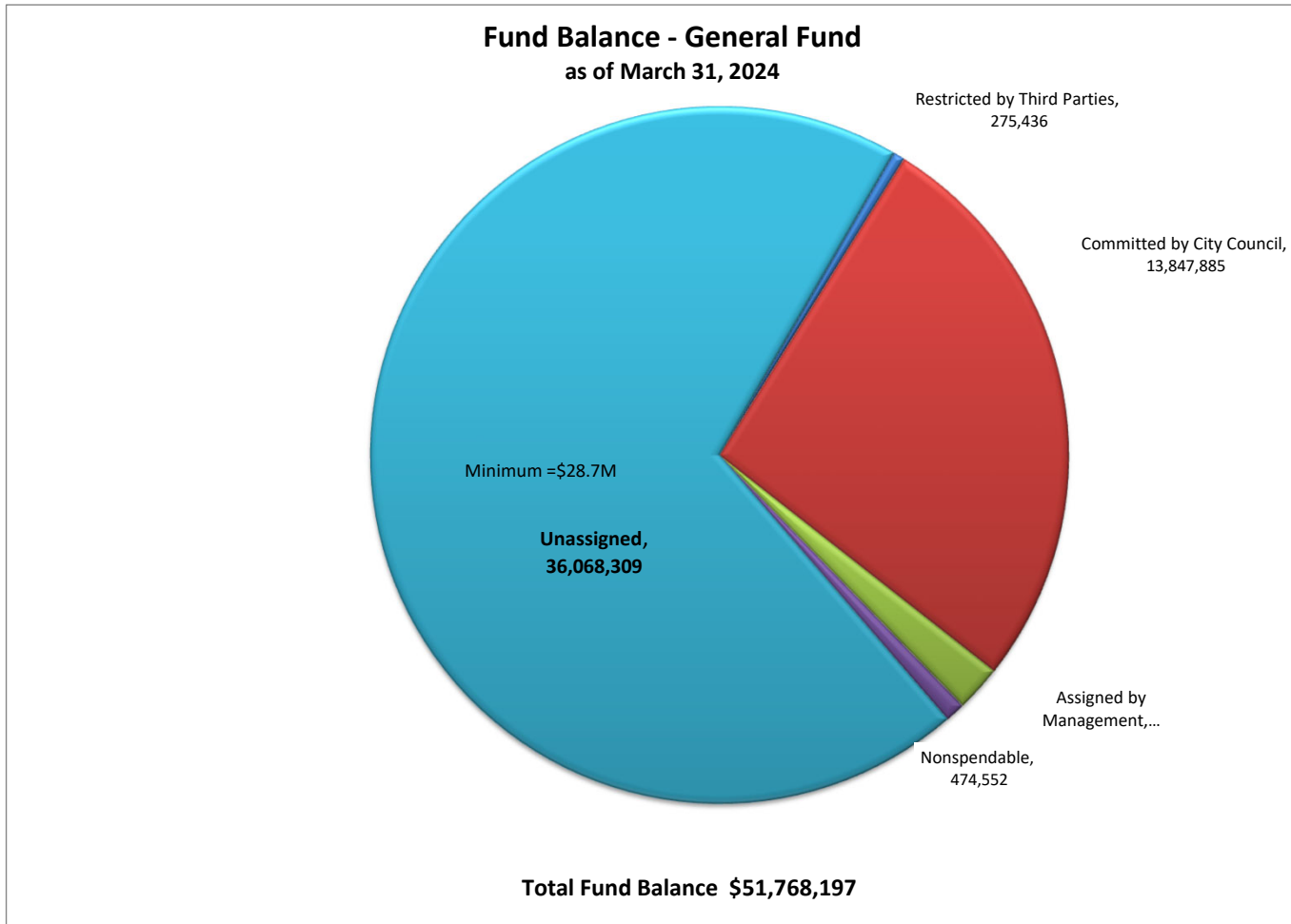
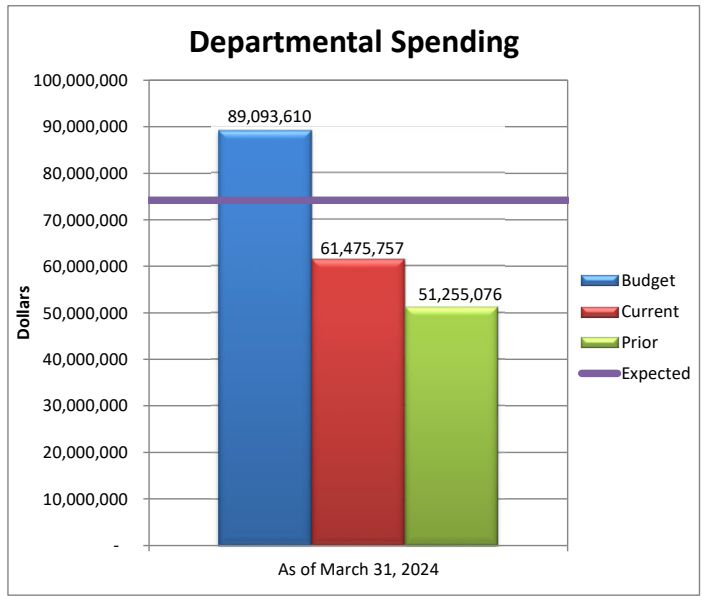
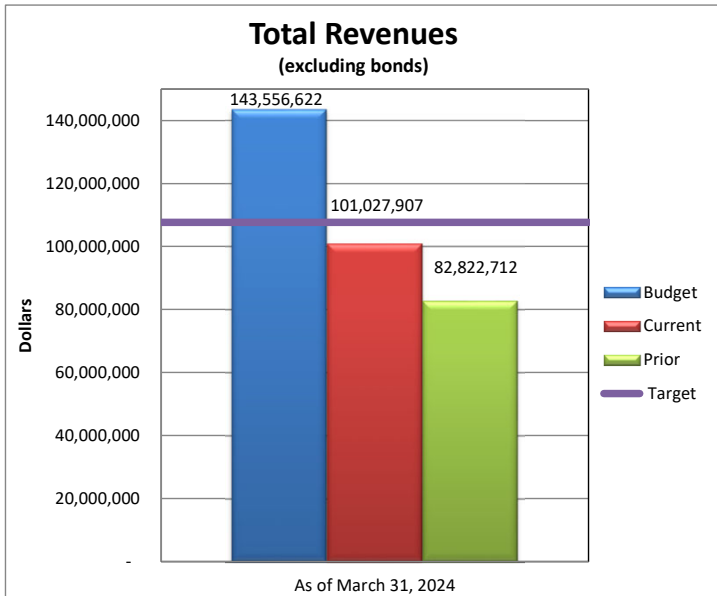
Restricted for Commonwealth Attorney	102,335.92
Restricted for Police Department	40,297.41
Restricted for Fire Department	132,802.75
Committed for Sheriff's Department	9,908.73
Committed to Schools	10,837,976.25
Committed to Budget Stabilization	3,000,000.00
Assigned to Sheriff's Department	13,114.68
Assigned to Community Development	61,860.99
Assigned for Encumbrances	1,027,038.75
Assigned Casino Revenue	-
Nonspendable (Inventory and Prepaids)	474,552.34
UNASSIGNED	<u>36,068,309.36</u>
Total Fund Balance, March 31, 2024	<u><u>51,768,197.18</u></u>

Unassigned fund balance from above	36,068,309.36
Unassigned Minimum per policy (20% of General Fund Operating Revenues) based on FY 2024 budget	<u>28,711,324.38</u>
Current surplus (deficit) over (under) minimum	7,356,984.98

City of Danville, Virginia
Summary of Other Local Tax Revenues - PRE-CLOSING - UNAUDITED
For the period ending March 31, 2024

Description	Current Budget	Revenue Realized	Percentage Realized	Prior Year Budget	Prior Year Realized	Percentage Prior Year
Sales Tax	\$ 11,900,000	\$ 9,715,710	81.64%	\$ 11,302,050	\$ 8,592,426	76.03%
Business Licenses	6,800,000	7,164,986	105.37%	5,430,000	5,943,210	109.45%
Meals Tax	11,367,220	9,027,674	79.42%	10,800,000	8,187,377	75.81%
Utility Taxes	930,000	633,923	68.16%	930,000	698,621	75.12%
Vehicle License Fees	1,000,000	329,812	32.98%	1,000,000	354,732	35.47%
Bank Stock Tax	1,000,000	4,654	0.47%	1,000,000	4,616	0.46%
Recordation Tax	270,000	278,955	103.32%	270,000	270,819	100.30%
Hotel Motel Tax	2,467,230	2,321,297	94.09%	2,885,080	1,883,538	65.29%
Daily Property Rental Tax	15,980	16,806	105.17%	12,370	15,521	125.48%
Motor Vehicle Tax	200,000	187,531	93.77%	200,000	176,026	88.01%
DMV Fees	280,000	161,285	57.60%	250,000	171,251	68.50%
Ceasars Min Fee	5,000,000	3,756,086	75.12%	-	-	0.00%
TOTAL	\$ 41,230,430	\$ 33,598,719	81.49%	\$ 34,079,500	\$ 26,298,137	77.17%





Council Letter

City of Danville, Virginia



CL - 1234

NEW BUSINESS B.

City Council REGULAR MEETING

Meeting Date: April 16, 2024

Subject: Issuance of General Obligation Bonds for Capital Projects.

From: Michael Adkins, Chief Financial Officer

COUNCIL ACTION

Resolution Providing for the Issuance, Sale and Award by the City of Danville, Virginia, of One or More Series of General Obligation Public Improvement Bonds, Heretofore Authorized, and Providing for the Form, Details and Payment of Such Bonds.

SUMMARY

In accordance with the adopted Fiscal Year 2024 budget, bonds are to be issued to finance various capital projects. City Council conducted a public hearing and first reading for the ordinance to issue bonds on March 5, 2024. The ordinance was adopted by City Council on March 19, 2024. The passing of the attached Resolution is the last step in completing the general obligation bond issuance for Fiscal Year 2024.

BACKGROUND

On June 20, 2023, City Council's adopted budget for Fiscal Year 2024 included various capital projects to be funded by the issuance of general obligation bonds. These projects include Parks and Recreation facilities and equipment, Public Safety equipment, Airport improvements, IT infrastructure, public street improvements, and improvements to public buildings.

RECOMMENDATION

It is recommended that City Council pass the attached Resolution to complete the Fiscal Year 2024 bond issuance which will secure funding for the capital projects as adopted in the Fiscal Year 2024 budget.

Attachments

1. Resolution
 2. Preliminary Official Statement - Draft
-

PRESENTED: _____

ADOPTED: _____

RESOLUTION NO. 2024 - _____._____

RESOLUTION PROVIDING FOR THE ISSUANCE, SALE AND AWARD BY THE CITY OF DANVILLE, VIRGINIA, OF ONE OR MORE SERIES OF GENERAL OBLIGATION PUBLIC IMPROVEMENT BONDS, HERETOFORE AUTHORIZED, AND PROVIDING FOR THE FORM, DETAILS AND PAYMENT OF SUCH BONDS.

WHEREAS, the Council (the "Council") of the City of Danville, Virginia (the "City"), adopted an ordinance on September 6, 2022 (the "2022 Ordinance"), authorizing under Section 9-7A of the City Charter the issuance of general obligation bonds in a maximum principal amount of \$6,000,000 to finance any capital expenditures *other than* for capital expenditures relating to the City's water, sewer, gas and/or electric systems, as more fully described in the 2022 Ordinance, of which \$5,265,000 remains unissued; and

WHEREAS, the Council adopted an ordinance on March 19, 2024 (the "2024 Ordinance"), authorizing under Section 9-7A of the City Charter the issuance of general obligation bonds in a maximum principal amount of \$6,000,000 to finance any capital expenditures *other than* for capital expenditures relating to the City's water, sewer, gas and/or electric systems, as more fully described in the 2024 Ordinance, of which the full principal amount remains unissued; and

WHEREAS, using the remaining \$5,265,000 principal authorization of the 2022 Ordinance and up to \$6,000,000 principal authorization of the 2024 Ordinance (for a total principal authorization of up to \$11,265,000), the Council desires to finance capital expenditures for general governmental projects, including, without limitation, (a) parks and recreational facility improvements, (b) fire and police equipment, (c) information technology software and equipment, (d) public building improvements (including, without limitation, roof, elevator and HVAC improvements), (e) street improvements, (f) municipal airport improvements, and (g) any other capital expenditures (other than for capital expenditures

relating to the City's water, sewer, gas and/or electric systems) (collectively, the "Projects");
and

WHEREAS, the Council desires to issue one or more series of general obligation public improvement bonds in an aggregate principal amount not to exceed \$11,265,000 (the "Bonds") to finance the Projects and to pay the costs of issuing the Bonds;
and

WHEREAS, the City's administration, in collaboration with Davenport & Company LLC, acting as the City's financial advisor (the "Financial Advisor"), has recommended that the City pursue the sale of the Bonds through one or more of the following methods: (a) a direct bank loan with a banking or other financial institution (a "Direct Bank Loan"), (b) a public offering through a competitive sale (a "Competitive Sale") or (c) a public offering through a negotiated underwriting (a "Negotiated Sale") (in any of such funding options, the purchaser(s) of the Bonds shall be referred to herein as the "Purchaser").

NOW THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF
DANVILLE, VIRGINIA:

1. Issuance and Sale of Bonds. (a) Pursuant to the Constitution and statutes of the Commonwealth of Virginia, including the City Charter and the Public Finance Act of 1991, and in accordance with the authorizations of the 2022 Ordinance and the 2024 Ordinance, the Council provides for the issuance and sale of the Bonds in an aggregate principal amount not to exceed \$11,265,000 to finance the Projects and to pay the related costs of issuing the Bonds.

(b) The Council determines that the average probable period of usefulness of the Projects is not more than 30 years.

2. Bond Details. (a) Subject to the provisions and limitations of this Resolution, the Council authorizes the City Manager (which term shall include the Deputy City Manager for purposes of this Resolution) to undertake the issuance and sale of the Bonds and to determine the final pricing terms of the Bonds as he shall deem to be in the best interests of the City, provided that the Bonds shall be designated "General Obligation Public Improvement Bonds, Series 2024," or such other designation as may be determined by the City Manager.

(b) The Bonds shall be in registered form, shall be dated such date as may be determined by the City Manager, shall be in denominations of \$5,000 and integral multiples thereof and shall be numbered R-1 upward, or such other designation as appropriate. The issuance and sale of the Bonds are authorized on pricing terms as shall be satisfactory to the

City Manager; provided, however, that the Bonds (i) shall be issued in an aggregate principal amount not exceeding the limit set forth in Section 1(a), (ii) shall have a “true” or “Canadian” interest cost not to exceed 6.00% (taking into account any original issue discount or premium), (iii) shall be sold to the Purchaser at a price not less than 100% of the principal amount thereof (excluding any original issue discount), and (iv) shall mature, or be subject to mandatory sinking fund redemption in annual installments, in years ending no later than December 31, 2044.

(c) Principal of the Bonds shall mature, or be subject to mandatory sinking fund installments, annually on dates determined by the City Manager. Each Bond shall bear interest from its dated date at such fixed rate as shall be determined at the time of sale, calculated on the basis of a 360-day year of twelve 30-day months, and payable semiannually on dates determined by the City Manager. Principal and premium, if any, shall be payable to the registered owners upon surrender of Bonds as they become due at the office of the Registrar (as hereinafter defined). Interest shall be payable by check or draft mailed to the registered owners at their addresses as they appear on the registration books kept by the Registrar on a date prior to each interest payment date that shall be determined by the City Manager (the “Record Date”); provided, however, that at the request of the registered owner of the Bonds, payment may be made by wire transfer pursuant to the most recent wire instructions received by the Registrar from such registered owner. If any payment date is not a business day, such payment shall be made on the next succeeding business day with the same effect as if made on the stated payment date, and no additional interest shall accrue. Principal, premium, if any, and interest shall be payable in lawful money of the United States of America.

3. Methods of Sale; Award of Bonds. (a) The Bonds shall be sold through a Direct Bank Loan, a Competitive Sale or a Negotiated Sale, or a combination thereof, as the City Manager shall determine to be in the best interests of the City.

(b) If the City Manager determines that the Bonds (or a portion thereof) shall be sold through a Direct Bank Loan, the City Manager is authorized, on behalf of the City and in collaboration with the Financial Advisor, to solicit bids from banking and other financial institutions, to determine which bid (or bids) offers the best terms to the City, and, subject to the limitations set forth in Section 2, to arrange for the issuance and sale of all or a portion of the Bonds to the Purchaser. Following a Direct Bank Loan, the City Manager shall file a certificate with the Council setting forth the final terms of such Bonds. The actions of the City Manager in selling such Bonds by Direct Bank Loan shall be conclusive, and no further action with respect to the sale and issuance of such Bonds shall be necessary on the part of the Council.

(c) If the City Manager determines that the Bonds (or a portion thereof) shall be sold through a Competitive Sale, the City Manager is authorized, on behalf of the City and in collaboration with the Financial Advisor, to take all proper steps to advertise such Bonds for sale, to receive public bids and to award such Bonds to the bidder providing the lowest “true” or “Canadian” interest cost, subject to the limitations set forth in Section 2. Following a Competitive Sale, the City Manager shall file a certificate with the Council setting forth the final terms of such Bonds. The actions of the City Manager in selling all or a portion of the Bonds by Competitive Sale shall be conclusive, and no further action with respect to the sale and issuance of such Bonds shall be necessary on the part of the Council.

(d) If the City Manager determines that the Bonds (or a portion thereof) shall be sold through a Negotiated Sale, the City Manager is authorized, on behalf of the City and in collaboration with the Financial Advisor, to choose one or more investment banking firm(s) to serve as underwriter(s) for such Bonds and to execute and deliver to such underwriter(s), as Purchaser(s) of such Bonds, a bond purchase agreement reflecting the final terms of such Bonds. The bond purchase agreement shall be in a form approved by the City Manager, in collaboration with the City Attorney, the Financial Advisor and the City's bond counsel. The actions of the City Manager in selling all or a portion of the Bonds by Negotiated Sale shall be conclusive, and no further action with respect to the sale and issuance of such Bonds shall be necessary on the part of the Council.

(e) Following the determination of which method(s) of sale shall be used, the City Manager is authorized to determine (i) the principal amounts of the Bonds, subject to the limitations set forth in Section 1(a), (ii) the interest rates of the Bonds, the maturity schedules of the Bonds, and the prices to be paid for the Bonds by the respective Purchasers thereof, subject to the limitations set forth in Section 2, (iii) the redemption provisions of the Bonds, subject to the limitations set forth in Section 5, and (iv) the dated date, the principal and interest payment dates and the Record Dates of the Bonds, all as the City Manager determines to be in the best interests of the City.

4. Securities Depository Provisions. If a series of Bonds is sold through a Competitive Sale or a Negotiated Sale, the following provisions shall apply to such series of Bonds:

(a) Initially, one Bond certificate for each maturity of the Bonds shall be issued to and registered in the name of The Depository Trust Company, New York, New York ("DTC"), or its nominee. The City has heretofore entered into a Blanket Letter of Representations relating to a book-entry system to be maintained by DTC with respect to the Bonds. The defined term "Securities Depository" shall mean DTC or any other securities depository for the Bonds appointed pursuant to this Section.

(b) In the event that (i) the Securities Depository determines not to continue to act as the securities depository for the Bonds by giving notice to the Registrar, and the City discharges the Securities Depository of its responsibilities with respect to the Bonds, or (ii) the City in its sole discretion determines (A) that beneficial owners of the Bonds shall be able to obtain certificated Bonds or (B) to select a new Securities Depository, then its Director of Finance shall, at the direction of the Council, attempt to locate another qualified securities depository to serve as Securities Depository and authenticate and deliver certificated Bonds to the new Securities Depository or its nominee, or authenticate and deliver certificated Bonds to the beneficial owners or to the Securities Depository participants on behalf of beneficial owners substantially in the form provided for in Section 7; provided, however, that such form shall provide for interest on the Bonds to be payable from the date of the Bonds if they are authenticated prior to the first interest payment date, or otherwise from the interest payment date that is or immediately precedes the date on which the Bonds are authenticated (unless payment of interest thereon is in default, in which case interest on the Bonds shall be payable from the date to which interest has been paid). In delivering certificated Bonds, the Director of Finance shall be entitled to rely on the records of the Securities Depository as to the beneficial owners or the records of the Securities Depository participants acting on behalf of beneficial owners. Such certificated Bonds will then be registrable, transferable and exchangeable as set forth in Section 9.

(c) So long as there is a Securities Depository for the Bonds (i) it or its nominee shall be the registered owner of the Bonds; (ii) notwithstanding anything to the contrary in this Resolution, determinations of persons entitled to payment of principal, premium, if any, and interest, transfers of ownership and exchanges and receipt of notices shall be the responsibility of the Securities Depository and shall be effected pursuant to rules and procedures established by such Securities Depository; (iii) the Registrar and the City shall not be responsible or liable for maintaining, supervising or reviewing the records maintained by the Securities Depository, its participants or persons acting through such participants; (iv) references in this Resolution to registered owners of the Bonds shall mean such Securities Depository or its nominee and shall not mean the beneficial owners of the Bonds; and (v) in the event of any inconsistency between the provisions of this Resolution and the provisions of the above-referenced Blanket Letter of Representations, such provisions of the Blanket Letter of Representations, except to the extent set forth in this subsection and subsection 4(b), shall control.

5. Redemption Provisions. (a) Subject to the limitations contained herein, the City Manager is authorized to determine the redemption provisions of the Bonds, including provisions for optional, extraordinary and mandatory sinking fund redemption.

(b) The Bonds of any series may be subject to redemption prior to maturity at the option of the City on or after the dates, if any, determined by the City Manager, in whole or in part at any time, at a redemption price equal to the principal amount of the Bonds to be redeemed, together with any interest accrued to the date fixed for redemption, plus a redemption premium not to exceed 3.0% of the principal amount of the Bonds, such redemption premium to be determined by the City Manager.

(c) Any Bonds sold as term bonds may be subject to mandatory sinking fund redemption upon terms determined by the City Manager.

(d) If less than all of the Bonds of a series are called for redemption, the maturities of the Bonds to be redeemed shall be selected by the Director of Finance in such manner as such officer may determine to be in the best interests of the City. In the case of a Competitive Sale or Negotiated Sale, if less than all of a maturity of a series of Bonds is called for redemption, the Bonds within such maturity to be redeemed shall be selected by the Securities Depository pursuant to its rules and procedures or, if the book-entry system is discontinued, shall be selected by the Registrar by lot in such manner as the Registrar in its discretion may determine. In either case, (i) the portion of any Bond to be redeemed shall be in the principal amount of \$5,000 or some integral multiple thereof and (ii) in selecting Bonds for redemption, each Bond shall be considered as representing that number of Bonds of such series that is obtained by dividing the principal amount of such Bond by \$5,000. The City shall cause notice of the call for redemption identifying the Bonds or portions thereof to be redeemed to be sent by facsimile or electronic transmission, registered or certified mail or overnight express delivery, not less than 30 nor more than 60 days prior to the date fixed for redemption, to the registered owner(s) of such Bonds. The City shall not be responsible for giving notice of redemption to anyone other than DTC or another qualified securities depository then serving or its nominee unless no qualified securities depository is the registered owner of the Bonds. If no qualified securities depository is the registered owner of the Bonds, notice of redemption shall be mailed to the registered owners of the Bonds. If a portion of a Bond is called for redemption, a new Bond in principal amount equal to the unredeemed portion thereof will be issued to the registered owner upon the surrender thereof.

(e) In the case of an optional redemption, the notice may state that (i) it is conditioned upon the deposit of moneys, in an amount equal to the amount necessary to effect the redemption, no later than the date fixed for redemption or (ii) the City retains the right to rescind such notice on or prior to such fixed redemption date (in either case, a "Conditional Redemption"), and such notice and optional redemption shall be of no effect if such moneys are not so deposited or if the notice is rescinded as described herein. Any Conditional Redemption may be rescinded at any time. The City shall give prompt notice of such rescission to the affected Bondholders. Any Bonds subject to Conditional Redemption where redemption has been rescinded shall remain outstanding, and the rescission shall not constitute an event of default. Further, in the case of a Conditional Redemption, the failure of the City to make funds available on or before the date fixed for redemption shall not constitute an event of default, and the City shall give immediate notice to all organizations registered with the Securities and Exchange Commission (the "SEC") as securities depositories or the affected Bondholders that the redemption did not occur and that the Bonds called for redemption and not so paid remain outstanding.

6. Execution and Authentication. The Bonds shall be signed by the manual or facsimile signatures of the Mayor and the City Treasurer, the City's seal shall be affixed thereto and shall be attested by the manual or facsimile signature of the City Clerk (which term shall include any Deputy or Assistant City Clerk for purposes of this Resolution); provided, however, that no Bond signed by facsimile signatures shall be valid until it has been authenticated by the manual signature of the Registrar or, if a bank has been appointed registrar pursuant to Section 9, an authorized officer or employee of the Registrar and the date of authentication noted thereon.

7. Bond Form. The Bonds shall be in substantially the form of Exhibit A attached hereto, with such completions, omissions, insertions and changes not inconsistent with this Resolution as may be approved by the officers signing the Bonds, whose approval shall be evidenced conclusively by the execution and delivery of the Bonds.

8. Pledge of Full Faith and Credit. The full faith and credit of the City are irrevocably pledged for the payment of principal of and premium, if any, and interest on the Bonds. Unless other funds are lawfully available and appropriated for timely payment of the Bonds, the Council shall levy and collect an annual ad valorem tax, over and above all other taxes authorized or limited by law and without limitation as to rate or amount, on all locally taxable property in the City sufficient to pay when due the principal of and premium, if any, and interest on the Bonds.

9. Registration, Transfer and Owners of Bonds. The Bonds shall be issued in registered form without coupons, payable to the registered holders or registered assigns. The City Treasurer is hereby appointed paying agent and registrar for the Bonds (the "Registrar"). The City Manager is authorized, on behalf of the City, to appoint a qualified bank or trust company as successor paying agent and registrar of the Bonds if at any time the City Manager determines such appointment to be in the best interests of the City. The Registrar shall maintain registration books for the registration of the Bonds and transfers thereof. Upon presentation and surrender of any Bonds to the Registrar, or its corporate trust office if the Registrar is a bank or trust company, together with an assignment duly executed by the registered owner or the owner's duly authorized attorney or legal representative in such form as shall be satisfactory to the Registrar, the City shall execute, and the Registrar shall authenticate, if required by Section 6, and deliver in exchange, a new Bond or Bonds having an equal aggregate principal amount, in authorized denominations, of the same form and

maturity, bearing interest at the same rate, and registered in the name(s) as requested by the then registered owner or the owner's duly authorized attorney or legal representative. Any such exchange shall be at the expense of the City, except that the Registrar may charge the person requesting such exchange the amount of any tax or other governmental charge required to be paid with respect thereto.

The Registrar shall treat the registered owner as the person exclusively entitled to payment of principal of and premium, if any, and interest on the Bonds and the exercise of all other rights and powers of the owner, except that interest payments shall be made to the person shown as owner on the registration books on the Record Date.

10. Official Statement. The draft Preliminary Official Statement describing the Bonds, copies of which have been made available to the Council prior to this meeting, is hereby approved as the form of the Preliminary Official Statement by which the Bonds may be offered for sale to the public; provided that the City Manager, in collaboration with the Financial Advisor, may make such completions, omissions, insertions and changes in the Preliminary Official Statement not inconsistent with this Resolution as the City Manager may consider to be in the best interests of the City. After the Bonds have been sold, the City Manager, in collaboration with the Financial Advisor, shall make such completions, omissions, insertions and changes in the Preliminary Official Statement not inconsistent with this Resolution as are necessary or desirable to complete it as a final Official Statement. In addition, the City shall arrange for the delivery to the Purchaser of a reasonable number of printed copies of the final Official Statement, within seven business days after the Bonds have been sold, for delivery to each potential investor requesting a copy of the Official Statement and to each person to whom the Purchaser initially sells Bonds.

11. Official Statement Deemed Final. The City Manager is authorized, on behalf of the City, to deem the Preliminary Official Statement and the Official Statement in final form, each to be final as of its date within the meaning of Rule 15c2-12 (the "Rule") of the SEC, except for the omission in the Preliminary Official Statement of certain pricing and other information permitted to be omitted pursuant to the Rule. The distribution of the Preliminary Official Statement and the execution and delivery of the Official Statement in final form shall be conclusive evidence that each has been deemed final as of its date by the City, except for the omission in the Preliminary Official Statement of such pricing and other information permitted to be omitted pursuant to the Rule.

12. Preparation and Delivery of Bonds. After the Bonds have been awarded, the Mayor, the City Manager, the City Treasurer and the City Clerk are authorized and directed to take all proper steps to have the Bonds prepared and executed in accordance with their terms and to deliver the Bonds to the respective Purchasers upon payment therefor.

13. Arbitrage Covenants. The City covenants that it shall not take or omit to take any action the taking or omission of which will cause any of the Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended, and regulations issued pursuant thereto (the "Code"), or otherwise cause interest on any of the Bonds to be includable in the gross income for federal income tax purposes of the registered owners thereof under existing law. Without limiting the generality of the foregoing, the City shall comply with any provision of law that may require the City at any time to rebate to the United States any part of the earnings derived from the investment of the gross proceeds of the Bonds, unless the City receives an opinion of nationally recognized bond counsel that such compliance is not required to prevent interest on any of the Bonds from being includable in

the gross income for federal income tax purposes of the registered owners thereof under existing law. The City shall pay any such required rebate from its legally available funds.

14. Non-Arbitrage Certificate and Elections. Such officers of the City as may be requested by the City's bond counsel are authorized and directed to execute an appropriate certificate setting forth (a) the expected uses and investment of the proceeds of the Bonds in order to show that such expected uses and investment will not violate the provisions of Section 148 of the Code and (b) any elections such officers deem desirable regarding rebate of earnings to the United States for purposes of complying with Section 148 of the Code. Such certificate shall be prepared in consultation with the City's bond counsel, and such elections shall be made after consultation with bond counsel.

15. Limitation on Private Use. The City covenants that it shall not permit the proceeds of the Bonds or the facilities financed therewith to be used in any manner that would result in (a) 5% or more of such proceeds or facilities being used in a trade or business carried on by any person other than a governmental unit, as provided in Section 141(b) of the Code, (b) 5% or more of such proceeds or facilities being used with respect to any output facility (other than a facility for the furnishing of water), within the meaning of Section 141(b)(4) of the Code, or (c) 5% or more of such proceeds being used directly or indirectly to make or finance loans to any persons other than a governmental unit, as provided in Section 141(c) of the Code; provided, however, that if the City receives an opinion of nationally recognized bond counsel that any such covenants need not be complied with to prevent the interest on any of the Bonds from being includable in the gross income for federal income tax purposes of the registered owners thereof under existing law, the City need not comply with such covenants.

16. Deposit of Bond Proceeds. The City Treasurer is authorized and directed to provide for delivery of the proceeds of the Bonds to or at the direction of the City in such manner as necessary to (a) pay the costs of the Projects and (b) pay the costs of issuing the Bonds.

17. SNAP Investment Authorization. The Council has previously received and reviewed the Information Statement describing the State Non-Arbitrage Program of the Commonwealth of Virginia ("SNAP") and the Contract Creating the State Non-Arbitrage Program Pool (the "Contract"), and the Council hereby authorizes the Director of Finance in his discretion to use SNAP in connection with the investment of the proceeds of the Bonds. The Council acknowledges that the Treasury Board of the Commonwealth of Virginia is not, and shall not be, in any way liable to the City in connection with SNAP, except as otherwise provided in the Contract.

18. Continuing Disclosure Agreement. The Mayor, the City Manager and such officer or officers of the City as either may designate, any of whom may act, are hereby authorized and directed to execute a continuing disclosure agreement (the "Continuing Disclosure Agreement") setting forth the reports and notices to be filed by the City and containing such covenants as may be necessary to assist the Purchaser in complying with the provisions of the Rule promulgated by the SEC. The Continuing Disclosure Agreement shall be substantially in the form appearing as an appendix to the draft Preliminary Official Statement described above, which agreement is hereby approved for purposes of the Bonds; provided that the City Manager, in collaboration with the Financial Advisor, may make such changes in the Continuing Disclosure Agreement not inconsistent with this Resolution as the City Manager may consider to be in the best interests of the City. The execution thereof by

such officers shall constitute conclusive evidence of their approval of any such completions, omissions, insertions and changes.

19. Other Actions. All other actions of officers of the City in conformity with the purposes and intent of this Resolution and in furtherance of the issuance and sale of the Bonds are hereby ratified, approved and confirmed. The officers of the City are authorized and directed to execute and deliver all certificates and instruments and to take all such further action as may be considered necessary or desirable in connection with the issuance, sale and delivery of the Bonds.

20. Repeal of Conflicting Resolutions. All resolutions or parts of resolutions in conflict herewith are repealed.

21. Effective Date. This Resolution shall take effect immediately.

Approved:

Mayor

Attest:

City Clerk

Approved As To
Form and Legal Sufficiency

City Attorney

[FORM OF BOND]

Unless this certificate is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to the issuer or its agent for registration of transfer, exchange or payment, and any certificate is registered in the name of Cede & Co., or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

REGISTERED

REGISTERED

No. R-_____

\$_____

UNITED STATES OF AMERICA

COMMONWEALTH OF VIRGINIA

CITY OF DANVILLE

General Obligation Public Improvement Bond,

Series 2024

INTEREST RATE

MATURITY DATE

DATED DATE

CUSIP

_____%

_____, ____

_____, 2024

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT:

DOLLARS

The City of Danville, Virginia (the "City"), for value received, promises to pay, upon surrender hereof to the registered owner hereof, or registered assigns or legal representative, the principal sum stated above on the maturity date stated above, subject to prior redemption as hereinafter provided, and to pay interest hereon from its date semiannually on each _____ and _____, beginning _____, at the annual rate stated above, calculated on the basis of a 360-day year of twelve 30-day months. Principal, premium, if any, and interest are payable in lawful money of the United States of America by the City Treasurer, who has been appointed paying agent and registrar for the bonds, or by such bank or trust company as may be appointed by the City Manager as successor paying agent and registrar (the "Registrar"). If any payment date is not a business day, such payment shall be made on the next succeeding business day with the same effect as if made on the stated payment date, and no additional interest shall accrue.

Notwithstanding any other provision hereof, this bond is subject to a book-entry system maintained by The Depository Trust Company ("DTC"), and the payment of principal, premium, if

any, and interest, the providing of notices and other matters shall be made as described in the City's Blanket Letter of Representations to DTC.

This bond is one of an issue of \$_____ General Obligation Public Improvement Bonds, Series 2024, of like date and tenor, except as to number, denomination, rate of interest, privilege of redemption and maturity, and is issued pursuant to the Constitution and statutes of the Commonwealth of Virginia, including the City Charter and the Public Finance Act of 1991. The bonds have been authorized and issued pursuant to ordinances adopted by the Council of the City (the "Council") on September 6, 2022, and March 19, 2024, and a resolution adopted by the Council on April ____, 2024, to (a) finance certain public improvement projects and (b) pay costs incurred in connection with issuing such bonds.

The full faith and credit of the City are irrevocably pledged for the payment of principal of and premium, if any, and interest on this bond. Unless other funds are lawfully available and appropriated for timely payment of this bond, the Council shall levy and collect an annual ad valorem tax, over and above all other taxes authorized or limited by law and without limitation as to rate or amount, on all taxable property within the City sufficient to pay when due the principal of and premium, if any, and interest on this bond.

Bonds maturing on or before ____, 20__, are not subject to redemption prior to maturity. Bonds maturing on or after ____, 20__, are subject to redemption prior to maturity at the option of the City on or after ____, 20__, in whole or in part (in any multiple of \$5,000) at any time, upon payment of the following redemption prices (expressed as a percentage of principal amount of bonds to be redeemed) plus interest accrued and unpaid to the date fixed for redemption:

Period During Which Redeemed (Both Dates Inclusive)	Redemption Price
--	-----------------------------

[Bonds maturing on ____, 20__, are required to be redeemed in part before maturity by the City on _____ in the years and amounts set forth below, at a redemption price equal to the principal amount of the bonds to be redeemed, plus accrued interest to the date fixed for redemption:

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
--------------------	----------------------	--------------------	----------------------

If less than all of the bonds are called for redemption, the bonds to be redeemed shall be selected by the Director of Finance of the City in such manner as such officer may determine to be in the best interests of the City. If less than all of the bonds of any maturity are called for redemption, the bonds within such maturity to be redeemed shall be selected by DTC or any successor securities depository pursuant to its rules and procedures or, if the book-entry system is discontinued, shall be selected by the Registrar by lot in such manner as the Registrar in its discretion may determine. In either case, (a) the portion of any bond to be redeemed shall be in

the principal amount of \$5,000 or some integral multiple thereof and (b) in selecting bonds for redemption, each bond shall be considered as representing that number of bonds that is obtained by dividing the principal amount of such bond by \$5,000. The City shall cause notice of the call for redemption identifying the bonds or portions thereof to be redeemed to be sent by facsimile or electronic transmission, registered or certified mail or overnight express delivery, not less than 30 nor more than 60 days prior to the date fixed for redemption, to the registered owner hereof. If a portion of this bond is called for redemption, a new bond in the principal amount of the unredeemed portion hereof will be issued to the registered owner upon surrender hereof.

In the case of an optional redemption, the notice may state that (a) it is conditioned upon the deposit of moneys, in an amount equal to the amount necessary to effect the redemption, no later than the date fixed for redemption or (b) the City retains the right to rescind such notice on or prior to the date fixed for redemption (in either case, a "Conditional Redemption"), and such notice and optional redemption shall be of no effect if such moneys are not so deposited or if the notice is rescinded as described herein. Any Conditional Redemption may be rescinded at any time. The City shall give prompt notice of such rescission to the holders of the affected bonds. Any bonds subject to Conditional Redemption where redemption has been rescinded shall remain outstanding, and the rescission shall not constitute an event of default. Further, in the case of a Conditional Redemption, the failure of the City to make funds available on or before the date fixed for redemption shall not constitute an event of default, and the City shall give immediate notice to all organizations registered with the Securities and Exchange Commission as securities depositories or the holders of the affected bonds that the redemption did not occur and that the bonds called for redemption and not so paid remain outstanding.

The Registrar shall treat the registered owner of this bond as the person exclusively entitled to payment of principal of and premium, if any, and interest on this bond and the exercise of all others rights and powers of the owner, except that interest payments shall be made to the person shown as the owner on the registration books on the ____ day of the month [preceding] [in which] each interest payment [is due].

All acts, conditions and things required by the Constitution and statutes of the Commonwealth of Virginia to happen, exist or be performed precedent to and in connection with the issuance of this bond have happened, exist and have been performed, and the issue of bonds of which this bond is one, together with all other indebtedness of the City, is within every debt and other limit prescribed by the Constitution and statutes of the Commonwealth of Virginia.

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF, the City of Danville, Virginia, has caused this bond to be to be signed by its Mayor and its City Treasurer, its seal to be affixed hereto and attested by its City Clerk, and this bond to be dated the date first above written.

(SEAL)

Mayor, City of Danville, Virginia

City Treasurer, City of Danville, Virginia

(ATTEST)

City Clerk,
City of Danville, Virginia

ASSIGNMENT

FOR VALUE RECEIVED the undersigned sell(s), assign(s) and transfer(s) unto

____(Please print or type name and address, including postal zip code, of Transferee)

PLEASE INSERT SOCIAL SECURITY OR OTHER
IDENTIFYING NUMBER OF TRANSFeree:

--

the within bond and all rights thereunder, hereby irrevocably constituting and appointing

_____,
Attorney, to transfer said bond on the books kept for the registration thereof, with full power of
substitution in the premises.

Dated: _____

Signature Guaranteed

NOTICE: Signature(s) must be guaranteed
by an Eligible Guarantor Institution such
as a Commercial Bank, Trust Company,
Securities Broker/Dealer, Credit Union
or Savings Association who is a member
of a medallion program approved by The
Securities Transfer Association, Inc.

(Signature of Registered Owner)

NOTICE: The signature above must
correspond with the name of the
registered owner as it appears on the
front of this bond in every particular,
without alteration or enlargement or any
change whatsoever.

NEW ISSUE – BOOK ENTRY ONLY

RATINGS: Moody's: " / "
 S&P: " "
 Fitch: " "
 (See "RATINGS")

In the opinion of Bond Counsel, under current law and subject to conditions described in the section "THE BONDS - Tax Exemption", interest on the Bonds (as defined herein) (1) is not included in gross income for federal income tax purposes, (2) is not an item of tax preference for purposes of the federal alternative minimum tax, (3) is taken into account in determining adjusted financial statement income for applicable corporations (as defined in Section 59(k) of the Internal Revenue Code of 1986, as amended) for the alternative minimum tax imposed on such corporations, and (4) is exempt from income taxation by the Commonwealth of Virginia. A holder may be subject to other federal tax consequences as described in "THE BONDS - Tax Exemption."

CITY OF DANVILLE, VIRGINIA

\$ _____ *
 General Obligation Public Improvement Bonds,
 Series 2024

Dated: Date of Delivery

Due: [September 1], as shown on the inside cover

This Official Statement has been prepared by the City of Danville, Virginia (the "City"), to provide information on the City's \$ _____ * General Obligation Public Improvement Bonds, Series 2024 (the "Bonds"), the security therefor, the City and other relevant information. Selected information is presented on this cover page for the convenience of the reader. To make an informed decision regarding the Bonds, a prospective investor should read this Official Statement in its entirety.

Security	The Bonds will be general obligations of the City to the payment of which its full faith and credit will be irrevocably pledged. Unless other funds are lawfully available and appropriated for timely payment of the Bonds, the City Council is authorized and required to levy and collect annually an <i>ad valorem</i> tax upon all taxable property within the City, over and above all other taxes, authorized or limited by law and without limitation as to rate or amount, sufficient to pay when due the principal of and interest on the Bonds. See "Security for and Sources of Payment of the Bonds" in Section Two.
Optional Redemption	The Bonds are subject to optional redemption as set forth herein. See "Optional Redemption" in Section Two.
Purpose	The proceeds of the Bonds will be used to finance the costs of various projects identified in the City's capital improvement program and to pay the related costs of issuance.
Interest Rates/Yields	See inside cover.
Interest Payment Dates	[March 1 and September 1], commencing [March 1, 20__].
Denominations	\$5,000 or integral multiples thereof.
Record Dates	[February 15 and August 15].
Closing/Delivery Dates	On or about [June __, 2024].
Registration	Full book-entry only; The Depository Trust Company, New York, New York.
Registrar/Paying Agent	City Treasurer.
Bond Counsel	Hunton Andrews Kurth LLP, Richmond, Virginia
Financial Advisor	Davenport & Company, LLC, Richmond, Virginia.
City Attorney	W. Clarke Whitfield, Jr., Esquire.
Conditions Affecting Issuance	The Bonds are offered for delivery when, as and if issued, subject to the approving opinion of Hunton Andrews Kurth LLP, Bond Counsel, and to certain other conditions referred to herein.
Official Statement Dated _____, 2024	

* Preliminary, subject to change.

CITY OF DANVILLE, VIRGINIA

MATURITIES, AMOUNTS, INTEREST RATES, YIELDS, PRICES AND CUSIP NUMBERS

\$ _____*
GENERAL OBLIGATION PUBLIC IMPROVEMENT BONDS,
SERIES 2024

Maturity (September 1)*	Principal Amount*	Interest Rate	Yield	Price	CUSIP** 236866
----------------------------	----------------------	------------------	-------	-------	-------------------

*Preliminary, subject to change.

** CUSIP is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, managed on behalf of the American Bankers Association by FactSet Research Systems, Inc. CUSIP numbers have been included solely for the convenience of the owners of the Bonds. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP services. The City is not responsible for the selection or correctness of the CUSIP numbers set forth herein. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Bonds.

CITY OF DANVILLE, VIRGINIA

CITY COUNCIL

Alonzo L. Jones, *Mayor*

James B. Buckner

Lawrence G. Campbell, Jr.

Bryant Hood

Barry P. Mayo

Dr. Gary P. Miller, *Vice Mayor*

Sherman M. Saunders

J. Lee Vogler

Madison J. R. Whittle

CERTAIN CITY OFFICIALS

Kenneth F. Larking
City Manager

Susan M. DeMasi
City Clerk

Michael L. Adkins
Director of Finance

W. Clarke Whitfield, Jr.
City Attorney

Bond Counsel

Hunton Andrews Kurth LLP
Richmond, Virginia

Financial Advisor

Davenport & Company LLC
Richmond, Virginia

Auditors

Brown, Edwards & Company, L.L.P.
Lynchburg, Virginia

The Bonds will be exempt from registration under the Securities Act of 1933, as amended. As obligations of a political subdivision of the Commonwealth of Virginia, the Bonds will also be exempt from registration under the securities laws of Virginia.

No dealer, broker, salesman or other person has been authorized by the City to give any information or to make any representations other than those contained in this Official Statement, and, if given or made, such other information or representations must not be relied upon as having been authorized by the City. This Official Statement does not constitute an offer to sell or a solicitation of an offer to buy, and there shall be no sale of the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. This Official Statement is not to be construed as a contract or agreement between the City and the purchasers or owners of any of the Bonds.

All quotations from and summaries and explanations of provisions of law and documents herein do not purport to be complete, and reference is made to such laws and documents for full and complete statements of their provisions. Any statements made in this Official Statement involving estimates or matters of opinion, whether or not expressly so stated, are intended merely as estimates or opinion and not as representations of fact. This Official Statement speaks as of its date except where specifically noted otherwise and is subject to change without notice. Neither the delivery of this Official Statement, any sale made hereunder nor any filing of this Official Statement shall under any circumstances create an implication that there has been no change in the affairs of the City since the date of this Official Statement or imply that any information herein is accurate or complete as of any later date.

Certain statements contained in this Official Statement, including but not limited to the information contained in Appendix A, reflect forecasts and forward-looking statements, rather than historical facts. In this respect, the words “estimate,” “project,” “anticipate,” “expect,” “intend,” “believe,” “plan,” “budget” and similar expressions are intended to identify forward-looking statements. The achievement of certain results or other expectations contained in such forward-looking statements involves known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements described to differ materially from those stated in the forward-looking statements. All such forward-looking statements are expressly qualified by the cautionary statement in the preceding sentence, as well as any other disclaimers set forth in this Official Statement. The City does not plan to issue any updates or revisions to any such forward-looking statements.

Certain persons participating in this offering may engage in transactions that stabilize, maintain or otherwise affect the price of the Bonds, including transactions to (a) overalloc in arranging the sales of the Bonds and (b) make purchases and sales of Bonds, for long or short account, on a when-issued basis or otherwise, at such prices, in such amounts and in such manner as the underwriters may determine.

TABLE OF CONTENTS

SECTION ONE: INTRODUCTION.....	1
SECTION TWO: THE BONDS.....	2
Authorization of the Bonds.....	2
Description of the Bonds.....	2
Form and Denomination.....	2
Optional Redemption.....	3
Mandatory Sinking Fund Redemption.....	3
Manner of Redemption.....	3
Notice of Redemption.....	3
Book-Entry-Only System.....	4
Plan of Financing.....	4
Security for and Sources of Payment of the Bonds.....	4
Bondholders' Remedies in the Event of Default.....	4
Approval of Legal Proceedings.....	5
Tax Exemption.....	6
SECTION THREE: MISCELLANEOUS.....	8
Pending Litigation and Administrative Proceedings.....	8
Ratings.....	8
Financial Advisor.....	8
Sale at Competitive Bidding.....	9
Continuing Disclosure.....	9
Approval of Official Statement.....	9
APPENDIX A: The City of Danville, Virginia	
APPENDIX B: Basic Financial Statements of the City for the Fiscal Year Ended June 30, 2023	
APPENDIX C: Proposed Form of Bond Counsel Opinion	
APPENDIX D: Form of Continuing Disclosure Agreement	
APPENDIX E: Book-Entry-Only System	
APPENDIX F: Notice of Sale	

OFFICIAL STATEMENT
CITY OF DANVILLE, VIRGINIA
\$ _____ *
General Obligation Public Improvement Bonds,
Series 2024

SECTION ONE: INTRODUCTION

The purpose of this Official Statement, including the cover page and Appendices hereto, is to furnish information in connection with the sale by the City of Danville, Virginia (the "City"), of its \$ _____ * General Obligation Public Improvement Bonds, Series 2024 (the "Bonds"). The Bonds will be general obligations of the City to the payment of which the full faith and credit of the City are irrevocably pledged. Financial and other information contained in this Official Statement has been prepared by the City from its records (except where other sources are noted). This information speaks as of its date and is not intended to indicate future or continuing trends in the financial or economic position of the City.

The Bonds will be offered for sale through competitive bidding on [_____, 2024]. The Notice of Sale relating to the Bonds and describing the competitive bidding process is attached hereto as Appendix F.

The Issuer. Additional information regarding the City is provided in Appendix A to this Official Statement, entitled "THE CITY OF DANVILLE, VIRGINIA." The audited financial statements for the City for the fiscal year ended June 30, 2023, are provided in Appendix B to this Official Statement.

The Bonds. The Bonds will be dated the date of their delivery, with principal payments due on [September 1] in the years set forth on the inside cover. The Bonds will be issued in authorized denominations of \$5,000 and integral multiples thereof and will be held by The Depository Trust Company, New York, New York ("DTC"), or by its nominee as securities depository with respect to the Bonds. See "DESCRIPTION OF THE BONDS - Book-Entry-Only System" and Appendix E.

Interest on the Bonds will be payable semi-annually on each [March 1 and September 1], commencing [March 1, 20__], until the earlier of maturity or redemption. As long as the Bonds are held by DTC or its nominee, interest will be paid to Cede & Co., as nominee of DTC, in same day funds on each interest payment date.

Use of Proceeds. The City is issuing the Bonds to (a) finance the costs of projects various projects identified as part of the City's capital improvement program and (b) pay the related costs of issuance, all as further described in the subsection "Plan of Financing" in Section Two.

Redemption.* At the option of the City, the Bonds maturing on or after [September 1, 20__], are subject to redemption prior to maturity, in whole or in part (in integral multiples of \$5,000), at any time on or after [September 1, 20__]. A more complete description of the redemption features is provided in the subsections "Optional Redemption" and "Mandatory Sinking Fund Redemption" in Section Two.

Delivery. The Bonds are offered for delivery, when, as and if issued, subject to the approval of their validity by Hunton Andrews Kurth LLP, Bond Counsel, and to certain other conditions referred to herein. Certain legal matters will be passed upon for the City by the City Attorney, W. Clarke Whitfield, Jr., Esquire. It is expected that the Bonds will be available for delivery, at the expense of the City, in New York, New York, through the facilities of DTC, on or about [June __, 2024].

Auditors. The City's financial statements for the fiscal year ended June 30, 2023, are included as Appendix B to this Official Statement and have been audited by the independent public accounting firm of Brown, Edwards & Company, L.L.P. Such financial statements have been included in reliance upon the report of Brown, Edwards & Company, L.L.P. Since the date of its report included herein, Brown, Edwards & Company, L.L.P., has not been

* Preliminary, subject to change.

engaged to perform and has not performed any procedures relating to the financial statements addressed in that report or relating to this Official Statement. The City's financial statements are also available for inspection at the Office of the Director of Finance, 427 Patton Street, Danville, Virginia 24541.

Ratings. The Bonds have been rated as shown on the cover page hereto by Moody's Investors Service, 7 World Trade Center, 250 Greenwich Street, New York, New York 10007; by S&P Global Ratings, 55 Water Street, New York, New York 10041; and by Fitch Ratings, One State Street Plaza, New York, New York 10004. A more complete description of the ratings are provided in the subsection "Ratings" in Section Three.

Financial Advisor. Davenport & Company LLC, Richmond, Virginia, is employed as Financial Advisor to the City in connection with the issuance of the Bonds. *See the subsection "Financial Advisor" in Section Three.*

Continuing Disclosure. The City has agreed to execute a Continuing Disclosure Agreement at closing to assist the underwriter in complying with the provisions of Rule 15c2-12 (the "Rule"), promulgated by the U.S. Securities and Exchange Commission (the "SEC") and as in effect on the date hereof, that requires the provision of certain annual financial information and event notices. *See the subsection "Continuing Disclosure" in Section Three.*

Additional Information. Any questions concerning the content of this Official Statement should be directed to Michael L. Adkins, Director of Finance, 427 Patton Street, Danville, Virginia 24541 (434-799-5186).

SECTION TWO: THE BONDS

Authorization of the Bonds

The Bonds are being issued pursuant to (1) the Constitution of the Commonwealth of Virginia (the "Commonwealth"), (2) the provisions of the Public Finance Act of 1991 (Chapter 26 of Title 15.2 of the Code of Virginia of 1950, as amended), (3) the City Charter, (4) an ordinance adopted by the City Council on September 6, 2022, (5) an ordinance adopted by the City Council on March 19, 2024, and (6) a resolution (the "Bond Resolution"), adopted by the City Council on [April __, 2024].

Description of the Bonds

The Bonds will be dated the date of their delivery and will mature on [September 1] in the years set forth on the inside cover. Interest on the Bonds will be payable on [March 1 and September 1], commencing [March 1, 20__], by check or draft mailed to the registered owners at their addresses as they appear on the registration books on the [February 15 and August 15] immediately preceding each [March 1 and September 1] provided, however, that as long as the Bonds are held by DTC or its nominee, interest will be paid to Cede & Co., as nominee of DTC, in same day funds on each interest payment date. If such interest payment date is not a business day, such payment shall be made on the next succeeding business day with the same effect as if made on the interest payment date, and no additional interest shall accrue. The registration books are kept by the City Treasurer, who has been appointed paying agent and registrar (the "Paying Agent").

Form and Denomination

The Bonds will be issued by means of a book-entry system with no physical distribution of Bond certificates made to the public. One Bond certificate for each maturity will be issued to DTC, or its nominee, and immobilized in its custody. Beneficial Owners (as hereinafter defined) will not receive physical bond certificates representing their interests in the Bonds purchased. So long as DTC or its nominee is the registered owner of the Bonds, references in this Official Statement to the owners of the Bonds shall mean DTC or its nominee and shall not mean the Beneficial Owners. The Bond Resolution contains provisions applicable to periods when DTC or its nominee is not the registered owner. *See the subsection herein "Book-Entry-Only System."*

Optional Redemption*

The Bonds maturing on or before [September 1, 20__], are not subject to redemption prior to maturity. At the option of the City, the Bonds maturing on or after [September 1, 20__], are subject to redemption prior to maturity, in whole or in part (in integral multiples of \$5,000), at any time on or after [September 1, 20__], upon payment of 100% of the Bonds to be redeemed plus interest accrued and unpaid to the date fixed for redemption.

Mandatory Sinking Fund Redemption*

Readers are advised to refer to the final Official Statement for the Bonds for the mandatory sinking fund redemption provisions of the Bonds should the winning bidder(s) structure the principal amortization of any Bonds as term bonds.

Manner of Redemption

If less than all of the Bonds are called for redemption, the maturities of the Bonds (or the portions thereof) to be redeemed will be selected by the chief financial officer of the City in such manner as such officer may determine to be in the best interests of the City.

If less than all of the Bonds of a maturity are called for redemption, the particular Bonds within such maturity (or the portions thereof) to be redeemed will be selected by DTC or any successor securities depository pursuant to its rules and procedures or, if the book entry system is discontinued, by the Registrar by lot in such manner as the Registrar in its discretion may determine.

The portion of any Bond to be redeemed will be in the principal amount of \$5,000 or some integral multiple thereof. In selecting Bonds for redemption, each Bond will be considered as representing that number of Bonds that is obtained by dividing the principal amount of such Bond by \$5,000. If a portion of a Bond is called for redemption, a new Bond in principal amount equal to the unredeemed portion thereof will be issued to the registered owner upon the surrender thereof.

Notice of Redemption

The City shall cause notice of the call for redemption identifying the Bonds or portions thereof to be redeemed to be sent by facsimile or electronic transmission, registered or certified mail or overnight express delivery, not less than 30 nor more than 60 days prior to the date fixed for redemption, to DTC, or its nominee, as the registered owner of the Bonds. The City shall not be responsible for giving notice of redemption to anyone other than DTC or another qualified securities depository or its nominee unless no qualified securities depository is the registered owner of the Bonds. If no qualified securities depository is the registered owner of the Bonds, notice of redemption shall be sent to the registered owners of the Bonds.

In the case of an optional redemption, the notice may state that (i) it is conditioned upon the deposit of moneys, in an amount equal to the amount necessary to effect the redemption, no later than the date fixed for redemption or (ii) the City retains the right to rescind such notice on or prior to the date fixed for redemption (in either case, a "Conditional Redemption"), and such notice and optional redemption shall be of no effect if such moneys are not so deposited or if the notice is rescinded as described herein. A Conditional Redemption may be rescinded at any time. The City shall give prompt notice of such rescission to the affected bondholders. Any Bonds subject to Conditional Redemption where redemption has been rescinded shall remain outstanding, and the rescission shall not constitute an event of default. Further, in the case of a Conditional Redemption, the failure of the City to make funds available on or before the date fixed for redemption shall not constitute an event of default, and the City shall give immediate notice to all organizations registered with the SEC as securities depositories or the affected bondholders that the redemption did not occur and that the Bonds called for redemption and not so paid remain outstanding.

* Preliminary, subject to change.

Book-Entry-Only System

DTC will act as securities depository for the Bonds pursuant to a book-entry system. Information regarding DTC and its book-entry system appears as Appendix E. Such information has been provided by DTC, and the City assumes no responsibility for the accuracy or completeness of such information. The City may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event Bond certificates will be printed and delivered.

Plan of Financing

The City plans to use the proceeds of the Bonds (1) for the purpose of financing projects identified on the City's capital improvement program, including, without limitation, (a) parks and recreational facility improvements, (b) fire and police equipment, (c) information technology software and equipment, (d) public building improvements (including, without limitation, roof, elevator and HVAC improvements), (e) street improvements, (f) municipal airport improvements, and (g) any other capital expenditures (other than for capital expenditures relating to the City's water, sewer, gas and/or electric systems) (collectively, the "Projects") and (2) to pay the costs of issuing the Bonds.

The following table sets forth the anticipated application of the proceeds of the Bonds for the purposes described above:

Estimated Sources of Funds	
Par Amount of Bonds	
[Net] Original Issue [Premium/Discount]	
Total Sources	
Estimated Uses of Funds	
Deposit to City Project Fund	
Costs of Issuance (including underwriting compensation)	
Total Uses	

Security for and Sources of Payment of the Bonds

The Bonds are general obligations of the City to the payment of which the City's full faith and credit are irrevocably pledged. While the Bonds remain outstanding and unpaid, the City Council is authorized and required, unless other funds are lawfully available and appropriated for the timely payment of the Bonds, to levy and collect annually an *ad valorem* tax upon all taxable property within the City, over and above all other taxes, authorized or limited by law and without limitation as to rate or amount, sufficient to pay when due the principal of and interest on the Bonds.

Bondholders' Remedies in the Event of Default

Section 15.2-2659 of the Code of Virginia of 1950, as amended, provides that upon an affidavit filed with the Governor of the Commonwealth by any holder of or paying agent for a general obligation bond in default as to payment of principal, premium, if any, or interest, the Governor shall conduct a summary investigation and, if satisfied that such default has occurred, the Governor shall order the State Comptroller to withhold all funds appropriated and payable by the Commonwealth to the political subdivision so in default and apply the amount so withheld to payment of the defaulted principal, premium and interest.

Under the intercept provision, neither the State Comptroller nor the Commonwealth has any legal obligation to make any payment on behalf of the City other than from the funds appropriated and payable to the City. Commonwealth aid that is payable to the City and that is subject to interception is derived primarily from the Commonwealth's General Fund, with the remaining aid being payable from the Highway Maintenance and Construction Fund of the Virginia Department of Transportation and certain other funds.

Section 15.2-2659 also provides for notice to the registered owners of such bonds of the default and the availability of withheld funds. The State Comptroller advises that to date no order to withhold funds pursuant to Section 15.2-2659 (or its predecessor provisions Section 15.1-227.61 or Section 15.1-225) has ever been issued. Although no Virginia court has had occasion to review or approve Section 15.2-2659 (or its predecessor provisions), the Attorney General of Virginia has opined that appropriated funds may be withheld by the Commonwealth as a remedy for payment defaults under general obligation bonds, pursuant to the provisions of Section 15.1-225 (a predecessor provision to Section 15.2-2659). [In the fiscal year ended June 30, 2023, of the approximately \$ _____ [(unaudited)] total direct appropriations paid by the Commonwealth to the City, approximately \$ _____ [(unaudited)] was deposited in the City's general fund and its transportation-related fund.] The amount of aid appropriated by the Commonwealth to the City varies from year to year and may not in a particular year equal or exceed all of the payment obligations of the City potentially subject to the intercept provision.

Neither the Bonds nor the proceedings with respect thereto specifically provide any remedies that would be available to a bondholder if the City defaults in the payment of principal of or interest on the Bonds, and neither the Bonds nor such proceedings provide for the appointment of a trustee to protect and enforce the interests of the bondholders upon the occurrence of such a default. Upon any default in the payment of principal or interest, a bondholder may, among other things, seek a writ of mandamus from an appropriate court requiring the City Council to levy and collect taxes as described above. The mandamus remedy, however, may be impracticable and difficult to enforce. Furthermore, the right to levy and collect taxes and to enforce payment of the Bonds may be limited by bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance and similar laws and by equitable principles, which may limit the specific enforcement of certain remedies.

Chapter 9 of the United States Bankruptcy Code (the "Bankruptcy Code") permits a municipality such as the City, if insolvent or otherwise unable to pay its debts as they become due, to file a voluntary petition for the adjustment of debts, provided that such municipality is "specifically authorized, in its capacity as a municipality or by name, to be a debtor...." Bankruptcy Code §109(c)(2). Current Virginia statutes do not expressly authorize the City or municipalities generally to file for bankruptcy under Chapter 9. Chapter 9 does not authorize the filing of involuntary petitions against municipalities such as the City.

Bankruptcy proceedings by the City could have adverse effects on bondholders, including (1) delay in the enforcement of their remedies, (2) subordination of their claims to the claims of those supplying goods and services to the City after the initiation of bankruptcy proceedings and to the administrative expenses of bankruptcy proceedings and (3) imposition without their consent of a reorganization plan reducing or delaying payment of the Bonds. The Bankruptcy Code contains provisions intended to ensure that, in any reorganization plan not accepted by at least a majority of a class of creditors such as the holders of general obligation bonds, such creditors will have the benefit of their original claim or the "indubitable equivalent." The effect of these and other provisions of the Bankruptcy Code cannot be predicted and may be affected significantly by judicial interpretations.

The City has never defaulted in the payment of principal of or premium or interest on any indebtedness.

Approval of Legal Proceedings

Certain legal matters relating to the authorization and validity of the Bonds will be subject to the approving opinion of Hunton Andrews Kurth LLP, Bond Counsel, in substantially the form set forth in Appendix C (the "Bond Opinion"), which will be furnished at the expense of the City upon delivery of the Bonds. The Bond Opinion will be limited to matters relating to authorization and validity of the Bonds and to the tax-exempt status of interest on the Bonds as described in the section "Tax Exemption" below. Bond Counsel has not been engaged to investigate the financial resources of the City or its ability to provide for payment of the Bonds, and the Bond Opinion will make no statement as to such matters or as to the accuracy or completeness of this Official Statement or any other information that may have been relied on by anyone in making the decision to purchase Bonds.

Certain legal matters will be passed upon for the City by the City Attorney, W. Clarke Whitfield, Jr., Esquire.

Tax Exemption

Opinion of Bond Counsel. In the opinion of Bond Counsel and in accordance with customary opinion practice, under current law, interest[, including any accrued original issue discount (“OID”),] on the Bonds (a) is not included in gross income for federal income tax purposes, (b) is not an item of tax preference for purposes of the federal alternative minimum tax, (c) is taken into account in determining adjusted financial statement income for applicable corporations (as defined in Section 59(k) of the Internal Revenue Code of 1986, as amended, and applicable regulations thereunder (the “Code”)) for the alternative minimum tax imposed on such corporations, and (d) is exempt from income taxation by the Commonwealth. [Except as discussed below regarding OID,] no other opinion is expressed by Bond Counsel regarding the tax consequences of the ownership of or the receipt or accrual of interest on the Bonds.

Bond Counsel’s opinion is given in reliance upon certifications by representatives of the City as to certain facts relevant to both the opinion and requirements of the Code, and is subject to the condition that there is compliance subsequent to the issuance of the Bonds with all requirements of the Code that must be satisfied in order for interest thereon to remain excludable from gross income for federal income tax purposes. The City has covenanted to comply with the current provisions of the Code regarding, among other matters, the use, expenditure and investment of the proceeds of the Bonds and the timely payment to the United States of any arbitrage rebate amounts with respect to the Bonds. Failure by the City to comply with such covenants, among other things, could cause interest[, including any accrued OID,] on the Bonds to be included in gross income for federal income tax purposes retroactively to their date of issue. The City may in its discretion, but has not covenanted to, take any and all such actions as may be required by future changes in the Code and applicable regulations in order that interest on the Bonds remain excludable from gross income for federal income tax purposes.

Bond Counsel’s opinion represents its legal judgment based in part upon the representations and covenants referenced therein and its review of current law, but is neither a guarantee of a result nor binding on the Internal Revenue Service (the “IRS”) or the courts. Bond Counsel assumes no duty to update or supplement its opinion to reflect any facts or circumstances that may come to Bond Counsel’s attention after the date of its opinion or to reflect any changes in law or the interpretation thereof that may occur or become effective after such date.

Customary practice in the giving of legal opinions includes not detailing in the opinion all of the assumptions, conditions, limitations and exclusions that are part of the conclusions therein. See “*Statement on the Role of Customary Practice in the Preparation and Understanding of Third-Party Legal Opinions*,” 63 *Bus. Law.* 1277 (2008), and “*Legal Opinion Principles*,” 53 *Bus. Law.* 831 (May 1998), updated by “*Statement of Opinion Practices*,” 74 *Bus. Law.* 801, 807 (2019). Purchasers of the Bonds should seek advice or counsel concerning such matters as they deem prudent in connection with their purchase of Bonds.

Alternative Minimum Tax

Individuals – Bond Counsel’s opinion states that under current law interest on the Bonds is not an item of preference and is not subject to the alternative minimum tax on individuals.

Applicable Corporations – Bond Counsel’s opinion also states that under current law interest on the Bonds is taken into account in determining adjusted financial statement income for applicable corporations (as defined in Section 59(k) of the Code) for the alternative minimum tax imposed on such corporations. Under current law, an “applicable corporation” generally is a corporation with average annual adjusted financial statement income for a three-taxable-year period ending after December 31, 2021, that exceeds \$1 billion.

[Original Issue Discount. The initial public offering prices of each maturity of the Bonds maturing in the years [____ and ____] (the “OID Bonds”) will be less than their stated principal amount. In the opinion of Bond Counsel, under current law, the difference between the stated principal amount and the initial offering price of each maturity of the OID Bonds to the public (excluding bond houses and brokers) at which a substantial amount of such maturity of such Bonds is sold will constitute OID. The offering prices set forth on the inside cover of this Official

Statement for the OID Bonds are expected to be the initial offering prices to the public at which a substantial amount of each maturity of such Bonds will be sold.

Under the Code, for purposes of determining the holder's adjusted basis in an OID Bond, OID treated as having accrued while the holder holds such Bond will be added to the holder's basis. OID will accrue on a constant yield-to-maturity method. The adjusted basis will be used to determine taxable gain or loss upon the sale or other disposition (including redemption or payment at maturity) of an OID Bond.

Prospective purchasers of the OID Bonds should consult their own tax advisors with respect to the calculation of accrued OID and the state and local tax consequences of owning or disposing of such Bonds.]

[Original Issue Premium. Bonds purchased, whether upon issuance or otherwise, for an amount (excluding any amount attributable to accrued interest) in excess of their principal amount will be treated for federal income tax purposes as having amortizable bond premium. A holder's basis in such a Bond must be reduced by the amount of premium that accrues while such Bond is held by the holder. No deduction for such amount will be allowed, but it generally will offset interest on the Bonds while so held. Purchasers of such Bonds should consult their own tax advisors as to the calculation, accrual and treatment of amortizable bond premium and the state and local tax consequences of holding such Bonds.]

Other Tax Matters. In addition to the matters addressed above, prospective purchasers of the Bonds should be aware that the ownership of tax-exempt obligations may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, financial institutions, property and casualty insurance companies, S corporations, foreign corporations subject to the branch profits tax, recipients of Social Security or Railroad Retirement benefits and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations. Prospective purchasers of the Bonds should consult their tax advisors as to the applicability and impact of such consequences.

The IRS has a program to audit state and local government obligations to determine whether the interest thereon is includable in gross income for federal income tax purposes. If the IRS does audit the Bonds, under current IRS procedures, the IRS will treat the City as the taxpayer, and the owners of the Bonds will have only limited rights, if any, to participate.

Prospective purchasers of the Bonds should consult their own tax advisors as to the status of interest on the Bonds under the tax laws of any state other than the Commonwealth.

There are many events that could affect the value, liquidity and/or marketability of the Bonds after their issuance, including but not limited to public knowledge of an audit of the Bonds by the IRS, a general change in interest rates for comparable securities, a change in federal or state income tax rates, legislative or regulatory proposals affecting state and local government securities and changes in judicial interpretation of current law. In addition, certain tax considerations relevant to owners of Bonds who purchase Bonds after their issuance may be different from those relevant to purchasers upon issuance. Neither the opinion of Bond Counsel nor this Official Statement purports to address the likelihood or effect of any such potential events or such other tax considerations, and purchasers of the Bonds should seek advice concerning such matters as they deem prudent in connection with their purchase of Bonds.

SECTION THREE: MISCELLANEOUS

Pending Litigation and Administrative Proceedings

The City and its employees have been named from time to time as defendants in various claims, which are being defended by the City Attorney and associated counsel. The City's potential liability is protected partially by sovereign immunity, indemnification agreements and insurance through the Virginia Risk Sharing Association. The City Attorney is of the opinion that none of the litigation currently pending against the City reasonably can be expected to have a material adverse effect on the City's financial condition.

According to the City Attorney, no litigation has been served or, to the best of his knowledge, information and belief, is pending or threatened against the City that would affect the validity of the Bonds or the right of the City to levy or collect annually an *ad valorem* tax upon all taxable property within the City, over and above all other taxes, authorized or limited by law and without limitation as to rate or amount, sufficient to pay when due the principal of and interest on the Bonds.

Ratings

Moody's Investors Service, Inc. ("Moody's"), S&P Global Ratings ("S&P") and Fitch Ratings ("Fitch") have assigned ratings of "____", "____" and "____", respectively, to the Bonds. The Moody's rating of "____" gives effect to the state-aid intercept program described in "Bondholders' Remedies in the Event of Default" in Section Two. The Moody's rating of "____" and the S&P and Fitch ratings are based solely on the creditworthiness of the City. Such ratings reflect only the respective views of such organizations and any desired explanation of the significance of such ratings should be obtained from the rating agency furnishing the same, at the following addresses: Moody's Investors Service, Inc., 7 World Trade Center, 250 Greenwich Street, 23rd Floor, New York, New York 10007; S&P Global Ratings, 55 Water Street, New York, New York 10041; and Fitch Ratings, One State Street Plaza, New York, New York 10004.

The City furnished to such rating agencies the information contained in this Official Statement and certain publicly available materials and information about the City. Generally, rating agencies base their ratings on such materials and information, as well as investigations, studies, and assumptions of the rating agencies. There is no assurance that the ratings will continue for any given period of time or that such ratings will not be revised, suspended or withdrawn if, in the judgment of the rating agencies, circumstances so warrant. A revision, suspension or withdrawal of one or more ratings may have an adverse effect on the market price of the Bonds.

If a significant default or other financial crisis should occur in the affairs of the United States or of any of its agencies or political subdivisions, then such event could adversely affect the market for, and the ratings, liquidity and market value of, outstanding debt obligations, including the Bonds.

Financial Advisor

Davenport is employed as financial advisor to the City in connection with the issuance of the Bonds. The financial advisor's fee for services rendered with respect to the sale of the Bonds is contingent upon the issuance and delivery of the Bonds. Davenport, in its capacity as financial advisor, does not assume any responsibility for the information, covenant and representations contained in any of the legal documents provided, agreed to or made by others with respect to the federal income tax status of the Bonds, or the possible impact of any present, pending or future actions taken by any legislative or judicial bodies.

Davenport, as the financial advisor to the City, has provided the following sentence for inclusion in this Official Statement: Although Davenport has assisted in the preparation of this Official Statement, Davenport is not obligated to undertake, and has not undertaken to make, an independent verification or to assume responsibility for the accuracy, completeness or fairness of the information contained in this Official Statement.

Sale at Competitive Bidding

The Bonds will be offered for sale at competitive bidding on [_____, 2024], unless such date is postponed or changed as described in the Notice of Sale, attached hereto as Appendix F, respectively. This Preliminary Official Statement has been deemed final as of its date by the City in accordance with the meaning and requirements of the Rule, except for the omission of certain pricing and other information permitted to be omitted pursuant to the Rule. After the Bonds have been awarded, the City will complete the Preliminary Official Statement so as to be a “final official statement” within the meaning of the Rule. The final Official Statement will include, among other matters, the identity of the winning bidder(s) and the managers of any syndicates submitting the winning bids, the expected selling compensation to the underwriter(s) of the Bonds and other information on the interest rates and offering prices or yields of the Bonds, as supplied by the winning bidder(s).

Continuing Disclosure

Current Undertaking. To permit compliance by the underwriter with the continuing disclosure requirements of the Rule, the City will execute a Continuing Disclosure Agreement (the “CDA”) at closing agreeing to provide certain annual financial information and event notices required by the Rule. Such information will be filed through the Electronic Municipal Market Access System (“EMMA”) maintained by the Municipal Securities Rulemaking Board and may be accessed through the Internet at emma.mrsb.org. As described in Appendix D, the CDA requires the City to provide only limited information at specific times, and the information provided may not be all the information necessary to value the Bonds at any particular time. The City may from time to time disclose certain information and data in addition to that required by the CDA. If the City chooses to provide any additional information, the City shall have no obligation to continue to update such information or to include it in any future disclosure filing.

Failure by the City to comply with the CDA is not an event of default under the Bonds or the Bond Resolution. The sole remedy for a default under the CDA is to bring an action for specific performance of the City’s covenants hereunder, and no assurance can be provided as to the outcome of any such proceeding.

Prior Undertakings. [to be updated as necessary] Except as described in this subsection “Prior Undertakings,” the City has complied in all material respects with its prior continuing disclosure undertakings under the Rule during the last five years. The City timely filed its annual financial information for fiscal year 2020 on EMMA, but inadvertently failed to link such filing to the CUSIP numbers for its General Obligation Public Improvement and Refunding Bonds, Series 2020A (Federally Tax-Exempt), and General Obligation Public Improvement Refunding Bonds, Series 2020B (Federally Taxable) (together, the “2020 Bonds”). The City also failed to provide timely notice of the incurrence of two material financial obligations in May 2021 (the “2021 Obligations”) to the holders of its General Obligation Public Improvement Bonds, Series 2019 (the “2019 Bonds”), and the 2020 Bonds. The City has since linked the annual financial information for fiscal year 2020 to the CUSIP numbers for the 2020 Bonds and provided notice of the incurrence of the 2021 Financial Obligations to the holders of the 2019 Bonds and the 2020 Bonds.

The City also inadvertently failed to link its annual financial information and operating data for fiscal years 2017 and 2018 and to file its annual budgets for fiscal years 2018 and 2019 as an obligated person with respect to the Danville-Pittsylvania Regional Industrial Facility Authority’s Revenue Bonds (Berryhill Project), Series 2011 (Taxable) (the “2011 RIFA Bonds”). The 2011 RIFA Bonds matured in September 2019.

Approval of Official Statement

All summaries in this Official Statement of provisions of the Constitution of the Commonwealth, the statutes of the Commonwealth, the ordinances and resolutions of the Council (including the Bond Resolution), the Bonds, the CDA and other documents and instruments are subject to the detailed provisions and judicial interpretations to which reference is hereby made for further information. Such summaries do not purport to be complete statements of any or all of such provisions.

Any statements in this Official Statement involving matters of opinion or estimates, whether or not expressly so stated, are intended as such and not representations of fact. No representation is made that any of the estimates will be realized. Neither this Official Statement nor any statement that may have been made verbally or in writing is to be construed as a contract with the holder of the Bonds.

The attached Appendices are an integral part of this Official Statement and must be read together with the balance of this Official Statement.

The distribution of this Preliminary Official Statement has been duly authorized by the City Council. The City has deemed this Preliminary Official Statement "final" as of its date within the meaning of the Rule, except for the omission of certain pricing and other information permitted to be omitted by the Rule.

CITY OF DANVILLE, VIRGINIA

By: _____
City Manager

APPENDIX A
THE CITY OF DANVILLE, VIRGINIA

TABLE OF CONTENTS

THE CITY	2
Introduction	2
Government	2
Labor Relations	2
Certain City Officials and Administrative Staff Members	3
City of Danville Organizational Chart	7
Utility Systems	8
Transportation	10
Public Education	10
Higher Education	11
Medical	11
ECONOMIC AND DEMOGRAPHIC DATA	12
Population	12
Employment	12
Unemployment	13
Per Capita Personal Income Estimates	13
Taxable Retail Sales	14
Building Permits	14
Casino Development	14
FINANCIAL INFORMATION	15
Budgeting, Accounting, and Auditing	15
Five-Year Summary of General Fund Revenues and Expenditures	16
General Fund Budget	17
Fiscal Year 2024 Budget Discussion	18
General Fund Revenues and Expenditures	18
Revenues	18
Expenditures	19
Operating Data	20
Pension Fund Information	23
Post-Employment Benefits Other than Pensions	24
CITY INDEBTEDNESS AND CAPITAL PLANS	25
Debt Administration	25
Statement of Legal Debt Margin at March 31, 2024	25
General Obligation Bonded Debt Incurred Since Fiscal Year ended June 30, 2023	25
Statement of Bonded Debt	26
Key Debt Ratios	28
Capital Improvement Plan	29

THE CITY

Introduction

The City, situated on the Dan River, is located near the North Carolina state line in the Piedmont section of Virginia. U.S. Highways 29, 58, and 360 provide primary access to the City. The City is located adjacent to the southern part of Pittsylvania County and covers an area of approximately 44 square miles, including approximately 26 square miles annexed by the City on December 31, 1987. The City was founded in 1793 and incorporated in 1830.

Government

The City is operated by a Council-Manager form of government. The City Council comprises nine members who are elected at large to serve four-year terms. The elections are held biennially with five members being elected in one biennium and four in the next. The Mayor and Vice-Mayor are elected by members of the City Council from its membership.

The City Manager is appointed by the City Council as the Chief Executive Officer of the City and is responsible to the City Council for the proper administration of the City government. He appoints all department heads of the City, with the exception of the City Attorney, City Clerk and certain elected officials.

The City currently employs approximately 974 full-time and 124 part-time employees.

All services normally offered by municipalities are provided by the City, including the operation of a utilities department that provides water, sewer, gas, electric and telecommunications services.

The School Board members are elected by the voters at large. Under Virginia law, all operations of the School Board are completely independent of the City Council and the City Administration. The City Council is required to make an annual appropriation to the School Board, but has no legal authority to direct how the appropriated moneys are spent. The School Board currently employs approximately 1,105 full-time employees.

Labor Relations

As part of the 2020 legislative session, the Virginia General Assembly voted to provide localities the authority to recognize labor unions or employee associations as bargaining representatives of any public employee bargaining unit for purposes of bargaining collectively for terms and conditions of employment. The legislation was subsequently signed by the Governor with an amendment making this legislation effective May 1, 2021. To date, the City Council has not adopted an ordinance or resolution authorizing collective bargaining or allowing any such union or employee association to be recognized as an exclusive bargaining representative.

Under Virginia law, any employees of the City, who, in concert with two or more other such employees, for the purpose of obstructing, impeding or suspending any activity or operation of their employing agency or any other governmental agency, strikes or willfully refuses to perform the duties of their employment, shall, by such action, be deemed to have terminated their employment and shall thereafter be ineligible for employment in any position or capacity during the next twelve months by the Commonwealth, or any county, city, town or other political subdivision of the Commonwealth, or by any department or agency thereof.

The City has neither negotiated nor bargained with its employees in any manner concerning any aspect of the terms and conditions of the employment of its employees.

Pursuant to Virginia law, the City provides a grievance procedure for the resolution of various personnel complaints.

Certain City Officials and Administrative Staff Members

City Council

The current members of the City Council are:

Alonzo L. Jones, Mayor, was elected to City Council in 2010 and was re-elected in 2014 and 2018. He has served as Mayor since July 2018. Mr. Jones received his education in the Danville Public Schools, served in the United States Armed Forces and is currently employed by Danville Community College. He is a Commissioner for the Danville Redevelopment & Housing Authority, serves on the Board of Directors for Smart Beginnings, is a Trustee at Bible Way Cathedral and served on the Leadership Forum at Averett University. He is the founder and President of One Accord Unlimited, Inc. Mr. Jones is a past School Board member for Danville Public Schools, appointed by City Council in 2004 and elected in 2006, and a former member of the BB&T Advisory Board.

Gary P. Miller, M.D. F.A.C.C., Vice Mayor, a local cardiologist, was appointed to City Council in 2008 to fill an unexpired term, was then elected in 2010 and was re-elected in 2014 and 2018. Dr. Miller has served as Vice Mayor since July 2020. Dr. Miller received his Bachelor of Science in Biology in 1970 from Virginia Polytechnic Institute and State University in Blacksburg and his medical degree at the Medical College of Virginia (now VCU Health System). He was the Fifth District representative to the Virginia Board of Medicine, appointed by Governor Allen from 1997-2001, and has served as a Counselor to the Medical Society of Virginia for the Fifth District. He is the co-owner and President of Cardiology Consultants of Danville, Inc. Dr. Miller currently serves on the Board of the Danville-Pittsylvania Regional Industrial Facility Authority and the Danville Utility Commission.

James B. Buckner was elected to City Council in May 2014 and was re-elected in 2018. Prior to serving on City Council, Mr. Buckner was appointed by the City Council to the Transportation Advisory Board and Fair Housing Board for the City in 2012 and served in such capacity until his election to City Council. A native of the City, Mr. Buckner graduated from George Washington High School in 1997. He worked for Dan River Mills/Schoolfield Division, Dimon Tobacco, and then owned and operated The Temple nightclub in downtown Danville. He later worked at Goodyear Tire and Rubber in Danville before leaving to open Pawn Shops America in 2009, which he sold in 2016. Mr. Buckner is a realtor with Wilkins & Co. Realtors and currently serves on the boards of the West Piedmont Planning District Commission, the Metropolitan Planning Commission and the Transportation Advisory Board.

L. G. "Larry" Campbell Jr. was elected to City Council in May 2008 and was re-elected in 2012, 2016 and 2020 and has served as Co-Assistant Pastor at Bible Way Cathedral Church since 1994. The Rev. Campbell received his Bachelor of Arts in History from Averett University and his Master's degree in Guidance from North Carolina A & T University. He serves as a board member for Goodwill, Daden, Rotary Club, Big Brothers and Big Sisters, the Boys and Girls Club, the Ministers Alliance, Head Start and Neighbors Helping Neighbors. The Rev. Campbell is Vice President of the NAACP and serves on the Community Health Coalition. He founded the Wisdom in Networking Program (an ex-offender back-to-work initiative). The Rev. Campbell also currently serves on the board of the Staunton River Regional Industrial Facility Authority.

Bryant Hood was elected to City Council in November 2020 to complete the unexpired term of former City Council Member Adam J. Tomer. Mr. Hood studied at George Washington High School, is the founder and CEO of The Stayhood Foundation and Economics Through Edutainment (ETE) and is a Qualified Mental Health Paraprofessional with Focus Point Mental Health. Mr. Hood currently serves on the Board of the Danville Development Council and has been appointed by Governor Ralph Northam to serve on the Virginia Data Advisory Committee.

Barry P. Mayo was elected to City Council in May 2020. He is a native of Danville and a graduate of George Washington High School. He attended the University of New York and Northcentral University, where he received his bachelor's degree in Liberal Arts and a master's degree in Education Athletic Administration, respectively. Mr. Mayo currently works at Danville Community College with the TARE and SCALE-UP programs, which focus on training citizens of the City and Pittsylvania County for employment, job preparation and short term career studies. Previously, Mr. Mayo worked with Pittsylvania Community Action for twelve years, including serving as a Case Manager for SouthWest Cares assisting ex-offenders re-entering the community. Mr. Mayo also worked for District 14's Probation & Parole, assisting returning citizens with the re-entry process. Mr. Mayo has served as a mentor for

young men ages 8-18 and has been active in the community throughout his life. He currently serves on the Board of Directors for Piedmont Access to Health Services (PATHS) and on the board of Pittsylvania County Community Action.

Sherman M. Saunders was appointed to City Council in December 2001 to fill the unexpired term of City Council Member Daniel W. Marshall III, who was elected to the Virginia General Assembly. He had previously served on City Council from 1996 to 2000 and was subsequently re-elected in 2004, 2008, 2012, 2016 and 2020. Mr. Saunders became Mayor in January 2008 and served through June 2016. On November 1, 2012, he retired from Pittsylvania County Community Action, Inc., after 42 years of service, with 33 years as the Executive Director. Mr. Saunders served on the Board of Directors of the Pittsylvania County Economic Development Organization and Roman Eagle Nursing Home. He is a former board member of the Danville Chamber of Commerce and past president of the Pittsylvania County Chamber of Commerce. Mr. Saunders is a veteran of the United States Army and currently serves on the Danville-Pittsylvania Regional Industrial Facility Authority and the Staunton River Regional Industrial Facility Authority and as a board member for the City of Danville Employee Retirement System.

J. Lee Vogler, Jr. was elected to City Council in May 2012 and was re-elected in 2016 and 2020. Mr. Vogler served as Vice Mayor from July 2018 to June 2020. A native of Southside Virginia, Mr. Vogler graduated from Virginia Commonwealth University in 2010 with a bachelor's degree in Political Science. He is currently employed as the Marketing Director for Andrew Brooks Media Group. Mr. Vogler is involved in several community activities, including founding and leading the group "Moving Danville Forward" and serving on the boards of Danville Center Stage and the Langhorne House. He currently serves on the boards of the Danville-Pittsylvania Regional Industrial Facility Authority and the West Piedmont Planning District Commission and as the Chairman of the Metropolitan Planning Organization.

Madison J.R. Whittle was elected to City Council in May 2016 and was re-elected in 2020. A native of Danville, he attended Sacred Heart Catholic School, graduated from George Washington High School, and became a local entrepreneur and small business owner. In 1988, he founded MJRW, Inc., and has gone on to strengthen his expertise in real estate, specifically in property management as owner-developer of numerous residential and commercial properties throughout the City of Danville and other areas. Mr. Whittle is a member of the Danville Rotary Club and has been honored as a Paul Harris Fellow Sustainer. He is also a member of the Danville Pittsylvania County Chamber of Commerce and the Danville Cancer Society and a founding member of the Crossroads Christian Counseling Mission. Mr. Whittle is also a club member at the Virginia International Raceway in Alton, Virginia, and currently serves on the board of the Dan River Business Development Center.

City Staff

Senior members of the City staff include the following individuals:

Kenneth F. Larking, City Manager, began work for the City of Danville in March 2013 as Deputy City Manager. He served as interim City Manager from December 2015 until April 2016, at which time he was appointed City Manager. Mr. Larking began his local government career as the Budget and Performance Manager for the City of Hickory, North Carolina, from April 1999 to January 2003, before serving as Town Manager of Yadkinville, North Carolina, from January 2003 to February 2010. He subsequently served as Assistant County Manager of Moore County, North Carolina, from February 2010 to March 2013. Mr. Larking received his B.A. and M.P.A. from Appalachian State University in 1995 and 1999, respectively. Mr. Larking was born in Kitchener, Ontario, Canada and spent his childhood in Alberta, New Jersey, Texas, Arizona, and North Carolina, where he graduated from high school. Mr. Larking serves as Treasurer for Virginia First Cities, is a member of the International City/County Manager's Association, and the Virginia Local Government Management Association. In July 2022, he was awarded a certificate of completion for the Senior Executives in State and Local Government Program at the John F. Kennedy School of Government at Harvard University.

Earl B. Reynolds, Jr., Deputy City Manager, received his B.S. from Fayetteville State University in 1973. He went on to receive his M.A. degree and later his M.S. from the State University of New York, Albany, in 1974 and 1978, respectively. He has been involved in Virginia local government for almost 40 years as a regional planning district program specialist, Planning Chief and Assistant City Manager for Roanoke, City Manager for Martinsville, Deputy Housing Authority Director for Roanoke, Community Development Director and now Deputy City Manager

for Danville. Mr. Reynolds has also served as President of the Virginia Municipal League and President of the Virginia Local Government Management Association.

Susan M. DeMasi, City Clerk, is a certified Municipal Clerk having received certification from IIMC Municipal Clerk's Institute. Ms. DeMasi was formerly a Legal Assistant at the law firm of Daniel, Medley & Kirby in Danville, Virginia. In 2011, she was appointed by the City Council as the City Clerk. Ms. DeMasi is an active member of the International Institute of Municipal Clerks and Virginia Municipal Clerks Association.

W. Clarke Whitfield, Jr., City Attorney, received his B.A. from the University of Virginia in 1990 and his J.D. from Regent University School of Law in 1993. Mr. Whitfield was in private practice from 1993 to 1998. He was appointed Assistant City Attorney in 1998 and appointed City Attorney on June 1, 2004. Mr. Whitfield is active in various professional and community organizations. He served as a member of the board of directors and as the President for the Local Government Attorneys of Virginia (having also served as the Treasurer and Vice President), as well as the past President of the Pittsylvania County Bar Association, the Danville Bar Association and the Danville Optimist Club.

Michael L. Adkins, CPA, Chief Financial Officer, received his B.S. in Accounting from Virginia Polytechnic Institute and State University in 1992 and his Certified Public Accountant Certificate in 1993. He received his M.B.A. from Averett University in 1996, where he also served as an adjunct faculty member. Mr. Adkins was employed in both public accounting and private industry prior to his employment with the City. Mr. Adkins began his career with the City in May 2005 as Assistant Director of Finance and began serving as Interim Director of Finance in July 2014, before being appointed as the Director of Finance in October 2014, and later named Chief Financial Officer in 2021. He also serves as Treasurer of the Danville-Pittsylvania Regional Industrial Facility Authority and Executive Secretary of the Employees Retirement System of the City of Danville. Mr. Adkins is a member of the Government Finance Officers Association and the Virginia Government Finance Officers Association.

Henrietta Weaver, CPA, Budget Director, received her B.S. in Accounting and her master's degree in Accountancy from Georgia Southern University. She is a Certified Public Accountant and is licensed in Virginia, North Carolina, and Georgia. Ms. Weaver worked in public accounting as an external auditor of governmental entities and non-profits for nearly a decade before joining the City of Danville in 2015. Ms. Weaver began her career with the City as an Accountant III, providing accounting and reporting services for the Employees' Retirement System, the City's utility funds, and the Danville Pittsylvania Regional Industrial Facility Authority. In 2021, Ms. Weaver was promoted to the position of Budget Director. She is a member of the Government Finance Officers Association and the Virginia Government Finance Officers Association.

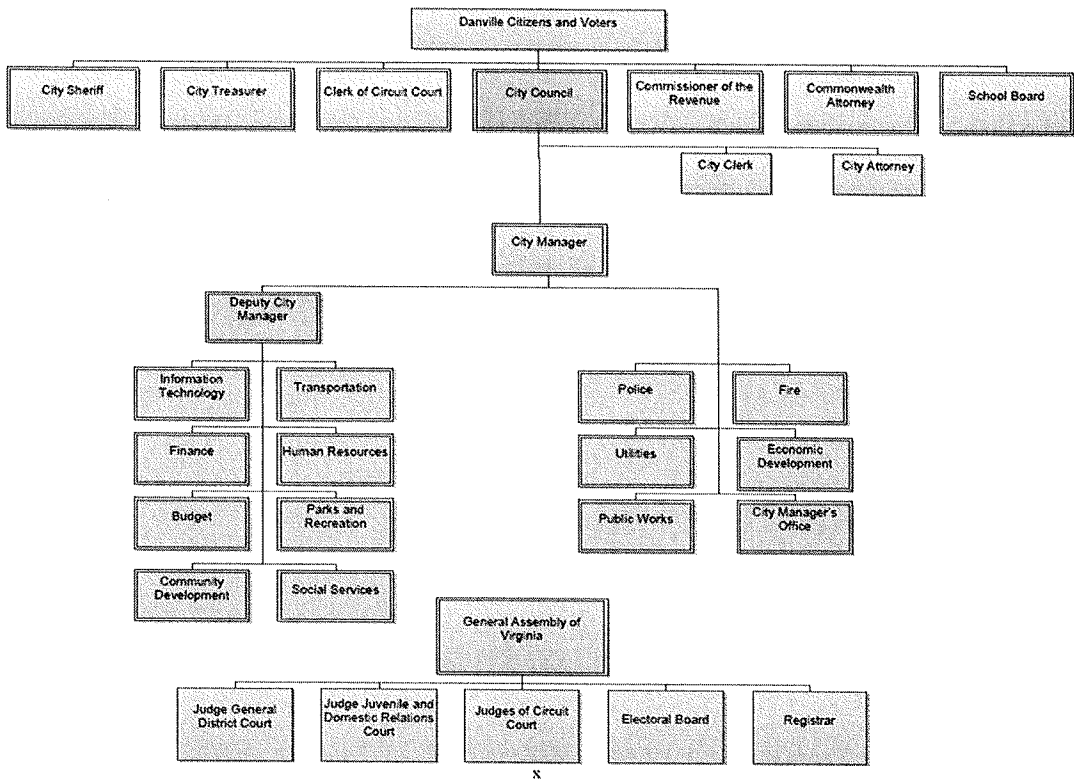
Corrie Bobe, Director of Economic Development and Tourism, joined the department in November 2009. In this role, Ms. Bobe is responsible for leading the organization's mission to improve the economic health and quality of life of the City through the creation and retention of jobs, building of local wealth, and increasing the tax base. Prior to this position, Ms. Bobe served as Assistant Director and led redevelopment efforts within Danville's award-winning River District. She also serves as staff to the Industrial Development Authority of Danville, Virginia, the Danville Pittsylvania Regional Industrial Facility Authority and the Staunton River Regional Industrial Facility Authority. Ms. Bobe is a member of the West Piedmont Workforce Investment Board, a member of the Virginia Economic Developers Association where she serves as co-chair of the Downtown Special Interests Group, a member of the International Economic Development Council, Secretary of the Dan River Business Development Center Board of Directors, Chair of the Southern Virginia Regional Alliance, and a member of the SOVA Taskforce. Ms. Bobe is a native of Danville and graduated from Virginia Tech with a Bachelor of Science degree in Marketing Management. She is also a graduate of the University of Oklahoma's Economic Development Institute and the Danville Pittsylvania County Chamber of Commerce's Leadership Southside program. Ms. Bobe has been named to the Virginia 500 Power List by Virginia Business Magazine for three consecutive years.

Dr. Angela Hairston, Ed.D., Superintendent of Danville Public Schools, has served in such role since December 2020. Prior to her appointment, she served as Superintendent of Winston-Salem/Forsyth County Schools in North Carolina. She is a native of Southside Virginia and completed her secondary education in the Pittsylvania School System. She received a Bachelor's degree in Mathematics and Business Management from Averett University and began her career in education in the Halifax County and Virginia Beach School systems before returning to Danville to teach mathematics at George Washington High School. Dr. Hairston later served as the first principal of

Westwood Middle School. Dr. Hairston continued her education by earning a Master's degree in Secondary School Administration from Hampton University in Hampton, Virginia, and a Doctorate Degree in Educational Leadership from Virginia Polytechnic Institute and State University in Blacksburg, Virginia. Dr. Hairston continued her career in the state of Georgia serving as a director of human resources, a principal, and an assistant principal for the Gwinnett County Public Schools, as a region superintendent and principal for the DeKalb County School District and as a superintendent for localities in Georgia and North Carolina.

[Remainder of Page Intentionally Left Blank]

City of Danville Organizational Chart



[Remainder of Page Intentionally Left Blank]

Utility Systems

The Department of Utilities provides water, wastewater, natural gas, electric and limited telecommunications services.

Water/Wastewater System. The City has owned and operated a potable water supply system since 1876. The water treatment plant has a design capacity of 18 million gallons per day (“MGD”) and is presently treating about 5.27 MGD. The system now consists of approximately 2,082 hydrants and approximately 331 miles of distribution mains ranging in size from 2” to 36” and serves approximately 17,011 residential, commercial and industrial accounts within the City limits. It complies with the Waterworks Regulations of the Commonwealth of Virginia State Board of Health and regulations of the federal Environmental Protection Agency. The system also serves customers outside the City limits through master meters to the Pittsylvania County Service Authority and two master meters to Caswell County, North Carolina.

The water distribution grid consists of six service areas - one service area supplied from the Ballou Park Reservoirs (one holding up to eight million gallons and one holding up to four million gallons) and a Westover standpipe and five high-pressure service areas at higher elevations with storage tanks supplied by pumps. Total aggregate storage on the system is 16.45 million gallons. Static pressures in the system range from 20 pounds per-square-inch (“PSI”) at the higher elevations to over 90 PSI at the lower elevations. Distribution mains in the older sections of the City are over 100 years old and are being replaced or renovated.

Major future system initiatives in the City’s Capital Improvement Program include replacement of mains, extensions into the unserved portions of the City and replacement of major water distribution mains in Ballou Park. A recent Water Treatment Plant project included the installation of mixing and aeration equipment in the eight-million-gallon reservoir to reduce trihalomethane levels below state and federal levels. In 2022, the City completed its Water Systems Master Plan, outlining the City’s construction program for the system over a 10-year period. This plan identified various infrastructure improvements and modifications. Main replacements are prioritized according to industry criteria. The Water Treatment Plant has a design capacity of 18 MGD, and the average monthly production is 5.23 MGD.

The City’s Industrial Water System was constructed in 1966. It has a capacity of three MGD with 3% of the capacity now being used. This system provides industrial “process” water for Goodyear Tire and Rubber Company and serves as a backup non-potable water supply for the City’s Southside pumping station and Northside Wastewater Treatment Plant (“NSWWTP”). Reserve capacity is available to serve additional industrial customers.

The City’s wastewater treatment facility has a design capacity of 20.0 MGD. Present usage is about 6.29 MGD, down substantially over recent years due to manufacturing plant closures in the community. A \$7.3 million improvement project was completed in 2000 to address maintenance needs, reserve capacity and additional requirements imposed by regulatory agencies. The City completed modifications to the plant in 2012 to allow operations at reduced capacities of 6 to 12 MGD in order to lower operating costs. These modifications changed the plant process from a pure oxygen activated sludge plant to a conventional activated sludge plant using ambient air. Plant modifications also included converting the two floatation grit separators into high-rate primary clarifiers. The NSWWTP, which includes the plant, nine system pump stations, the industrial pre-treatment program and bio-solids disposal, is operated by INFRAMARK Water & Infrastructure.

Gas System. The City’s gas system is one of three municipally owned gas utility systems in the Commonwealth. The gas system began business on January 27, 1874, and was delivered into possession of the Town of Danville on May 1, 1876. It manufactured coal gas that was used to light the streets of Danville. On December 5, 1950, the system was switched from manufactured gas to natural gas, and Danville became the first customer to receive gas on the Transcontinental Gas (“TRANSCO”) pipeline.

The TRANSCO pipeline is a 10,500-mile system that transports natural gas to markets in the eastern United States. It secures natural gas from onshore and offshore wells in Texas and Louisiana and supplies a portion of the natural gas requirements for cities from Texas to Pennsylvania. The City’s gas system is connected only to the TRANSCO pipeline. The City Gate Station is located 2.5 miles west of the City limits. From this location, two steel mains carry gas into the City at 285 PSI to supply the gas distribution grid.

The distribution system contains 12 district regulator stations that supply suitable pressures to customers via approximately 337 miles of distribution mains, ranging in size from 1¼" to 16". Gas is distributed to approximately 14,813 service accounts, including the following large industries: Goodyear Tire and Rubber Company, Blue Ridge Fiberboard, DanChem Technologies, Nestle, Intertape Inc. and Unarco. The distribution grid supplies gas at intermediate- and low-pressures through a system of steel, cast iron and polyethylene plastic gas mains.

The City has contracted with Symmetry Energy Solutions to manage its natural gas capacity and storage assets. TRANSCO capacity assets consist of 16,910 dekatherms per day of firm transportation, plus 3,876 dekatherms per day of storage service, for a total deliverability of up to 20,786 dekatherms per day to the City Gate. Gas supply is provided at a discount through a municipal prepay arrangement with Municipal Energy Resource Corporation.

Electric System. The City's electric distribution system covers approximately 500 square miles, including the City and portions of three adjacent counties. The 1,800 miles of 12,470/7,200-volt distribution lines originate from 17 substations that are serviced by 122 miles of 69,000-volt transmission lines. At the end of the fiscal year that ended June 30, 2023, approximately 42,632 meters were in service. The typical residential customer paid an average annual bill of \$1,830.29 for electricity used domestically. In March 2006, the City became a member of American Municipal Power, Inc. ("AMP"). AMP is a nonprofit wholesale power supplier and services provider for 131 member communities in eight states. The objective of the membership is to obtain a cost-effective, diversified portfolio of electric generation assets and a power supply contract consistent with the City's self-sufficiency strategy to meet the electric needs of its utility customers. The City has multiple contracts with AMP to participate in large generating projects. Such projects are intended to decrease exposure to the volatility of the wholesale energy market for the purchase of electric power. These projects are also intended to be the means for the City to stabilize future retail rates.

The City's electric system served a peak load of 203,089 kilowatts ("kW") with 910,113,553 kilowatt hours ("kWh") of energy purchased for the fiscal year ended June 30, 2023. The City sold a three-unit hydroelectric generating plant with a maximum capacity of 10,607 kW and a 450-kW unit at the Talbott Dam site to Northbrook Energy on February 10, 2021. The City purchases all of the energy, capacity, and renewable energy credits associated with this small hydro facility. For fiscal year ending June 30, 2023, Pinnacles generated 35,508,629 kWh of energy. Appalachian Electric Power also provides transmission service for all purchased power to three of the City's delivery points. Each delivery point has a capacity of 252,000 kW, which is just above the system's historic consumption of 246,800 kW.

In January 2016, the City and STS Hydropower finalized a twenty-year agreement for the City to purchase 4.55 megawatts of electricity generated at the Schoolfield dam located in the City. Both the City Council and the Utility Commission unanimously approved the project. The agreement became effective on December 1, 2016, and expires on November 30, 2036. The terms include a \$63.50/megawatt hour rate with a 1.75% annual escalation. The generation represents approximately 1% of the City's peak load.

The City recently completed improvements to its electric system generation, transmission, substation and distribution facilities, including upgrades to the Southside substation in June 2023 and the Westover substation in December 2022.

The City maintains a Five-Year Capital Improvement Plan (the "CIP") for major infrastructure improvements funded through electric system revenues, reserves, and proceeds from the issuance of bonds. See "*CITY INDEBTEDNESS AND CAPITAL PLANS – Capital Improvement Plan.*" In addition, the City's annual operating budgets include funding for ongoing operating, maintenance, and capital upgrade needs to provide reliable, cost-competitive electric power for its customers and offer an attractive electric power supply to potential businesses and industries looking at sites within the Danville service area.

Telecommunications System. The State Corporation Commission of the Commonwealth granted the City (d/b/a Danville Department of Utilities) a certificate of public convenience and necessity on November 1, 2002, to provide local exchange telecommunications services in the City and the Counties of Halifax, Henry, Patrick, and Pittsylvania. The City is also registered with the Federal Communications Commission as a telecommunications service provider.

The City completed the initial construction of “nDanville” in 2004. nDanville is a 154 route-mile fiber optic broadband network that covers the City and Pittsylvania County. Phase One involved connecting all municipal government and public school buildings, and Phase Two allowed nDanville to start serving businesses.

nDanville’s open access architecture provides opportunities for service providers to take advantage of a municipally constructed and operated telecommunication system to conduct business in return for a share of their revenues. As described below, the business model allows service providers to make use of nDanville as if it were their own network by activating and deactivating customer services freely without the interaction of the network operator (i.e., Danville Utilities). The open access model provides an equal “broadband marketplace” that promotes competition.

nDanville’s operating principle, since its inception, is that the City’s businesses, institutions, and households should have affordable broadband services on par with those available elsewhere in the Commonwealth in order to ensure access to entertainment, cultural, health and especially educational and economic opportunities. Many advanced broadband applications require fiber optic communications, particularly those requiring symmetrical up and down bandwidth greater than a few megabits per second. Conventional cable and DSL services offer only limited asymmetrical bandwidth.

Gross operating revenues were \$859,843 during fiscal year 2023. This compared favorably to the prior fiscal year, showing an increase of approximately \$109,390. Currently, there are over 200 businesses and 300 residences connected and using the network through third-party service providers. The City and the service providers enter into revenue sharing agreements that provide funding for the network. Revenues are also generated by services rendered to the City’s public schools and Pittsylvania County public schools. Payments for services to schools and libraries are subsidized with federal “E-Rate” funds.

Transportation

The transportation network supporting commerce and industry in the City includes general aviation service at Danville Regional Airport, rail passenger service by Amtrak, rail freight service by Norfolk Southern Railway and a local public transportation service. The major highways include U.S. 29, a divided four-lane north-south route, and U.S. 58, a divided four-lane east-west route.

Air Service. The City owns the Danville Regional Airport, which is located just east of the City and supports air freight, charter services, flight instruction and corporate business aviation activities.

Passenger Rail Service. Amtrak has one northbound and one southbound train per day serving the City, providing transportation to New York, New York; Washington, D.C.; New Orleans, Louisiana; Charlotte, North Carolina; and other points.

Trucking. Five motor freight carriers have terminals in the City, and numerous carriers offer daily local service from nearby cities.

Public Transportation. The Danville Transit System provides public transportation service through a unique service model combining fixed route and reservation based operations to improve access and convenience. The system maintains a 27-bus fleet.

Public Education

The Danville Public Schools are organized into four instructional levels—two preschools, six elementary schools, two middle schools, one alternative school and two high schools. George Washington High School offers a comprehensive high school program. Galileo Magnet High School features air and space technology, biotechnology and advanced communications programs. Galileo also offers an International Baccalaureate Program. Langston Focus School serves students in grades 6-12 needing more individualized educational programs to be successful. Also on the Langston Campus is a credit recovery program for students who work individually using technology to complete one course at the time. Students also attend programs through the Piedmont Governor’s School for Math, Science and Technology, as well as the Adult and Career Education Center. W.W. Moore Detention Home Program also has an educational program for students.

The entering total public school enrollment for the past five years is set forth in the table below:

2019-2020	2020-2021	2021-2022	2022-2023	2023-2024
5,690	5,583	5,736	5,557	5,588

While current school sites were constructed over a period from 1934 to 1995, there is an ongoing maintenance and improvement program. All sites have been upgraded with high-speed local area computer networks that interconnect all classrooms and administrative functions through a wide area network that provides Internet access throughout the system.

In April 2022, the City issued its \$127,000,000 General Obligation School Bonds, Series 2022, to finance a program of capital improvements for school purposes. Such school bonds were issued after the City voters approved at a referendum in November 2021 both the issuance of such bonds and the imposition of additional sales tax and a local use tax of up to 1% to finance the costs of school projects (including associated debt service). The authority to impose such additional taxes will expire in May 2041.

The School Board anticipates using the proceeds of such school bonds to pay for a program of capital improvements benefitting Danville Public Schools, including without limitation: renovations to George Washington High School including the interior and exterior of the main building, the career and technology classrooms, gym, cafeteria, and outdoor recreational areas. Uses also include similar renovation plans at Johnson Elementary School and renovations to the Langston High School site.

Higher Education

Danville Community College (“DCC”) is a two-year institution of higher education under the statewide Virginia Community College System. DCC’s service area includes the City of Danville, Pittsylvania County and Halifax County. DCC, its employees, and students are governed by the policies established by the State Board for Community Colleges and with the support and advice of the Danville Community College Board. DCC offers a wide variety of programs ranging from college transfer to occupational and technical programs. DCC also offers a comprehensive program of adult and continuing education, career training, and customized classes to meet the needs of business and industry. For the recently completed 2022-2023 academic year, DCC had an estimated total enrollment of approximately 3,466 students (including approximately 651 online students) and enrollment for the 2023-2024 academic year began with 3,680 students (including 701 online students) across all of its educational programs.

Averett University, founded in 1859, is a private, co-educational, liberal arts institution located in the City, offering undergraduate and graduate degree programs. Averett University has a total enrollment of more than 1,300 students representing 24 states and 20 countries, and offers more than 40 undergraduate programs and 12 graduate degree programs. Averett University also offers evening and summer programs, as well as online education courses, for traditional and non-traditional students in numerous locations across Virginia.

Medical

Sovah Health – Danville (formerly Danville Regional Medical Center), located in the City, provides acute and emergent care services to the citizens of the City and the counties of Pittsylvania, Virginia, and Caswell, North Carolina. Sovah Health – Danville is currently licensed for 250 beds and 20 bassinets. The hospital has comprehensive surgical services, 24-hour emergency services, an advanced wound healing center, cardiac rehabilitation center, two cardiac catheterization labs, a one-day surgery center, and medical & radiation oncology services. Sovah Health – Danville is accredited by American College of Cardiology Accreditation Services for Chest Pain Center, Heart Failure & Cardiac Cath Lab; recognized by The Joint Commission as a Certified Advanced Primary Stroke Center; accredited by the American College of Surgeons’ Commission on Cancer; and is a member of the Duke Heart Network and Duke Telestroke Network.

ECONOMIC AND DEMOGRAPHIC DATA

Population

The following table indicates the City's and the Commonwealth's comparative population data since 1980.

	1980	1990	2000	2010	2020	2022*
City of Danville	45,642	53,056	48,411	43,055	42,590	42,348
Commonwealth of Virginia	5,346,818	6,187,358	7,078,515	8,001,024	8,644,727	8,696,955

Sources: U.S. Census Bureau; Weldon Cooper Center for Public Service, University of Virginia.

* July 1, 2022, estimate (latest information available).

Employment

The Danville-area industries have diversified considerably since the City's historic focus on textiles, tires, tobacco and glass.

Selected data are presented below to illustrate employment conditions in the City.

NON-AGRICULTURAL EMPLOYMENT FOR THE CITY OF DANVILLE

Industry	Average Employment
Health Care and Social Assistance	5,267
Manufacturing	3,928
Retail Trade	3,621
Accommodation and Food Services	3,151
Educational Services	1,792
Administrative, Support, Waste Management	852
Public Administration	988
Other Services (except Public Administration)	767
Professional, Scientific, and Technical Services	675
Transportation and Warehousing	405
Wholesale Trade	586
Finance and Insurance	560
Construction	404
Real Estate and Rental and Leasing	316
Management of Companies and Enterprises	177
Arts, Entertainment, and Recreation	257
Information	122
Utilities	109
Unclassified Establishments	109
Agriculture, Forestry, Fishing and Hunting	*
TOTAL	24,086

Source: Virginia Employment Commission. Second Quarter of 2023 Quarterly Census of Employment and Wages (latest information available).

* Confidential data.

TEN LARGEST EMPLOYERS IN THE CITY OF DANVILLE

The following table sets forth the ten largest employers in the City as of June 30, 2023:

Employer	Product	Estimated Employment
Goodyear Tire & Rubber Co.	Manufacturer	1,944
Sovah Health	Medical Services	1,700
Danville City Public Schools	Education	1,150
City of Danville	Government	962
Buitoni Food Co.	Manufacturer	500
Caesars Virginia	Casino	428
Roman Eagle	Healthcare/Retirement	314
Essel Propack America - EPL	Manufacturer	308
EBI	Manufacturer	234
Averett University	Education	225

Source: Department of Finance, City of Danville.

Unemployment

The following tables show various unemployment data for the City and the Commonwealth since 2013:

Year	<u>City of Danville</u>			<u>Commonwealth of Virginia</u>		
	Labor Force	Unemployed	Unemployment Rate	Labor Force	Unemployed	Unemployment Rate
2013	19,789	1,894	9.6	4,238,377	236,320	5.6
2014	19,649	1,673	8.5	4,258,856	217,948	5.1
2015	19,184	1,365	7.1	4,233,981	185,900	4.4
2016	19,125	1,141	6.0	4,254,348	169,526	4.0
2017	20,117	1,126	5.6	4,352,977	159,687	3.7
2018	19,654	1,003	5.1	4,359,053	130,779	3.0
2019	19,183	952	5.0	4,414,972	122,471	2.8
2020	19,160	1,924	10.0	4,342,950	280,533	6.5
2021	18,632	1,185	6.4	4,331,297	168,742	3.9
2022	18,713	869	4.6	4,435,858	127,053	2.9
2023*	19,213	879	4.6	4,615,871	137,227	3.0

Source: Bureau of Labor Statistics.

* As of October 2023 (latest information available for the City).

Per Capita Personal Income Estimates

The following table shows the per capita income estimates for the Danville Micropolitan Statistical Area ("MSA") and the Commonwealth since 2016.

	2016	2017	2018	2019	2020	2021	2022
Danville MSA	\$33,433	\$34,582	\$35,835	\$37,261	\$40,604	\$43,930	\$44,986
Commonwealth of Virginia	52,659	54,380	56,133	58,368	61,474	66,838	68,985

Source: U.S. Department of Commerce, Bureau of Economic Analysis.

* Latest information available.

Note: Danville MSA includes the City and Pittsylvania County.

Taxable Retail Sales

The City's retail sales information for the calendar years 2013 through 2022 is presented below.

Calendar Year	Taxable Retail Sales ⁽¹⁾
2013	\$741,247,957
2014	737,900,623
2015	770,375,645
2016	787,030,012
2017	793,761,924
2018	801,635,146
2019	781,216,282
2020	817,774,685
2021	916,459,674
2022	962,299,795

Source: Virginia Department of Taxation.

⁽¹⁾ Includes only those sales subject to Virginia Sales and Use Tax.

Building Permits

The value of building permits issued for each of the past ten fiscal years is shown below:

Fiscal Year	Residential		Commercial		Total	
	No.	Value	No.	Value	No.	Value
2014	482	\$4,463,208	171	\$ 31,570,742	653	\$ 36,033,950
2015	559	5,366,361	161	44,285,872	720	49,652,233
2016	377	3,650,832	182	43,222,570	559	46,873,402
2017	328	3,426,354	159	50,193,652	487	53,620,006
2018	253	3,178,468	136	30,694,033	389	33,872,501
2019	334	3,877,530	157	27,445,899	491	31,323,429
2020	298	3,262,691	143	53,824,986	441	57,087,677
2021	145	3,076,134	114	30,148,737	259	33,224,871
2022*	340	8,139,482	166	216,198,056	506	224,337,538
2023	406	10,555,786	249	255,492,401	655	266,048,187

Source: Inspection Division, Department of Engineering, City of Danville.

* Fiscal Year 2022 data includes the initial construction permits related to the casino development described in the section below.

Casino Development

At a referendum held on November 3, 2020, City voters approved the location of a casino gaming establishment at the former Dan River Mills Schoolfield Division site within the geographic boundaries of the City. Regulatory approval was granted by the Virginia Lottery Board and in September 2020, the City negotiated a comprehensive casino development agreement (the "Casino Agreement") with Caesars Entertainment ("Caesars"), providing for the details of the casino project that Caesars proposes to build and its financial commitments to the City. The Casino Agreement states that Caesars will make an initial capital investment of at least \$400 million to develop the project on the Schoolfield site, including a casino, restaurant options, a hotel and 40,000 square feet of conference center space. The total investment in the project is currently expected to exceed \$650 million and to feature a 320-room hotel. Caesars has estimated that the project will result in approximately 900 construction-related jobs during the development of the project and that, upon completion, the casino's operations will require approximately 1,300 full-time equivalent employees.

The Casino Agreement requires Caesars to make a lump sum payment of \$15 million to the City and a payment of \$5 million to purchase the Schoolfield property from the City's economic development authority. The Casino Agreement also includes an annual gaming fee, and related fees and taxes. The annual gaming fee is determined pursuant to a revenue sharing formula, but Caesars has agreed to a minimum annual payment of \$5 million, which began September 1, 2023. After combining payments from the revenue sharing formula with Caesars and the gaming taxes from the Commonwealth of Virginia, the City will receive 8.5% of the first \$200 million in net gaming revenues, 13% of net gaming revenues between \$200 million and \$400 million, and 18% of net gaming revenues that exceed \$400 million. Caesars has estimated that, within the first three years of the commencement of full resort operations, new annually recurring revenues to the City (including the gaming fee, related fees and taxes) will exceed \$30 million.

Pursuant to the Casino Agreement, in December 2020 Caesars made the lump sum payment of \$15 million to the City and purchased the Schoolfield property from the City's economic development authority for \$5 million, as discussed above. On September 16, 2021, Caesars unveiled the design plan for the casino, announcing that site preparation was already underway. In May 2023, Caesars erected a temporary structure on the site to house a temporary casino facility. The temporary casino facility has been generating average monthly net gaming revenues of nearly \$19 million, providing the City approximately \$1.6 million of revenue each month. As of March 1, 2024, construction of the casino resort is on schedule for an opening in late calendar year 2024.

FINANCIAL INFORMATION

Budgeting, Accounting, and Auditing

No later than April 1 of each year, the City Manager is required by the City Charter to prepare and submit to the City Council for its consideration a proposed annual budget (the "Budget") for the ensuing fiscal year beginning on the next July 1 and ending on June 30 of the following year. The Budget is to be based upon detailed estimates furnished by the departments and divisions of the City. No later than April 30, the City Manager, after consultation with the City Council, is required to have the Budget completed and ready for introduction at a regular or special meeting of the City Council. A public hearing on the Budget is held after a synopsis of the Budget is published in a newspaper having general circulation in the City and notice is given of the public hearing. After the conclusion of the public hearing, the City Council may insert new items of expenditure or may increase, decrease or strike out items of expenditure in the Budget, except for items of expenditure for debt service or items required by the City Charter or other provisions of law that cannot be reduced or stricken out. Prior to the beginning of each fiscal year, the City Council will pass an appropriation ordinance that will be based on the Budget submitted by the City Manager and will levy such taxes for the ensuing fiscal year as may be necessary to meet the appropriations not met by other revenues and all sums required by law to be raised for account of the City debt. The total amount of appropriations will not exceed the estimated revenues of the City.

A modified accrual basis of accounting is maintained for general governmental operations whereby expenditures are recorded when paid or when liabilities are incurred and revenues are recorded in the period when earned and available to fund appropriations for that period. The accrual basis of accounting is used in the Enterprise Funds and Internal Service Funds.

An annual audit is made of the accounts and records maintained in the offices of the Director of Finance and the School Board. The annual audit is made by independent certified public accountants appointed by the City Council. The financial statements of the City, presented in Appendix B to this Official Statement, are accompanied by a letter from Brown, Edwards & Company, L.L.P., Certified Public Accountants, Lynchburg, Virginia, the City's independent auditors. Brown, Edwards & Company, L.L.P., will not be reviewing any matters in connection with this Official Statement or any other matters related to the issuance of the Bonds.

[Remainder of Page Intentionally Left Blank]

Five-Year Summary of General Fund Revenues and Expenditures

The financial data presented below summarize General Fund revenues and expenditures for the five fiscal years ended June 30, 2023. Data for fiscal years 2019 through 2023 have been compiled from the City's audited financial statements for such fiscal years. Financial data for the fiscal year ended June 30, 2023, should be read in conjunction with the related financial statements and notes thereto appearing in Appendix B.

FIVE-YEAR SUMMARY OF GENERAL FUND REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

Revenues	2019	2020	2021	2022	2023
Property taxes	\$ 33,310,771	\$ 34,153,100	\$ 35,746,442	\$ 36,409,703	\$ 38,063,053
Other local taxes	27,198,315	27,164,991	30,105,742	33,123,711	37,598,436
Fines and forfeitures	386,050	312,163	291,892	259,670	219,762
Permits, privilege fees, and regulatory licenses	210,412	225,428	227,984	682,743	506,392
Revenue from use of money and property	1,605,235	1,138,935	406,128	(1,084,474)	987,126
Charges for services	3,794,107	3,614,031	3,150,022	2,670,780	2,898,129
Miscellaneous	72,885	71,956	293,667	164,833	114,343
Contributions			3,500	1,000	-
Recovered costs	4,523,323	7,125,623	7,247,169	6,929,265	7,527,089
Intergovernmental	19,251,439	19,658,583	19,458,370	19,733,440	22,062,558
<i>Total Revenues</i>	<i>\$ 90,352,537</i>	<i>\$ 93,464,810</i>	<i>\$ 96,930,916</i>	<i>\$ 98,890,671</i>	<i>\$109,976,888</i>
Other Sources:					
Utilities	14,848,000	15,353,000	15,353,000	16,382,603	15,717,500
Issuance of Debt	120,859	-	-	262,084	147,974
<i>Total Revenues and Other Sources</i>	<i>\$105,321,396</i>	<i>\$108,817,810</i>	<i>\$112,283,916</i>	<i>\$115,535,358</i>	<i>\$125,842,362</i>
Expenditures					
General government administration	\$ 8,508,828	\$ 10,583,130	\$ 11,365,262	\$ 10,891,991	\$ 13,054,516
Judicial administration	6,683,011	7,071,957	7,094,844	7,607,074	8,391,922
Public safety	28,697,885	30,116,548	28,368,548	30,744,593	35,002,931
Public works	3,418,421	3,439,511	3,513,922	4,646,665	4,942,275
Health and welfare	9,129,170	8,883,604	9,062,253	8,461,683	8,994,240
Education	21,096,331	20,989,478	20,599,440	25,880,622	18,502,936
Parks, recreation, and cultural	4,510,886	4,369,398	4,465,591	4,623,385	5,016,110
Community development	2,540,157	2,131,242	1,900,600	1,911,017	2,049,362
Non-departmental	7,238,297	7,031,629	9,445,878	11,299,582	11,638,443
Debt Service					
Principal	3,363,625	3,673,417	3,998,093	4,307,627	3,735,891
Interest/Other Charges	1,673,231	1,830,603	1,542,089	1,598,443	1,802,767
<i>Total Expenditures</i>	<i>\$ 96,859,842</i>	<i>\$100,015,185</i>	<i>\$101,356,520</i>	<i>\$111,972,682</i>	<i>\$113,131,393</i>
Operating Transfers/Out	8,039,609	5,432,050	7,147,993	4,248,960	4,052,358
<i>Total Expenditures and Other Uses</i>	<i>\$104,899,451</i>	<i>\$105,447,235</i>	<i>\$108,504,513</i>	<i>\$116,221,642</i>	<i>\$117,183,751</i>
Net changes in fund balance	\$ 421,945	\$ 3,370,575	\$ 3,779,403	(\$ 686,284)	\$ 8,658,611
Fund balance, beginning of year	\$ 39,518,570	\$ 39,940,514	\$ 43,311,089	\$ 47,090,492	\$ 46,404,208
Fund balance, end of year	\$ 39,940,514	\$ 43,311,089	\$ 47,090,492	\$ 46,404,208	\$ 55,062,819

Source: Department of Finance, City of Danville.

General Fund Budget

The financial data presented below summarizes the adopted General Fund Budget for fiscal years 2023 and 2024.

GENERAL FUND BUDGETS FOR FISCAL YEARS 2023 AND 2024

	2023	2024
Revenues		
General Property Tax	\$ 36,963,520	\$ 38,347,010
Other Local Taxes	31,579,500	48,230,430
Licenses, Permits, Privilege	283,330	424,040
Fines/Forfeitures	299,600	277,760
Rev-Use Money/Property	696,940	1,969,170
Charges for Services	3,389,630	3,140,340
Miscellaneous	25,100	25,100
Recovered Cost	8,490,570	8,897,070
Non-Categorical State Aid	5,528,740	5,382,620
Categorical Aid State Shared	5,637,550	6,021,050
Categorical Aid State	10,070,100	10,250,110
Total Revenues	\$102,964,580	\$122,964,700
Expenditures		
General Government	\$ 12,895,380	\$ 14,289,190
Judicial Administration	8,190,080	8,921,750
Public Safety	34,932,523	38,124,220
Non-Departmental	12,807,290	14,890,120
Community & Economic Development	2,257,270	3,543,580
Public Works & Transportation	4,964,270	5,251,410
Health & Welfare	9,494,885	9,951,320
Parks, Recreation, & Cultural	5,796,630	6,296,580
Support of Schools	22,812,500	25,369,100
Support of Other Entities	1,720,080	1,583,820
Total Expenditures	\$115,870,908	\$128,221,090
Debt Service		
Principal Retirement	\$ 3,665,488	\$ 3,886,740
Interest Payments & Other Charges	1,688,474	1,888,460
Total Debt Service	\$ 5,353,962	\$ 5,775,200
Excess (deficiency)	\$(18,260,290)	\$(11,031,590)
Other Financing Sources (Uses):		
Transfers in	\$17,673,000	\$15,588,000
Transfers out	(1,312,710)	(5,701,960)
Total other Financing Sources (Uses)	16,360,290	9,886,040
Net Change in Fund Balances	\$(1,900,000)	\$(1,145,550)
Fund Balance, Beginning of Year	46,404,208	55,062,819
Fund Balance, End of Year	\$44,504,208	\$53,917,269

Source: Department of Finance, City of Danville.

Fiscal Year 2024 Budget Discussion

The General Fund budget for fiscal year 2024 was adopted on June 20, 2023, and includes no tax increases. The fiscal year 2024 General Fund budgeted revenues of \$138,552,700 (which differs from the amount referenced in the table above because it includes transfers in) represents a 14.9% increase from the fiscal year 2023 budgeted amount. Most of this increase is related to gaming tax and supplemental revenue from Caesars Virginia in the amount of \$13,000,000. Of this amount, \$8,000,000 is sourced from state-collected gaming tax revenue and \$5,000,000 is the annual minimum local supplement that Caesars Virginia agreed to pay as part of the casino development agreement with the City. Combining the state-collected tax and the direct payment from Caesars Virginia, the City will receive 8.5% of the casino's net gaming revenue for the first \$200 million, 13% of revenues between \$200 million and \$400 million, and 18% of revenues that exceed \$400 million.

In addition to casino-derived revenues, the fiscal 2024 budget also includes an increase of \$1.35 million in general property taxes from increased assessed values of real and personal property, as well as an increase of \$3.6 million in local consumer-based taxes which include sales tax, business licenses, prepared meals tax, and lodging taxes.

The increase in budgeted expenditures for fiscal year 2024 incorporate casino-derived revenues for initiatives that will provide transformative enhancements to the local economy. This includes economic development initiatives, public school enhancements, tourism and marketing programs, an update to the City's comprehensive plan, programming for youth, blight eradication, and crime reduction efforts. Increased revenue from taxes has been budgeted to continue the City's pay-for performance system, implementation of a pay study, and other employee benefits to ensure the City attracts and retains a dynamic and qualified workforce. The fiscal year 2024 budget does include use of unassigned fund balance in the amount of \$1.15 million for one-time economic development efforts.

General Fund Revenues and Expenditures

The General Fund is the primary operating fund maintained by the City to account for revenue derived from City property taxes, other local taxes, fines, forfeitures, licenses, fees, permits, reimbursement of certain City expenses shared by the Commonwealth, certain Commonwealth-collected revenues and transfers from the Enterprise Fund. General Fund expenditures include the costs of general City government, transfers to the School Operating Fund to pay the local share of operating the City's public school system, certain capital expenditures and transfers to the Debt Service Fund to provide for the payment of debt service on the City's general government and school bonds.

The following is a discussion of the General Fund revenue structure and major classifications of General Fund expenditures.

Revenues

General Property Taxes - An annual ad valorem tax is levied by the City Council on the assessed value of real and personal property located within the City as of July 1 and January 1, respectively. Except as referenced in the following paragraph, there are no constitutional or statutory limitations upon the City's ability to levy taxes on real or personal property. The ratio of the assessed value of real property to its fair market value is 100%. Real property taxes and personal property taxes are payable in two installments on December 5 and June 5 of the fiscal year in which they are levied. The penalty for late payment is 10% of the amount of taxes due. Interest on delinquent taxes and penalties accrues at a rate of 10% per annum. Property taxes (including penalties for late payment of prior years' taxes) represented 30% of total General Fund revenues and other sources for the fiscal year ended June 30, 2023.

Pursuant to the Personal Property Tax Relief Act of 1998 (Chapter 35.1, Title 58.1 of the Code of Virginia of 1950, as amended), personal property taxes applicable to the first \$20,000 in assessed value of certain individually owned motor vehicles were to be eliminated over a period of time. Such legislation provided a formula for the Commonwealth generally to reimburse localities, including the City, for up to 100% of the decrease in revenues attributable to such tax. The timing and the amount of such reimbursements, however, were subject to annual appropriation and further modification by the General Assembly. Implementation of such reimbursements began with

fiscal year 1998, with the level of reimbursement reaching 70%. Beginning in 2006, reimbursement by the Commonwealth to localities was capped at \$950 million annually. The City received \$3,593,576 in the fiscal year ended June 30, 2023.

Other Local Taxes - The City levies various other local taxes, including: a sales and use tax; business, professional, and occupational license taxes; a motor vehicle license tax; a meals tax; a recordation tax; and a tax on consumer telephone bills. Other local taxes represented 30% of total General Fund revenues and other sources for the fiscal year ended June 30, 2023.

Intergovernmental Revenue - The City received revenue from the Commonwealth for a portion of shared categorical expenses, including certain expenditures for social services and the operation of constitutional offices. The City also receives a significant amount of aid from the Commonwealth in support of the public school system; however, such revenues are credited directly to the School Operating Fund and are not reflected in the General Fund. Revenues from the Commonwealth represented 18% of total General Fund revenues and other sources for the fiscal year ended June 30, 2023.

Other Revenues - Other sources of revenues for the General Fund represent 22% of total General Fund revenues and other sources for the fiscal year ended June 30, 2023, and include permits, privilege fees and regulatory licenses, fines and forfeitures, interest on General Fund investments, transfers from the Utility Fund, certain charges for services rendered, various recovered costs and miscellaneous other sources.

Expenditures

Costs of General City Government - Payments for the costs of the operation of the City government are made from the General Fund. Such costs include expenditures for public safety, general administration, public works, health and welfare, education, community development and social services. This classification represented 77% of total General Fund expenditures and other uses for the fiscal year ended June 30, 2023.

Transfer to Special Revenue Funds - The City transfers moneys from the General Fund to the Special Revenue Funds, principally the School Operating Fund, to pay the City's share of the costs of operating the public school system. This transfer represented 16% of total expenditures and other uses from the General Fund for the fiscal year ended June 30, 2023. No debt service on the City's school bonds is paid from the School Operating Fund.

Transfers to Debt Service Fund - Debt service requirements on City general government and school bonds are paid by transfers from the General Fund to the Debt Service Fund. Such transfers represented 5% of total General Fund expenditures and other uses for the fiscal year ended June 30, 2023.

Transfers to the Capital Fund - The City has elected to finance certain capital projects from current revenues, and such expenditures comprise the primary portion of this category. These transfers were 2% of the total expenditures and other uses of the General Fund for the fiscal year ended June 30, 2023.

[Remainder of Page Intentionally Left Blank]

Operating Data

The tables below represent a summary of real and personal property tax levies and collections for recent fiscal years.

REAL PROPERTY TAX LEVIES AND COLLECTIONS

Fiscal Year	Tax Rate Per \$100	Collections & Adjustments Through				Percentage of Original Levy Collected in Year of Levy ⁽¹⁾	Uncollected at End of Month in which 2nd Half Tax Due ⁽¹⁾		Percentage of Original Levy Uncollected at End of Month in which 2nd Half Tax Due ⁽¹⁾	Collections & Adjustments in Subsequent Years ⁽¹⁾		Total Collections & Adjustments Through June 30, 2021	Uncollected Balance At June 30, 2021	Percentage of Original Levy Collected At June 30, 2021
		Original Levy ⁽¹⁾	End of Month in which 2nd Half Tax Due ⁽¹⁾	End of Month in which 2nd Half Tax Due ⁽¹⁾	End of Month in which 2nd Half Tax Due ⁽¹⁾		End of Month in which 2nd Half Tax Due ⁽¹⁾	End of Month in which 2nd Half Tax Due ⁽¹⁾						
2014	\$0.73	\$16,241,177	\$15,223,541	\$14,985,466	\$14,985,466	93.73%	\$1,017,636	\$1,017,636	6.27%	\$ 981,247	\$ 981,247	\$16,204,788	\$ 36,389	99.78%
2015	0.73	16,175,657	14,985,466	14,985,466	14,985,466	92.64	1,190,191	1,190,191	7.36	1,147,100	1,147,100	16,132,566	43,091	99.73
2016	0.73	16,226,974	15,323,516	15,323,516	15,323,516	94.43	903,458	903,458	5.57	847,802	847,802	16,171,318	55,656	99.66
2017	0.73	16,243,600	15,357,140	15,357,140	15,357,140	94.54	886,460	886,460	5.46	821,141	821,141	16,178,281	65,319	99.60
2018	0.80	18,049,905	16,926,921	16,926,921	16,926,921	93.78	1,122,984	1,122,984	6.22	1,023,585	1,023,585	17,950,506	99,399	99.45
2019	0.80	17,955,991	17,040,137	17,040,137	17,040,137	94.90	915,854	915,854	5.10	787,141	787,141	17,827,278	128,713	99.28
2020	0.84	18,865,804	17,948,051	17,948,051	17,948,051	95.14	917,753	917,753	4.86	733,828	733,828	18,681,879	183,925	99.03
2021	0.84	19,419,765	18,554,950	18,554,950	18,554,950	95.55	864,815	864,815	4.45	583,748	583,748	19,138,698	281,067	98.55
2022	0.84	19,587,311	18,632,939	18,632,939	18,632,939	95.13	954,372	954,372	4.87	-	-	18,632,939	954,372	95.13
2023	0.84	20,231,126	19,338,391	19,338,391	19,338,391	95.59	892,735	892,735	4.41	-	-	19,338,391	892,735	95.59

Source: Director of Finance, City of Danville.

⁽¹⁾ Taxes assessed on fiscal year basis, with the 1st half due on December 5 of each year and the 2nd half due on June 5 of each year.

[Remainder of Page Intentionally Left Blank]

PERSONAL PROPERTY/MACHINERY AND TOOLS TAX LEVIES AND COLLECTIONS

Fiscal Year	Tax Rate Per \$100 ⁽⁴⁾	Original Levy ⁽¹⁾	Collections & Adjustments through June 30 of Year of Levy ⁽¹⁾	Percentage of Original Levy Collected in Year of Levy ⁽¹⁾	Uncollected as of June 30 of Year of Levy ⁽¹⁾⁽³⁾	Percentage of Original Levy Uncollected as of June 30 of Year of Levy ⁽¹⁾	Collections & Adjustments in Subsequent Years ⁽¹⁾	Total Collections & Adjustments Through June 30, 2023	Uncollected Balance At June 30, 2023 ⁽¹⁾	Percentage of Original Levy Collected At June 30, 2023
2014	\$3.00	\$10,560,822	\$3,503,575	33.18%	\$ 7,057,247	66.82%	\$7,057,247	\$10,560,822	-	100.00%
2015	3.00	10,897,755	3,621,758	33.23	7,275,997	66.77	7,275,997	10,897,755	-	100.00
2016	3.00	11,197,466	3,938,661	35.17	7,258,805	64.83	7,258,806	11,197,466	-	100.00
2017	3.00	11,183,892	4,094,676	36.61	7,089,216	63.39	7,089,216	11,183,892	-	100.00
2018	3.50	13,362,140	5,200,943	38.92	8,161,197	61.08	7,987,739	13,188,682	\$ 173,458	98.70
2019	3.50	13,546,839	4,986,240	36.81	8,560,599	63.19	8,409,372	13,395,612	151,227	98.88
2020	3.60	14,006,837	5,363,605	38.29	8,643,232	61.71	8,479,150	13,842,755	164,082	98.83
2021	3.60	15,199,589	5,791,027	38.10	9,408,562	61.90	9,142,484	14,933,511	266,078	98.25
2022	3.60	16,523,796	6,461,929	39.11	10,061,867	60.89	9,270,885	15,732,814	790,982	95.21
2023	3.60	16,899,604	6,240,897	36.93	10,658,707	63.07	-	6,240,897	10,658,707	36.93

Source: Department of Finance, City of Danville.

⁽¹⁾ Beginning on January 1, 1999, the City has levied taxes on a calendar year basis with 1st half taxes due on June 5th and 2nd half taxes due on December 5th.

⁽²⁾ According to state law, uncollected personal property taxes are collectible five years following the year of levy.

⁽³⁾ This includes the second half of the tax levy, which is not due until December 5th, and also the Personal Property Tax Relief Act (PPTRA) funds from the Commonwealth. PPTRA funds amounting to \$3,593,576 are received in three installments during July, August and November each year, therefore, are shown as uncollected at June 30.

⁽⁴⁾ Personal property tax rate shown is for personal property, which is the largest portion of the tax levy. However, data includes (a) Machinery and Tools (\$1.50 per \$100), (b) Mobile Home (\$0.73 per \$100 for year prior to 2018 and \$.80 per year effective with FY 2018, and \$0.84 per \$100 effective with FY 2020) and (c) Aircraft (\$0.30 per \$100).

[Remainder of Page Intentionally Left Blank]

The following table provides a listing of the fifteen largest real estate taxpayers in the City for the period ended June 30, 2023.

FIFTEEN LARGEST REAL ESTATE TAXPAYERS

Taxpayer	Total Assessed Value	% of Total Assessed Value ⁽¹⁾
Danville Regional Medical Center LLC	\$ 78,709,300	3.25
Goodyear Tire and Rubber Company	30,147,700	1.25
JTI Leaf Services US LLC	22,575,100	0.93
Danville Mall LLC (Piedmont Mall LLC)	15,752,800	0.65
River District Tower LLC	14,814,800	0.61
Daniel Group Inc.	13,155,000	0.54
NAP Coleman Marketplace LLC	13,073,100	0.54
Piedmont Lands of Virginia LLC	13,051,000	0.54
EBI LLC	11,069,200	0.46
Litehouse, Inc.	11,017,600	0.46
Essel Propack	10,914,400	0.45
Wal-Mart Real Estate Business Trust	10,158,200	0.42
Sams Real Estate Business Trust	9,121,300	0.38
Pemberton Lofts LLC	8,890,000	0.37
	8,286,600	0.34
	\$270,736,100	11.18%

Source: Department of Finance, City of Danville.

⁽¹⁾ Total Fiscal Year 2023 Assessed Real Estate Value is \$2,420,541,900 for the City of Danville.

Local tax revenues are derived primarily from real and personal property located within the City. Both real and personal property were assessed at the estimated fair market value for the years shown below. The following table illustrates the trends in value:

SCHEDULE OF ASSESSED PROPERTY VALUES⁽¹⁾

Fiscal Year	Assessed Value of Real Property	Assessed Value of Personal Property	Assessed Value of Machinery and Tools	Assessed Value of Mobile Homes	Assessed Value of Public Service Corp.	Assessed Value of Aircraft	Total Assessed Value
2014	\$2,245,455,200	\$303,862,061	\$85,276,081	\$3,157,546	\$46,364,169	\$5,596,700	\$2,689,711,757
2015	2,234,658,900	314,269,866	88,642,291	3,089,306	46,364,169	5,376,000	2,692,400,532
2016	2,240,747,200	322,874,514	89,676,124	2,825,460	46,578,273	8,061,770	2,710,763,341
2017	2,235,165,800	329,465,928	97,330,638	2,816,476	48,506,117	7,601,044	2,720,886,003
2018	2,270,914,500	340,099,963	112,709,350	3,061,340	49,032,295	7,469,241	2,783,286,689
2019	2,261,428,500	347,473,090	117,196,127	3,025,660	60,222,468	7,040,932	2,796,386,777
2020	2,262,959,300	349,438,279	114,095,791	3,180,324	59,098,352	8,939,000	2,797,711,046
2021	2,319,769,100	385,394,693	109,652,377	3,285,196	61,970,778	7,317,800	2,887,389,944
2022	2,340,059,800	489,778,155	122,719,764	3,173,230	60,969,318	7,843,225	3,024,543,492
2023	2,420,541,900	465,243,765	111,679,891	2,709,674	66,279,232	8,141,010	3,074,595,472

Source: Department of Finance, City of Danville.

⁽¹⁾ Real property is assessed on a fiscal year basis; all other property is assessed on calendar year basis.

PROPERTY TAX RATES
(Per \$100 Assessed Value)

Fiscal Year	Real Property⁽¹⁾	Personal Property	Machinery and Tools	Aircraft
2014	\$0.73	\$3.00	\$1.50	\$0.30
2015	0.73	3.00	1.50	0.30
2016	0.73	3.00	1.50	0.30
2017	0.73	3.00	1.50	0.30
2018	0.80	3.50	1.50	0.30
2019	0.80	3.50	1.50	0.30
2020	0.84	3.60	1.50	0.30
2021	0.84	3.60	1.50	0.30
2022	0.84	3.60	1.50	0.30
2023	0.84	3.60	1.50	0.30

Source: Department of Finance, City of Danville.

⁽¹⁾ Includes mobile homes.

Pension Fund Information

The City participates in two public employee retirement systems: (1) the Employees' Retirement System of the City of Danville ("ERS"), which is a single-employer defined benefit plan established in 1946 and placed under the management of a board of trustees for the purpose of providing retirement, disability and death benefits for full-time, permanent employees of the City and (2) the Virginia Retirement System ("VRS"), which is a multi-employer public retirement system that acts as a common investment and administrative agent for political subdivisions in the Commonwealth (and is therefore not reflected as a City pension trust fund).

The City makes annual contributions to the ERS plan. As of a June 30, 2022, actuarial date (rolled forward to a measurement date of June 30, 2023) the value of assets for the ERS plan was approximately \$282.5 million and the net pension fund liability was approximately \$276.8 million, resulting in an overfunded amount of approximately \$5.7 million.

With respect to the ERS plan, the City Council adopted a resolution on December 4, 2012, abolishing the practice of granting post-retirement cost of living adjustments ("COLA") for its retirees. The COLA approach was replaced with a bonus system calling for appropriations by City Council from its annual expense budget based on affordability and sustainability criteria that include the funded status of the ERS plan, the status of the City's budget, and the amount of the City's normal cost contribution to the pension plan. As a result, along with favorable market performance, the unfunded liability decreased \$28.2 million in the year following adoption. The City has maintained the funding ratio at approximately 100% for the past five years. The City Council also adopted a resolution on August 20, 2019, to require an employee contribution for those hired on or after September 1, 2019. The employee contribution for such employees is 50% of the City's full contribution rate, but is capped at the VRS employee contribution rate (currently 5%).

The City contributes to VRS for constitutional officers and their employees. The latest VRS valuation data available to the City is dated June 30, 2022 (rolled forward to a measurement date of June 30, 2023). As of that date, with respect to the City's portion of the VRS plan, the actuarial value of assets was approximately \$31.125 million and the unfunded net pension liability was approximately \$31.489 million, resulting in a net liability amount of approximately \$364,000.

In addition to the City's participation in the VRS plan, the Danville Public Schools contribute to VRS for their professional and non-professional employees.

See Notes 17 and 18 in the City's audited financial statements attached hereto as Appendix B for a more detailed description of the ERS and VRS plans.

Post-Employment Benefits Other than Pensions

The City is a non-participating employer under the State's Line of Duty Act ("LODA"), and therefore directly funds the cost of benefits provided under LODA. Participants in the plan include eligible public safety employees and volunteers of the City who are disabled or killed in the line of duty and their eligible family members. The City pays the following for eligible claimants under the plan: health benefit plan premiums for any claimant and/or eligible spouse and family member; death benefit of \$100,000 (if death occurs as a direct result of performing duty; amount may vary for other causes of death) to eligible family members; funeral benefits (if requested); any administrative fees associated with the LODA claims; and retroactive health insurance premium reimbursements, if applicable.

Effective July 1, 2017, claimants become ineligible for LODA under the following circumstances: eligibility for Medicare due to age; income greater than pre-disability income; or remarriage by a surviving spouse. Existing participants with a death or disability eligibility date prior to July 1, 2017, and current/existing spouses who remarried prior to July 1, 2017, are grandfathered.

As of July 1, 2021, there were 19 retirees receiving benefits under LODA and 295 active employees eligible for LODA should the circumstances arise. Sixty-five of those eligible were Danville Life Saving Crew members. As of June 30, 2023, the City's total OPEB liability was \$4,822,534, which was determined based on an actuarial valuation performed as of July 1, 2021.

In accordance with Governmental Accounting Standards Board ("GASB") Statement No. 75 ("GASB No. 75") entitled "Accounting and Financial Reporting for Postemployment Benefits Other than Pensions," the City recognizes the costs of its Other Postemployment Benefits ("OPEB") during the period of its employee's active employment, while the benefits are being earned, and reports its unfunded actuarial accrued liability in order to accurately report the total future cost of postemployment benefits and the financial impact on the City. These GASB 75 requirements are very similar to requirements for pension benefits. The City implemented GASB No. 75 and incorporated such information into its financial statements beginning in fiscal year 2018.

As of June 30, 2023, the following changes in the City's net OPEB liability were estimated:

Balance at June 30, 2022	\$4,938,694
Service Cost	75,871
Interest Cost	180,020
Changes in Benefit Terms	-
Differences Between Expected and Actual Experience	-
Changes of Assumptions	(97,590)
Benefit Payments	(274,461)
Net Change in OPEB Liability	(116,160)
Balance at June 30, 2023	\$4,822,534

Source: Department of Finance, City of Danville.

For further information regarding the City's Post-Employment Benefits Other than Pensions, see Note 21 to the City's audited financial statements attached hereto as Appendix B.

[Remainder of Page Intentionally Left Blank]

CITY INDEBTEDNESS AND CAPITAL PLANS

Debt Administration

The Constitution of Virginia authorizes a city in Virginia to issue bonds and notes secured by a pledge of its full faith and credit. The Constitution limits the amount of such indebtedness to 10% of the assessed valuation of real estate subject to taxation by the city.

According to the Public Finance Act of 1991, the City can issue bonds only in accordance with its City Charter. The City Charter provides that the City shall not issue any bonds without approval by the qualified voters at an election, except that the City Council may authorize bonds or notes for the purposes and in the amounts in any one fiscal year as set out below without an election. Contractual obligations other than bonds and notes are excluded from the election requirement.

Purpose	Amount Per Fiscal Year
Capital expenditures other than capital expenditures relating to the City's water, sewer, gas and/or electric systems	\$6,000,000
Capital expenditures relating to the City's water, sewer, gas and/or electric systems or other specific undertakings from which the City may derive a revenue	\$10,000,000
Capital expenditures relating to 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	\$25,000,000
Notes in anticipation of authorized bonds	The amount of authorized bonds
Compensation required by court order in annexation proceedings	No limit
Refunding bonds	Amount required to refund the refunded bonds
Anticipation of collection of revenue for the current fiscal year	\$500,000

Statement of Legal Debt Margin at March 31, 2024

Debt Limit Per Constitution in Virginia --	
10% Assessed Value of Real Estate at June 30, 2023 (\$2,486,931,132)	\$248,693,113
Deduct:	
Gross Bonded Debt	231,383,333
Less Bonds Issued Pursuant to Section 10, Article VII of the Constitution of Virginia:	<u>(6,480,000)</u>
Net Debt Applicable Against Limit	<u>(224,903,333)</u>
Legal Debt Margin at March 31, 2024	<u>\$ 23,789,780</u>

Source: Department of Finance, City of Danville.

General Obligation Bonded Debt Incurred Since Fiscal Year ended June 30, 2023

Other than the Series 2024 Bonds to be issued as part of this offering, the City has issued no other general obligation bonded debt since the Fiscal Year ended June 30, 2023.

Statement of Bonded Debt

The following table sets forth the annual principal and interest payments on the outstanding general obligation long-term bonded indebtedness of the City, including literary loans and general obligation indebtedness expected to be paid from utility revenues and the 1% additional sales tax, but excluding indebtedness payable solely from utility revenues and debt on installment loans and lease obligations.

ESTIMATED GENERAL OBLIGATION BONDED DEBT SERVICE REQUIREMENTS

Fiscal Year Ending	Total Outstanding Bond Debt Service as of June 30, 2023			Plus General Obligation Public Improvement Bonds, Series 2024			Total Debt Service ⁽¹⁾
	Principal	Interest	Total ⁽¹⁾	Principal	Interest	Total ⁽¹⁾	
2024	\$9,341,667	\$8,783,168	\$18,124,835				
2025	11,831,667	8,334,693	20,166,360				
2026	12,516,667	7,823,213	20,339,880				
2027	10,941,667	7,297,303	18,238,970				
2028	11,231,667	6,840,187	18,071,854				
2029	11,871,667	6,389,435	18,261,102				
2030	11,636,666	5,945,925	17,582,591				
2031	11,311,666	5,519,638	16,831,304				
2032	11,936,666	5,079,180	17,015,846				
2033	12,115,000	4,624,569	16,739,569				
2034	12,770,000	4,170,794	16,940,794				
2035	12,990,000	3,697,200	16,687,200				
2036	13,490,000	3,214,897	16,704,897				
2037	13,185,000	2,723,143	15,908,143				
2038	13,280,000	2,222,313	15,502,313				
2039	13,150,000	1,720,631	14,870,631				
2040	13,225,000	1,222,044	14,447,044				
2041	13,130,000	725,744	13,855,744				
2042	13,115,000	261,347	13,376,347				
2043	1,175,000	23,500	1,198,500				
2044	-	-	-				
	\$234,245,000	\$86,618,924	\$320,863,924				

Source: Department of Finance, City of Danville.

(1) Totals may not add due to rounding.

The rapidity with which the above-referenced debt, as of June 30, 2023, will be repaid is as follows:

Year	Amount Maturing*	Percentage of Principal Repaid
5 Years	\$ 55,863,335	23.85%*
10 Years	114,735,000	48.98
15 Years	180,450,000	77.03
20 Years	234,245,000	100.00

* Preliminary, subject to change.

The following table sets forth the debt service requirements for the City's undertakings that are subject to annual appropriation by City Council, including certain lease revenue bonds issued by the Danville IDA and certain moral obligation support agreements of the City.

DEBT SERVICE REQUIREMENTS
SUBJECT TO APPROPRIATION UNDERTAKINGS⁽¹⁾⁽²⁾⁽³⁾
As of June 30, 2023

Fiscal Year	Principal	Interest	Total
2024	\$837,500	\$214,478	\$1,051,978
2025	690,500	199,488	889,988
2026	10,597,000	175,224	10,772,224
2027	606,000	15,965	621,965
2028	617,000	4,597	621,597
TOTAL	\$14,164,000	\$841,586	\$15,005,586

Source: Department of Finance, City of Danville.

⁽¹⁾ The debt service payments reflected in this table include (a) the rental payments due in connection with the Danville IDA's (i) \$10,000,000 Public Facility Lease Revenue Note, Series 2021A (Federally Taxable), and (ii) \$4,184,000 Public Facility Lease Revenue Refunding Bond, Series 2021B (Federally Taxable), each issued on May 18, 2021, and (b) the City's share of the Danville-Pittsylvania Regional Industrial Facility Authority ("RIFA") moral obligation arrangements.

⁽²⁾ Included in the figures in this table are contingent payments the City is expected to make under a Support Agreement dated August 1, 2019, with RIFA that pledges the City's moral obligation in support of half of the amount of debt service payments on RIFA's \$2,545,000 Revenue Refunding Bonds (Cane Creek Project), Series 2019 (Taxable).

⁽³⁾ Not included in the figures in this table are contingent payments that the City may make under the following arrangements (but is not expected to be called upon to make because other revenues are anticipated to be sufficient):

- (a) a Moral Obligation Agreement dated January 6, 2011, with American National Bank in the maximum remaining amount of \$1,800,413;
- (b) a Moral Obligation Agreement dated March 19, 2013, with Virginia Small Business Financing Authority in the maximum remaining amount of \$348,691;
- (c) a Moral Obligation Agreement dated March 22, 2013, with American National Bank in the maximum remaining amount of \$647,804;
- (d) a Moral Obligation Agreement dated March 29, 2013, with Virginia Community Capital in the maximum remaining amount of \$1,141,684;
- (e) a Moral Obligation Agreement dated June 24, 2013, with American National Bank in the maximum remaining amount of \$1,120,145;
- (f) a Moral Obligation Agreement dated April 12, 2016, with American National Bank in the maximum remaining amount of \$784,286;
- (g) a Moral Obligation Agreement dated December 30, 2016, with American National Bank in the maximum remaining amount of \$307,630;
- (h) a Moral Obligation Agreement dated January 19, 2021, with Movement Bank in the maximum remaining amount of \$524,000; and
- (h) a Moral Obligation Agreement dated June 15, 2021, with American National Bank in the maximum remaining amount of \$956,000.

Each of these moral obligation undertakings supports economic projects financed by the Danville IDA. Payments under all agreements are subject to annual appropriations by the City Council. The City does not currently expect that City payments will be requested under these agreements.

Key Debt Ratios

Set forth below are the City's key debt ratios for the fiscal years indicated.

Fiscal Year Ended June 30	Population	<u>Assessed Value</u>	<u>Bonded Debt</u>		<u>Ratio of Bonded Debt to Assessed Value</u>		<u>Bonded Debt Per Capita</u>	
		Real & Personal Property	General Fund Supported	Self-Sustaining Utilities	General Fund Supported	Self-Sustaining Utilities	General Fund Supported	Self-Sustaining Utilities
2014	42,912	\$2,689,711,757	\$34,379,976	\$55,712,660	1.28	2.07	\$ 801.17	\$1,298.30
2015	42,975	2,692,400,532	35,893,854	51,844,337	1.33	1.93	835.23	1,206.38
2016	42,544	2,710,763,341	40,692,518	51,156,794	1.50	1.89	956.48	1,202.30
2017	41,898	2,719,983,192	44,302,180	46,345,271	1.63	1.70	1,057.38	1,106.15
2018	41,358	2,783,286,689	47,086,136	51,863,973	1.69	1.86	1,138.50	1,254.03
2019	40,590	2,796,386,777	45,379,138	47,365,047	1.62	1.69	1,117.99	1,166.91
2020	40,044	2,797,711,046	48,729,288	54,393,579	1.64	1.78	1,216.89	1,358.35
2021	42,590	2,887,389,944	47,939,470	51,036,951	1.66	1.77	1,125.60	1,198.33
2022	42,597	3,024,543,492	51,964,153	46,792,514	1.72	1.55	1,219.90	1,098.49
2023	42,348	3,074,595,472	52,738,038	60,986,962	1.72	1.98	1,245.35	1,440.14

Source: Department of Finance, City of Danville.

Note: The above bonded debt excludes lease revenue bonds and capital leases for equipment and other obligations that are subject to annual appropriation of funds by City Council for payment of debt service if the City had any of those types of debt in the applicable fiscal year. The table above also excludes \$127 million general obligation school bonds, the debt service on which is expected to be repaid primarily by an additional 1% sales tax levy.

Fiscal Year Ended June 30	General Fund Expenditures and Transfers ⁽¹⁾	<u>Debt Service⁽⁴⁾</u>		<u>Percentage of Debt Service to Total Expenditures and Transfers</u>	
		General Fund Supported ⁽²⁾	Self-Sustaining Utilities ⁽³⁾	General Fund Supported	Self-Sustaining Utilities
2012	\$103,391,295	\$5,019,639	\$5,255,176	4.85%	5.08%
2013	106,338,114	2,535,106	5,548,634	2.38	5.22
2014	96,219,849	2,627,291	5,910,354	2.73	6.14
2015	97,425,074	2,997,576	6,457,773	3.08	6.63
2016	98,699,153	3,134,170	6,354,661	3.18	6.44
2017	105,956,937	4,512,363	6,731,365	4.26	6.35
2018	104,328,063	4,668,273	6,719,510	4.47	6.44
2019	104,899,451	5,018,545	6,944,393	4.78	6.62
2020	105,552,567	5,313,968	6,551,344	5.03	6.21
2021	108,504,513	5,573,953	5,932,249	5.14	5.47
2022	117,764,221	5,898,808	6,135,708	5.01	5.21
2023	117,183,751	5,403,229	5,375,723	4.61	4.59

Source: Department of Finance, City of Danville.

⁽¹⁾ Includes General Fund, Danville School Board, Danville Development Council and Transfers Out.

⁽²⁾ Includes tax supported bonds, school bonds, reimbursables, leases, notes and long-term debt.

⁽³⁾ Includes utility supported bonds, reimbursables, leases, notes and long-term debt.

⁽⁴⁾ Excludes \$127 million general obligation school bonds, the debt service on which is expected to be repaid primarily by an additional 1% sales tax levy.

Capital Improvement Plan

The City Council approved the Capital Improvement Plan (CIP) for fiscal years 2024-2028 on June 20, 2023. The CIP is normally reviewed and updated on an annual basis as a part of the budget process to reflect changing priorities, cost estimates and financing strategies. The City Council appropriates funds for capital project expenditures on a project-by-project basis as the funding sources become available.

ADOPTED GENERAL FUND CAPITAL PROJECTS – FY 2024 CITY COUNCIL APPROVED GENERAL FUND CAPITAL PROJECTS – FY 2024-2028

Uses of Funds	FY 2024	CITY COUNCIL APPROVED				5-Yr. Total
		FY 2025	FY 2026	FY 2027	FY 2028	FY 2024-28
Community Development	\$ 605,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 2,605,000
Economic Development	4,465,492	3,225,000	3,125,000	3,125,000	3,125,000	17,065,492
Fire Department	1,470,500	3,264,108	13,500,000	2,430,000	13,165,000	33,829,608
Information Technology	275,000	575,000	500,000	550,000	300,000	2,200,000
Parks & Recreation	2,745,000	6,120,000	3,120,000	3,095,000	3,095,000	18,175,000
Police Department – Adult Det.	369,000	0	0	0	0	369,000
Police Department – Juvenile Det.	100,000	0	0	0	0	100,000
Police Department – Admin	337,000	262,000	262,000	262,000	0	1,123,000
Public Works – Building & Grounds	2,175,000	2,675,000	1,625,000	1,950,000	2,625,000	11,050,000
Public Works – Building & Grounds						
Unscheduled	0	0	0	0	28,950,000	28,950,000
Public Works – Engineering & Streets	4,001,400	3,267,000	2,525,000	9,625,000	6,781,044	26,199,444
Public Works – Engineering & Streets						
Unscheduled	0	0	0	6,000,000	184,175,000	190,175,000
Transportation Services	5,432,842	300,000	2,768,000	2,200,000	-	10,700,842
Public Schools						
Total Projects	\$21,976,234	\$20,188,108	\$27,925,000	\$29,737,000	\$242,716,044	\$342,542,386

Sources of Funds	FY 2024	FY 2025	CITY COUNCIL APPROVED			5-Yr. Total
			FY 2026	FY 2027	FY 2028	FY 2024-28
General Fund Revenues	-	\$ 9,973,108	\$19,465,360	\$ 9,724,287	\$ 53,256,044	\$ 92,418,799
General Fund Balance	\$ 3,333,729	-	-	-	-	3,333,729
To Be Determined	1,601,813	7,975,000	3,975,000	3,950,000	130,545,000	148,046,813
State Grants	1,921,202	25,000	2,118,440	8,867,713	56,700,000	69,632,355
Reprogrammed Funds	169,950	-	-	-	-	169,950
Debt Financing	11,193,467	2,000,000	2,000,000	2,000,000	2,000,000	19,193,467
Aid to Localities – VA Fire						
Program	165,000	165,000	165,000	165,000	165,000	825,000
Contribution-in-Aid	50,000	50,000	50,000	50,000	50,000	250,000
Federal Grants	3,541,073	-	151,200	4,980,000	-	8,672,273
Total Funds	\$21,976,234	\$20,188,108	\$27,925,000	\$29,737,000	\$242,716,044	\$342,542,386

[Remainder of Page Intentionally Left Blank]

**SUMMARY OF CAPITAL PROJECTS AND
FUNDING SOURCES FOR UTILITY ENTERPRISE FUNDS
ADOPTED CAPITAL PROJECTS – FY 2024
COUNCIL APPROVED CAPITAL PROJECTS – FY 2024-2028**

	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	5 Yr. Total
Uses of Funds						
Wastewater Fund	\$18,050,000	\$15,900,000	\$1,400,000	\$1,400,000	\$1,400,000	\$38,150,000
Water Fund	3,100,000	3,100,000	3,100,000	3,000,000	3,000,000	15,300,000
Gas Fund	1,100,000	500,000	500,000	500,000	500,000	3,100,000
Electric Fund	9,500,000	4,000,000	3,500,000	3,500,000	3,500,000	24,000,000
Total	\$31,750,000	\$23,500,000	\$8,500,000	\$8,400,000	\$8,400,000	\$80,550,000
Sources of Funds						
Bonds	\$14,500,000	\$ 7,000,000	\$6,500,000	\$6,500,000	\$6,500,000	\$40,000,000
Utility Fund Revenues	3,250,000	2,500,000	2,000,000	1,900,000	1,900,000	11,550,000
Grants	14,000,000	14,000,000	0	0	0	29,000,000
Total	\$31,750,000	\$23,500,000	\$8,500,000	\$8,400,000	\$8,400,000	\$80,550,000

APPENDIX B

**BASIC FINANCIAL STATEMENTS OF THE CITY
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

APPENDIX C
PROPOSED FORM OF BOND COUNSEL OPINION

*Set forth below is the proposed form of the opinion of Hunton Andrews Kurth LLP, Bond Counsel.
It is preliminary and subject to change prior to delivery of the Bonds.*

[Closing Date]

Mayor and Council
City of Danville
Danville, Virginia

City of Danville, Virginia

**\$ _____
General Obligation Public Improvement Bonds,
Series 2024**

Ladies and Gentlemen:

We have examined the applicable law and certified copies of proceedings and documents relating to the issuance and sale by the City of Danville, Virginia (the "City"), of its \$ _____ General Obligation Public Improvement Bonds, Series 2024 (the "Bonds"). Reference is made to the form of the Bonds for information concerning their details, including payment and redemption provisions, their purposes and the proceedings pursuant to which they are issued.

Without undertaking to verify the same by independent investigation, we have relied on certifications by representatives of the City as to certain facts relevant to both our opinion and requirements of the Internal Revenue Code of 1986, as amended (the "Code"). The City has covenanted to comply with the current provisions of the Code regarding, among other matters, the use, expenditure and investment of the proceeds of the Bonds and the timely payment to the United States of any arbitrage rebate amounts with respect to the Bonds, all as set forth in the proceedings and documents relating to the issuance of the Bonds (the "Covenants").

Based on the foregoing, in accordance with customary opinion practice and assuming the due authorization, execution and delivery of all documents by parties other than the City, we are of the opinion that:

1. The Bonds have been authorized and issued in accordance with the Constitution and statutes of the Commonwealth of Virginia, including the City Charter and the Public Finance Act of 1991, and constitute valid and binding obligations of the City, and, unless other funds are lawfully available and appropriated for timely payment of the Bonds, the City Council is authorized and required to levy and collect annually an *ad valorem* tax upon all taxable property within the City, over and above all other taxes, authorized or limited by law and without limitation as to rate or amount, sufficient to pay when due the principal of and interest on the Bonds.

2. The rights of the holders of the Bonds and the enforceability of such rights may be limited or otherwise affected by (a) bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance and other laws affecting the rights of creditors generally and (b) principles of equity, whether considered at law or in equity.

3. Under current law, interest[, including any accrued original issue discount ("OID"),] on the Bonds (a) is not included in gross income for federal income tax purposes, (b) is not an item of tax preference for purposes of the federal alternative minimum tax, and (c) is taken into account in determining adjusted financial statement income for applicable corporations (as defined in Section 59(k) of the Code) for the alternative minimum tax imposed on such corporations. The opinions in (a) and (b) of the preceding sentence are subject to the condition that there is compliance subsequent to the issuance of the Bonds with all requirements of the Code that must be satisfied in order that interest thereon not be included in gross income for federal income tax purposes. Failure by the City to comply with the Covenants, among other things, could cause interest[, including any accrued OID,] on the Bonds to be included in gross income for federal income tax purposes retroactively to their date of issue. [In the case of the Bonds maturing in the years ____ and ____ (the "OID Bonds"), the difference between (i) the stated principal amount of each

maturity of the OID Bonds and (ii) the initial offering price to the public (excluding bond houses and brokers) at which a substantial amount of such maturity is sold will constitute OID; OID will accrue for federal income tax purposes on a constant yield-to-maturity method; and a holder's basis in an OID Bond will be increased by the amount of OID treated for federal income tax purposes as having accrued on such OID Bond while the holder holds the OID Bond.] The City may in its discretion, but has not covenanted to, take any and all such actions as may be required by future changes in the Code and applicable regulations in order that interest on the Bonds remain excludable from gross income for federal income tax purposes. We express no opinion regarding other federal tax consequences of the ownership of or receipt or accrual of interest on the Bonds.

4. Under current law, interest[, including any accrued OID,] on the Bonds is exempt from income taxation by the Commonwealth of Virginia.

The opinions set forth above are based on existing law, which is subject to change. Such opinions are further based on our knowledge of facts as of the date hereof. Our services as bond counsel to the City have been limited to delivering the foregoing opinion based on our review of such proceedings and documents as we deem necessary to approve the validity of the Bonds and the tax-exempt status of the interest thereon. Our services have not included financial or other non-legal advice. We express no opinion herein as to the financial resources of the City, its ability to provide for payment of the Bonds or the accuracy or completeness of any information, including the City's Preliminary Official Statement dated _____, 2024, and its Official Statement dated _____, 2024, that may have been relied upon by anyone in making the decision to purchase Bonds. We assume no duty to update or supplement these opinions to reflect any facts or circumstances that may hereafter come to our attention or to reflect any changes in any law that may hereafter occur or become effective.

Very truly yours,

APPENDIX D
FORM OF CONTINUING DISCLOSURE AGREEMENT

FORM OF CONTINUING DISCLOSURE AGREEMENT

This **CONTINUING DISCLOSURE AGREEMENT** dated _____, 2024 (the “Disclosure Agreement”), is executed and delivered by the City of Danville, Virginia (the “Issuer”), in connection with the issuance by the Issuer of its General Obligation Public Improvement Bonds, Series 2024 (the “Bonds”). The Issuer hereby covenants and agrees as follows:

Section 1. Purpose. This Disclosure Agreement is being executed and delivered by the Issuer for the benefit of the holders of the Bonds and in order to assist the original purchasers of the Bonds in complying with the provisions of Section (b)(5)(i) of Rule 15c2-12, as amended (the “Rule”), promulgated by the Securities and Exchange Commission (the “SEC”), by providing certain annual financial information and event notices required by the Rule (collectively, “Continuing Disclosure”).

Section 2. Annual Disclosure. (a) The Issuer shall provide annually financial information and operating data in accordance with the provisions of Section (b)(5)(i) of the Rule as follows:

- (i) financial statements of the Issuer, prepared in accordance with generally accepted accounting principles; and
- (ii) the operating data with respect to the Issuer generally of the type described in the section entitled “FINANCIAL INFORMATION – Operating Data” in Appendix A of the Issuer’s Official Statement dated _____, 2024, relating to the Bonds.

If the financial statements filed pursuant to Section 2(a)(i) are not audited, the Issuer shall subsequently file such statements as audited, when available.

(b) The Issuer shall file annually with the Municipal Securities Rulemaking Board (the “MSRB”) the financial information and operating data described in subsection (a) above (collectively, the “Annual Disclosure”) no later than the March 31 following the end of the Issuer’s fiscal year, commencing with the Issuer’s fiscal year ended June 30, 2024.

(c) Any Annual Disclosure may be included by specific reference to other documents previously provided to the MSRB or filed with the SEC; provided, however, that any final official statement incorporated by reference must be available from the MSRB.

(d) The Issuer shall file with the MSRB in a timely manner notice specifying any failure of the Issuer to provide the Annual Disclosure by the date specified.

Section 3. Event Disclosure. The Issuer shall file with the MSRB in a timely manner not in excess of ten (10) business days after the occurrence of the event, notice of the occurrence of any of the following events with respect to the Bonds:

- (a) principal and interest payment delinquencies;
- (b) non-payment related defaults, if material;
- (c) unscheduled draws on debt service reserves reflecting financial difficulties;
- (d) unscheduled draws on any credit enhancement reflecting financial difficulties;
- (e) substitution of credit or liquidity providers, or their failure to perform;
- (f) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;

- (g) modifications to rights of the holders of the Bonds, if material;
- (h) bond calls, if material, and tender offers;
- (i) defeasance of all or any portion of the Bonds;
- (j) release, substitution, or sale of property securing repayment of the Bonds, if material;
- (k) rating changes;
- (l) bankruptcy, insolvency, receivership, or similar event of the Issuer;*
- (m) the consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (n) appointment of a successor or additional trustee or the change of name of a trustee, if material;
- (o) incurrence of a financial obligation (as hereinafter defined) of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Issuer, any of which affect holders of the Bonds, if material; and
- (p) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of the financial obligation of the Issuer, any of which reflect financial difficulties.

The term “financial obligation” means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term “financial obligation” does not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

Section 4. Termination. The obligations of the Issuer hereunder will terminate upon the redemption, defeasance (within the meaning of the Rule) or payment in full of all the Bonds.

Section 5. Amendment. The Issuer may modify its obligations hereunder without the consent of Bondholders, provided that the Issuer receives an opinion of nationally recognized bond counsel to the effect that this Disclosure Agreement as so modified complies with the Rule as it exists at the time of modification. The Issuer shall within a reasonable time thereafter file with the MSRB a description of such modification(s).

Section 6. Defaults. (a) If the Issuer fails to comply with any covenant or obligation regarding Continuing Disclosure specified in this Disclosure Agreement, any holder (within the meaning of the Rule) or beneficial holder of Bonds then outstanding may, by notice to the Issuer, proceed to protect and enforce its rights and the rights of the holders by an action for specific performance of the Issuer’s covenant to provide the Continuing Disclosure.

(b) Notwithstanding anything herein to the contrary, any failure of the Issuer to comply with any obligation regarding Continuing Disclosure specified in this Disclosure Agreement (i) shall not be deemed to constitute an event of default under the Bonds or the resolution providing for the issuance of the Bonds and (ii) shall not give rise to any right or remedy other than that described in Section 6(a) above.

* For the purposes of the event identified in Subsection (3)(l) above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

Section 7. Filing Method. Any filing required hereunder shall be made by transmitting such disclosure, notice or other information in electronic format to the MSRB through the MSRB's Electronic Municipal Market Access System pursuant to procedures promulgated by the MSRB.

Section 8. Additional Disclosure. The Issuer may from time to time disclose certain information and data in addition to the Continuing Disclosure. Notwithstanding anything herein to the contrary, the Issuer shall not incur any obligation to continue to provide, or to update, such additional information or data.

Section 9. Counterparts. This Disclosure Agreement may be executed in several counterparts; each of which shall be an original, and all of which shall constitute but one and the same instrument.

Section 10. Governing Law. This Disclosure Agreement shall be construed and enforced in accordance with the laws of the Commonwealth of Virginia.

CITY OF DANVILLE, VIRGINIA

Mayor, City of Danville, Virginia

City Manager, City of Danville, Virginia

APPENDIX E

INFORMATION REGARDING THE DEPOSITORY TRUST COMPANY AND ITS BOOK-ENTRY SYSTEM

INFORMATION REGARDING THE DEPOSITORY TRUST COMPANY AND ITS BOOK-ENTRY SYSTEM

The description that follows of the procedures and recordkeeping with respect to beneficial ownership interests in the Bonds, payments of principal of and premium, if any, and interest on the Bonds to The Depository Trust Company, New York, New York ("DTC"), its nominee, Participants or Beneficial Owners (each as hereinafter defined), confirmation and transfer of beneficial ownership interests in the Bonds and other Bond-related transactions by and between DTC, Participants and Beneficial Owners is based solely on information furnished by DTC.

DTC will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each maturity of the Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity, corporate and municipal debt issues and money market instruments (from over 100 countries) that DTC's participants (the "Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others, such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (the "Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Direct and Indirect Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of the Bonds under the DTC system must be made by or through the Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond (the "Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. The Beneficial Owners will not receive written confirmation from DTC of their purchase. The Beneficial Owners, however, are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of the Direct or Indirect Participants acting on behalf of the Beneficial Owners. The Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by the Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holding on behalf of their customers.

Conveyance of notices and other communications by DTC to the Direct Participants, by the Direct Participants to the Indirect Participants, and by the Direct and Indirect Participants to the Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If less than all of the Bonds are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the City or the Registrar as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Payments of principal of and interest on the Bonds will be made to Cede & Co. or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit the Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the City or the Registrar on payable date in accordance with their respective holdings shown on DTC's records. Payments by the Direct and Indirect Participants to the Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the City or the Registrar, subject to any statutory or regulatory requirements as may be in effect from time to time. Payments of principal of and interest on the Bonds to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City or the Registrar, disbursement of such payments to the Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of the Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Bonds at any time by giving reasonable notice to the City or the Registrar. Under such circumstances, in the event that a successor securities depository is not obtained, Bond certificates will be printed and delivered.

The City may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered.

The information in this Appendix E concerning DTC and DTC's book-entry system has been obtained from sources that the City believes to be reliable, but the City takes no responsibility for the accuracy thereof.

Neither the City nor the Registrar has any responsibility or obligation to the Direct or Indirect Participants or the Beneficial Owners with respect to: (a) the accuracy of any records maintained by DTC or any Direct or Indirect Participant; (b) the payment by any Direct or Indirect Participant of any amount due to any Beneficial Owner in respect of the principal of and interest on the Bonds; (c) the delivery or timeliness of delivery by any Direct or Indirect Participant of any notice to any Beneficial Owner that is required or permitted under the terms of the Bond Resolution to be given to Bondholders; or (d) any other action taken by DTC, or its nominee, Cede & Co., as Bondholder, including the effectiveness of any action taken pursuant to an Omnibus Proxy.

So long as Cede & Co. is the registered owner of the Bonds, as nominee of DTC, references in this Official Statement to the Owners of the Bonds shall mean Cede & Co. and shall not mean the Beneficial Owners, and Cede & Co. will be treated as the only holder of Bonds for all purposes under the Bond Resolution.

The City may enter into amendments to the agreement with DTC or successor agreements with a successor securities depository, relating to the book-entry system to be maintained with respect to the Bonds without the consent of the Beneficial Owners or Bondholders.

APPENDIX F
NOTICE OF SALE

Council Letter City of Danville, Virginia



CL - 1274

NEW BUSINESS C.

City Council REGULAR MEETING

Meeting Date: April 16, 2024

Subject: Update of City's Procurement Code.

From: Michael Adkins, Chief Financial Officer

COUNCIL ACTION

An Ordinance Repealing and Reordaining in its Entirety Chapter 30, Entitled "Procurement", of the Code of the City of Danville, Virginia, 1986, As Amended.

SUMMARY

City staff proposes Council repeal and replace the existing Chapter 30, Procurement, in the City Code to adopt various new changes to State procurement law that will facilitate and encourage participation in the City's procurement process.

BACKGROUND

Chapter 30 of the Danville City Code, which establishes the public procurement processes used by the City government, has largely not been updated since 2009. Since 2009, the Virginia Public Procurement Act and other State laws that regulate how local governments procure goods and services has seen substantial revision. To ensure that the City is in alignment with State law, and is engaging in best practices to ensure responsible stewardship of taxpayer funds, as well as fair access to procurement opportunities by small businesses, City staff recommends that Council adopt the attached proposed revision of Chapter 30.

The proposed revision was drafted with the goals of aligning City law with current State law, enhancing the readability of the chapter, maximizing flexibility in decision-making to ensure good value for public funds, and promoting opportunities for and reducing barriers to small businesses in the procurement process.

Notable substantive changes in the proposed revision include:

Increasing the minimum dollar amounts required for small purchases to go through sealed bidding, for contractors to obtain bonds, and for insurance policy coverage, in alignment with State law.

Expanding the categories of purchases exempt from sealed bidding, in alignment with State law.

Simplifying the bidding process by eliminating unnecessary steps and requirements.

Reducing delays in contract awards by streamlining the various appeals processes.

Requiring the prompt payment of vendors and contractors, in alignment with State law.

Authorizing the City, with newly granted powers from the State, to enter into work order contracts and utility forward pricing contracts, if appropriate.

Authorizing the City to consider energy efficiency as a factor in bid awards, in alignment with State law.

Authorizing the City to reject bids from contractors and vendors who owe the City money.

Updating anti-discrimination and small business protections in alignment with State law.

Adding new definitions, clarifying existing definitions, and eliminating definitions of terms not found in the Chapter, to enhance understanding of the Chapter.

RECOMMENDATION

City staff recommends Council adopt the attached ordinance repealing the existing Chapter 30 and replacing it with the proposed revision of Chapter 30.

Attachments

1. Ordinance
 2. Chapter 30 Procurement Update
-

PRESENTED: _____

ADOPTED: _____

ORDINANCE NO. 2024-_____._____

AN ORDINANCE REPEALING AND REORDAINING IN ITS ENTIRETY CHAPTER 30, ENTITLED "PROCUREMENT", OF THE CODE OF THE CITY OF DANVILLE, VIRGINIA, 1986, AS AMENDED.

WHEREAS, the current Chapter 30, entitled "Procurement", of the Code of the City of Danville, Virginia, needs to be repealed; and

WHEREAS, the current language of Chapter 30, entitled "Procurement", of the Code of the City of Danville, Virginia, needs to be updated, revised, and reordained.

NOW THEREFORE, BE IT ORDAINED by the Council of the City of Danville, Virginia, that Chapter 30, entitled "Procurement", as amended, be, and the same is hereby, repealed in its entirety and replaced in its entirety and reordained as attached hereto, and made a part hereof, as if full set out herein.

Approved:

Mayor

Attest:

City Clerk

Approved as to
Form and Legal Sufficiency:

City Attorney

Chapter 30 - PROCUREMENT CODE

ARTICLE I. - IN GENERAL

Sec. 30-1. - Purpose.

The purpose of this Chapter is to increase public confidence in the purchasing by the City, to encourage competition in public purchasing among qualified vendors or contractors, to administer fair and equal purchasing policies among bidders, to obtain high quality goods and services at the most reasonable price, to carry out responsible stewardship of public monies entrusted to the City, and to ensure that all procurement procedures be conducted in a fair and impartial manner with avoidance of any impropriety or appearance of impropriety.

State Law reference— Similar provisions, Code of Virginia § 2.2-4300.

Sec. 30-2. - Definitions.

As used in this Chapter, the following words and terms shall be defined as set forth below, unless the context in which they are used clearly requires a different meaning.

Affiliate means an individual or business that controls, is controlled by, or is under common control with another individual or business. A person controls an entity if the person owns, directly or indirectly, more than ten percent (10%) of the voting securities of the entity.

Best value as predetermined in the solicitation, means the overall combination of quality, price, and various elements of required services that in total are optimal relative to the City's needs.

Bidders list means a file maintained by the City of all vendors who have made a written application to the City expressing an interest in providing a specified type or types of goods and/or services to the City and who have not been suspended or debarred.

Business means any type of corporation, partnership, limited liability company, association, or sole proprietorship, operated for profit.

Change order (unilateral) means a written order signed and unilaterally issued by the City directing the contractor to make changes which the "changes" clause of the contract authorizes the City to order without the consent of the contractor.

Confidential information means any information which is available to an employee only because of the employee's status as an employee of this City and is not a matter of public knowledge or available to the public on request.

Construction means building, altering, repairing, improving, or demolishing any structure, building, or highway and any draining, dredging, excavation, grading, or similar work upon real property.

Construction management contract means a contract in which a party is retained by the owner to coordinate and administer contracts for construction services for the benefit of the owner. Such term may also include, if provided in the contract, the furnishing of construction services to the owner.

Contract means all types of City agreements, regardless of what they may be called, for the procurement of goods, services, insurance, and construction.

Contract modification means any written alteration in specifications, delivery point, rate of delivery, period of performance, price, quantity, or other provision of any contract accomplished by mutual action of the parties to the contract.

Contractor means any person having a contract with the City.

Cost-reimbursement contract means a contract under which a contractor is reimbursed for costs which are allowable and allocable in accordance with the contract terms and the provisions of this Chapter, and a fee or profit, if any.

Design build contract means a contract between the City and another party in which the party contracting with the City agrees to both design and build the structure, or other item specified in the contract.

Drug-free workplace means a site for the performance of work done in connection with a specific contract awarded to a contractor in accordance with this Chapter, the employees of whom are prohibited from engaging in the unlawful manufacture, sale, distribution, dispensation, possession, or use of any controlled substance prohibited by law during the performance of the contract.

E-Verify program means the electronic verification of work authorization program operated by the United States Department of Homeland Security pursuant to 8 U.S.C. §1324a, or any successor work authorization program designated by United States law to verify the immigrant work authorization status of newly hired employees.

Eligible surety means a surety company legally authorized to do business in the Commonwealth.

Emergency includes but is not limited to a breakdown in machinery or equipment, a threatened termination of essential services, a dangerous condition develops, when any unforeseen circumstances arise causing curtailment or diminution of an essential service, where materials or services are needed to prevent loss of life or property, and Time restraints contained in funding awards.

Employee means an individual drawing a salary or wages from the City, whether elected or not; any non-compensated individual performing personal services for the City or any department, board, or any other entity established by the City; and any non-compensated individual serving as an elected official of the City.

Energy means natural gas, heating oil, propane, diesel fuel, unleaded fuel, and any other energy source other than electricity.

Faith-based organization means a religious organization that is or applies to be a contractor to provide goods or services for contracts or programs funded by the City.

FEMP means the Federal Energy Management Program

Financial interest means a financial benefit or liability accruing to an officer or employee or to a member of his immediate family. Such interest shall exist by reason of ownership in a business if the ownership interest exceeds three percent (3%) of the total equity of the business; annual income that exceeds, or may reasonably be anticipated to exceed, five thousand dollars (\$5,000) from ownership in real or personal property or a business; salary, other compensation, fringe benefits, or benefits from the use of property, or any combination thereof, paid or provided by a business or governmental agency that exceeds, or may reasonably be anticipated to exceed, five thousand dollars (\$5,000) annually; ownership of real or personal property if the interest exceeds five thousand dollars (\$5,000) in value and excluding ownership in a business, income, or salary, other compensation, fringe benefits or benefits from the use of property; personal liability incurred or assumed on behalf of a business if the liability exceeds three percent (3%) of the asset value of the business; or an option for ownership of a business or real or personal property.

Forward pricing mechanism means either a contract or financial instrument that obligates a public body to buy or sell a specified quantity of energy at a future date at a set price or an option to buy or sell the contract or financial instrument.

Goods means all material, equipment, supplies, printing, and automated data processing hardware and software.

Immediate family means spouse, children, parents, siblings, and any other person living in the same household as the employee.

Informality means a minor defect or variation of a bid or proposal from the exact requirements of the Invitation to Bid or the Request for Proposals, which does not affect the price, quality, quantity, or delivery schedule for the goods, services, or construction being procured.

Invitation to Bid means all documents, whether attached or incorporated by reference, utilized for soliciting sealed bids. No confidential or proprietary data shall be solicited in any Invitation to Bid.

Job order contracting means a method of procuring construction by establishing a book of unit prices and then obtaining a contractor to perform work as needed using the prices, quantities, and specifications in the book as the basis of its pricing.

Multi-phase professional services contract means a contract for the providing of professional services where the total scope of work of the second or subsequent phase of the contract cannot be specified without the results of the first or prior phase of the contract.

Nominal value means so small, slight, or the like, in comparison to what might properly be expected, as scarcely to be entitled to the name.

Non-professional service means any service not specifically identified as a professional service in this Section

Official responsibility means administrative or operating authority, whether immediate or final, to initiate, approve, disapprove, or otherwise affect a procurement transaction or any claim resulting therefrom.

Payment date means either the date on which payment is due under the terms of a contract for provision of goods or services, or if such date has not been established by contract, forty-five (45) days after receipt of a proper invoice or the goods or services by the City, whichever is later.

Potential bidder or offeror means a person who, at the time the City negotiates and awards or proposes to award a contract, is engaged in the sale or lease of goods, or the sale of services, insurance, or construction of the type to be procured under such contract, and who at such time is eligible and qualified in all respects to perform that contract, and who would have been eligible and qualified to submit a bid or proposal had the contract been procured through competitive sealed bidding or competitive negotiation.

Prevailing wage rate means a pre-calculated rate, amount, or level of wages, salaries, benefits, and other remuneration prevailing for corresponding classes of mechanics, laborers, or workers employed for the same work in the same trade or occupation in the City or a geographic area including the City.

Procurement transaction shall mean all functions that pertain to the obtaining of any goods, services, or construction, including description of requirements, selection and solicitation of sources, preparation and award of contract, and all phases of contract administration.

Professional services mean work performed by an independent contractor within the scope of the practice of accounting, actuarial services, architecture, land surveying, landscape architecture, law, dentistry, medicine, optometry, pharmacy, or professional engineering.

Project labor agreement means a pre-hire collective bargaining agreement with one (1) or more labor organizations that establishes the terms and conditions of employment for a specific public works project.

Request for Proposals means all documents, whether attached or incorporated by reference, utilized for soliciting proposals.

Responsible bidder or offeror means a person who has the capability, in all respects, to perform fully the contract requirements and the moral and business integrity and reliability that will assure good faith performance, and who has been prequalified, if required.

Responsive bidder means a person who has submitted a bid which conforms in all material respects to the Invitation to Bid.

Reverse Auctioning means a procurement method wherein bidders are invited to bid on specified goods or non-professional services through real-time electronic bidding, with the award being made to the lowest responsive and responsible bidder. During the bidding process, bidders' prices are revealed and bidders shall have the opportunity to modify their bid prices for the duration of the time period established for bid opening.

Services means any work performed by an independent contractor wherein the service rendered does not consist primarily of acquisition of equipment or materials or the rental of equipment, materials, and supplies.

Specification means any description of the physical or functional characteristics, or of the nature of a good, service, or construction item. It may include a description of any requirement for inspecting, testing, or preparing a good, service, or construction item for delivery.

Unauthorized alien means with respect to the employment of an alien at a particular time, that the alien is not at that time either an alien lawfully admitted for permanent residence, or authorized to be so employed by United States law.

State Law reference— Similar provisions, Code of Virginia § 2.2-4301.

Sec. 30-3. - Application of Chapter; compliance with law or terms of grant or gift.

- (a) *Applicability.* This Chapter shall apply to any contract for the procurement of any good, service, insurance, or construction entered into by the City and involving an expenditure of funds for public purchasing, regardless of the source of such funds.
- (b) *Controlling law.* When any City procurement involves the expenditure of funds provided by the United States or the Commonwealth, the procurement shall be conducted in accordance with any applicable mandatory law not otherwise included incorporated into this Chapter. Nothing in this Chapter shall prevent any City officer or employee involved in a procurement transaction from complying with any term or condition of any grant, gift, or bequest that is otherwise consistent with law.

State Law reference— Similar provisions, Code of Virginia § 2.2-4301.

Sec. 30-4. - Administration.

- (a) *Purchasing system.* There is hereby created a purchasing system of the City to operate under the direction and supervision of the City Manager, who shall have full power and authority over the purchase of any and all procured items required by the City, consistent with law.
- (b) *Purchasing Director.* The City Manager may appoint a City employee to serve as Purchasing Director, and unless otherwise prohibited by law, may delegate the administration and enforcement of any or all of this Chapter and the purchasing system created hereby to the Director. When so appointed, the Purchasing Director shall be the chief administrative officer for City purchases and procurement of personal property and services.
- (c) *Reports and records.* The Director shall submit to the City Manager written reports of the operations or enforcement of his duties and such other reports as the City Manager may require and shall be custodian of all bid documents, proposals, contracts, and all other documents and records required to be kept or maintained by the purchasing system.
- (d) *Rules and policies.* The Director, subject to the approval of the City Manager, is authorized to promulgate rules and policies as may be necessary and desirable for the carrying out and enforcement of this Chapter and the efficient management of the purchasing system created hereby and the documents and records required therefor, in accordance with law.

- (e) *Cooperative Procurement.* The City may participate in, sponsor, conduct, or administer cooperative procurement agreements with other public bodies for the joint or cooperative procurement of goods, services, construction, and insurance, for the purpose of combining requirements to increase efficiency or reduce administrative expenses in any acquisition. Items so procured under a cooperative agreement with other public bodies shall be exempt from the provisions of this Chapter, provided such procurements are pursuant to the procurement policies and procedures applicable to other such public bodies and are otherwise consistent with law.
- (f) *Execution of contracts.* The City Manager is authorized to execute any valid contract on behalf of the City, provided the Finance Director first certifies that an appropriation has been authorized to pay for such contract.
- (g) *Unauthorized purchases.* Except as otherwise provided in this Chapter, no officer or employee of the City shall purchase or contract for any good, service, insurance, or construction within the purview of this Chapter other than by and through the purchasing system, and any purchase order or contract made contrary to the provisions hereof is neither authorized nor approved by the City, and the City shall not be bound thereby.

State Law reference— Authority, Code of Virginia §§ 2.2-4302; 2.2-4304.

Sec. 30-5. - Public access to procurement information.

- (a) *Freedom of information.* Except as otherwise provided herein, all notices, requests, contracts, documents, and other public records relating to a City procurement transaction shall be open to public inspection in accordance with the Virginia Freedom of Information Act. Cost estimates relating to a proposed transaction prepared by or for the City shall not be considered a public record open to public inspection.
- (b) *Sealed bids.* During competitive sealed bidding, bid records shall be available for public inspection only after the award of the contract; however, upon request, such records may be inspected by any participating bidder once all bids have been opened.
- (c) *Negotiation proposals.* During competitive negotiation, proposal records shall be available for public inspection only after the award of the contract; however, upon request, such records may be inspected by any participating offeror once all proposals have been evaluated and negotiated.
- (d) *Non-public information.* The inspection of any public records pursuant to this Section shall be subject to reasonable limitations to ensure the security and integrity of the records. Trade secrets, proprietary information, and private, personally identifying information submitted to the City pursuant to this Chapter shall be exempt from public inspection, provided that such party affirmatively invokes this exemption when the information is submitted, and clearly identifies the information to be protected and the legal basis for the exemption.

State Law reference— Freedom of Information Act, Code of Virginia, § 2.2-3700 et seq.; similar provisions, Code of Virginia, § 2.2-4342.

Sec. 30-6. – Conflicts of Interest.

- (a) *Prohibited conduct by City employees.* It shall be unlawful and a Class 1 misdemeanor for any City officer or employee having official responsibility for a procurement transaction on behalf of the City to knowingly do any of the following:

- (1) Self-bidding. To, when preparing an invitation to bid or request for proposal, submit any bid or proposal or any portion thereof therefor, unless the Council determines that the exclusion of such bid or proposal would limit the number of potential qualified bidders or offerors in a manner contrary to the best interests of the City;
 - (2) Financial interests. To participate in any transaction when such officer or employee, a business partner of such officer or employee, or an immediate family member of such officer or employee has a financial interest in the procurement transaction;
 - (3) Improper gifts. To solicit, demand, accept, or agree to accept any payment, loan, subscription, advance, deposit of money, service, gift, or any other thing of more than nominal or minimal value, present or promised, from any bidder, offeror, contractor, or subcontractor unless consideration of equal or greater value is exchanged therefor, and the value any such thing illegally obtained by the officer or employee shall be forfeit to the City;
 - (4) Employment or business interests. To participate in any transaction when such officer or employee, a business partner of such officer or employee, or an immediate family member of such officer or employee, is contemporaneously employed by, negotiating prospective employment with, holds a position with, or owns or controls an interest of more than five percent (5%) in any bidder, offeror, or contractor, except where a business partner or immediate family member is not employed in a capacity involving personal and substantial participation in the procurement transaction;
 - (5) Future employment. To accept employment with any bidder, offeror, or contractor with whom he dealt with in an official capacity concerning procurement transactions within one (1) year of his employment by the City, without first providing written notice of such acceptance to the City Manager;
 - (6) Purchases of building materials from certain contractors. To purchase building materials, supplies, or equipment from any person employed by the City as an independent contractor for the provision of architectural or engineering services, design services specifying a sole source for such materials, supplies, or equipment be used, or any entity in which such contractor has a personal interest, unless such contractor is also contracted to provide the construction services requiring the use of such materials, supplies, or equipment to be purchased;
 - (7) Leaking non-public information. To, when preparing an invitation to bid or request for proposal, disclose to any bidder or offeror any information concerning the procurement, unless such bid, proposal, or information is equally available to members of the general public; or
 - (8) False statements or documents. To falsify, conceal, or misrepresent any material fact, make any false, fictitious, or fraudulent statement or representation, or make or use any false writing or document known to contain any false, fictitious, or fraudulent statement or entry, concerning a procurement transaction.
- (b) Prohibited conduct by bidders, offerors, and contractors. It shall be unlawful and a Class 1 misdemeanor for any bidder, offeror, contractor, or subcontractor participating in a procurement transaction with the City to knowingly do any of the following:
- (1) Improper gifts to City. To give, offer, or agree to offer any payment, loan, subscription, advance, deposit of money, service, gift, or any other thing of more than nominal or minimal value, present or promised, to any City officer or employee having official responsibility for a procurement transaction on behalf of the City, unless consideration of equal or greater value is exchanged therefor;
 - (2) Kickbacks. To demand or receive from any of his suppliers or subcontractors, as an inducement for the award of a subcontract or order any payment, loan, subscription, advance, deposit of money, services, or any other thing of more than nominal or minimal

value, present or promised, unless consideration of equal or greater value is exchanged therefor, and the value any such thing illegally obtained shall be forfeit to the City;

- (3) *Improper gifts from subcontractors.* To, as a subcontractor or supplier, make or offer as an inducement for the award of a subcontract or order from any person awarded a City procurement contract any payment, loan, subscription, advance, deposit of money, services, or any other thing of more than nominal or minimal value, present or promised, unless consideration of equal or greater value is exchanged therefor; or
- (4) *Non-compete agreements.* To demand or receive, as an inducement for an agreement not to compete on any City bid, offer, or contract any payment, loan, subscription, advance, deposit of money, services, or any other thing of more than nominal or minimal value, present or promised, and the value any such thing illegally obtained shall be forfeit to the City.
- (c) *Violations.* Any City officer or employee who is convicted of a violation of this Section shall be subject to termination. Any bidder, offeror, contractor, subcontractor, or supplier convicted of a violation of this Section shall be debarred from participating in any City procurement transaction for the maximum period allowed by law.

State Law reference— Similar provisions, Code of Virginia § 2.2-4301.

Sec. 30-7. – Non-discrimination.

- (a) *Non-discrimination generally.* The City and all of its officers and employees shall be prohibited from discriminating in any procurement transaction against any bidder, offeror, or contractor due to the membership of such bidder, offeror, or contractor in a class protected by Va. Code §2.2-4310 or any other Virginia law relating to employment discrimination.
- (b) *Faith-based organizations.* The City and all of its officers and employees shall be prohibited from discriminating in any procurement transaction, or in making any other disbursements pursuant to this Code, against any faith-based organization on the basis of the religious character or beliefs of such organization or any policy of such organization to employ persons on the basis of religion. Unless otherwise required by the laws of the United States or the Commonwealth, no term or condition shall be imposed by the City in carrying out this Chapter that restricts the religious character of a faith-based organization, or that impairs, diminishes, or discourages the exercise of religious freedom by any person participating in a City procurement transaction, or receiving any disbursement from the City. Any faith-based organization participating in a City procurement transaction shall be subject to all applicable laws as well any term or condition of general application that does not restrict, impair, diminish, or discourage religious freedom. Any such faith-based organization shall be subject to the same rules as other organizations that contract with the City to account for the use of the funds provided; however, if the faith-based organization separates City funds into a separate account, only the account and programs funded with City funds shall be subject to audit by the City.
- (c) *Opportunities for certain disadvantaged businesses.* The City hereby establishes a program pursuant to and consistent with Va. Code §2.2-4310(b), to facilitate the fair and equal participation of those businesses identified therein in City procurement transactions. Any rule or policy adopted to carry out this program shall be in writing and otherwise consistent with law.

State Law reference— Similar provisions, Code of Virginia, §§ 2.2-4310; 2.2-4311.

Secs. 30-8—30-10. - Reserved.

Sec. 30-11. – Contracts generally.

- (a) *Contract pricing arrangements.* Except as prohibited herein, public contracts may be awarded on a fixed price or cost reimbursement basis or on any other basis that is not prohibited.
- (b) *Cost-plus contracts.* No contract may be awarded on a basis of cost plus a percentage of cost, except in cases of emergency affecting the public health, safety, or welfare and except that a policy or contract of insurance or prepaid coverage having a premium computed on the basis of claims paid or incurred, plus the insurance carrier's administrative costs and retention stated in whole or part as a percentage of such claims, is permitted.
- (c) *Forward pricing mechanisms.* The City may use forward pricing mechanisms for budget risk reduction, provided the quantity of energy affected by the forward pricing mechanism shall not exceed the estimated energy use for the City for the same period, which shall not exceed forty-eight (48) months from the trade date of the transaction, and a separate account shall be established for operational energy for each pool member using a forward pricing mechanism. The City Manager shall develop written policies and procedures governing the use of forward pricing mechanisms and an oversight process for the use thereof. Such process shall include internal or external audit reviews, reporting requirements, and internal management control.
- (d) *Multi-term contracts.* Unless otherwise provided by law, a contract for goods, services, or insurance may be entered into for any period of time deemed to be in the best interests of the City, provided the term of the contract and conditions of renewal or extension, if any, are included in the solicitation for such contract and funds are available for the first fiscal period at the time of contracting. Payment and performance obligations for succeeding fiscal periods shall be subject to the availability and appropriation of funds therefor. When funds are not appropriated or otherwise made available to support continuation of performance in a subsequent fiscal period, the contract shall be cancelled.
- (e) *Job Order contracts.* The City may award a job order contract for multiple jobs, provided the jobs require similar experience and expertise, the nature of the jobs is clearly identified in the solicitation, and the contract is limited to a term of one (1) year or when the cumulative total project fees exceed ten million dollars (\$10,000,000), whichever occurs first. Contractors may be selected through either competitive sealed bidding or competitive negotiation. Such contracts may be renewable for two (2) additional one (1) year terms at the option of the Council. The fair and reasonable prices as negotiated shall be used in determining the cost of each job performed, and the sum of all jobs performed in a one (1) year contract term shall not exceed the maximum threshold amount of ten million dollars (\$10,000,000), and no individual job order shall exceed one million dollars (\$1,000,000). Order splitting with the intent of keeping a job order under the maximum dollar amounts is prohibited. The City shall not issue or use a job order, under a job order contract, solely for the purpose of receiving professional architectural or engineering services that constitute the practice of architecture or the practice of engineering, however, professional architectural or engineering services may be included on a job order where such professional services are incidental and directly related to the job, do not exceed twenty-five thousand dollars (\$25,000) per job order or seventy-five thousand dollars (\$75,000) per contract term.

- (f) Modification. A public contract may include provisions for modification of the contract during performance, but no fixed-price contract may be increased by more than twenty-five percent (25%) of the amount or fifty thousand dollars (\$50,000), whichever is greater without the advance written approval of the Council. In no event may the amount of any contract, without adequate consideration, be increased for any purpose, including, but not limited to, relief of an offeror from the consequences of an error in its bid or offer. The Council may extend the term of an existing contract for services to allow completion of any work undertaken but not completed during the original term of the contract.
- (g) Contracts to be filed with City Clerk. A copy of any contract executed on behalf of the City shall be filed with the City Clerk when so required by law or the rules and policies of the Clerk.
- (h) Appropriation prerequisite to contract or expenditure. No contract shall be entered into on behalf of the City or expenditure authorized from City funds unless an appropriation covering such contract or expenditure has been made by the Council and all such contracts and orders for such expenditures shall be approved by the Finance Director to confirm such appropriation has been made.
- (i) Appropriations to charitable institutions. No appropriation of funds or donation of services shall be made by the City to a charitable or non-profit organization or group unless the same shall be properly organized under the laws of the Commonwealth and the United States. When requested by the City, any such organization or group shall be required to submit an annual report of its proceedings, including but not limited to details of all receipts and disbursements of money and the appraised value of all money on hand and other assets, as a condition of receiving City funds.

State Law reference— Similar provisions, Code of Virginia, §§ 2.2-4303.2; 2.2-4309; 2.2-4331.

Sec. 30-12. – Mandatory contract terms and provisions.

- (a) Authorization to transact business in Virginia. Every contract with the City shall require that during the performance of any City contract, the contractor, if organized as a stock or non-stock corporation, limited liability company, business trust, or limited partnership or registered as a registered limited liability partnership shall be authorized to transact business in the Commonwealth as a domestic or foreign business entity if so required by law. The City shall include in every written contract, Notice of Bid, Request for Proposal, or solicitation therefor, a provision stating such requirement and requiring each bidder, offeror, or contractor to include in its bid or proposal the identification number issued to it by the State Corporation Commission. Any bidder or offeror that is not required to be authorized to transact business in the Commonwealth as a foreign business entity shall include in its bid or proposal a statement describing why the bidder, offeror, or contractor is not required to be so authorized. Any bidder, offeror, or contractor who fails to provide the required information shall not receive an award unless a waiver of this requirement is granted by City Manager. No bidder, offeror, or contractor awarded a contract pursuant to this Chapter shall allow its existence to lapse or its certificate of authority or registration to transact business in the Commonwealth to be revoked or cancelled at any time during the term of the contract. Every city contract shall require the contractor to provide his social security number or federal employer identification, as applicable. The City may void any contract with a business entity if the business entity fails to remain in compliance with the provisions of this Section.

- (b) *Worker's Compensation.* Every contract with the City shall require that during the performance of any City contract, the contractor shall agree not to perform any work on a construction project unless he has obtained and continues to maintain for the duration of the work, workers' compensation coverage required pursuant to Virginia law and provides prior to the award of contract, on a form furnished by the City, evidence of such coverage.
- (c) *Immigration law.* Every contract with the City shall require that during the performance of any City contract, the contractor shall agree not to knowingly employ any unauthorized alien. Any contractor entering into a contract with the City to perform work or provide services pursuant to such contract shall register and participate in the E-Verify program to verify information and work authorization of its newly hired employees performing work pursuant to such contract. Any such employer who fails to comply with this Subsection shall be debarred from contracting with the City for either one (1) year or until such employer registers and participates in the E-Verify program.
- (d) *Drug-free workplace.* Every contract with the City exceeding ten thousand dollars (\$10,000) in value shall require that during the performance of any City contract, the contractor shall agree to provide a drug-free workplace for the contractor's employees; post notice of such in accordance with law; state such in all solicitations or advertisements for employees placed by or on behalf of the contractor; and include the provisions of the foregoing clauses in every subcontract or purchase order of over \$10,000, so that the provisions will be binding upon each subcontractor or vendor.
- (e) *Excessive costs.* No bid specification, bid, project agreement, proposal, contract, or other controlling document that is part of a City procurement transaction shall require any bidder, offeror, contractor, or subcontractor to enter into or adhere to a project labor agreement with any labor organization or to become or remain a signatory or otherwise to adhere to a project labor agreement with any labor organization, on the same or other related projects. Except when otherwise required by law, no bid specification, project agreement, contract, or other controlling document that is part of a City procurement transaction shall require any bidder, offeror, contractor, or subcontractor to pay wages, salaries, benefits, and other remuneration to any mechanic, laborer, or worker employed, retained, or otherwise hired to perform services in connection with the contract at any prevailing wage rate.
- (f) *Non-discrimination.* Every contract with the City shall include a non-discrimination statement indicating that the City does not discriminate against faith-based organizations or on the basis of membership in a class protected from such discrimination by United States or Virginia law. Every contract with the City exceeding ten thousand dollars (\$10,000) in value shall require that during the performance of any City contract, the contractor shall agree not to discriminate against any employee or applicant for employment due to the membership of such employee or applicant in a class protected by Va. Code §2.2-4310 or any other Virginia law relating to employment discrimination, except where there is a bona fide occupational qualification reasonably necessary to the normal operation of the contractor. The contractor shall also agree to provide notice to employees and applicants that such contractor is an equal opportunity employer, in accordance with applicable law. The contractor shall also agree to include the requirements of this Subsection in any subcontract or purchase order exceeding ten thousand dollars (\$10,000) in value so that such restrictions will also be binding upon each such subcontractor or vendor.

State Law reference— Similar provisions, Code of Virginia, §§ 2.2-4308.2; 2.2-4311.1; 2.2-4311.2; 2.2-4321.2; 2.2-4321.3; 2.2-4332.

Sec. 30-13. - Payment.

- (a) Prompt payment by City. The City, when acquiring goods or services, or conducting any other type of contractual business with a non-governmental, privately-owned enterprise, shall promptly pay for the completed delivered goods or services by the required payment date. Separate payment dates may be specified in any contract under which goods or services are provided in a series of partial executions or deliveries. In those cases where payment is made by mail, the date of postmark shall be deemed to be the date payment is made for purposes of this Section.
- (b) Prompt notice of defects affecting payment. The City shall notify a supplier of any defect or impropriety with a delivered good or service that would prevent the City from making payment by the payment date within twenty (20) days of receiving an invoice therefor.
- (c) Retainage. The City, in any contract for construction which provides for progress payments in installments based upon any estimated percentage of completion, shall pay the contractor ninety-five percent (95%) of the earned sum when payment is due, with five percent (5%) percent being retained to ensure faithful performance of the contract. All amounts withheld may be included in the final payment. Any subcontract for a public project which provides for similar progress payments shall be subject to the same limitations.
- (d) Guaranteed payment of subcontractors. Payment of the prime contractor by the City is not a condition precedent for the prime contractor to pay any subcontractor Every City construction contract, other than contracts awarded solely for professional services from an architectural or engineering firm shall require that during the performance of any City contract, the contractor is obligated to pay the entire amount owed to a subcontractor for work performed under such contract within sixty (60) days of receiving an invoice following satisfactory completion of the work for which the subcontractor has invoiced. This obligation shall be binding without regard to whether or not the contractor has received payment from the City for such work. Such contractor shall not be liable for amounts otherwise reducible due to non-compliance with the terms of the contract by the subcontractor, provided that the contractor provides written notice to the City and the subcontractor of his intent to withhold all or part of the payment for non-compliance, within fifty (50) days of receiving an invoice. Such notice shall identify the contractual non-compliance, the dollar amount being withheld, and the lower-tier subcontractor responsible for the contractual non-compliance.
- (e) Prompt payment of subcontractors. Every City construction contract shall require that during the performance of any City contract, if a prime contractor receives payment from the City for work performed by a subcontractor, the contractor shall, within seven (7) days of such receipt, pay the subcontractor the proportionate share of the total payment received from the City attributable to the work performed by the subcontractor under that contract, unless the contractor provides written notice to the City and the subcontractor of his intent to withhold all or part of the payment for non-compliance. Such notice shall identify the contractual non-compliance, the dollar amount being withheld, and the lower-tier subcontractor responsible for the contractual non-compliance. The prime contractor shall be obligated to pay interest at a rate of one percent (1%) per month to the subcontractor on all amounts improperly withheld under this Subsection, however this obligation shall not be construed to be an obligation of the City, no contract modification shall not be made for the purpose of providing reimbursement for interest, and no cost reimbursement claim shall include any amount for reimbursement for interest.
- (f) Subcontractors of subcontractors. Every City construction contract shall require a prime contractor to include in each of his subcontracts a provision requiring each subcontractor to include or otherwise be subject to the same requirements with respect to each lower-tier subcontractor, as are required of the prime contractor in this Section.

State Law reference— Similar provisions, Code of Virginia, §§ 2.2-4333; 2.2-4352; 2.2-4353; 2.2-4354.

Secs. 30-14—30-20. - Reserved.

Sec. 30-21. - Bid bonds; Performance bonds; Payment bonds.

- (a) *Bid bonds.* Except in cases of emergency, all bids or proposals for non-transportation-related construction contracts in excess of five hundred thousand dollars (\$500,000.00) and all contracts for which the City Manager believes it to be prudent, shall be accompanied by a bid bond, payable to the City, in an amount equal to five percent (5%) of the amount bid, issued by an eligible surety chosen by the bidder. The bid bond shall guarantee that, if the contract is awarded to such bidder, the bidder will enter into the contract for the work mentioned in the bid, and execute such contract within ten (10) days of the award. Notice that a bid bond is required for any bid shall be included in any public notice inviting bids. An unsuccessful bidder shall be entitled to return of his bid bond. No forfeiture under a bid bond shall exceed the difference between the bid for which the bond was written and the next low bid or the face amount of the bid bond, whichever is lower.
- (b) *Performance bonds.* All non-transportation construction contracts exceeding five hundred thousand dollars (\$500,000.00) and all non-transportation construction contracts for which the City Manager believes it to be prudent, shall require the prime contractor awarded the contract to furnish to the City a performance bond, payable to the City, in an amount equal to the amount of the contract award, issued by an eligible surety chosen by the contractor. The performance bond shall guarantee the faithful performance of the contract in strict conformity with the plans, specifications, and conditions of the contract. Notice that a performance bond is required for any contract shall be included in any public notice inviting bids. Any action against a performance bond shall be made within the time and manner required by Va. Code §§ 2.2-4340 – 4340.2.
- (c) *Payment bonds.* All non-transportation construction contracts exceeding five hundred thousand dollars (\$500,000.00) and all non-transportation construction contracts for which the City Manager believes it to be prudent, shall require the prime contractor awarded the contract to furnish to the City a payment bond, payable to the City, in an amount equal to the amount of the contract award, issued by an eligible surety chosen by the contractor. The payment bond shall guarantee the prompt payment of persons fulfilling contracts to supply labor or materials to the prime contractor to whom the contract was awarded, or to any subcontractors, in the furtherance of the work provided for in such contract. Notice that a payment bond is required for any contract shall be included in any public notice inviting bids. Any action against a payment bond shall be made within the time and manner required by Va. Code § 2.2-4341.
- (d) *Alternative security.* In lieu of a bid bond, a bidder may furnish a certified check or cash escrow in the face amount required for the bond. If approved by the City Attorney, a bidder may furnish a personal bond, property bond, or bank or saving and loan association's letter of credit on certain designated funds in the face amount required for the bid bond. Approval shall be granted only upon a determination that the alternative form of security proffered affords protection to the City equivalent to a corporate surety bond. Any action against an alternative form of security authorized by this Subsection shall be made within the time and manner required for the type of bond such security has been substituted for.

State Law reference— Similar provisions, Code of Virginia, §§ 2.2-4336; 2.2-4337; 2.2-4338; 2.2-4340; 2.2-4341.

Secs. 30-22—30-30. - Reserved.

ARTICLE II. - COMPETITIVE PROCUREMENT

Sec. 30-31. – Competition generally.

- (a) *Competitive sealed bidding.* All City contracts with non-governmental contractors, for the purchase or lease of goods, or for the purchase of services, insurance, or construction, shall be awarded after competitive sealed bidding or competitive negotiation as provided in this Chapter, unless otherwise authorized by law. All such contracts for the purchase of professional services shall be procured by competitive negotiation. When responding to a Request for Proposals or Bids, prospective vendors, contractors, and other offerors shall be allowed to submit proposals and bids through some electronic means designated by the City Manager.
- (b) *State-aid construction contracts.* No contract for the construction of a building or for an addition to or improvement of an existing building, for which Commonwealth funds of fifty thousand dollars (\$50,000) in the aggregate or for the sum of all phases of a contract or project, either by appropriation, grant-in-aid, or loan, are used or are to be used for all or part of the cost of construction, shall be awarded except after competitive sealed bidding or competitive negotiation. The procedure for advertising for bids and for proposals and for letting of the contract shall conform to Virginia law.
- (c) *Auctions.* If the City Manager determines that it is in the best interests of the City to acquire certain goods from a specific public auction sale, whether in-person, online, or otherwise, he shall notify the Council in advance of his intention to participate in such auction. If the Council does not object, then the City may participate in the specific auction, provided that no bid shall be offered in an amount exceeding the appropriated amount for the same acquisition if procured by an alternative method. The City may acquire non-professional services and goods other than commodities used in street construction and maintenance by reverse auctioning.

State Law reference— Similar provisions, Code of Virginia, §§ 2.2-4303; 2.2-4305.

Sec. 30-32. - Exceptions from requirements of competitive procurement.

- (a) *Exempt procurement transactions.* The requirements of this Chapter regarding competitive bidding and competitive negotiation shall not apply to:

 - (1) *Sales from governments.* Purchases from the Commonwealth of Virginia, United States of America, or any political subdivision thereof;
 - (2) *Sales from certain blind or disabled persons.* Purchases of goods or services which are performed or produced by persons, or in schools or workshops, under the supervision of the Virginia Department for the Blind and Vision impaired, or which are performed or produced by nonprofit workshops serving the disabled including but not limited to Employment Services Organizations;
 - (3) *Sales from certain nonprofit organizations.* The procurement of any construction, planning, or design services by a Virginia nonprofit organization if such organization is required by law to conform to United States procurement procedures, or if the planning, design, or construction does not involve more than ten thousand dollars (\$10,000.00) of State funding.

- (4) *Legal services.* Purchases of legal services, expert witnesses, or other services associated with actual or potential litigation or regulatory proceedings;
- (5) *Professional development.* Purchases related to education, training, professional organization dues and memberships, and travel;
- (6) *Workers' compensation.* Payments for settlements, medical expenses, and other costs related to the administration of workers' compensation and other claims where the City acts as a self-insurer;
- (7) *Retirement system.* Transactions made for the selection of services related to the management, purchase, or sale of the authorized investments, actuarial services, and disability determination services investments of the City Employees' Retirement System;
- (8) *Financial services.* Transactions made by the City Treasurer or Finance Director for the selection of investment management services related to the external management of City funds.
- (9) *Printed materials.* Purchases of subscriptions, periodicals, publications, and public library books and related materials;
- (10) *Local food products.* Purchases, not exceeding one hundred thousand dollars (\$100,000.00), of Virginia-grown food products for use by the City provided that, when practical, at least three (3) bidders or offerors shall have provided informal solicitations in writing and the City includes a written statement of the basis for the contract award.
- (11) *Property maintenance.* Renewals of maintenance service contracts;
- (12) *Utility service.* Wholesale purchases of electric power and natural gas;
- (13) *Utility marking service.* Purchases through or participation in contracts awarded by utility operators for utility marking services pursuant to the Underground Utility Damage Prevention Act (Va. Code § 56-265.14 *et seq.*).
- (14) *Land development.* Reimbursement agreements for eligible land development costs as otherwise authorized by this Code;
- (15) *Public assistance programs.* Purchases of goods or personal services for direct use by recipients of public assistance programs, social services programs, community services boards, and programs authorized by the Children's Services Act (Va. Code §§ 2.2-5200 *et seq.*) or the Virginia Juvenile Community Crime Control Act (Va. Code §§ 16.1-309.2 *et seq.*) if the procurement is made for an individual recipient. This includes but is not limited to the acquisition of motor vehicles for sale or transfer to Temporary Assistance to Needy Families (TANF) recipients. Contracts for the bulk procurement of goods or services for the use of recipients shall not be exempted;
- (16) *Small purchases generally.* The purchase of goods, contractual services other than professional services, and insurance, estimated to be less than two hundred thousand dollars (\$200,000.00) in value in the aggregate;
- (17) *Small construction purchases.* The purchase of non-transportation-related construction services and capital improvements estimated to be less than three hundred thousand dollars (\$300,000.00) in value in the aggregate, and the purchase of transportation-related construction services estimated to be less than twenty-five thousand dollars (\$25,000.00) in value in the aggregate;
- (18) *Small professional service purchases.* The purchase of Professional services not expected to exceed eighty thousand dollars (\$80,000.00) in value;
- (19) *Single sources.* Upon a determination in writing that there is only one (1) source practicably available for that which is to be procured; and
- (20) *Emergencies.* In case of emergency.

- (b) *Competition generally.* The City Manager is authorized to establish rules and policies necessary to administer such exempt purchases. These rules and policies shall provide for competition wherever practicable under the circumstances. Written quotations from vendors shall be obtained where practical, although verbal quotations will be permitted, provided a written record of all such verbal quotations is made and filed with the records of the transaction.
- (c) *Emergency procurement.* Any exempt procurement transaction made due to an emergency shall be made with such competition as is practicable under the circumstances. A written determination of the basis for the emergency and for the selection of the particular contractor shall be included in the contract file. The City Manager shall issue a written notice stating that the contract is being awarded on an emergency basis and identifying that which is being procured, the contractor selected, and the date on which the contract was or will be awarded. This notice shall be posted in a designated public area or published in a newspaper of general circulation on the day the City Manager awards, or announces his decision to award, the contract, whichever occurs first, or as soon thereafter as is practicable.
- (d) *Sole source contracts.* In any exempt procurement transaction made due to a determination that only a single source is available, a contract may be negotiated and awarded to that source without competitive sealed bidding or competitive negotiation provided the determination shall be made in writing along with the evidence for the basis of the determination. The City Manager shall issue a written notice stating that only one (1) source was determined to be practicably available and identifying that which is being procured, the contractor selected, and the date on which the contract was or will be awarded. This notice shall be posted in a designated public area or published in a newspaper of general circulation on the day the City awards, or announces its decision to award, the contract, whichever occurs first.

State Law reference— Similar provisions, Code of Virginia §§ 2.2-4303; 2.2-4343; 2.2-4344; 2.2-4345.

Secs. 30-33—30-40. - Reserved.

Sec. 30-41. - Negotiation for non-professional services.

- (a) *Determination.* Upon a determination in writing that competitive sealed bidding is either not practicable or not advantageous to the public, goods, services, insurance, or construction may be procured by competitive negotiation. Such determination shall include the basis for this finding.
- (b) *Requests for Proposals.* Request for Proposals shall be in writing and indicate in general terms that which is sought to be procured, specifying the factors which will be used in evaluating the proposal and containing or incorporating by reference the other applicable contractual terms and conditions, including any unique capabilities or qualifications which will be required of the contractor. Any offeror, at the time of responding to a Request for Proposal may state any exception to any of the contractual terms or conditions.
- (c) *Public notice.* At least ten (10) days prior to the date set for receipt of proposals, public notice shall be given by posting in a public area normally used for posting of public notices or by publication in a newspaper of general circulation in the area in which the contract is to be performed, or both. In addition, proposals may be solicited directly from potential contractors.
- (d) *Evaluation.* The City shall select two (2) or more offerors deemed to be fully qualified and best suited among those submitting proposals, on the basis of the factors involved in the Request for Proposals, including price if so stated therein. Negotiations shall then be conducted with each of

the offerors so selected. Price shall be considered but need not be the sole determining factor. Exceptions submitted by the offeror shall be considered but shall not be used as a basis for scoring or evaluating which offerors are selected for negotiation. After negotiations have been conducted with each offeror so selected, the City Manager shall select the offeror who, in his opinion, has made the best proposal, and shall award the contract to that offeror. Should the City Manager determine in writing that only one (1) offeror is fully qualified, or that one (1) offeror is clearly more highly qualified than the others under consideration, a contract may be negotiated and awarded to that offeror.

State Law reference— Similar provisions, Code of Virginia, § 2.2-4302.2.

Sec. 30-42. - Negotiation for professional services.

- (a) *Competitive negotiation.* Professional services estimated to cost in excess of eighty thousand dollars (\$80,000.00) shall be procured by competitive negotiation.
- (b) *Interviews.* The City Manager shall engage in individual discussions with two (2) or more offers deemed fully qualified, responsible, and suitable, on the basis of initial responses and with emphasis on professional competence, to provide the required services. Repetitive informal interviews shall be permissible. Such offerors shall be encouraged to elaborate on their qualifications and performance data or staff expertise pertinent to the proposed project, as well as alternative concepts. At the discussion stage, the City may discuss non-binding estimates of total project costs, including, but not limited to, life cycle costing, and where appropriate, non-binding estimates of price for services. The City shall not disclose proprietary information from competing offerors to the public or to any competitor.
- (c) *Evaluation.* At the conclusion of interviews, on the basis of evaluation factors published in the Request for Proposals and all information developed in the selection process to this point, the City Manager shall select in the order of preference two (2) or more offerors whose professional qualifications and proposed services are deemed most meritorious. Negotiations shall then be conducted, beginning with the offeror ranked first. If a contract satisfactory and advantageous to the City can be negotiated at a price considered fair and reasonable, the award shall be made to that offeror. Otherwise, negotiations with the offeror ranked first shall be formally terminated and negotiations conducted with the offeror ranked second, and so on until a contract can be negotiated at a fair and reasonable price. Should the City Manager determine in writing and in his sole discretion that only one (1) offeror is fully qualified, or that one (1) offeror is clearly more highly qualified and suitable than the others under consideration, a contract may be negotiated and awarded to that offeror.
- (d) *Architectural and professional engineering services.* Competitive negotiations for such architectural or professional engineering services contracts may result in awards to more than one (1) offeror, provided the Request for Proposal so states and the City has established procedures for distributing multiple projects among the selected contractors during the contract term. Such procedures shall prohibit requiring the selected contractors to compete for individual projects based on price. A contract for architectural or professional engineering services relating to multiple projects may be awarded by the City provided the projects require similar experience and expertise, the nature of the projects is clearly identified in the Request for Proposal, and the contract is limited to a term of one (1) year or when the cumulative total project fees reach \$10 million, whichever occurs first. Such contracts may be renewable for three (3) additional terms at the option of the City. Any unused amounts from one contract term shall not be carried forward to any additional term. The fair and reasonable prices as negotiated shall be used in determining the cost of each project performed. The fee for any single project shall not exceed \$2.5 million.

State Law reference— Similar provisions, Code of Virginia, §§ 2.2-4302.2; 2.2-4303; 2.2-4303.1.

Secs. 30-43—30-50. - Reserved.

Sec. 30-51. – Prospective bidder list.

The City Manager may create lists of prospective bidders for different categories of future procurement contracts. Prospective bidders may apply in writing to be included on any such lists, and if included shall be directly notified of Invitations to Bid for the applicable procurement category. A prospective bidder shall be removed from the bidder list if he is suspended or debarred from bidding pursuant to this Chapter or if he fails to submit responsive bids to three (3) or more consecutive Invitations to Bid within a particular category. No notice need be provided to a person removed from any bidder list. A prospective bidder removed from a bidder list for failing to bid may be reinstated to the bidders list by reapplying to be on such list, in writing.

Sec. 30-52. – Pre-qualification of bidders.

- (a) *Pre-qualification process.* The City Manager may require prospective bidders for any specific Invitation to Bid to pre-qualify, prior to submitting a bid for such Invitation. The pre-qualification process shall be fair and consistently applied, and applications therefor shall be made in writing in a format required by the City Manager and shall include any information he deems appropriate from prospective bidders to make an objective determination, including but not limited to samples, financial reports, and references. If requested in writing, any such information provided that is proprietary or a trade secret shall be withheld from public inspection. Pre-qualification of a bidder shall not constitute a conclusive determination that the bidder is responsible, and such bidder may be rejected as non-responsible on the basis of subsequently discovered information.
- (b) *Denial of pre-qualification.* A prospective bidder denied pre-qualification on specific procurement transaction is not denied the right to apply to pre-qualify or submit bids on any other future procurement transaction. A prospective bidder shall be denied pre-qualification if he, or any owner, director, or other officer in the case of an entity, is suspended or debarred from bidding pursuant to this Chapter or has been convicted of any crime relating to any construction or other contracting in the past ten (10) years. A prospective bidder may be denied pre-qualification if the application is not timely filed or if the City Manager determines in writing that there is reason to believe that the prospective bidder does not possess the financial ability or appropriate experience to successfully complete the plans and specifications in the Invitation to Bid, has had judgments entered against him for breach of contract in the past ten (10) years, or has been in substantial non-compliance with the terms and conditions of prior public contracts in the past ten (10) years. A determination of financial inability may not be made if the prospective bidder can obtain a performance bond in the amount required for the contract. Any such determination shall include the reasons therefor and shall be included as part of procurement file. No less than thirty (30) days prior to the closing date for the submission of bids for the procurement transaction, the City shall notify each prospective bidder whether or not he has pre-qualified, and for those denied pre-qualification, a copy of the determination to deny shall be included.
- (c) *Appeal of denial.* A determination to deny pre-qualification to a prospective bidder shall be final and conclusive, unless the person so denied institutes legal action pursuant to this Chapter within ten

(10) business days of receiving the determination. If, upon appeal, it is determined by the Danville Circuit Court that the action taken was arbitrary or capricious, or not in accordance with law, the sole relief shall be the granting of pre-qualification and restoration of eligibility to bid on the procurement transaction at issue.

State Law reference— Similar provisions, Code of Virginia, § 2.2-4317.

Sec. 30-53. – Debarment or suspension of prospective bidders.

- (a) *Suspensions.* The City Manager is authorized to suspend a person from consideration for the award of City contracts if there is probable cause to believe that the person has engaged in any activity which might lead to debarment. No such suspension shall exceed three (3) months.
- (b) *Debarment.* The City Manager is authorized to debar a person from consideration for the award of City contracts for cause, as provided in this Section. No such debarment shall exceed three (3) years or the amount of time required for the cause relied upon to no longer serve as grounds for debarment.
- (c) *Reasons for debarment.* The causes or grounds for debarment include:
 - (1) *Past criminal behavior.* Past criminal conviction for embezzlement, theft, forgery, bribery, falsification or destruction of records, receiving stolen property, anti-trust violations, or any other offense occurring in the performance of a contract or subcontract or indicating a lack of business integrity or business honesty which currently, seriously, and directly affects the responsibility required of a City contractor.
 - (2) *Past poor performance.* Past breaches of contract of a character which is regarded by the City Manager to be so serious as to justify debarment action. Such breaches include the deliberate failure, without good cause, to perform in accordance with the specifications or within the time limit provided in the contract, or a recent record of failure to perform or of unsatisfactory performance in accordance with the terms of a contract, provided that such failure to perform or unsatisfactory performance caused was not the result of acts beyond the control of the contractor.
 - (5) *Other causes.* Any other cause the City Manager determines to be so serious and compelling as to affect responsibility as a City contractor, including debarment by another governmental entity for cause and violation of the ethical standards set forth in this Chapter.
- (d) *Suspension and debarment procedure.* Any determination to suspend or debar a person pursuant to this Chapter shall be in writing and shall include the reasons for the determination as well as notice that such person may appeal the determination in accordance with this Chapter. A copy of the written determination shall be provided to the person suspended or debarred. This determination shall be final and conclusive, unless the person so suspended or debarred institutes legal action pursuant to this Chapter within ten (10) business days of the receipt of the determination. If, upon appeal, the Danville Circuit Court determines that the suspension or debarment was arbitrary or capricious, or not in accordance with law, the sole relief shall be restoration of eligibility to bid on City contracts.

State Law reference— Similar provisions, Code of Virginia, § 2.2-4317.

Sec. 30-54. - Ineligibility.

- (a) Eligibility. The City shall determine whether each bidder, offeror, or contractor seeking to participate in a City procurement transaction is eligible to do so in accordance with this Chapter.
- (b) Preliminary decision. If it is decided that a bidder, offeror, or contractor is ineligible to participate in City contracts, the City shall issue a preliminary decision of ineligibility in writing, and shall include therein any factual support relied on in making the decision. A copy of the decision shall be provided to the bidder, offeror, or contractor. Such person shall be allowed an opportunity to inspect any City document that relates to the preliminary decision, if so requested thereby, within five (5) business days of receiving the decision. Within ten (10) business days of receiving the decision, the bidder, offeror, or contractor may submit rebuttal information challenging the decision.
- (c) Final decision. A final decision of eligibility or ineligibility shall be issued based on all information in the possession of the City, including any rebuttal information, within five (5) business days of the date the rebuttal information is received. A final decision of ineligibility shall be in writing and shall include therein any factual support relied on in making the determination. A copy of the final determination shall be provided to the bidder, offeror, or contractor. The decision shall be final and conclusive, unless the person determined ineligible institutes legal action pursuant to this Chapter within ten (10) business days of the receipt of the final decision. If, upon appeal, the Danville Circuit Court determines that the finding of ineligibility was arbitrary or capricious, or not in accordance with law, and the contract has not been awarded, the sole relief shall be a finding that the bidder is an eligible bidder for the contract. If, upon appeal, the Danville Circuit Court determines that the finding of ineligibility was arbitrary or capricious, or not in accordance with law, and the contract has already been awarded, the Court may direct the City to instead award the contract to the bidder in accordance with the requirements of this Chapter and the Invitation to Bid.

State Law reference— Similar provisions, Code of Virginia, § 2.2-4357.

Sec. 30-55. - Notice of Invitation to Bid; soliciting bids.

- (a) Invitation to Bid. Public notice of an Invitation to Bid must be given at least fifteen (15) calendar days prior to the date set for the receipt of bids, by posting in a designated public area, or publication in a newspaper of general circulation, or both. In addition, bids may be solicited directly from potential contractors. Sealed bids shall be solicited from all responsible interested suppliers who have requested their names to be added to a bidders list maintained by the City, by sending such other notice as will acquaint them with the proposed purchase or sale. In any case, invitations sent to the vendors on the bidders list shall be limited to commodities that are similar in character and ordinarily handled by the trade group to which the invitations are sent.
- (b) Request for submission of unpriced offers. When it is considered impractical to initially prepare a purchase description to support an award based on price, an Invitation to Bid may be issued requesting the submission of unpriced offers to bidders whose offers have been determined to be technically acceptable under the criteria set forth in the first solicitation.
- (c) Brand Names. Unless otherwise provided in the Invitation to Bid, the use of the name of a certain brand, make, or manufacturer does not restrict bidders to the specific brand, make, or manufacturer. It conveys the general style, type, character, and quality of the article desired and any article which the City Manager, in his sole discretion, determines to be the equal of that specified, considering quality, workmanship, economy of operation, and suitability for the purpose intended, shall be accepted.
- (d) Specifications. The City shall accept comments concerning specifications or other provisions in Invitations to Bid or Requests for Proposal prior to the deadline for receiving such bids or proposals or awarding any contracts.

- (e) Pre-bid conferences. The City may, when deemed necessary thereby, schedule and conduct pre-bid conferences with prospective bidders for complex equipment, supplies, or construction contracts.
- (f) Cancelling or rejecting bids. An Invitation to Bid, a Request for Proposals, any other solicitation provided for in this Chapter, and any bid or proposal may be cancelled or rejected. The reasons for cancellation or rejection shall be made part of the contract file. The City shall not cancel or reject an Invitation to Bid, a Request for Proposals, any other solicitation, bid or proposal pursuant to this Subsection solely to avoid awarding a contract to a particular responsive and responsible bidder or offeror.
- (g) Waiver of informalities. The City may waive informalities in bids in accordance with law.

State Law reference— Similar provisions, Code of Virginia, §§ 2.2-4315; 2.2-4316; 2.2-4319.

Sec. 30-56. - Withdrawal of bid due to error.

- (a) Reason for withdrawal. A bidder for a contract, other than a contract for construction or maintenance of a City street, may withdraw his bid from consideration, only if:
 - (1) the bid was submitted in good faith;
 - (2) the bid price was substantially lower than the other bids due solely to a mistake therein;
 - (3) the mistake was a clerical mistake, as opposed to a judgment mistake, and was actually due to either an unintentional arithmetic error or an unintentional omission of a quantity of work, labor, or material made directly in the compilation of the bid, which unintentional arithmetic error or unintentional omission can be clearly shown by objective evidence drawn from inspection of original work papers, documents, and materials used in the preparation of the bid sought to be withdrawn; and
 - (4) withdrawing the bid would not result in the awarding of the contract to another bid of the same bidder or of another bidder in which the ownership of the withdrawing bidder is more than five percent (5%).
- (b) Procedure for withdrawal. The procedure for withdrawing a bid pursuant to this Section shall be included in the Invitation to Bid. Such procedure shall either require the bidder to provide written notice of his intent to withdraw his bid within two (2) business days after the conclusion of the bid opening procedure or require the bidder to deliver to the City his original work papers, documents, and materials used in the preparation of the bid at or prior to the time fixed for the opening of bids. In such case, the bids shall be opened one (1) day following the time fixed by the City for the submission of bids. Thereafter the bidder shall have two (2) hours after the opening of bids within which to claim in writing any mistake as defined herein and withdraw his bid. The contract shall not be awarded by the City until the two (2) hour period has elapsed. Such mistake shall be proved only from the original work papers, documents, and materials delivered as required herein.
- (c) Effect of withdrawal. If a bid is withdrawn pursuant to this Section, the lowest remaining bid shall be deemed to be the low bid. If a bidder who is denied the withdrawal of his bid would otherwise win the bid and is otherwise determined to be a responsible and responsive bidder, then such bidder shall be awarded the contract to at the original bid price.
- (d) Disqualification from contract. No bidder who is permitted to withdraw a bid shall be permitted to supply any material or labor to, or perform any subcontract or other work agreement for, the person whom the contract is awarded or to otherwise benefit, directly or indirectly, from the performance of the project for which the withdrawn bid was submitted.

(e) Denial. The City Manager may deny the withdrawal of any bid when such withdrawal is not permitted by this Section. Any such denial shall be in writing and include the reasons for the denial. A copy shall be provided to the bidder so denied. A decision to deny the withdrawal of a bid shall be final and conclusive, unless the person so denied institutes legal action as provided in this Chapter within ten (10) business days of receiving the denial. If no bid bond was posted, a bidder who is denied the withdrawal of his bid shall deliver to the City a bid bond or approved alternative security payable to the City in the amount of the difference between the bid sought to be withdrawn and the next lowest bid prior to instituting legal action. Such security shall be released only upon a final determination by the Danville Circuit Court that the bidder was entitled to withdraw his bid. If, upon appeal to the Court, it is determined that the decision to deny the withdrawal of the bid was clearly erroneous, the sole relief shall be withdrawal of the bid and the release of the bid bond.

State Law reference— Similar provisions, Code of Virginia, § 2.2-4358. § 2.2-4330.

Sec. 30-57. - Bid evaluation.

All bids received must be opened in public and announced in public. Tabulations of bids shall be available for public inspection, as provided by law.

In determining the lowest responsible bidder, in addition to price, the following may be considered, if prescribed in the Invitation to Bid:

- (1) The ability, capacity, and skill of the bidder to perform the contract or provide the service required.
- (2) Whether the bidder can perform the contract or provide the service promptly, or within the time specified, without delay or interference.
- (3) The character, integrity, reputation, judgment, experience, and efficiency of the bidder.
- (4) The quality of performance of previous contracts or services.
- (5) The previous and existing compliance by the bidder with laws and ordinances relating to the contract or service.
- (6) The sufficiency of the financial resources and ability of the bidder to perform the contract or provide the service.
- (7) The quality, availability, and adaptability of the goods or services to the particular use required.
- (8) The ability of the bidder to provide future maintenance and service for the use of the subject of the contract.
- (9) The number and scope of conditions attached to the bid.
- (10) Total cost of operations and maintenance.
- (11) Conflicts of interest.
- (12) Past due monies owed to the City by the firm or principals of the firm.

State Law reference— Similar provisions, Code of Virginia, § 2.2-4317.

Sec. 30-58. - Determination of non-responsibility.

- (a) Responsibility. Following the public opening and announcement of bids received on an Invitation to Bid, the bids shall be evaluated in accordance with this Chapter. At the same time, the City shall determine whether the apparent low bidder is responsible in accordance with this Chapter. If it is so determined, then the City may proceed with the award.
- (b) Preliminary determination. If it is determined that the apparent low bidder is not responsible, the City shall issue a preliminary determination of non-responsibility in writing, and shall include therein any factual support relied on in making the determination. A copy of the determination shall be provided to the apparent low bidder. Such bidder shall be allowed an opportunity to inspect any City document that relates to the preliminary determination, if so requested by the bidder, within five (5) business days of receiving the determination. Within ten (10) business days of receiving the determination, the bidder may submit rebuttal information challenging the determination.
- (c) Final determination. A final determination of responsibility or non-responsibility shall be issued based on all information in the possession of the City, including any rebuttal information, within five (5) business days of the date the rebuttal information is received. A final determination of non-responsibility shall be in writing and shall include therein any factual support relied on in making the determination. A copy of the final determination shall be provided to the apparent low bidder. The determination shall be final and conclusive, unless the person determined not responsible institutes legal action pursuant to this Chapter within ten (10) business days of the receipt of the final determination. If, upon appeal, the Danville Circuit Court determines that the finding of non-responsibility was arbitrary or capricious, or not in accordance with law, and the contract has not been awarded, the sole relief shall be a finding that the bidder is a responsible bidder for the contract. If, upon appeal, the Danville Circuit Court determines that the finding of non-responsibility was arbitrary or capricious, or not in accordance with law, and the contract has already been awarded, the Court may direct the City to instead award the contract to the bidder in accordance with the requirements of this Chapter and the Invitation to Bid.
- (d) Competitive negotiation. Nothing contained in this Section shall be construed to require the City, when procuring by competitive negotiation, to furnish a statement of the reasons why a particular proposal was not deemed to be the most advantageous.

State Law reference— Similar provisions, Code of Virginia, § 2.2-4359.

Sec. 30-59. - Bid award.

- (a) Lowest responsible bidder. Bids shall be awarded to the lowest responsible bidder, except when the terms and conditions of multiple bids are so provided in the Invitation to Bid, awards may be made to more than one (1) bidder. When a contract is not awarded to the lowest bidder, a written statement of the reasons for such decision shall be prepared and filed with the other documents relating to the transaction.
- (b) Negotiation with low bidder. Unless cancelled, withdrawn, or rejected, a responsive bid from the lowest responsible bidder shall be accepted as submitted, except that, if the bid from the lowest responsible bidder exceeds available funds, the City may negotiate with the apparent low bidder to obtain a contract within available funds.
- (c) Ties. In the case of a tie bid, preference shall be given to goods, services, and construction produced in the City of Danville or provided by persons having their principal place of business in the City, if such a choice is available. If such choice is not available, then the tie shall be decided in favor of goods produced in Virginia if such a choice is available, and if not then to goods produced in the United States if such a choice is available, and if not then to goods containing the greatest amount of recycled content. Any tie that cannot be decided by the preceding method shall be resolved by random lot.

- (d) Virginia preferences. If permitted by Virginia law, the following preferences shall be granted to Virginia residents during the procurement process:
- (1) Price-matching. In the case of the procurement of goods by manufacturers, if the lowest responsive and responsible bidder is not a Virginia resident and the bid of any Virginia resident is within ten percent (10%) of such bid, the lowest responsive and responsible bidder that is a Virginia resident shall be granted the option to match the price of the lowest responsive and responsible bidder.
 - (2) Comity of preference. If the lowest responsive and responsible bidder is a resident of a State other than Virginia and such State under its laws allows a resident of that State a percentage preference or price-matching preference for the procurement of goods, a like preference shall be granted to any responsive and responsible bidder who is a Virginia resident and is the next lowest bidder. If the lowest bidder is a resident contractor of a State with an absolute preference, the bid shall not be considered.
- (e) Energy efficient products. When in the course of procuring goods, if the City receives two (2) or more bids for products that are Energy Star certified, meet FEMP-designated efficiency requirements, appear on FEMP's Low Standby Power Product List, or are WaterSense certified, the City may only select among those bids unless, before selecting a different bid, the City Manager provides a written statement that demonstrates the cost of the rejected products was unreasonable.
- (f) American-made flags. Notwithstanding any provision of law to the contrary, whenever the City purchases a flag of the United States or a flag of the Commonwealth for public use, such flag must be made in the United States from articles, materials, or supplies that are grown, produced, and manufactured in the United States.
- (g) Protest of award. If any bidder, offeror, or contractor, or any potential bidder or offeror on a contract negotiated on a sole source or emergency basis, desires to protest the award of a contract, such person shall be allowed an opportunity to inspect any City document that relates to the award, if so requested thereby, and file a protest of the award, in writing, with the City within ten (10) days of the award or announcement of the award. Such protest shall include therein any factual support relied on in making the protest as well as the relief being sought. No protest shall be permitted for a claim that the selected bidder or offeror is not a responsible bidder or offeror. The City shall issue a determination on the merits of the protest based on all information in the possession of the City, including any information included in the protest, within ten (10) days of the date the protest is received. The determination shall be in writing and a copy of the determination shall be provided to the person filing the protest.
- (h) Judicial appeal. Following the determination made pursuant to Subsection (g) above, the decision to award a contract pursuant to this Chapter shall be final and conclusive, unless the person who protested the award institutes legal action pursuant to this Chapter within ten (10) days of the receipt of the determination. If, upon appeal, the Danville Circuit Court determines that the decision to award the contract was arbitrary or capricious, or not in accordance with law, and the contract has not been awarded, the sole relief shall be a finding that the bidder is a responsible bidder for the contract. If, upon appeal, the Danville Circuit Court determines that the award of a contract was arbitrary or capricious, or not in accordance with law, and the contract has not yet been awarded, then the sole relief shall be a finding to that effect, and the City shall cancel the proposed award or revise it to comply with the law. If, upon appeal, the Danville Circuit Court determines that the award of a contract was arbitrary or capricious, or not in accordance with law, and the contract has been awarded, then the Court may direct the City to instead award the contract to a different bidder in accordance with the requirements of this Chapter and the Invitation to Bid. Where the award has been made, but performance has not begun, the performance of the contract may be enjoined. Where the award has been made and performance has begun, the City may declare the contract void upon a finding that this action is in the best interest of the public. The performing contractor shall be compensated by the City for the costs of performance up to the time of such declaration, however the performing contractor shall not be entitled to lost profits.

- (i) Effect of appeal or protest upon contract. Pending final determination of a protest or appeal, the validity of a contract awarded and accepted in good-faith in accordance with this Chapter shall not be affected by the fact that a protest or appeal has been filed. An award need not be delayed for the period allowed a bidder or offeror to protest, but in the event of a timely protest, no further action to award the contract will be taken unless there is a written determination by the City Manager that proceeding without delay is necessary to protect the public interest or unless the bid or offer would expire.

State Law reference— Similar provisions, Code of Virginia, §§ 2.2-4318; 2.2-4323.1; 2.2-4324; 2.2-4328; 2.2-4360; 2.2-4362.

Sec. 30-60. - Contractual disputes.

A procedure for initial consideration of contractual claims shall be included in each City contract. Contractual claims, whether for money or other relief, shall be submitted in writing no later than sixty (60) days after final payment. A contractor shall file written notice of his intent to file a claim of dispute at the time of the occurrence or the beginning of the work upon which the claim is based. Nothing herein shall preclude a contract from requiring submission of an invoice for final payment within a certain time after completion and acceptance of the work or acceptance of the goods. Pendency of claims shall not delay payment of amounts agreed due in the final payment. The determination from the contract dispute procedure shall be final and conclusive, unless the contractor institutes legal action pursuant to this Chapter within six (6) months of the receipt of the determination. A contractor may not invoke administrative appeals procedures or institute legal action as provided in this article Chapter prior to receipt of the decision on the claim, unless the dispute procedure fails to render a decision within the time specified in the contract. The Danville Circuit Court shall review the appeal *de novo* in accordance with the contract law of the Commonwealth.

State Law reference— Similar provisions, Code of Virginia, § 2.2-4363.

~~Sec. 30-1. Title.~~

~~This chapter shall be known and may be cited as the Procurement Code of the City of Danville.~~

~~{Ord. No. 2009-04.06, 4-21-09}~~

~~Sec. 30-2. Purpose.~~

~~The purpose of this chapter is to increase public confidence in the purchasing by the City, to encourage competition in public purchasing among vendors or contractors, to administer fairly and equitably purchasing policies among bidders, to obtain high-quality goods and services at the lowest possible price and to ensure that all procurement procedures be conducted in a fair and impartial manner with avoidance of any impropriety or appearance of impropriety.~~

~~{Ord. No. 86-3.2, § 21.3-101, 3-4-86; Ord. No. 2009-04.06, 4-21-09}~~

Sec. 30-3. Application of chapter; compliance with federal or state law; compliance with terms of grant, gift, etc.

- (a) This chapter applies to contracts for the procurement of goods, services, insurance and construction entered into by the City and involving expenditures for public purchasing, regardless of the source of funds.
- (b) When the procurement involves the expenditure of Federal or State assistance, the procurement shall be conducted in accordance with any applicable mandatory Federal or State law and regulations which are not reflected in this chapter. Nothing in this chapter shall prevent any public agency from complying with the terms and conditions of any grant, gift or bequest which are otherwise consistent with law.

(Ord. No. 86-3.2, § 21.3 102, 3-4-86; Ord. No. 2009-04.06, 4-21-09)

Sec. 30-4. Definitions.

As used in this chapter, the words and terms defined in this section shall have the meanings set forth below, unless the context in which they are used clearly requires a different meaning, or a different definition is prescribed for a particular section or portion thereof.

Bidders list: A file maintained by the City of all vendors who have made a written application to the City expressing an interest in providing a specified type or types of goods and/or services to the City and who have not been suspended or debarred.

Brand name specification: A specification limited to one (1) or more items by manufacturers' names or catalogue numbers.

Brand name or equal specification: A specification limited to one (1) or more items by manufacturers' name or catalogue numbers to describe the standard of quality, performance and other salient characteristics needed to meet city requirements and which provides for the submission of equivalent products.

Business: Any corporation, partnership, individual, sole proprietorship, joint stock company, joint venture or other private legal entity.

Change order (unilateral): A written order signed and unilaterally issued by the City directing the contractor to make changes which the "changes" clause of the contract authorizes the City to order without the consent of the contractor.

Confidential information: Any information which is available to an employee only because of the employee's status as an employee of this City and is not a matter of public knowledge or available to the public on request.

Construction: Building, altering, repairing, improving or demolishing any structure, building or highway and any draining, dredging, excavation, grading or similar work upon real property.

Construction management contract: A contract in which a party is retained by the owner to coordinate and administer contracts for construction services for the benefit of the owner. Such term may also include, if provided in the contract, the furnishing of construction services to the owner.

Contract: All types of City agreements, regardless of what they may be called, for the procurement of goods, services, insurance and construction.

Contract modification: Any written alteration in specifications, delivery point, rate of delivery, period of performance, price, quantity or other provision of any contract accomplished by mutual action of the parties to the contract.

Contractor: Any person having a contract with the City or a using agency thereof.

Cost analysis: The evaluation of cost data for the purpose of arriving at costs actually incurred or estimates of costs to be incurred, prices to be paid and costs to be reimbursed.

Cost data: Factual information concerning the cost of labor, material, overhead and other cost elements which are expected to be incurred, or which have been actually incurred, by the contractor in performing the contract.

Cost-reimbursement contract: A contract under which a contractor is reimbursed for costs which are allowable and allocable in accordance with the contract terms and the provisions of this chapter, and a fee or profit, if any.

Direct or indirect participation: Involvement through decision, approval, disapproval, recommendation, preparation of any part of a purchase request, influencing the content of any specification or procurement standard, rendering of advice, investigation, auditing or in any other advisory capacity.

Disadvantaged business: A small business which is owned or controlled by a majority of persons, not limited to members of minority groups, who have been deprived of the opportunity to develop and maintain a competitive position in the economy because of social disadvantages.

Employee: An individual drawing a salary or wages from the City, whether elected or not; any noncompensated individual performing personal services for the City or any department, agency, commission, council, board or any other entity established by the executive or legislative branch of this City; and any noncompensated individual serving as an elected official of the City.

Goods: All material, equipment, supplies, printing and automated data processing hardware and software.

Informality: A minor defect or variation of a bid or proposal from the exact requirements of the invitation to bid or the request for proposal, which does not affect the price, quality, quantity or delivery schedule for the goods, services or construction being procured.

Insurance: A contract whereby, for a stipulated consideration, one (1) party undertakes to compensate the other for loss on a specified subject by specified perils.

Invitation to bid: All documents, whether attached or incorporated by reference, utilized for soliciting sealed bids. No confidential or proprietary data shall be solicited in any invitation for bids.

Nominal value: So small, slight or the like, in comparison to what might properly be expected, as scarcely to be entitled to the name.

Nonprofessional services: Any services not specifically identified as professional services in the definition of "professional services."

Offeror: Same as "responsible bidder."

Person: Any business, individual, union, committee, club or other organization or group of individuals.

Potential bidder or offeror shall, for the purpose of sections 30-90 and 30-95, mean a person who, at the time the City negotiates and awards or proposes to award a contract, is engaged in the sale or lease of goods, or the sale of services, insurance or construction of the type to be procured under such contract, and who at such time is eligible and qualified in all respects to perform that contract, and who would have been eligible and qualified to submit a bid or proposal had the contract been procured through competitive sealed bidding or competitive negotiation.

Price analysis: The evaluation of price data, without analysis of the separate cost components and profit as in cost analysis, which may assist in arriving at prices to be paid and costs to be reimbursed.

Pricing data: Factual information concerning prices for items substantially similar to those being procured. Prices in this definition refer to offer or proposed selling prices, historical selling prices and current selling prices. The definition refers to data relevant to both prime and subcontract prices.

Professional services: Work performed by an independent contractor within the scope of the practice of accounting, architecture, land surveying, landscape architecture, law, medicine, optometry or professional engineering.

Public body: Any legislative, executive or judicial body, agency, office, department, authority, post, commission, committee, institution, board or political subdivision created by law to exercise some sovereign power or to perform some governmental duty, and empowered by law to undertake the activities described in this chapter.

Qualified products list: An approved list of goods, services or construction items described by model or catalogue number, which prior to competitive solicitation, the City has determined will meet the applicable specification requirements.

Request for proposals: All documents, whether attached or incorporated by reference, utilized for soliciting proposals.

Responsible bidder or offeror: A person who has the capability, in all respects, to perform fully the contract requirements and the moral and business integrity and reliability which will assure good faith performance, and who has been prequalified, if required.

Responsive bidder: A person who has submitted a bid which conforms in all material respects to the invitation to bid.

Services: Any work performed by an independent contractor wherein the service rendered does not consist primarily of acquisition of equipment or materials or the rental of equipment, materials and supplies.

Sheltered workshop: A work-orientated rehabilitative facility with a controlled working environment and individual goals which utilizes work experience and related services for assisting the handicapped person to progress toward normal living and a productive vocational status.

Small business: A United States business which is independently owned and which is not dominant in its field of operation or an affiliate or subsidiary of a business not dominant in its field of operation.

Specification: Any description of the physical or functional characteristics, or of the nature of a good, service or construction item. It may include a description of any requirement for inspecting, testing or preparing a good, service or construction item for delivery.

Using agency: Any department, agency, commission, bureau or other unit in the City government requiring goods, services, insurance or construction as provided for in this chapter.

(Ord. No. 86-3.2, § 21.3-105, 3-4-86; Ord. No. 2009-04.06, 4-21-09)

~~Sec. 30-5. Purchasing system created; general powers and duties of city manager with respect thereto.~~

There is hereby created a purchasing system to operate under the direction and supervision of the City Manager. Unless specifically provided otherwise within this chapter, the City Manager shall have full power and authority over the purchase of any and all procured items required by the City and to that end may:

- (1) Delegate responsibility and duties to other City officials consistent with this chapter and the personnel system of the City.

~~(2) Promulgate rules and regulations for implementing the provisions of this chapter, which shall govern the authority of the Director of Purchasing and other City officials.~~

~~(Ord. No. 86-3.2, § 21.3-201, 3-4-86; Ord. No. 2009-04.06, 4-21-09)~~

~~State law reference(s)—Authority, Code of Virginia 2.2-4302~~

~~Sec. 30-6. Director of purchasing generally.~~

~~There is hereby created the position of Director of Purchasing, who shall be the chief administrative officer of the Division of Purchasing of the Department of Finance and shall be the City's principal public purchasing official. The Director of Purchasing shall be appointed in accordance with the personnel system of the City and shall have such responsibilities and authority for the administration of this chapter as provided herein.~~

~~(Ord. No. 86-3.2, § 21.3-201, 3-4-86; Ord. No. 2009-04.06, 4-21-09)~~

~~Sec. 30-6.1. Programs to facilitate participation in procurement transactions by small businesses and businesses owned by women and minorities.~~

~~The City shall establish programs consistent with all provisions of this chapter to facilitate the participation of small businesses and businesses owned by women and minorities in procurement transactions. Such programs shall be in writing and shall include cooperation with the State Office of Minority Business Enterprise, the United States Small Business Administration and other public or private agencies.~~

~~(Ord. No. 86-3.2, § 21.3-401(6), 3-4-86; Ord. No. 2009-04.06, 4-21-09)~~

~~State law reference(s)—Similar provisions, Code of Virginia, § 2.2-4310.~~

~~Sec. 30-7. Cooperative procurement.~~

~~The City may participate in, sponsor, conduct or administer cooperative procurement agreements with other public bodies for the joint or cooperative procurement of goods, services, construction and insurance, for the purpose of combining requirements to increase efficiency or reduce administrative expenses. Items so procured under a cooperative agreement with other public bodies shall be exempt from the provisions of this chapter, provided such procurements are pursuant to the procurement policies and procedures applicable to other such public bodies.~~

~~(Ord. No. 86-3.2, § 21.3-301, 3-4-86; Ord. No. 2009-04.06, 4-21-09)~~

~~State law reference(s)—Authority for cooperative procurement, Code of Virginia, § 2.2-4304.~~

~~Sec. 30-8. Execution of contracts.~~

~~The City Manager or his designee is authorized to execute contracts on behalf of the City pursuant to this chapter, provided the Director of Finance or his designee shall have certified, after pre-audit, that, to the best of his knowledge, there is to the credit of the using agencies concerned a sufficient unencumbered appropriation balance to defray the amount of the contract, except for purchases for inventory. Purchases for inventory shall be authorized in accordance with the annual appropriation ordinance.~~

~~(Ord. No. 86-3.2, § 21.3-203, 3-4-86; Ord. No. 2009-04.06, 4-21-09)~~

~~Sec. 30-9. Nondiscrimination provisions required in certain contracts.~~

~~(a) Every contract of over ten thousand dollars (\$10,000.00) shall include the following provisions: During the performance of this contract, the contractor agrees as follows:~~

- ~~(1) The contractor will not discriminate against any employee or applicant for employment because of race, religion, color, sex or national origin, except where religion, sex or national origin is a bona fide occupational qualification reasonably necessary to the normal operation of the contractor. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this nondiscrimination clause.~~
- ~~(2) The contractor, in all solicitations or advertisements for employees placed by or on behalf of the contractor, will state that such contractor is an equal opportunity employer.~~
- ~~(3) Notices, advertisements and solicitations placed in accordance with Federal law, rule or regulation shall be deemed sufficient for the purpose of meeting the requirements of this section.~~

~~(b) A contractor subject to this section shall include the provisions set out in subsection (a) above in every subcontract or purchase order of over ten thousand dollars (\$10,000.00) so that the provisions will be binding upon each subcontractor or vendor.~~

~~(Ord. No. 86-3.2, § 21.3-401(4), 3-4-86; Ord. No. 2009-04.06, 4-21-09)~~

~~State law reference(s)—Similar provisions, Code of Virginia, § 2.2-4311.~~

~~Sec. 30-10. Contract pricing arrangement.~~

~~(a) Except as prohibited herein, public contracts may be awarded on a fixed price or cost reimbursement basis or on any other basis that is not prohibited.~~

~~(b) No contract may be awarded on a basis of cost plus a percentage of cost, except in cases of emergency affecting the public health, safety or welfare and except that a policy or contract of insurance or prepaid coverage having a premium computed on the basis of claims paid or incurred, plus the insurance carrier's administrative costs and retention stated in whole or part as a percentage of such claims, is permitted.~~

~~(Ord. No. 86-3.2, § 21.3-401(18), 3-4-86; Ord. No. 2009-04.06, 4-21-09)~~

~~State law reference(s)—Similar provisions, Code of Virginia, § 2.2-4331.~~

~~Sec. 30-11. Multi-term contracts.~~

~~Unless otherwise provided by law, a contract for goods, services or insurance may be entered into for any period of time deemed to be in the best interests of the City, provided the term of the contract and conditions of renewal or extension, if any, are included in the solicitation for such contract and funds are available for the first fiscal period at the time of contracting. Payment and performance obligations for succeeding fiscal periods shall be subject to the availability and appropriation of funds therefor. When funds are not appropriated or otherwise made available to support continuation of performance in a subsequent fiscal period, the contract shall be cancelled.~~

~~(Ord. No. 86-3.2, § 21.3-401(19), 3-4-86; Ord. No. 2009-04.06, 4-21-09)~~

Sec. 30-12. Progress payments and retainage on construction contracts.

- (a) ~~In any public contract for construction which provides for progress payments in installments based upon any estimated percentage of completion, the contractor shall be paid at least ninety five (95) percent of the earned sum when payment is due, with not more than five (5) percent being retained to assure faithful performance of the contract. All amounts withheld may be included in the final payment.~~
- (b) ~~Any subcontract for a public project which provides for similar progress payments shall be subject to the same limitations.~~

~~(Ord. No. 86-3.2, § 21.3-401(21), 3-4-86; Ord. No. 2009-04.06, 4-21-09)~~

~~State law reference(s)—Similar provisions, Code of Virginia, § 2.2-4333.~~

Sec. 30-13. Modification of contracts.

~~A public contract may include provisions for modification of the contract during performance, but no fixed-price contract may be increased by more than twenty-five (25) percent of the amount or fifty thousand dollars (\$50,000.00), whichever is greater. In no event may the amount of any contract, without adequate consideration, be increased for any purpose, including, but not limited to, relief of an offeror from the consequences of an error in its bid or offer, without the advance written approval of the Council.~~

~~(Ord. No. 86-3.2, § 21.3-401(20), 3-4-86; Ord. No. 2009-04.06, 4-21-09)~~

~~State law reference(s)—Similar provisions, Code of Virginia, § 2.2-4309.~~

Sec. 30-14. Performance and payment bonds generally.

- (a) ~~Upon the award of any public construction contract exceeding one hundred thousand dollars (\$100,000.00) to any prime contractor, such contractor shall furnish to the City the following bonds:~~
- ~~(1) A performance bond, in the sum of the contract amount, conditioned upon the faithful performance of the contract in strict conformity with the plans, specifications and conditions of the contract.~~
 - ~~(2) A payment bond in the sum of the contract amount. Such bond shall be for the protection of claimants who have and fulfill contracts to supply labor or materials to the prime contractor to whom the contract was awarded, or to any subcontractors, in the prosecution of the work provided for in such contract and shall be conditioned upon the prompt payment for all such material furnished or labor supplied or performed in the prosecution of the work. "Labor or materials" shall include public utility services and reasonable rentals of equipment, but only for periods when the equipment rented is actually used at the site.~~
- (b) ~~Each bond required by this section shall be executed by one (1) or more surety companies selected by the contractor, which companies are legally authorized to do business in the Commonwealth.~~
- (c) ~~Bonds required by this section shall be made payable to the City and shall be filed with the City or a designated office or official thereof.~~
- (d) ~~Nothing in this section shall preclude the City from requiring payment or performance bonds for construction contracts not exceeding one hundred thousand dollars (\$100,000.00).~~
- (e) ~~Nothing in this section shall preclude such a contractor from requiring each subcontractor to furnish a payment bond with surety thereon, in the sum of the full amount of the contract with such subcontractor, conditioned upon the payment to all persons who have and fulfill contracts which are directly with the~~

subcontractor for performing labor and furnishing materials in the prosecution of the work provided for in the subcontract.

- (f) — In lieu of a performance or payment bond required by this section, a contractor may furnish a certified check or cash escrow in the face amount required for the bond.

(Ord. No. 86-3.2, § 21.3-401(22), (25), 3-4-86; Ord. No. 2009-04.06, 4-21-09)

State law reference(s) — Similar provisions, Code of Virginia, §§ 2.2-4337, 2.2-4338.

~~Sec. 30-15. Action on performance bonds.~~

No action against the surety on a performance bond given pursuant to section 30-14 shall be brought unless within one (1) year after:

- (1) — Completion of the contract, including the expiration of all warranties and guarantees, or
- (2) — Discovery of the defect or breach of warranty, if the action be for such.

(Ord. No. 86-3.2, § 21.3-401(23), 3-4-86; Ord. No. 2009-04.06, 4-21-09)

State law reference(s) — Similar provisions, Code of Virginia, § 2.2-4340.

~~Sec. 30-16. Action on payment bonds.~~

- (a) — Subject to the provisions of subsection (b) hereof, any claimant who has performed labor or furnished materials in accordance with the contract for which a payment bond has been given pursuant to section 30-14, and who has not been paid in full therefor before the expiration of ninety (90) days after the day on which such claimant performed the last of such labor or furnished the last of such materials for which he claims payment, may bring an action on such payment bond to recover any amount due him for such labor or materials, and may prosecute such action to final judgment and have execution on the judgment. The obligee named in the bond need not be named a party to such action.
- (b) — Any claimant who has a direct contractual relationship with any subcontractor from whom the contractor has not required a subcontractor's payment bond under section 30-14, but who has no contractual relationship, express or implied, with such contractor, may bring an action on the contractor's payment bond only if he has given written notice to such contractor within one hundred eighty (180) days from the day on which the claimant performed the last of the labor or furnished the last of the materials for which he claims payment, stating with substantial accuracy the amount claimed and the name of the person for whom the work was performed or to whom the material was furnished. Any claimant who has a direct contractual relationship with a subcontractor from whom the contractor has required a subcontractor's payment bond under section 30-14, but who has no contractual relationship, express or implied, with such contractor, may bring an action on the subcontractor's bond. Notice to the contractor shall be served by registered or certified mail, postage prepaid, in an envelope addressed to such contractor at any place where his office is regularly maintained for the transaction of his business. Claims for sums withheld as retainages with respect to labor performance or materials furnished shall not be subject to the time limitations stated in this subsection.
- (c) — Any action on a payment bond must be brought within one (1) year after the day on which the person bringing such action last performed labor or last furnished supplied materials.
- (d) — Any waiver of the right to sue on the payment bond required by this section shall be void unless it is in writing, signed by the person whose right is waived, and executed after such person has performed labor or furnished material in accordance with the contract documents.

(Ord. No. 86-3.2, § 21.3-401(24), 3-4-86; Ord. No. 2009-04.06, 4-21-09)

State law reference(s)—Similar provisions, Code of Virginia, § 2.2-4341.

~~Sec. 30-17. Unauthorized purchases.~~

Except as otherwise provided in this chapter, no officer or employee of the City shall purchase or contract for any goods, services, insurance or construction within the purview of this chapter other than by and through the Purchasing Division of the Department of Finance, and any purchase order or contract made contrary to the provisions hereof is neither authorized nor approved and the City shall not be bound thereby.

(Ord. No. 86-3.2, § 21.3-202, 3-4-86; Ord. No. 2009-04.06, 4-21-09)

~~Sec. 30-18. Public access to procurement information.~~

- (a)—Except as otherwise provided herein, all proceedings, records, contracts and other public records relating to procurement transactions shall be open to the inspection of any citizen or any interested person, in accordance with the Virginia Freedom of Information Act.* Cost estimates relating to a proposed transaction prepared by or for the City shall not be open to public inspection.
- (b)—Any competitive sealed bidding bidder, upon request, shall be afforded the opportunity to inspect bid records within a reasonable time after the opening of all bids but prior to award, except in the event that the City decides not to accept any of the bids and to reopen the contract. Otherwise, bid records shall be open to public inspection only after award of the contract.
- (c)—Any competitive negotiation offeror, upon request, shall be afforded the opportunity to inspect proposal records within a reasonable time after the evaluation and negotiation of proposals are completed but prior to award, except in the event that the City decides not to accept any of the proposals and to reopen the contract. Otherwise, proposal records shall be open to public inspection only after award of the contract.
- (d)—Any inspection of procurement transaction records under this section shall be subject to reasonable restrictions to ensure the security and integrity of the records. Trade secrets or proprietary information submitted by a bidder, offeror or contractor in connection with a procurement transaction shall not be subject to public disclosure under the Virginia Freedom of Information Act; however, the bidder, offeror or contractor must invoke the protections of this provision prior to or upon submission of the data or other materials, and must identify the data or other materials to be protected and state the reasons why protection is necessary.

(Ord. No. 86-3.2, § 21.3-401(3), 3-4-86; Ord. No. 2009-04.06, 4-21-09)

State law reference(s)—*Freedom of Information Act, Code of Virginia, § 2.2-3700 et seq.; similar provisions, Code of Virginia, § 2.2-4342.

~~Secs. 30-19—30-28. Reserved.~~

ARTICLE II. COMPETITIVE PROCUREMENT

DIVISION 1. GENERALLY

~~Sec. 30-29. General requirements.~~

- (a)—All public contracts with nongovernmental contractors, for the purchase or lease of goods, or for the purchase of services, insurance or construction, shall be awarded after competitive sealed bidding or competitive negotiation as provided in this article, unless otherwise authorized by law.
- (b)—Professional services shall be procured by competitive negotiation.

~~(Ord. No. 86-3.2, § 21.3-401(1), 3-4-86; Ord. No. 2009-04.06, 4-21-09)~~

~~State law reference(s)—Similar provisions, Code of Virginia, § 2.2-4303.~~

~~Sec. 30-30. Requirements for certain state aid construction contracts.~~

~~No contract for the construction of any building or for an addition to or improvement of an existing building, for which State funds of thirty thousand dollars (\$30,000.00) or more, either by appropriation, grant-in-aid or loan, are used or are to be used for all or part of the cost of construction, shall be let except after competitive sealed bidding or competitive negotiation. The procedure for advertising for bids and for proposals and for letting of the contract shall conform, mutatis mutandis, to the provisions of this chapter. No person shall be eligible to bid on or submit a proposal for any such contract under competitive sealed bidding or competitive negotiation procedures, nor to have the same awarded to him, if he has been engaged as architect or engineer for the same project under a separate contract.~~

~~(Ord. No. 86-3.2, § 21.3-401(2), 3-4-86; Ord. No. 2009-04.06, 4-21-09)~~

~~State law reference(s)—Similar provisions, Code of Virginia, § 2.2-4305.~~

~~Sec. 30-31. Cancellation or rejection of invitations and other solicitations and bids and proposals.~~

~~An invitation to bid, a request for proposal and any other solicitation provided for in this article and any bid or proposal may be cancelled or rejected. The reasons for cancellation or rejection shall be made part of the contract file. The City shall not cancel or reject an Invitation to Bid, a Request for Proposal, any other solicitation, bid or proposal pursuant to this section solely to avoid awarding a contract to a particular responsive and responsible bidder or offeror.~~

~~(Ord. No. 86-3.2, § 21.3-401(11), 3-4-86; Ord. No. 2009-04.06, 4-21-09)~~

~~State law reference(s)—Similar provisions, Code of Virginia, § 2.2-4319.~~

~~Sec. 30-32. Exceptions from requirements of competitive procurement—Generally.~~

~~The requirements of this chapter regarding competitive bidding and competitive negotiation shall not apply to:~~

- ~~(1) Purchases from the State penitentiary or the State Purchasing Department warehouse.~~
- ~~(2) Purchases of legal services associated with actual or potential litigation and/or regulatory procedures, provided that the pertinent provisions of chapter 5 of the City Charter and article V of chapter 2 of this Code shall remain applicable.~~
- ~~(3) Purchases for special police work, when the Chief of Police certifies to the City Manager that items are needed for undercover police operations.~~
- ~~(4) Purchases related to education, training or travel.~~
- ~~(5) Purchases of library books.~~
- ~~(6) Purchases of subscriptions, periodicals and publications.~~
- ~~(7) Purchases of State or Federal surplus property.~~
- ~~(8) Purchases of goods or services which are performed or produced by persons, or in schools or workshops, under the supervision of the Virginia Department for the Visually~~

Handicapped, or which are performed or produced by nonprofit workshops serving the handicapped.

(9) Reimbursement contracts with realty developers.

(10) Dues and memberships related to professional organizations.

(11) Wholesale purchases of electric power and natural gas.

(12) Settlements, medical expenses and other costs related to the administration of workers compensation and other claims where the City acts as a self-insurer.

(13) Purchases of goods or personal services for direct use by recipients of public assistance programs (as defined in Code of Virginia, section 63.1-87) or fuel assistance programs, if the procurement is made for an individual recipient. Contracts for the bulk procurement of goods or services for the use of recipients shall not be exempted.

(14) Procurement pertaining to investments of the Employees' Retirement System of the City of Danville, Virginia, which shall be in conformity with the standards and requirements set forth in section 51-111.24:2 of the Code of Virginia, 1950, as amended, rather than the provisions of this chapter.

(Ord. No. 86-3.2, § 21.3-404, 3-4-86; Ord. No. 86-12.14, 12-2-86; Ord. No. 2009-04.06, 4-21-09)

Sec. 30-33. Same—Sole source procurement.

Upon a determination in writing that there is only one (1) source practicably available for that which is to be procured, a contract may be negotiated and awarded to that source without competitive sealed bidding or competitive negotiation. The writing shall document the basis for this determination. The City Manager or his designee shall issue a written notice stating that only one (1) source was determined to be practicably available and identifying that which is being procured, the contractor selected and the date on which the contract was or will be awarded. This notice shall be posted in a designated public area or published in a newspaper of general circulation on the day the City awards, or announces its decision to award, the contract, whichever occurs first.

(Ord. No. 86-3.2, § 21.3-404, 3-4-86; Ord. No. 2009-04.06, 4-21-09)

State law reference(s)—Similar provisions, Code of Virginia, § 2-2-4303 E.

Sec. 30-34. Same—Emergencies.

(a) In case of emergency, a contract may be awarded without competitive sealed bidding or competitive negotiation; provided, however, that such procurement shall be made with such competition as is practicable under the circumstances. A written determination of the basis for the emergency and for the selection of the particular contractor shall be included in the contract file.

(b) For the purposes of this section, an emergency shall be deemed to exist when a breakdown in machinery or equipment or a threatened termination of essential services or a dangerous condition develops or when any unforeseen circumstances arise causing curtailment or diminution of an essential service or where materials or services are needed to prevent loss of life or property. Time restraints contained in funding awards may cause a contract award to be considered an emergency.

(c) The City Manager or his designee shall issue a written notice stating that the contract is being awarded on an emergency basis and identifying that which is being procured, the contractor selected and the date on which the contract was or will be awarded. This notice shall be posted in a designated public area or published in a newspaper of general circulation on the day the City Manager or his designee awards, or announces his decision to award, the contract, whichever occurs first, or as soon thereafter as is practicable.

(Ord. No. 86-3.2, § 21.3-404, 3-4-86; Ord. No. 2009-04.06, 4-21-09)

State law reference(s)—Provisions similar to subsection (a) above, Code of Virginia, § 2.2-4303 F.

~~Sec. 30-35. Same—Small purchases.~~

- (a) ~~The purchase of goods, contractual services (excluding professional services), insurance and capital improvements estimated to be less than fifty thousand dollars (\$50,000.00) in value shall not be subject to the competitive bidding requirements of this article. Purchases under this subsection that are expected to exceed thirty thousand dollars (\$30,000.00) shall require the written informal solicitation of a minimum of four (4) bidders or offerors.~~
- (b) ~~For purchases of less than thirty thousand dollars (\$30,000.00), the City will endeavor to purchase such items on as competitive a basis as practical and the City Manager is authorized to establish the administrative controls considered necessary to govern such purchases. Written quotations from vendors shall be obtained where practical, although verbal quotations will be permitted, provided a written record of all such verbal quotations is made and filed with the records of the transaction.~~
- (c) ~~Professional services not expected to exceed thirty thousand dollars (\$30,000.00) in value shall not be subject to the competitive negotiation requirements of this article.~~

(Ord. No. 86-3.2, § 21.3-404, 3-4-86; Ord. No. 2009-04.06, 4-21-09)

State law reference(s)—Authority for above section, Code of Virginia, § 2.2-4303 G and 2.2-4303 H.

~~Secs. 30-36—30-39. Reserved.~~

DIVISION 2. COMPETITIVE BIDDING

~~Sec. 30-40. Prequalification of bidders.~~

- (a) ~~The City Manager or his designee is authorized to prequalify bidders prior to any solicitation of bids, whether for goods, services, insurance or construction, by requiring prospective bidders to submit such information as the City Manager shall deem appropriate, including samples, financial reports and references. Opportunity to prequalify shall be given to any prospective bidder who has not been suspended or debarred under this chapter.~~
- (b) ~~The City Manager or his designee may refuse to prequalify any prospective contractor, provided written reasons for refusing to prequalify are made a part of the record in each case. The decision of the City Manager or his designee shall be final.~~
- (c) ~~In considering any request for prequalification, the City Manager or his designee shall determine whether there is reason to believe that the bidder possesses the management, financial soundness and history of performance which indicate apparent ability to successfully complete the plans and specifications of the invitations for bid. The City Manager or his designee may employ standard forms designed to elicit necessary information, or may design other forms for that purpose.~~
- (d) ~~Prequalification of a bidder shall not constitute a conclusive determination that the bidder is responsible, and such bidder may be rejected as nonresponsible on the basis of subsequently discovered information.~~
- (e) ~~Failure of a bidder to prequalify with respect to a given procurement shall not bar the bidder from seeking prequalification as to future procurements or from bidding on procurements which do not require prequalification.~~

Created: 2023-11-14 15:56:56 [EST]

(Supp. No. 37, Update 2)

~~(Ord. No. 86-3.2, § 21.3-401(5), 3-4-86; Ord. No. 2009-04.06, 4-21-09)~~

~~State law reference(s)—Prequalification of prospective contractors, Code of Virginia, § 2.2-4317.~~

~~Sec. 30-41. Notice of invitation to bid; soliciting bids; removal from bidders list.~~

~~(a)—Public notice of the invitation to bid must be given at least fifteen (15) calendar days prior to the date set for the receipt of bids, by posting in a designated public area, or publication in a newspaper of general circulation, or both. In addition, bids may be solicited directly from potential contractors. Sealed bids shall be solicited from all responsible prospective suppliers who have requested their names to be added to a bidders list maintained by the City, by sending such other notice as will acquaint them with the proposed purchase or sale. In any case, invitations sent to the vendors on the bidders list shall be limited to commodities that are similar in character and ordinarily handled by the trade group to which the invitations are sent.~~

~~(b)—A bidder shall be removed from the bidders list under the following circumstances:~~

~~(1)—Debarment as authorized by this chapter.~~

~~(2)—Three (3) or more consecutive no responses or "no bid" responses to an invitation to bid within a particular category within a one-year period.~~

~~A vendor can be reinstated to the bidders list upon receipt of a letter of application that explains his interest in City purchasing, if the reason for removal was the vendor's failure to reply to the invitation to bid.~~

~~(Ord. No. 86-3.2, § 21.3-401(6), 3-4-86; Ord. No. 2009-04.06, 4-21-09)~~

~~Sec. 30-42. Request for submission of unpriced offers in certain cases.~~

~~When it is considered impractical to initially prepare a purchase description to support an award based on price, an invitation to bid may be issued requesting the submission of unpriced offers to bidders whose offers have been determined to be technically acceptable under the criteria set forth in the first solicitation.~~

~~(Ord. No. 86-3.2, § 21.3-401(17), 3-4-86; Ord. No. 2009-04.06, 4-21-09)~~

~~Sec. 30-43. Effect of use of brand names in invitation to bid.~~

~~Unless otherwise provided in the invitation to bid, the use of the name of a certain brand, make or manufacturer does not restrict bidders to the specific brand, make or manufacturer. It conveys the general style, type, character and quality of the article desired and any article which the City Manager, in his sole discretion, determines to be the equal of that specified, considering quality, workmanship, economy of operation and suitability for the purpose intended, shall be accepted.~~

~~(Ord. No. 86-3.2, § 21.3-401(7), 3-4-86; Ord. No. 2009-04.06, 4-21-09)~~

~~State law reference(s)—Similar provisions, Code of Virginia, § 2.2-4315.~~

~~Sec. 30-44. Pre-bid conferences.~~

~~For complex equipment, supplies or repair, pre-bid conferences with prospective bidders are desirable after draft specifications have been prepared. Such conferences help to detect unclear provisions and tend to widen competition by removing unnecessarily restrictive language. If deemed necessary, conferences on purchasing bids will be called by the Director of Purchasing and attended by a user department representative.~~

~~(Ord. No. 86-3.2, § 21.3-401(8), 3-4-86; Ord. No. 2009-04.06, 4-21-09)~~

~~State law reference(s)—Duty to establish procedure for receipt of comments on specifications, Code of Virginia, § 2-2-4316.~~

~~Sec. 30-45. Bid bonds generally.~~

- ~~(a)—Except in cases of emergency, all bids or proposals for construction contracts in excess of one hundred thousand dollars (\$100,000.00) shall be accompanied by a bid bond, from a surety company selected by the bidder which is legally authorized to do business in the Commonwealth, as a guarantee that, if the contract is awarded to such bidder, the bidder will enter into the contract for the work mentioned in the bid. The amount of the bid bond shall not exceed five (5) percent of the amount bid. A condition of the bond shall be execution of a contract by the bidder no later than ten (10) days after the award.~~
- ~~(b)—When deemed necessary by the City Manager or his designee, bid bonds and the required surety shall be prescribed in the public notices inviting bids.~~
- ~~(c)—An unsuccessful bidder shall be entitled to return of his bid bond.~~
- ~~(d)—No forfeiture under a bid bond shall exceed the lesser of the difference between the bid for which the bond was written and the next low bid or the face amount of the bid bond.~~

~~(Ord. No. 86-3.2, § 21.3-401(9), (10), 3-4-86; Ord. No. 2009-04.06, 4-21-09)~~

~~State law reference(s)—Provisions similar to subsections (a) and (d) above, Code of Virginia, § 2-2-4336.~~

~~Sec. 30-46. Security in lieu of bid bond.~~

- ~~(a)—In lieu of a bid bond, a bidder may furnish a certified check or cash escrow in the face amount required for the bond.~~
- ~~(b)—If approved by the City Attorney, a bidder may furnish a personal bond, property bond or bank or saving and loan association's letter of credit on certain designated funds in the face amount required for the bid bond. Approval shall be granted only upon a determination that the alternative form of security proffered affords protection to the City equivalent to the corporate sureties bond.~~

~~(Ord. No. 86-3.2, § 21.3-401(25), 3-4-86; Ord. No. 2009-04.06, 4-21-09)~~

~~State law reference(s)—Similar provisions, Code of Virginia, § 2-2-4338.~~

~~Sec. 30-47. Waiver of bid informalities.~~

~~The City may waive informalities in bids.~~

~~(Ord. No. 86-3.2, § 21.3-401(11), 3-4-86; Ord. No. 2009-04.06, 4-21-09)~~

~~State law reference(s)—Similar provisions, Code of Virginia, § 2-2-4319-B~~

~~Sec. 30-48. Opening and tabulation of bids.~~

~~All bids received must be opened in public and announced in public. Tabulations of bids shall be available for public inspection.~~

~~(Ord. No. 86-3.2, § 21.3-401(12), 3-4-86; Ord. No. 2009-04.06, 4-21-09)~~

Sec. 30-49. Withdrawal of bid due to error.

- (a) ~~A bidder for a public construction contract, other than a contract for construction or maintenance of public highways, may withdraw his bid from consideration, if the price bid was substantially lower than the other bids due solely to a mistake therein, provided the bid was submitted in good faith and the mistake was a clerical mistake, as opposed to a judgment mistake, and was actually due to an unintentional arithmetic error or an unintentional omission of a quantity of work, labor or material made directly in the compilation of the bid, which unintentional arithmetic error or unintentional omission can be clearly shown by objective evidence drawn from inspection of original work papers, documents and materials used in the preparation of the bid sought to be withdrawn. One (1) of the following procedures for withdrawal of a bid shall be selected and stated in the advertisement for bids:~~
- ~~(1) The bidder shall give notice in writing of his claim of the right to withdraw his bid within two (2) business days after the conclusion of the bid opening procedure; or~~
 - ~~(2) The bidder shall submit to the City his original work papers, documents and materials used in the preparation of the bid within one (1) day after the date fixed for submission of bids. The work papers shall be delivered by the bidder in person or by registered mail at or prior to the time fixed for the opening of bids. The bids shall be opened one (1) day following the time fixed by the City for the submission of bids. Thereafter the bidder shall have two (2) hours after the opening of bids within which to claim in writing any mistake as defined herein and withdraw his bid. The contract shall not be awarded by the City until the two (2) hour period has elapsed. Such mistake shall be proved only from the original work papers, documents and materials delivered as required herein.~~
- (b) ~~Procedures for the withdrawal of bids for other than construction contracts may be established by the City Manager or his designee. Such procedures, if established, shall be prescribed in the invitation to bid.~~
- (c) ~~No bid may be withdrawn under this section when the result would be the awarding of the contract on another bid of the same bidder or of another bidder in which the ownership of the withdrawing bidder is more than five (5) percent.~~
- (d) ~~If a bid is withdrawn under the authority of this section, the lowest remaining bid shall be deemed to be the low bid.~~
- (e) ~~No bidder who is permitted to withdraw a bid shall, for compensation, supply any material or labor to, or perform any subcontract or other work agreement for, the person or firm to whom the contract is awarded or otherwise benefit, directly or indirectly, from the performance of the project for which the withdrawn bid was submitted.~~
- (f) ~~If the withdrawal of a bid under the provisions of this section is denied, the City Manager or his designee shall notify the bidder in writing, stating the reasons for the decision, and award the contract to such bidder at the bid price, provided such bidder is a responsible and responsive bidder.~~

~~(Ord. No. 86-3.2, § 21.3-401(13), 3-4-86; Ord. No. 2009-04.06, 4-21-09)~~

~~State law reference(s)—Similar provisions, Code of Virginia, § 2.2-4330.~~

Sec. 30-50. Bid evaluation.

~~In determining the lowest responsible bidder, in addition to price, the following may be considered, if prescribed in the invitation to bid:~~

- ~~(1) The ability, capacity and skill of the bidder to perform the contract or provide the service required.~~
- ~~(2) Whether the bidder can perform the contract or provide the service promptly, or within the time specified, without delay or interference.~~

-
- ~~(3) The character, integrity, reputation, judgment, experience and efficiency of the bidder.~~
 - ~~(4) The quality of performance of previous contracts or services.~~
 - ~~(5) The previous and existing compliance by the bidder with laws and ordinances relating to the contract or service.~~
 - ~~(6) The sufficiency of the financial resources and ability of the bidder to perform the contract or provide the service.~~
 - ~~(7) The quality, availability and adaptability of the goods or services to the particular use required.~~
 - ~~(8) The ability of the bidder to provide future maintenance and service for the use of the subject of the contract.~~
 - ~~(9) The number and scope of conditions attached to the bid.~~
 - ~~(10) Total cost of operations and maintenance.~~
 - ~~(11) Potential conflicts of interest.~~

~~(Ord. No. 86-3.2, § 21.3-401(14), 3-4-86; Ord. No. 2009-04.06, 4-21-09; Ord. No. 2018-03.04, 3-20-18)~~

~~Sec. 30-51. Bid award generally.~~

- ~~(a) Bids shall be awarded to the lowest responsible bidder. When the terms and conditions of multiple bids are so provided in the invitation to bid, awards may be made to more than one (1) bidder.~~
- ~~(b) Unless withdrawn or rejected, a responsive bid from the lowest responsible bidder shall be accepted as submitted, except that, if the bid from the lowest responsible bidder exceeds available funds, the City may negotiate with the apparent low bidder to obtain a contract within available funds.~~
- ~~(c) When the award is not given to the lowest bidder, a full and complete statement of the reasons for placing the order elsewhere shall be prepared by the Director of Purchasing and filed with the other papers relating to the transaction.~~

~~(Ord. No. 86-3.2, § 21.3-401(15), 3-4-86; Ord. No. 2009-04.06, 4-21-09)~~

~~State law reference(s) — Provisions similar to subsection (b) above, Code of Virginia, § 2.2-4301.~~

~~Sec. 30-52. Procedure in case of tie bids.~~

- ~~(a) In the case of a tie bid, preference shall be given to goods, services and construction produced in the City of Danville or provided by persons, firms or corporations, having its principal place of business in the City of Danville if such a choice is available.~~
- ~~(b) If no person, firm or corporation, having its principal place of business in the City of Danville is available, then in the case of a tie bid, preference shall be given to goods, services and construction produced in Virginia or provided by Virginia persons, firms or corporations, if such a choice is available.~~
- ~~(c) If neither of the above choices are available, the tie bid shall be resolved by lot.~~

~~(Ord. No. 86-3.2, § 21.3-401(16), 3-4-86; Ord. No. 2009-04.06, 4-21-09)~~

~~State law reference(s) — Similar provisions, Code of Virginia, § 2.2-4324 and 2.2-4328.~~

~~Secs. 30-53—30-58. Reserved.~~

PART II - CODE
Chapter 30 - PROCUREMENT CODE
ARTICLE II. - COMPETITIVE PROCUREMENT
DIVISION 3. COMPETITIVE NEGOTIATION

~~DIVISION 3. COMPETITIVE NEGOTIATION~~

~~Sec. 30-59. Defined.~~

Competitive negotiation shall have the same meaning as defined in section 2.2-4301 of the Code of Virginia 1950 as amended and specifically incorporates sections 30-9, 30-10, 30-11, 30-13, 30-18, 30-30, 30-31, 30-40, 30-43 and 30-44 of this chapter, in addition to the provisions outlined in sections 30-60 and 30-61.

(Ord. No. 86-3.2, § 21.3-402(1), 3-4-86; Ord. No. 2009-04.06, 4-21-09)

State law reference(s) — "Competitive negotiation" defined, Code of Virginia, § 2.2-4301.

~~Sec. 30-60. Negotiation for other than professional services.~~

- (a) — Upon a determination in writing that competitive sealed bidding is either not practicable or not advantageous to the public, goods, services, insurance or construction may be procured by competitive negotiation. The writing shall document the basis for this determination.
- (b) — Request for proposals shall be in writing and indicate in general terms that which is sought to be procured, specifying the factors which will be used in evaluating the proposal and containing or incorporating by reference the other applicable contractual terms and conditions, including any unique capabilities or qualifications which will be required of the contractor.
- (c) — At least ten (10) days prior to the date set for receipt of proposals, public notice shall be given by posting in a public area normally used for posting of public notices or by publication in a newspaper of general circulation in the area in which the contract is to be performed, or both. In addition, proposals may be solicited directly from potential contractors.
- (d) — Selection shall be made of two (2) or more offerors deemed to be fully qualified and best suited among those submitting proposals, on the basis of the factors involved in the request for proposals, including price if so stated in the request for proposals. Negotiations shall then be conducted with each of the offerors so selected. Price shall be considered, but need not be the sole determining factor. After negotiations have been conducted with each offeror so selected, the City Manager or his designee shall select the offeror who, in his opinion, has made the best proposal, and shall award the contract to that offeror. Should the City Manager or his designee determine in writing and in his sole discretion that only one (1) offeror is fully qualified, or that one (1) offeror is clearly more highly qualified than the others under consideration, a contract may be negotiated and awarded to that offeror.

(Ord. No. 86-3.2, § 21.3-402(2) — (5), 3-4-86; Ord. No. 2009-04.06, 4-21-09)

State law reference(s) — Similar provisions, Code of Virginia, §§ 2.2-4301.

~~Sec. 30-61. Negotiation for professional services.~~

- (a) — Professional services estimated to be in excess of thirty thousand dollars (\$30,000.00) as of the adoption of this article and fifty thousand dollars (\$50,000.00) as of July 1, 2009 shall be procured by competitive negotiation. The process includes those sections mentioned in section 30-59 as well as the provisions of subsections (b) and (c) of section 30-60.

(b) ~~The City Manager or his designee shall engage in individual discussions with two (2) or more offers deemed fully qualified, responsible and suitable, on the basis of initial responses and with emphasis on professional competence, to provide the required services. Repetitive informal interviews shall be permissible. Such offerors shall be encouraged to elaborate on their qualifications and performance data or staff expertise pertinent to the proposed project, as well as alternative concepts. At the discussion stage, the city may discuss nonbinding estimates of total project costs, including, but not limited to, life cycle costing, and where appropriate, nonbinding estimates of price for services. Proprietary information from competing offerors shall not be disclosed to the public or to competitors.~~

(c) ~~At the conclusion of discussion outlined in subsection (b) above, on the basis of evaluation factors published in the request for proposal and all information developed in the selection process to this point, the City Manager or his designee shall select in the order of preference two (2) or more offerors whose professional qualifications and proposed services are deemed most meritorious. Negotiations shall then be conducted, beginning with the offeror ranked first. If a contract satisfactory and advantageous to the City can be negotiated at a price considered fair and reasonable, the award shall be made to that offeror. Otherwise, negotiations with the offeror ranked first shall be formally terminated and negotiations conducted with the offeror ranked second, and so on until a contract can be negotiated at a fair and reasonable price. Should the City Manager or his designee determine in writing and in his sole discretion that only one (1) offeror is fully qualified, or that one (1) offeror is clearly more highly qualified and suitable than the others under consideration, a contract may be negotiated and awarded to that offeror.~~

~~{Ord. No. 86-3.2, § 21.3-403, 3-4-86; Ord. No. 2009-04.06, 4-21-09}~~

State law reference(s) ~~—Similar provisions, Code of Virginia, § 2.2-4301 and 2.2-4303.~~

~~Secs. 30-62—30-70. Reserved.~~

ARTICLE III. DEBARMENT OR SUSPENSION OF PROSPECTIVE CONTRACTORS¹

~~Sec. 30-71. General authority.~~

(a) ~~After reasonable notice to the person involved and reasonable opportunity for that person to be heard, the City Manager or his designee, after consulting with the City Attorney, is authorized to debar a person for cause from consideration for award of contracts. The debarment shall not be for a period of more than three (3) years.~~

(b) ~~After consultation with the City Attorney, the City Manager or his designee is authorized to suspend a person from consideration for award of contracts, if there is probable cause to believe that the person has engaged in any activity which might lead to debarment. The suspension shall not be for a period exceeding three (3) months.~~

~~{Ord. No. 86-3.2, § 21.3-601, 3-4-86; Ord. No. 2009-04.06, 4-21-09}~~

~~Sec. 30-72. Grounds for debarment.~~

~~The causes or grounds for debarment, as authorized by section 30-71, include:~~

- ~~(1) Conviction for commission of a criminal offense as an incident to obtaining or attempting to obtain a public or private contract or subcontract, or in the performance of such contract or subcontract.~~

¹State law reference(s) ~~—Authority of council to establish debarment procedures, Code of Virginia, § 2.2-4321.~~

-
- ~~(2) Conviction under State or Federal statutes of embezzlement, theft, forgery, bribery, falsification or destruction of records, receiving stolen property or any other offense indicating a lack of business integrity or business honesty which currently, seriously and directly affects responsibility as a City contractor.~~
 - ~~(3) Conviction under State or Federal antitrust statutes arising out of the submission of bids or proposals.~~
 - ~~(4) Violation of contract provisions, as set forth below, of a character which is regarded by the City Manager or his designee to be so serious as to justify debarment action:
 - ~~a. Deliberate failure, without good cause, to perform in accordance with the specifications or within the time limit provided in the contract; or~~
 - ~~b. A recent record of failure to perform or of unsatisfactory performance in accordance with the terms of one (1) or more contracts; provided that failure to perform or unsatisfactory performance caused by acts beyond the control of the contractor shall not be considered to be a basis for debarment.~~~~
 - ~~(5) Any other cause the City Manager or his designee determines to be so serious and compelling as to affect responsibility as a City contractor, including debarment by another governmental entity for cause and violation of the ethical standards set forth in this chapter.~~

~~{Ord. No. 86-3.2, § 21.3-601, 3-4-86; Ord. No. 2009-04.06, 4-21-09}~~

~~Sec. 30-73. Written decision required; contents of decision.~~

~~The City Manager or his designee shall issue a written decision to debar or suspend pursuant to this article. The decision shall state the reasons for the action taken and inform the debarred or suspended person involved of his rights concerning judicial or administrative review.~~

~~{Ord. No. 86-3.2, § 21.3-602, 3-4-86; Ord. No. 2009-04.06, 4-21-09}~~

~~Sec. 30-74. Copy of decision to be furnished person involved.~~

~~A copy of the decision required by section 30-73 shall be mailed or otherwise furnished immediately to the debarred or suspended person.~~

~~{Ord. No. 86-3.2, § 21.3-603, 3-4-86; Ord. No. 2009-04.06, 4-21-09}~~

~~Sec. 30-75. Finality of decision.~~

~~A decision under section 30-73 shall be final and conclusive, unless the debarred or suspended person, within ten (10) days after the receipt of the decision, takes an appeal to the Council or commences a timely action in court in accordance with applicable law.~~

~~{Ord. No. 86-3.2, § 21.3-604, 3-4-86; Ord. No. 2009-04.06, 4-21-09}~~

~~Secs. 30-76—30-86. Reserved.~~

~~ARTICLE IV. REMEDIES OF BIDDERS, OFFERORS AND CONTRACTORS~~

Sec. 30-87. Ineligibility.

- (a) ~~Any bidder, offeror or contractor refused permission to, or disqualified from, participating in public contracts shall be notified in writing. Such notice shall (i) notify the bidder in writing of the results of the evaluation, (ii) disclose the factual support for the determination, and (iii) allow the bidder an opportunity to inspect any documents that relate to the determination, if so requested by the bidder within five (5) business days after receipt of the notice.~~

~~Within ten (10) business days after receipt of the notice, the bidder may submit rebuttal information challenging the evaluation. A written determination of disqualification or ineligibility based on all information in the possession of the City, including any rebuttal information, shall be issued within five (5) business days of the date such rebuttal information was received.~~

~~If the evaluation reveals that the bidder, offeror or contractor should be allowed permission to participate in the public contract the proposed disqualification action shall be canceled. If the evaluation reveals that the bidder should be refused permission to participate, or disqualified from participation, in the public contract, the bidder, offeror or contractor shall be so notified. The notice shall state the basis for the determination, which shall be final unless the bidder appeals the decision within ten (10) days after receipt of the notice.~~

- (b) ~~If, upon appeal, it is determined that the action taken was arbitrary or capricious, or not in accordance with the Constitution of Virginia, statutes or regulations, the sole relief shall be restoration of eligibility.~~

~~(Ord. No. 86-3.2, § 21.3-701, 3-4-86; Ord. No. 2009-04.06, 4-21-09)~~

~~State law reference(s)—Similar provisions, Code of Virginia, § 2.2-4357.~~

Sec. 30-88. Appeal of denial of withdrawal of bid.

- (a) ~~A decision denying withdrawal of a bid under the provisions of section 30-49 shall be final and conclusive, unless the bidder appeals the decision within ten (10) days after receipt of the decision by invoking administrative appeals procedures or by instituting legal action as provided in this article.~~

- (b) ~~If no bid bond was posted, a bidder refused withdrawal of a bid under the provisions of section 30-49, prior to appealing, shall deliver to the City a certified check or cash bond in the amount of the difference between the bid sought to be withdrawn and the next lowest bid. Such security shall be released only upon a final determination that the bidder was entitled to withdraw the bid.~~

- (c) ~~If, upon appeal, it is determined that the decision refusing withdrawal of the bid was arbitrary or capricious, the sole relief shall be withdrawal of the bid.~~

~~(Ord. No. 86-3.2, § 21.3-702, 3-4-86; Ord. No. 2009-04.06, 4-21-09)~~

~~State law reference(s)—Similar provisions, Code of Virginia, § 2.2-4358.~~

Sec. 30-89. Determination of nonresponsibility.

- (a) ~~Following public opening and announcement of bids received on an Invitation to Bid, the bids shall be evaluated in accordance [with] the definition of "Competitive bidding" in sections 30-2 through 30-40. At the same time, it shall be determined whether the apparent low bidder is responsible. If it is so determined, then it may proceed with an award in accordance with elements of "Competitive bidding" in section 30-51. If it is determined that the apparent low bidder is not responsible, it shall proceed as follows:~~

- ~~(1) Prior to the issuance of a written determination of nonresponsibility:~~

- ~~a. The apparent low bidder shall be notified in writing of the results of the evaluation;~~
~~b. The factual support for the determination shall be disclosed; and~~

~~c.—The apparent low bidder shall be allowed an opportunity to inspect any documents that relate to the determination, if so requested by the bidder within five (5) business days after receipt of the notice.~~

~~(2) Within ten (10) business days after receipt of the notice, the bidder may submit rebuttal information challenging the evaluation. A written determination of responsibility shall be issued based on all information in the possession of the City, including any rebuttal information, within five (5) business days of the date the rebuttal information is received. At the same time, the bidder shall be notified in writing of the determination, mailed return receipt requested.~~

~~(3) Such notice shall state the basis for the determination, which shall be final unless the bidder appeals the decision within ten (10) days after receipt of the notice.~~

~~The provisions of this subsection shall not apply to procurements involving the prequalification of bidders and the rights of any potential bidders under such prequalification to appeal a decision that such bidders are not responsible.~~

~~(b) If, upon appeal, it is determined that the decision of the City official was arbitrary or capricious, and the award of the contract in question has not been made, the sole relief shall be a finding that the bidder is a responsible bidder for the contract in question. If it is determined that the decision of the City official was arbitrary or capricious, the relief shall be as set forth in subsection 30-90(b).~~

~~(c) A bidder contesting a determination that he is not a responsible bidder for a particular contract shall proceed under this section and may not protest the award or proposed award under section 30-90.~~

~~(d) Nothing contained in this section shall be construed to require the City, when procuring by competitive negotiation, to furnish a statement of the reasons why a particular proposal was not deemed to be the most advantageous.~~

~~(Ord. No. 86-3.2, § 21.3-703, 3-4-86; Ord. No. 2009-04.06, 4-21-09)~~

~~State law reference(s)—Similar provisions, Code of Virginia, § 2.2-4359.~~

~~Sec. 30-90. Protest of award or decision to award.~~

~~(a) Any bidder or offeror who desires to protest the award of or decision to award, a contract shall submit such protest in writing to the City official who made the decision no later than ten (10) days after the award or the announcement of the decision to award, whichever occurs first. Any potential bidder or offeror on a contract negotiated on a sole source or emergency basis who desires to protest the award or decision to award shall submit such protest in the same manner no later than ten (10) days after posting or publication of the notice of such contract as provided in section 30-33 or 30-34. However, if the protest of any actual or potential bidder or offeror depends in whole or in part upon information contained in public records pertaining to the procurement transaction which is subject to inspection under section 30-18, then the time within which the protest must be submitted shall expire ten (10) days after those records are available for inspection by such bidder or offeror under section 30-18, or at such later time as provided in this section. No protest shall lie for a claim that the selected bidder or offeror is not a responsible bidder or offeror. The written protest shall include the basis for the protest and the relief sought. A written decision shall be made within ten (10) days stating the reasons for the action taken. This decision shall be final, unless the bidder or offeror appeals within ten (10) days of the written decision by invoking administrative appeals procedure or by instituting legal action as provided in this article.~~

~~(b) If, prior to an award, it is determined that the decision to award is arbitrary or capricious, then the sole relief shall be a finding to that effect. The City shall cancel the proposed award or revise it to comply with the law. If, after an award, it is determined that an award of a contract was arbitrary or capricious, then the sole relief shall be as hereinafter provided. Where the award has been made, but performance has not begun, the performance of the contract may be enjoined. Where the award has been made and performance has~~

begun, the City may declare the contract void upon a finding that this action is in the best interest of the public. Where a contract is declared void, the performing contractor shall be compensated for the cost of performance up to the time of such declaration. In no event shall the performing contractor be entitled to lost profits.

(Ord. No. 86-3.2, § 21.3-704, 3-4-86; Ord. No. 2009-04.06, 4-21-09)

State law reference(s)—Similar provisions, Code of Virginia, § 2.2-4360.

~~Sec. 30-91. Effect of appeal or protest upon contract.~~

Pending final determination of a protest or appeal, the validity of a contract awarded and accepted in good faith in accordance with this chapter shall not be affected by the fact that a protest or appeal has been filed.

(Ord. No. 86-3.2, § 21.3-705, 3-4-86; Ord. No. 2009-04.06, 4-21-09)

State law reference(s)—Similar provisions, Code of Virginia, § 2.2-4361.

~~Sec. 30-92. Stay of award during protest.~~

An award need not be delayed for the period allowed a bidder or offeror to protest, but in the event of a timely protest, no further action to award the contract will be taken unless there is a written determination that proceeding without delay is necessary to protect the public interest or unless the bid or offer would expire.

(Ord. No. 86-3.2, § 21.3-706, 3-4-86; Ord. No. 2009-04.06, 4-21-09)

State law reference(s)—Similar provisions, Code of Virginia, § 2.2-4362.

~~Sec. 30-93. Contractual disputes.~~

- (a)—Contractual claims, whether for money or other relief, shall be submitted in writing no later than sixty (60) days after final payment. Written notice of the contractor's intention to file such claim shall be given at the time of the occurrence or beginning of the work upon which the claim is based. Nothing herein shall preclude a contract from requiring submission of an invoice for final payment within a certain time after completion and acceptance of the work or acceptance of the goods. Pendency of claims shall not delay payment of amounts agreed due in the final payment.
- (b)—A procedure for consideration of contractual claims shall be included in each contract. Such procedure, which may be incorporated into the contract by reference, shall establish a time limit for a final decision in writing.
- (c)—A contractor may not invoke administrative appeals procedures or institute legal action as provided in this article prior to receipt of the decision on the claim, unless the responsible City official fails to render such decision within the time specified in the contract.
- (d)—The decision of the responsible City official shall be final and conclusive unless the contractor appeals such decision within six (6) months of the decision date by invoking administrative appeals procedures or by instituting legal action as provided in this article.

(Ord. No. 86-3.2, § 21.3-707, 3-4-86; Ord. No. 2009-04.06, 4-21-09)

State law reference(s)—Similar provisions, Code of Virginia, § 2.2-4363.

Sec. 30-94. Administrative appeals procedure.

- (a) ~~Protests or appeals made pursuant to sections 30-87 through 30-90 or 30-93 shall be in accordance with the following administrative procedures:~~
- ~~(1) Any bidder, offeror or contractor shall submit a written protest or letter of appeal to the City Manager, with a copy to the Director of Finance, within the time constraints as set forth in the section under which the appeal or protest is made.~~
 - ~~(2) The written protest or appeal shall include the basis for the protest or appeal and the relief sought and whether the bidder, offeror or contractor wishes to have a hearing with respect to the protest or appeal.~~
 - ~~(3) The procedure for hearing (i) protests of a decision to award or an award, (ii) appeals from refusals to allow withdrawal of bids, (iii) appeals from disqualifications and determinations of nonresponsibility, and (iv) appeals from decisions on disputes arising during the performance of a contract, or (v) any of these shall be held before a disinterested person or panel, appointed by the City Manager or his designee and shall include the opportunity to present pertinent information and the issuance of a written decision containing findings of fact. The disinterested person or panel shall not be an employee of the City of Danville. The disinterested person or panel shall hold a [hearing] within thirty (30) days of receipt of the written protest or appeal, and a final written decision shall be rendered not later than thirty (30) days following the hearing. The timeframes set forth in this section may be extended by the mutual consent of the parties.~~
 - ~~(4) The findings of fact shall be final and conclusive and shall not be set aside unless the same are fraudulent or arbitrary or capricious or so grossly erroneous as to imply bad faith. No determination on an issue of law shall be final if appropriate legal action is instituted.~~
- (b) ~~Any party to the administrative procedure shall be entitled to institute judicial review, if such action is brought within thirty (30) days of receipt of the written decision.~~
- ~~(Ord. No. 86-3.2, § 21.3-708, 3-4-86; Ord. No. 2009-04.06, 4-21-09)~~

~~State law reference(s)—Authority to establish administrative appeals procedure and provisions similar to subsection (b) above, Code of Virginia, § 2.2-4365.~~

Sec. 30-95. Legal actions.

- (a) ~~A bidder or offeror, actual or prospective, who is refused permission or disqualified from participation in bidding or competitive negotiation, or who is determined not to be a responsible bidder or offeror for a particular contract, may bring an action in the Circuit Court challenging that decision, which shall be reversed only if the petitioner establishes that the decision was arbitrary or capricious. In the event the apparent low bidder, having been previously determined to be not responsible is found by the court to be a responsible bidder, the court may direct the City to award the contract to such bidder in accordance with the requirements of this section and the Invitation to Bid.~~
- (b) ~~A bidder denied withdrawal of a bid under section 30-88 may bring an action in the Circuit Court challenging that decision, which shall be reversed only if the bidder establishes that the decision of the City was clearly erroneous.~~
- (c) ~~A bidder, offeror or contractor, or a potential bidder or offeror on a contract negotiated on a sole source or emergency basis in the manner provided in section 30-33 or 30-34, whose protest of an award or decision to award under section 30-90 is denied, may bring an action in the Circuit Court challenging a proposed award or the award of a contract, which shall be reversed only if the petitioner establishes that the proposed award or the award is not an honest exercise of discretion, but rather is arbitrary or capricious or not in accordance~~

with the Constitution of Virginia, statutes, regulations or the terms and conditions of the invitation to bid or request for proposal.

- (d) ~~If injunctive relief is granted, the court, upon request of the City, shall require the posting of reasonable security to protect the City.~~
- (e) ~~A contractor may bring an action involving a contract dispute with the City in the Circuit Court.~~
- (f) ~~A bidder, offeror or contractor need not utilize administrative appeals procedure as provided in section 30-94, but if these procedures are invoked by the bidder, offeror or contractor, the procedures shall be exhausted prior to instituting legal action concerning the same procurement transaction, unless the Council agrees otherwise.~~
- (g) ~~Nothing herein shall be construed to prevent the City from instituting legal action against a contractor.~~
- ~~(Ord. No. 86-3.2, § 21.3-709, 3-4-86; Ord. No. 2009-04.06, 4-21-09)~~

~~State law reference(s)—Similar provisions, Code of Virginia, § 2.2-4364.~~

~~Secs. 30-96—30-106. Reserved.~~

~~ARTICLE V. ETHICS IN PUBLIC CONTRACTING~~

~~Sec. 30-107. Definitions.~~

~~For the purposes of this article, certain words and terms shall have the meanings set forth below:~~

~~*Committee on Administrative Service Ethics* shall mean a committee appointed by the City Manager dealing with administrative service ethics of City employees under the supervision of the City Manager.~~

~~*Immediate family* shall mean a spouse, children, parents, brothers and sisters and any other person living in the same household as the employee.~~

~~*Official responsibility* shall mean administrative or operating authority, whether immediate or final, to initiate, approve, disapprove or otherwise affect a procurement transaction or any claim resulting therefrom.~~

~~*Pecuniary interest arising from the procurement* shall mean a material financial interest, as defined in the Comprehensive Conflict of Interests Act (§ 2.1-599 et seq., Code of Virginia).~~

~~*Procurement transaction* shall mean all functions that pertain to the obtaining of any goods, services or construction, including description of requirements, selection and solicitation of sources, preparation and award of contract and all phases of contract administration.~~

~~*Public employee* shall mean any person employed by the City, the Council or any Constitutional Officer of the City and shall also mean any elected official or appointed member of the Council.~~

~~(Ord. No. 86-3.2, § 21.3-802, 3-4-86; Ord. No. 2009-04.06, 4-21-09)~~

~~State law reference(s)—Similar provisions, Code of Virginia, § 2.2-4368.~~

~~Sec. 30-108. Application of state law.~~

~~Ethics in public contracting is governed by the State and Local Government Conflict of Interests Act (§§ 2.2-3100—2.2-3131).~~

~~(Ord. No. 86-3.2, § 21.3-801, 3-4-86; Ord. No. 2009-04.06, 4-21-09)~~

~~Sec. 30-109. Interpretations of article as to specific circumstances.~~

Employees or officers of the City may request interpretations of this article, which may be applicable to specific circumstances, from the Committee on Administrative Service Ethics.

(Ord. No. 86-3.2, § 21.3-810, 3-4-86; Ord. No. 2009-04.06, 4-21-09)

~~Sec. 30-110. Penalty for violation of article.~~

Willful violation of any provision of this article shall constitute a Class 1 misdemeanor. Upon conviction, any public employee, in addition to any fine or penalty imposed for such violation, shall forfeit his employment.

(Ord. No. 86-3.2, § 21.3-809, 3-4-86; Ord. No. 2009-04.06, 4-21-09)

Cross-reference(s)—Penalty for Class 1 misdemeanor, § 1-11.

State law reference(s)—Similar provisions, Code of Virginia, § 2.2-4377.

~~Sec. 30-111. Conflict of interests generally.~~

Except as may be specifically allowed by provisions of the State and Local Government Conflict of Interests Act (subdivisions A 2, 3 and 4 of § 2.2-3112) no public employee having official responsibility for a procurement transaction shall participate in that transaction on behalf of the governing body when the employee knows that:

- ~~(1) The employee is contemporaneously employed by a bidder, offeror or contractor involved in the procurement transaction; or~~
- ~~(2) The employee, the employee's partner or any member of the employee's immediate family holds a position with a bidder, offeror or contractor, such as an officer, director, trustee, partner or the like, or is employed in a capacity involving personal and substantial participation in the procurement transaction, or owns or controls an interest of more than five (5) percent; or~~
- ~~(3) The employee, the employee's partner or any member of the employee's immediate family has a pecuniary interest arising from the procurement transaction; or~~
- ~~(4) The employee, the employee's partner or any member of the employee's immediate family is negotiating, or has an arrangement concerning, prospective employment with a bidder, offeror or contractor.~~

(Ord. No. 86-3.2, § 21.3-803, 3-4-86; Ord. No. 2009-04.06, 4-21-09)

State law reference(s)—Similar provisions, Code of Virginia, § 2.2-4369.

~~Sec. 30-112. Disclosure of subsequent employment.~~

No public employee or former public employee having official responsibility for procurement transactions shall accept employment with any bidder, offeror or contractor with whom the employee or former employee dealt in an official capacity concerning procurement transactions for a period of one (1) year from the cessation of employment by the City, unless the employee, or former employee, provides written notification to the City Manager prior to commencement of employment by that bidder, offeror or contractor.

(Ord. No. 86-3.2, § 21.3-805, 3-4-86; Ord. No. 2009-04.06, 4-21-09)

State law reference(s)—Similar provisions, Code of Virginia, § 2.2-4370.

~~Sec. 30-113. Gifts by bidders, offerors, contractors or subcontractors.~~

~~No bidder, offeror, contractor or subcontractor shall confer upon any public employee having official responsibility for a procurement transaction any payment, loan, subscription, advance, deposit of money, services or anything of more than nominal value, present or promised, unless consideration of substantially equal or greater value is exchanged.~~

~~(Ord. No. 86-3.2, § 21.3-806, 3-4-86; Ord. No. 2009-04.06, 4-21-09)~~

State law reference(s)—Similar provisions, Code of Virginia, § 2.2-4371.

~~Sec. 30-114. Solicitation or acceptance of gifts by public employees.~~

~~No public employee having official responsibility for a procurement transaction shall solicit, demand, accept or agree to accept, from a bidder, offeror, contractor or subcontractor, any payment, loan, subscription, advance, deposit of money, services or anything of more than nominal or minimal value, present or promised, unless consideration of substantially equal or greater value is exchanged. The City may recover the value of anything conveyed in violation of this section.~~

~~(Ord. No. 86-3.2, § 21.3-804, 3-4-86; Ord. No. 2009-04.06, 4-21-09)~~

State law reference(s)—Similar provisions, Code of Virginia, § 2.2-4371.

~~Sec. 30-115. Kickbacks.~~

- ~~(a) No contractor or subcontractor shall demand or receive, from any of his suppliers or his subcontractors, as an inducement for the award of a subcontract or order, any payment, loan, subscription, advance, deposit of money, services or anything, present or promised, unless consideration of substantially equal or greater value is exchanged.~~
- ~~(b) No subcontractor or supplier shall make, or offer to make, kickbacks as described in this section.~~
- ~~(c) No person shall demand or receive any payment, loan, subscription, advance, deposit of money, services or anything of value in return for an agreement not to compete on a public contract.~~
- ~~(d) If a subcontractor or supplier makes a kickback or other prohibited payment as described in this section, the amount thereof shall be conclusively presumed to have been included in the price of the subcontract or order and ultimately borne by the City and will be recoverable from both the maker and recipient. Recovery from one (1) offending party shall not preclude recovery from other offending parties.~~

~~(Ord. No. 86-3.2, § 21.3-807, 3-4-86; Ord. No. 2009-04.06, 4-21-09)~~

State law reference(s)—Similar provisions, Code of Virginia, § 2.2-4372.

~~Sec. 30-116. Purchase of building materials, etc., from architect or engineer.~~

~~Except in cases of emergency, no building materials, supplies or equipment for any building or structure constructed by or for the City shall be sold by or purchased from any person employed as an independent contractor by the City to furnish architectural or engineering services, but not construction, for such building or structure, or from any partnership, association or corporation in which such architect or engineer has a pecuniary interest.~~

~~(Ord. No. 86-3.2, § 21.3-808, 3-4-86; Ord. No. 2009-04.06, 4-21-09)~~

~~State law reference(s) — Similar provisions, Code of Virginia, § 2.2-4374.~~

Council Letter City of Danville, Virginia



CL - 1164

NEW BUSINESS D.

City Council REGULAR MEETING

Meeting Date: April 16, 2024

Subject: Amending Danville City Code Chapter 24.

From: Christopher Wiles, Interim Chief of Police

COUNCIL ACTION

An Ordinance Repealing, Replacing, and Reordaining Chapter 24, Entitled "Parades and Other Assemblies" of the Code of the City of Danville, Virginia, 1986, As Amended.

SUMMARY

City Staff is seeking approval from City Council to update the existing City Code chapter relating to public assemblies and parades to add new definitions, simplify and harmonize the process for applying for and obtaining permits, protect the interests of the City by requiring insurance for certain events and allowing for security perimeters when necessary to prevent violence, reduce the costs to the City of administering the chapter, clarify City staff responsibilities and powers, and implement best practices adopted by other localities in Virginia, all while preserving the First Amendment rights of citizens.

BACKGROUND

Chapter 24 of the City Code – Parades - has not been updated in several years. With Danville experiencing an increase in tourism and population growth, City staff desires that the law governing public assemblies and parades be up-to-date to ensure City staff have adequate tools to address public safety, and also to simplify the application and permitting process while also reducing public costs.

Proposed new language has been drafted to update this Code by creating new definitions, clarifying vague and contradictory language, reducing unnecessary duplication, clearly assigning enforcement responsibilities among City staff, simplifying the application and permitting process, reducing unnecessary paperwork and staff workload requirements without decreasing response, and adopting best practices from around the Commonwealth, such as requiring insurance, allowing the establishment of security perimeters, exempting certain small gatherings from the permit requirement, and requiring parade floats to meet certain Fire Code standards.

These proposed changes do not decrease or diminish any current enforcement powers, they merely add greater clarity and simplicity to the process, reduce unnecessary paperwork and other City costs, and ensure that the City has the tools necessary to protect City property and public safety in a more effective and cost-efficient manner, all without unduly burdening the First Amendment rights of citizens.

RECOMMENDATION

City staff recommends approving the proposed revisions to Chapter 24 - Parades to protect the interests of the City and to assist City Staff in the carrying out of their duties on behalf of the City.

Attachments

1. Ordinance
 2. Attachment - Code Update
-

PRESENTED: _____

ADOPTED: _____

ORDINANCE NO. 2024-____.____

AN ORDINANCE REPEALING, REPLACING, AND REORDAINING CHAPTER 24, ENTITLED "PARADES AND OTHER ASSEMBLIES" OF THE CODE OF THE CITY OF DANVILLE, VIRGINIA, 1986, AS AMENDED.

WHEREAS, the current Chapter 24, entitled "Parades and other Assemblies" of the Code of the City of Danville, Virginia, 1986, as amended, that regulates Parades and other Assemblies is in need of updating to add new definitions, simplify and harmonize the process for applying for and obtaining permits, protecting the interest of the City by requiring insurance for certain events, allowing for security perimeters when necessary to prevent violence, reduce the cost to the City of administering the chapter, clarify City staff responsibilities and powers, and implement best practices adopted by other localities in Virginia, all while preserving the First Amendment rights of the citizens.

NOW THEREFORE, BE IT ORDAINED, by the Council of the City of Danville, Virginia, that the current Chapter 24, entitled "Parades and Other Assemblies" of the Code of the City of Danville, Virginia, 1986, be, and is hereby, repealed and replaced with the new Chapter 24, entitled "Public Assemblies and Parades" as is attached hereto and made a part hereof, as if fully set forth herein.

Approved:

Mayor

Attest:

City Clerk

Approved as to
Form and Legal Sufficiency:

City Attorney

CHAPTER 24 – PUBLIC ASSEMBLIES AND PARADES

ARTICLE I. - IN GENERAL

Sec. 24-1. – Purpose.

Pursuant to the authority granted to the City by the Code of Virginia and its general police powers, the City does hereby adopt the following Chapter in order to provide for the public health, safety, and general welfare in the City, to ensure the free and safe passage of pedestrians and vehicles on the public rights-of-way and the use of other public property for their intended purposes, to standardize the process for receiving and processing requests for certain permits to use public property, to defray public administrative expenses associated with certain types of uses of public property, and to ensure the safe and unimpaired use and enjoyment of public property in places open to the general public and otherwise to regulate and control the time, place, and manner of activities that would otherwise threaten or impair the public health, safety, and general welfare in the City while also encouraging the exercise of the rights to free speech and assembly in the City, and the safety of persons exercising such rights. The application of the provisions of this Chapter, and any rules and regulations adopted pursuant to these provisions, shall be without regard to the content of the beliefs or viewpoints expressed or anticipated to be expressed during any lawful assembly, parade, or other use of public property. The provisions of this Chapter shall be administered and construed in such a manner so as to encourage and permit the free, open, and non-violent exchange and expression of ideas and opinions, as much as possible, while still achieving the goals and objectives set forth above.

Sec. 24-2. – Definitions.

For the purposes of this Chapter, the following words and terms shall have the meanings respectively ascribed to them by this section, unless clearly indicated to the contrary:

Block Party means an organized, small-scale party, activity, or gathering that involves the closing of one (1) or a limited number of low traffic volume residential streets for the benefit of local residents who live on or in close proximity to the street being closed and their invited guests, and is not intended for the general public.

City Manager means the City Manager or his designee.

Demonstration means any activity including any rally, picketing, speechmaking, advocacy, vigil, and all similar forms of conduct that involve the communication or expression of views or grievances, the conduct of which is to occur in a stationary location on public property and is reasonably likely to attract a crowd or onlookers. *Demonstration* does not include any activity conducted by the City of Danville, any parade or funeral procession, or the casual use of parks or sidewalks when such use is not reasonably likely to attract a crowd or onlookers.

Event means any activity that refers to a demonstration or special event.

Filming means an organized activity involving film or still photography production that requires the use of a public street, sidewalk, right-of-way, park, or other outdoor City property that interferes with or has a tendency to interfere with the normal flow or regulation of pedestrian or vehicular traffic or the public use of City property.

Funeral Procession means any parade, march, ceremony, or procession of any kind in or upon any street, park, or other public place in the City pursuant to the funerary commemoration or burial of a deceased human being.

Live entertainment means any artistic, musical or theatrical performance, including but not limited to, karaoke, open-microphone, live vocal or instrumental music, recorded music with a disc jockey (DJ), play, stand-up comedy, dance act, magic, poetry reading, reenactment, cabaret, or any combination thereof, performed by one (1) or more persons, whether or not they are compensated for the performance or admission is charged.

Mobile vendors means the sale or exchange of any item, including, but not limited to, any and all goods, wares, flowers, prepared or unprepared food or any other product, by any person from any temporary structure, including, but not limited to, any table or stand, or from any motor vehicle, trailer, cart, dray, wagon, pushcart or any hand or pedal-propelled vehicle.

Open Flame means fire whose flame is supported by a wick, oil, or other slow-burning means to sustain itself. *Open flame* includes, but is not limited to, flame producing devices such as candles, torches, lanterns, and juggling or other fire artist equipment; provided, however, that *open flame* shall not include handheld candles when used for ceremonial purposes, provided that such candles are not held or used in an intimidating, threatening, dangerous, or harmful manner, or to lit matches or cigarette lighters when used to ignite personal smoking materials.

Parade means any mobile or non-stationary march, ceremony, show, exhibition, pageant, motorcade, or procession of any kind, or any similar display, other than a funeral procession, consisting of people, animals, or vehicles, or a combination thereof, in or upon any street, sidewalk, park, or other public place within the City, with an intent or likely effect of attracting public attention that interferes with or has a tendency to interfere with the normal flow or regulation of pedestrian or vehicular traffic upon the streets, sidewalks, or other public property. *Parade* includes but is not limited to cycling races, running races, soapbox derby races, and charitable walks. *Parade* does not include any funeral procession.

Person organizing a funeral procession includes persons organizing such procession for monetary consideration and all other persons organizing such procession.

Picketing means any public assembly, demonstration, picket line, or rally, on the streets, sidewalks, or other public areas of the City, directed either at an individual or as part of a group, directed at a particular person, group, or location.

Police Chief means the Police Chief or his designee.

Public assembly means any meeting or gathering of more than five (5) people for a common purpose as a result of prior planning that interferes with or has a tendency to interfere with the normal flow or regulation of pedestrian or vehicular traffic upon the streets, sidewalks, or other public property within the City or that interferes with or has a tendency to interfere with the normal use of any public property in a place open to the general public.

Riot means any unlawful use, by three (3) or more persons acting together, of force or violence which seriously jeopardizes the public safety, peace, or public order.

Security Perimeter means a designated area within or adjacent to the permitted area of an event or parade in which the City may temporarily impose heightened restrictions on public assemblies or activities during such permitted event or parade in order to ensure the public health and safety of the event or parade, persons attending the event or parade, or other persons, or property.

Special Event means any organized activity conducted by a person other than the City of Danville on public property that is in an identifiable location for a specific duration of time, often involving amplified sound, food, beverage, merchandise displays, or other forms of entertainment. *Special Event* includes but is not limited to any activity, such as a block party, fair, festival, carnival, pageant, historical reenactment, celebration, ceremony, sporting contest or game, music concert, music festival, or other entertainment,

dramatic or theatrical presentation, performance, show, exhibition, or similar activity. *Special Event* also includes filming. *Special Event* does not include any demonstration, parade, funeral procession, or activity conducted directly by the City, the School Board, or any officer, employee, or agent thereof.

Spontaneous demonstration means an unplanned or unannounced coming together of people, animals, or vehicles in a demonstration which was not contemplated beforehand by any participant therein and which is caused by or in response to unforeseen circumstances or events occasioned by news or affairs first coming into public knowledge within five (5) days of such demonstration.

Sponsor means any person who conducts or organizes an event or parade, who holds himself out as being the conductor or organizer of an event or parade, or who signs, or whose authorized representative signs, an application for an event or parade permit that is required by this chapter. An event or parade can have multiple sponsors.

Unlawful Assembly means any assembly whenever three (3) or more persons assembled share the common intent to advance some lawful or unlawful purpose by the commission of an act or acts of unlawful force or violence likely to seriously jeopardize public safety, peace, or order, and the assembly actually tends to inspire persons of ordinary courage with well-grounded fear of serious and immediate breaches of public safety, peace, or order.

Sec. 24-3. – Administration.

- (a) *Rules and policies.* The City Manager shall be authorized to promulgate additional rules, policies, terms, or conditions applicable to the administration of this Chapter which shall not be inconsistent with the terms of this Chapter or other law.
- (b) *Distribution of permit copies.* Immediately upon the issuance of any permit required under this Chapter, a copy of such permit shall be sent to the City Manager, the Police Chief, the Fire Chief, the Director of Public Works, and any other City officer or employee deemed necessary by the City Manager.
- (c) *Neutrality of enforcement.* Nothing in this Chapter shall permit the City Manager, the Police Chief, or any other City officer, employee, or agent to deny a permit under this chapter or to selectively enforce any provision of this Chapter based upon political, social, or religious grounds or reasons or based upon the content or viewpoint of the communication expressed.
- (d) *Violations.* Unless otherwise specifically provided herein, any person violating any provision of this Chapter shall be guilty of a Class 3 misdemeanor.

Secs. 24-4—24-10. – Reserved.

ARTICLE II. RIOTS AND UNLAWFUL ASSEMBLIES

Sec. 24-11. Participation in a riot or unlawful assembly prohibited.

It shall be a Class 1 misdemeanor for any person to participate in any riot or unlawful assembly within the City.

State law reference— What constitutes a riot, Code of Virginia, § 18.2-405; What constitutes an unlawful assembly, Code of Virginia, § 18.2-406.

Sec. 24-12. Dispersal of a riot or unlawful assembly.

- (a) *Order to disperse.* When any number of persons, whether armed or not, unlawfully or riotously are assembled, the police officials shall go among the persons assembled, or as near to them as safety will permit, and command them, in the name of the City, to immediately disperse. If, upon such command, the persons unlawfully assembled do not disperse immediately, the officers may use such force as is reasonably necessary to disperse them and to arrest those who fail or refuse to disperse. To this end, the officers may seek and use the assistance and services of private citizens.
- (b) *Dispersal order prerequisite to arrest.* Every endeavor shall be used, by both the police officers and by the officer commanding any other force, which can be made consistently with the preservation of life, to induce or force persons unlawfully assembled to disperse before force is used against such persons.
- (c) *Liability.* No liability, criminal or civil, shall be imposed upon any person authorized to disperse or assist in dispersing a riot or unlawful assembly for any action of such person which was taken after those rioting or unlawfully assembled had been commanded to disperse, and which action was reasonably necessary under all the circumstances to disperse such riot or unlawful assembly or to arrest those who failed or refused to disperse.
- (d) *Refusal to disperse.* It shall be unlawful and a Class 3 misdemeanor for any person to remain at the place of any riot or unlawful assembly after having been lawfully warned to disperse. This shall not apply to the owner or lessee of the premises, his family, his non-rioting guests, and public officers and persons assisting them.

State law reference—Remaining at place of riot or unlawful assembly, Code of Virginia, § 18.2-407; Dispersal of unlawful or riotous assemblies, Code of Virginia, § 18.2-411; Immunity of officers and others in quelling a riot or unlawful assembly, Code of Virginia, § 18.2-412.

Sec. 24-13. Emergency regulations and curfews.

- (a) *Imminent threats.* The Police Chief may regulate, restrict, or prohibit any assembly of persons or the movement of persons or vehicles if there exists an imminent threat of any civil commotion or disturbance in the nature of a riot which constitutes a clear and present danger. In such circumstances the City Council may convene immediately in a special meeting and enact an emergency ordinance or ordinances for such purposes, notwithstanding any contrary provisions in law.
- (b) *Curfews.* Any such action may include a curfew issued by the Police Chief, provided that the City Manager and Mayor shall concur with such action prior to the imposition of such curfew. Such curfew shall include the following elements:
 - (1) *Time and place.* Shall specify the hours of the curfew and the geographic area to which the curfew applies;
 - (2) *Exceptions.* Shall contain exceptions for:

- (A) Any person traveling to or from their home, place of work, or a place of worship;
 - (B) Medical personnel;
 - (C) Members of the press;
 - (D) United States, Virginia, and City employees and volunteers engaged in official business, including emergency response, provided that for purposes of this provision, employees of other local governments that are engaged in official business at the request of City officials shall also be exempt;
 - (E) Military personnel, including but not limited to National Guard troops and members of the Virginia Defense Force;
 - (F) Travel to or from public meetings of the City Council;
 - (G) Persons seeking emergency services, or fleeing any emergency or danger, or acting to save other persons from an emergency or danger; and
 - (H) Persons who are incapacitated or who are seeking medical care for themselves or others; and
- (3) *Duration.* The action authorizing the curfew shall provide for reasonable efforts to inform the public in advance of the curfew, which shall be valid for no more than twenty-four (24) hours. The curfew shall not be extended or renewed unless by recorded vote of the Council or by judicial order.
- (c) *Emergency meetings.* If a curfew is declared the City Council may convene immediately in a special meeting and enact an emergency ordinance or ordinances, including an extension or renewal of a curfew, for such purposes, notwithstanding any contrary provisions in law.
- (d) *Violations.* Any violation of a regulation, restriction, or curfew imposed hereunder shall constitute a Class 1 misdemeanor.

State law reference— Regulation of assemblies or movement of persons or vehicles, Code of Virginia, § 15.2-925.

Sec. 24-14. Picketing in front of a residence.

It shall be a Class 3 misdemeanor for any person to engage in picketing before or about the residence or dwelling place of any individual, or to assemble with another person in a manner which disrupts or threatens to disrupt any individual's right to tranquility in his home. Each day on which a violation of this Section occurs shall constitute a separate offense. Notwithstanding the penalties herein provided, the Danville general district and circuit courts may enjoin conduct, or threatened conduct, proscribed by this section, and may in any such proceeding award damages, including punitive damages, against the persons found guilty of actions made unlawful by this Section.

State law reference— Picketing or disrupting tranquility of home, Code of Virginia, § 18.2-419.

Sec. 24-15. - Disorderly houses.

- (a) *Operation.* It shall be unlawful for any person in the City to keep, maintain or operate, for himself or as an officer of or agent for any corporation, association, club, lodge, or other organization, or under the guise of any corporation, association, club, lodge, or other organization, any disorderly house or place where disorderly persons meet or may meet for the purpose of illegally dispensing or indulging in intoxicating liquors, gaming, or boisterous or other disorderly conduct. Each day on which a violation of this section occurs shall constitute a separate offense, and in any prosecution for this offense, the general reputation of such place may be proved.
- (b) *Visitation.* It shall be unlawful for any person to frequent, reside in, or visit any place referred to in Subsection (a) above for the purpose of illegally dispensing or indulging in intoxicating liquors, gaming, or boisterous or other disorderly conduct.

Secs. 24-16—24-20. Reserved.

ARTICLE III. EVENT PERMITS

Sec. 24-21. Permit required for events on City property.

- (a) *Unpermitted assemblies on public property.* No gathering of persons for the holding of any event, public assembly, or other similar purpose shall be held on the public property of the City, including all streets, sidewalks, bridges, rights-of-way, parks, or other public property, unless there shall have first been obtained from the City Manager an event permit pursuant to this Article.
- (b) *Interference with use of public property.* It shall be unlawful for any person, group, or entity, who is not otherwise required to obtain an event permit to gather or otherwise engage in an activity which will unduly disrupt either pedestrian or vehicular traffic, the movement of police, fire, or other emergency services to the area of the activity, or which will interfere with an event or other activity for which a permit has been issued by the City.

Sec. 24-22. When permit not required.

- (a) *Exemptions.* The following shall be exempt from obtaining an event permit required by this Article:
 - (1) *Parades.* Any parade permitted under Article 4 of this Chapter;
 - (2) *Funeral processions.* Any funeral procession permitted or exempt from obtaining a permit under Article 5 of this Chapter;
 - (3) *Certain events in parks.* Any special event occurring upon public property managed by the Department of Parks and Recreation provided that such special event is permitted or otherwise licensed or approved pursuant to a lease or other agreement required by the City Code or the standard operating procedures promulgated by the City Manager for reservation or use of such property;
 - (4) *Certain events at airport.* Any event located at the Danville Regional Airport provided that such event is permitted or otherwise licensed or approved pursuant to a lease or other agreement required by the City Code or the standard operating procedures promulgated by the City Manager for reservation or use of such property;

- (5) *Certain door-to-door advocacy.* Any door-to-door advocacy or solicitation permitted or exempt from obtaining a permit under the City Code;
 - (6) *Certain recreational activities.* Any recreational activities, including but not limited to jogging, hiking, cycling, riding, or walking, that do not require closing public streets, sidewalks, or other public rights-of-way and that do not interfere with or have a tendency to interfere with the normal use of any public property in a place open to the general public;
 - (7) *Certain school-sponsored events.* Students going to and from school classes or participating in educational activities, provided that such conduct is under the immediate direction and supervision of the proper school authorities;
 - (8) *Government emergency response.* Any activity conducted by the military forces of the United States of America or the Commonwealth of Virginia or the police and fire departments of the City;
 - (9) *Government activities.* Any governmental agency or agencies acting within the scope of their functions;
 - (10) *Spontaneous demonstrations.* Any spontaneous demonstration;
 - (11) *Gatherings smaller than six (6).* Any event consisting of five (5) or fewer people on a public sidewalk which does not impede the ordinary flow of pedestrians on such sidewalk;
 - (12) *Certain demonstrations.* Any demonstration of fewer than twenty-five (25) people in a public park or on outdoor public property in a place open to the general public which is not a public street, alley, bridge, or sidewalk, and which does not involve the placement of a booth, stage, or other temporary structure upon such property, the use of sound amplification equipment, or the assembly of persons during a time when such property is closed to the general public.
- (b) *Voluntary permits.* Permits may be granted if they are requested by individuals or organizations who desire to have a permit, even though the permit is not required under this Article.

Sec. 24-23. Event Permits.

- (a) *Filing of permit application.* Any person desiring an event permit shall file an application with the City Manager, on forms provided thereby. For a demonstration such application shall be filed not less than ten (10) days before the date on which it is proposed to conduct the demonstration. For a special event such application shall be filed not less than ten (10) days before the date on which it is proposed to conduct the special event. For events held on a regular or recurring basis at the same location, an application for a recurring event permit covering all such events during a one (1) month period, including the dates and times of any such event, may be filed with the City Manager, not less than ten (10) days before the date on which it is proposed to conduct the first demonstration or special event. There shall be paid, at the time of filing the application for an event permit, such fee as is prescribed by the Council.
- (b) *Application contents.* The application for an event permit shall set forth the following information:
 - (1) The name and contact information of the sponsor seeking to conduct such event.
 - (2) If the event is proposed to be conducted for, on behalf of, or by an organization, the name and contact information of the organization, and of the officers of such organization.

- (3) The name and contact information of the sponsor who will be responsible for the conduct of the event, if different than above.
 - (4) The time and date when the event is to be conducted, including the starting and ending times, and the time when any public street, alley, sidewalk, or parking space that has been closed pursuant to the permit will be reopened.
 - (5) The location of the event, including any parking areas therefor.
 - (6) The type and nature of the event, including whether the event is a demonstration or a special event, and what activities, if any, are to occur during the event, including but not limited to live entertainment or mobile vendors.
 - (7) The approximate number of persons who, and animals and vehicles which, will constitute such event, the type of animals, and description of the vehicles.
 - (8) A statement as to whether the event will occupy all or only a portion of the public property proposed to be the site of the event, and if only a portion the area of such portion.
 - (9) Whether or not food or beverages will be sold, distributed, or permitted during the event, and if so whether or not there will be mobile food vendors or alcoholic beverages present at the event.
 - (10) Whether or not any temporary stage or structure, any heavy machinery, any amusement device, or any amplified sound will be used during the event.
 - (11) Whether or not any public street, alley, sidewalk, or parking space needs to be closed or barricaded to safely conduct the event
 - (12) If an event is designed to be held by, and on behalf of or for, any sponsor other than the applicant, the applicant for the event permit shall file with the City Manager a communication in writing from the sponsor proposing to hold the event, authorizing the applicant to apply for the permit on his behalf.
 - (13) Any additional information which the City Manager shall find reasonably necessary to a fair determination as to whether a permit should be issued.
- (c) *Grant or denial.* The City Manager shall act upon the application for an event permit within ten (10) business days after the filing thereof, by either issuing or denying the permit. If denied, the City Manager shall promptly attempt to call and shall promptly mail to the applicant a notice of his denial, stating the reasons for his denial of the event permit, and notifying the applicant of his right to appeal the denial. Any person aggrieved shall have the right to appeal the denial of an event permit to the Council within ten (10) days after the date of the notice of denial. The Council shall act upon the appeal at its next regularly called meeting after the receipt of the appeal by the City Clerk.
- (d) *Special terms and conditions.* A permit may contain additional conditions and limits, consistent with this Article, as may be warranted by the nature of a particular event, in the interest of protecting City property or other City resources, the use of nearby areas by other persons, traffic safety, and other legitimate property or public safety concerns. The City Manager, following consultation with the Police Chief, the Fire Chief, or other appropriate City officials may place additional duration and time of day limitations when an event is requested during periods when the requested public space is closed to the public or when an event is likely to interfere with the operation of City services, religious services, or businesses. The City Manager may impose such conditions or limits on an event during the permit approval process, or during the occurrence of a permitted event if necessary to ensure that the event meets the stated terms and purposes of this chapter, due to the

occurrence of circumstances unrelated to the event that were not anticipated at the time of the approval of the permit and that were not caused by the event attendees or any counterdemonstrators thereto, or due to a determination by the Police Chief, the Fire Chief, or other appropriate public safety official that there exists an imminent likelihood of violence or other threat to public safety endangering persons or threatening to cause significant property damage.

- (e) *Alternate permits.* The City Manager, in denying an application for an event permit, may authorize the conduct of the event on a date, at a time, or at a different location or upon a different portion of public property from that named by the sponsor. A sponsor desiring to accept an alternate permit shall, within three (3) business days after notice of the action of the City Manager, file a written notice of acceptance with the City Manager. Such alternate event permit shall conform to the general requirements of, and shall have the effect of, an event permit.
- (f) *Competing permits.* The City Manager may refuse to grant more than one (1) event permit for the same location, date, or time when to do so would compromise public safety and good order.
- (g) *Timing of submission.* If two (2) or more applications are submitted requesting a permit under this Article for an event to be at the same time and place, the application first filed shall be granted if it meets the requirements of this article.
- (h) *Security perimeters.* When he deems it necessary to the public safety and good order, the City Manager may declare a reasonable security perimeter in the vicinity of the event. If persons promoting different objectives, causes, actions, or policies desire to use a location for which an event permit has already been issued, the City Manager shall allot space for a number of persons promoting each objective to use such location within the security perimeter on an equal basis, proportionate to the number of objectives being promoted. The City Manager may also physically separate groups of persons promoting different causes within the security perimeter through the use of police lines or barricades or similar devices, or assign each group of persons designated areas within the security perimeter in which to promote their different objectives, causes, actions, in order to promote the public safety by keeping such groups apart from one another, provided the public area within the security perimeter from which such groups or persons are excluded is no more than is necessary to protect the public safety, and leaves open ample, alternative channels for persons promoting each objective.
- (i) *Expiration.* Except for recurring event permits, any event permit shall expire at the agreed upon conclusion of the assembly and shall in no case last longer than seventy-two (72) hours after the assembly begins.
- (j) *Revocation or suspension.* The City Manager may revoke or suspend any permit previously granted by him for violation of any provisions of this Article or of any condition of the permit, or:
 - (1) For any material misrepresentation, intentional or otherwise, made in connection with the application or has become since the submission of the application misrepresented, intentional or otherwise;
 - (2) When weather conditions render the subject activity unsafe;
 - (3) When the proposed event would be inconsistent or incompatible with the purposes for which the area sought to be reserved is normally used;
 - (4) When the sponsor proposes activities contrary to one (1) or more of the conditions or limits specified in this article;
 - (5) When no person is authorized or willing to assume and sign the application for permit on behalf of the sponsor to accept responsibility for and perform the sponsor's obligations set

forth in this article including, but not limited to, any insurance or indemnification requirement;

- (6) When the proposed event cannot be accommodated within a reasonable allocation of City funds or resources based on the event's anticipated public appeal or participation by the general public;
 - (7) When otherwise required in the interest of public health, safety, welfare, and good order.
- (k) *Permit contents.* Each event permit shall state the following information:
- (1) The type and nature of the event to be held, including whether the event is a demonstration or a special event, and what activities, if any, are to occur during the event
 - (2) The specific location of the event, including any security perimeter and any street, alley, sidewalk, or parking space that is to be closed.
 - (3) Starting and ending times.
 - (4) Such other information as the City Manager shall find necessary to the enforcement of this Article.
- (l) *Permit warnings.* The following shall be listed on the event permit issued by the City Manager as additional directions and instructions:

Pursuant to §18.2-282 of the Code of Virginia, no person shall point, hold, or brandish any firearm, whether capable of being fired or not, in such manner as to reasonably induce fear in the mind of another or hold a firearm in a public place in such a manner as to reasonably induce fear in the mind of another of being shot or injured. Violation of this statute is a Class 1 misdemeanor. Possession of a firearm at a permitted event is best accomplished by keeping all handguns in a holster and all rifles and shotguns behind the back on a sling.

Pursuant to §18.2-404 of the Code of Virginia, any person or persons who in any public place or on any private property open to the public unreasonably or unnecessarily obstructs the free passage of other persons to and from or within such place or property and who shall fail or refuse to cease such obstruction or move on when requested to do so by the owner or lessee or agent or employee of such owner or lessee or by a duly authorized law-enforcement officer shall be guilty of a Class 1 misdemeanor.

Pursuant to §18.2-419 of the Code of Virginia, any person or persons who shall engage in picketing before or about the residence or dwelling place of any individual, or who shall assemble with another person or persons in a manner which disrupts or threatens to disrupt any individual's right to tranquility in his home, shall be guilty of a Class 3 misdemeanor.

Pursuant to §18.2-422 of the Code of Virginia, no person over sixteen (16) years of age, with the intent to conceal their identity, may wear any mask, hood, or other device whereby a substantial portion of the face is hidden or covered so as to conceal the identity of the wearer. Violation of this statute is a Class 6 felony. Wearing any type of clothing in this manner may be considered as such a device.

Sec. 24-24. Insurance requirements.

- (a) *Insurance required.* To further the goal of public safety and to protect the City and its officers, officials, and employees from claims for damage to property or bodily injury occurring during a permitted event, the sponsor of an event granted a permit shall be required to indemnify and hold harmless the City and its officers, officials, employees, and agents from any personal injury, death, and damage to property, and any other loss, cost, or damage occurring as a result of the actions or inactions of the sponsor or the failure of the sponsor to comply with this article. Accordingly, the following insurance shall be required for the event:
- (1) *Special events.* The sponsor of a special event shall be required to furnish a general liability and property damage insurance contract insuring the sponsor's liability for personal injury and death and damages to property resulting from its use of public property. The required general liability and property damage insurance, unless waived in whole or in part, shall be provided in an amount not less than one million dollars (\$1,000,000.00), and the insurance policy shall name the City, including its officers, officials, employees, and agents, as additional insured parties to the insurance contract.
 - (2) *Demonstrations.* The sponsor of a demonstration which requires a street closure or the construction or placement of a structure shall be required to furnish a general liability and property damage insurance contract insuring the sponsor's liability for personal injury and death and damages to property resulting from its use of public property. The required general liability and property damage insurance, unless waived in whole or in part, shall be provided in an amount not less than one million dollars (\$1,000,000.00), and the insurance policy shall name the City, including its officers, officials, employees, and agents, as additional insured parties to the insurance contract.
- (b) *Waiver of insurance requirement.* This insurance requirement may be waived, in whole or in part, by the City Manager if the cost of the insurance will result in a documented financial hardship to the sponsor, or for an event that does not pose a high level of liability risk to the City or a material risk to public safety and does not involve any inherently dangerous activity. In making his decision on whether the insurance requirement will be waived in whole or in part, the City Manager shall consider all relevant factors, including but not limited to whether the event and planned activities present a risk of personal injury or property damage, whether the event involves a large number of participants relative to the size of the event venue, whether the event involves the preparation and sale of food or beverages, the duration of the event, whether the event involves transportation or installation of heavy equipment or the installation of a stage or other temporary structure, whether a street closing permit is needed to be issued, whether the event is of such a nature that it will require diversion of so great a number of police and fire personnel to properly police the event so as to impair the normal protection of the remainder of the City, whether the applicant has designated monitors sufficient to control the orderly conduct of the event in conformity with such permit, whether the event hinders or interferes with the movement of public safety equipment and personnel, and whether or not the event will interfere with another event, parade, or activity for which a permit has been granted by the City. A written request to waive or modify any insurance requirement must be made by the sponsor at the time a permit application is submitted. An approval or denial of the request shall be promptly mailed to the applicant.
- (c) *Neutrality in determining waiver.* In deciding whether insurance will be required or waived for a demonstration the City Manager shall not consider the number of anticipated onlookers or counterdemonstrators, the potential risk of property damage or bodily injury that may be caused by

onlookers or counterdemonstrators, nor the possibility that the demonstration will be controversial in nature.

- (d) *Liability for cleanup costs.* In addition to the permit fee, the City reserves the right to bill the sponsor of a special event for reimbursement of the cost for clean-up and repair of damage to streets, sidewalks, structures, or other public property, caused by or directly related to the special event. Any sponsor of a special event who fails to pick up trash caused by the special event or fails to prevent damage to public property during such special event may be assessed the cost of such damages plus an administrative fee as prescribed by the Council. All bills must be paid within thirty (30) calendar days of receipt.
- (e) *Liability for other damages.* The sponsor of an event shall be solely responsible for any damages or injuries resulting to any person or property arising out of the use of City property for the event and the sponsor will accept the reserved area as-is, and the City does not warrant that any public property is suitable for the activities to be conducted as part of the event.

Sec. 24-25. General duties of sponsor.

- (a) *Attendance.* The sponsor of a permitted event shall comply with all permit directions and conditions and with all applicable laws and ordinances. The sponsor, or a designated agent thereof, shall attend the event for its duration and shall carry the event permit upon his person during the conduct of the event and shall upon request make such permit available for public inspection by any City representative during the event.
- (b) *Responsibility for permit compliance.* By accepting a permit issued by the City pursuant to this Article, the sponsor represents that all information included or presented as part of the permit application was, to the best of the sponsor's information and belief, complete and correct and that the sponsor will comply with all terms and conditions of the permit and the sponsor will use reasonable means to ensure that persons participating in the event will comply with all terms and conditions of such permit.
- (c) *Compliance with City employees.* During the conduct of an event, the sponsor of that event shall comply immediately with the lawful request of any police officer, firefighter, rescue service person, or City employee, made for public safety or other emergency reasons, to move any structure or persons from a street, which has been closed in connection with the permitted event.

Sec. 24-26. Prohibited items at demonstration.

- (a) *Prohibited items.* No person attending, observing, or participating in any demonstration on the public property of the City at the place of any demonstration or within any designated security perimeter shall possess, carry, or otherwise maintain control of:
 - (1) Any sign or placard except those made of cardboard, poster board, or cloth having dimensions no greater than four (4) feet in width, twenty (20) feet in length and one-quarter ($\frac{1}{4}$) inch in thickness. No supports shall be permitted for signs or placards except those made of wood having cross-sectional dimensions no greater than three-quarters ($\frac{3}{4}$) of an inch by three-quarters ($\frac{3}{4}$) of an inch not to exceed twenty-four (24) inches in length. All signs and placards shall be attended at all times they remain on City property. Signs or placards shall be considered to be attended only when they are in physical contact with a person. No signs or placards shall be fastened, tied, or otherwise attached to or leaned

against any lamp post, utility pole, street sign, or other structure that is public property of the City, or any vehicle. Any unattended sign or placard shall be removed and discarded;

- (2) Any flag staff except those made of wood having cross-sectional dimensions no greater than three-quarters ($\frac{3}{4}$) of an inch by three-quarters ($\frac{3}{4}$) of an inch not to exceed six (6) feet in length. All flag staffs shall be attended at all times they remain on City property and are considered attended only when they are in physical contact with a person. No flag staffs shall be fastened, tied, or otherwise attached to or leaned against any lamp post, utility pole, street sign, or other structure that is public property of the City, or any vehicle. Any unattended flag staff shall be removed and discarded;
- (3) Any of the following items or any item of like kind:
 - (A) containers of any type or size holding hazardous materials, flammable materials, chemical irritants, biological material not intended for human ingestion, aerosol spray, or other noxious matter which is injurious, nauseous, sickening, or irritating to any of the human senses, or pressurized containers. Such containers shall include but not be limited to balloon, cans, bottles, water guns, and similar containers that could be used to expose another person to the contents thereof;
 - (B) fireworks or explosives;
 - (C) swords, sabers, machetes, ice picks, axes, hatchets, farm tools, archery equipment, conducted electrical weapons, pneumatic guns, imitation or simulated firearms, and any weapon prohibited by the City Code from being carried concealed within the City other than firearms carried in compliance with Virginia law;
 - (D) objects used as projectiles, including but not limited to rocks, bricks, billiard balls, pellets, metal balls, ball bearings, metal fasteners, brick, concrete, or metal fragments, and metal or glass containers;
 - (E) A crowbar, club, stick, baton, cudgel, rod, or any athletic equipment or hand tool of like shape or size, or any like item used as a club, other than canes or similar implements actually being used to assist a person with mobility impairment participate in the demonstration or umbrellas actually being used to shield demonstrators from rain;
 - (F) A shield or similar item made of metal, wood, plastic, rubber, or any combination thereof;
 - (G) laser pointers and strobe lights;
 - (H) bicycles, scooters, skateboards, wagons, shopping carts, pull carts other than infant strollers, and chains, padlocks, or bicycle locks therefor;
 - (I) drones or other unmanned aircraft systems;
 - (J) animals other than service animals;
 - (K) mechanical and electrical devices designed to amplify sound for multiple persons;
 - (L) masks of any kind being worn in such a way as to conceal the identity of the wearer by covering or hiding a substantial portion of the wearer's face, including but not limited to bandanas, balaclavas, scarfs, neck gaiters, full face coverage motorcycle

helmets, and tinted helmet visors; provided that during a declared public health emergency a medically-approved mask may be worn in accordance with law;

(M) Any cooler, book bag, back pack, satchel, bag, container, or similar item unless it is constructed of a mesh or clear material wherein the contents are visible;

(N) any open flame.

- (b) *Violations.* Any person violating the provisions of this Section shall be asked to leave the place of the demonstration or security perimeter. It shall be unlawful for any person to remain after having been told leave, and any prohibited item not removed from the place of the demonstration or the security perimeter may be seized by the Police
- (c) *Police exempt.* Nothing in this Section shall prohibit law enforcement officers or other public officials acting in their official capacity from carrying or possessing materials, weapons, objects, or devices prohibited by this Section when used in the performance of public duties.
- (d) *Effect on permit.* Prohibited items are not allowed at demonstrations and a permit shall be denied or revoked if at any time it appears that prohibited items will be used, or are being used, during a demonstration and the City has not granted special permission in the permit covering such use. If any prohibited item for which special permission has been granted is held or used during the demonstration in an intimidating, threatening, dangerous or harmful manner, such use will be unlawful and the permits allowance of such use shall be automatically revoked.
- (e) *General applicability.* The prohibitions in this Section shall apply to all demonstrations whether subject to a permit, or otherwise.

Sec. 24-27. Prohibited participation in or promotion of an event.

- (a) *Conducting unapproved events.* It shall be unlawful for any sponsor or other person to organize, attend, or participate in any event that has not been approved by the City Manager with the required event permit, or continue to organize, attend, or participate in any event if the City Manager has revoked or suspended the permit for the event.
- (b) *Violating terms of permit.* It shall be unlawful for any sponsor or other person to violate, at the place of any permitted event or within any designated security perimeter, any of the public safety restrictions enumerated in this Article or any additional restrictions specified by the City Manager in the event permit.
- (c) *Advertising unapproved events.* It shall be unlawful for any sponsor or other person to take any action to advertise, promote, or conduct an event for which a permit is required, without first obtaining a permit, or to take any action to conduct an event for which a permit has been issued on any day, or at time, or location not authorized by the permit, or to advertise or promote such event to take place on any day, time, or location not authorized by the permit.

Sec. 24-28. Other conduct prohibited while attending or participating in an event.

It shall be unlawful for any person to engage in the following conduct while attending or participating in an event or public assembly, regardless of if such event or assembly is required to have a permit under this Article:

- (1) Failure to comply with lawful directions or instructions set forth by a City officer or employee pursuant to his duties or on a sign posted by the City for or in connection with the event or public assembly;
- (2) Climbing upon, during an event or public assembly, any public tree, wall, fence, barricade, bus shelter, pole, sign, fountain, statue, monument, or other structure or property not specifically intended for climbing purposes;
- (3) Rendering any part of the event or public assembly venue dangerous or unsafe for use by others;
- (4) Closing any public street, sidewalk, alley, or right-of-way during the event or public assembly, or using any public street, sidewalk, alley, or right-of-way in a manner that obstructs vehicular or pedestrian passage during the event or assembly, unless such closure is specifically included in the permit;
- (5) Damaging public trees, bushes, flowers, or other landscaping, fountains, monuments, statues, artwork, signs, poles, improvements, equipment, property, or structures located on the public property where the event or public assembly is being held.

Secs. 24-29—24-40. Reserved.

ARTICLE IV. PARADES

Sec. 24-41. Permit required for parades; exceptions.

- (a) *Unpermitted parades.* No person shall engage in, participate in, aid, form, or start any parade, unless a parade permit has been obtained from the Chief of Police.
- (b) *Exemptions.* This Section shall not apply to:
 - (1) *Funeral processions.* Any funeral procession permitted or exempt from obtaining a permit under Article 5 of this Chapter;
 - (2) *Certain parades in parks.* Any parade occurring upon public property managed by the Department of Parks and Recreation provided that such parade is permitted or otherwise licensed or approved pursuant to a lease or other agreement required by the City Code or the standard operating procedures promulgated by the City Manager for reservation or use of such property;
 - (3) *Certain parades at airport.* Any parade located at the Danville Regional Airport that is permitted or otherwise licensed or approved pursuant to a lease or other agreement required by the City Code or the standard operating procedures promulgated by the City Manager for reservation or use of such property;
 - (4) *Certain door-to-door advocacy.* Any door-to-door advocacy or solicitation permitted or exempt from obtaining a permit under the City Code;
 - (5) *Certain recreational activities.* Any recreational activities, including but not limited to jogging, hiking, cycling, riding, or walking, that do not require closing public streets, sidewalks, or other public rights-of-way and that do not interfere with or have a tendency to interfere with the normal use of any public property in a place open to the general public. For purposes of this exemption organized races and charitable walks shall be considered

as having a tendency to interfere with normal use of a street or sidewalk upon which such race or charitable walk is to occur;

- (6) *Certain school-sponsored events.* Students going to and from school classes or participating in educational activities, provided that such conduct is under the immediate direction and supervision of the proper school authorities;
- (7) *Government emergency response.* Any activity conducted by the military forces of the United States of America or the Commonwealth of Virginia or the police and fire departments of the City;
- (8) *Government activities.* Any governmental agency or agencies acting within the scope of their functions.

Judicial reference—Where an ordinance prohibits parading without a permit, the court may enjoin and restrain named persons from certain violations which would upset the peace and tranquility of the community. *Thomas v. City of Danville*, 207 Va. 656, 152 S.E.2d 265 (1967).

Sec. 24-42. Parade permit.

- (a) *Filing of permit application.* Any person desiring a parade permit shall file an application with the Chief of Police, on forms provided thereby. Such application shall be filed not less than ten (10) days nor more than sixty (60) days before the date on which it is proposed to conduct the parade. There shall be paid, at the time of filing the application for a parade permit, such fee as is prescribed by the Council.
- (b) *Application contents.* The application for a parade permit shall set forth the following information:
 - (1) The name and contact information of the sponsor seeking to conduct such parade.
 - (2) If the parade is proposed to be conducted for, on behalf of, or by an organization, the name and contact information of the organization, and of the officers of such organization.
 - (3) The name and contact information of the sponsor who will be responsible for the conduct of the parade, if different than above.
 - (4) The time and date when the parade is to be conducted, including the starting and ending times.
 - (5) The route to be traveled, including the starting and ending points.
 - (6) The approximate number of persons who, and animals and vehicles which, will constitute such parade, the type of animals, and description of the vehicles.
 - (7) A statement as to whether the parade will occupy all or only a portion of the width of the streets proposed to be traversed.
 - (8) The location, by streets, of any assembly areas for such parade.
 - (9) The time at which units of the parade will begin to assemble at any such assembly area.
 - (10) Whether or not any public street, alley, sidewalk, or parking space needs to be closed or barricaded to safely conduct the parade.

- (11) If a parade is designed to be held by, and on behalf of or for, any sponsor other than the applicant, the applicant for the parade permit shall file with the Chief of Police a communication in writing from the person proposing to hold the parade, authorizing the applicant to apply for the permit on his behalf.
- (12) Any additional information which the Chief of Police shall find reasonably necessary to a fair determination as to whether a permit should be issued.
- (c) *Grant or denial.* The Chief of Police shall act upon the application for a parade permit within ten (10) business days after the filing thereof, by either issuing or denying the permit. If denied, the Chief of Police shall so notify the applicant, stating the reasons for the denial, in writing. Any person aggrieved shall have the right to appeal the denial of a parade permit to the City Manager within ten (10) days after the notice of denial. The City Manager shall act upon the appeal within ten (10) days after its receipt by the City Clerk.
- (d) *Special terms and conditions.* A permit may contain additional conditions and limits, consistent with this article, as may be warranted by the nature of a particular event, in the interest of protecting City property or other City resources, the use of nearby areas by other persons, traffic safety, and other legitimate property or public safety concerns. The Police Chief, following consultation with the City Manager, the Fire Chief, or other appropriate City officials may place additional duration and time of day limitations when a parade is requested during periods when the requested parade route is likely to interfere with the operation of City services, religious services, or businesses. The Police Chief may impose such conditions or limits on a parade during the permit approval process, or during the occurrence of a permitted parade if necessary to ensure that the parade meets the stated terms and purposes of this chapter, due to the occurrence of circumstances unrelated to the parade that were not anticipated at the time of the approval of the permit and that were not caused by the parade attendees or any counterdemonstrators thereto, or due to a determination by the Police Chief, the Fire Chief, or other appropriate public safety official that there exists an imminent likelihood of violence or other threat to public safety endangering persons or threatening to cause significant property damage.
- (e) *Alternate permits.* The Chief of Police, in denying an application for a parade permit, may authorize the conduct of the parade on a date, at a time or over a route different from that named by the applicant. An applicant desiring to accept an alternate permit shall, within three (3) business days after notice of the action of the Chief of Police, file a written notice of acceptance with the Chief of Police. Such alternate parade permit shall conform to the general requirements of, and shall have the effect of, a parade permit.
- (f) *Competing permits.* The Police Chief may refuse to grant more than one (1) parade permit for the same location, date, or time when to do so would compromise public safety and good order.
- (g) *Timing of submission.* If two (2) or more applications are submitted requesting a permit under this article for an event to be at the same time and place, the application first filed shall be granted if it meets the requirements of this Article.
- (h) *Security perimeters.* When he deems it necessary to the public safety and good order, the Police Chief may declare a reasonable security perimeter in the vicinity of the parade. If persons promoting different objectives, causes, actions, or policies desire to use a location for which a parade permit has already been issued, the Police Chief shall allot space for a number of persons promoting each objective to use such location within the security perimeter on an equal basis, proportionate to the number of objectives being promoted. The Police Chief may also physically separate groups of persons promoting different causes within the security perimeter through the use of police lines or

barricades or similar devices, or assign each group of persons designated areas within the security perimeter in which to promote their different objectives, causes, actions, in order to promote the public safety by keeping such groups apart from one another, provided the public area within the security perimeter from which such groups or persons are excluded is no more than is necessary to protect the public safety, and leaves open ample, alternative channels for persons promoting each objective.

- (i) *Revocation or suspension.* The Police Chief may revoke or suspend any permit previously granted by him for violation of any provisions of this Article or of any condition of the permit, or:
 - (1) For any material misrepresentation, intentional or otherwise, made in connection with the application or has become since the submission of the application misrepresented, intentional or otherwise;
 - (2) When weather conditions render the subject activity unsafe;
 - (3) When the proposed parade would be inconsistent or incompatible with the purposes for which the area sought to be reserved is normally used;
 - (4) When the sponsor proposes activities contrary to one (1) or more of the conditions or limits specified in this article;
 - (5) When no person is authorized or willing to assume and sign the application for permit on behalf of the sponsor to accept responsibility for and perform the sponsor's obligations set forth in this article including, but not limited to, any insurance or indemnification requirement;
 - (6) When the proposed parade cannot be accommodated within a reasonable allocation of City funds or resources based on the parade's anticipated public appeal or participation by the general public;
 - (7) When otherwise required in the interest of public health, safety, welfare, and good order.
- (j) *Permit contents.* Each parade permit shall state the following information:
 - (1) Starting and ending times.
 - (2) Minimum and maximum speeds.
 - (3) Maximum interval of space to be maintained between the units of the parade, if applicable.
 - (4) The portions of the streets to be traversed that may be occupied by the parade.
 - (5) Any public street, alley, sidewalk, or parking space that shall be closed during the parade.
 - (6) The maximum length of the parade, in miles or fractions thereof.
 - (7) Such other information as the Chief of Police shall find necessary to the enforcement of this Article.

Sec. 24-43. Insurance requirements.

- (a) *Insurance required.* To further the goal of public safety and to protect the City and its officers, officials, and employees from claims for damage to property or bodily injury occurring during a permitted parade, the sponsor of a parade granted a permit shall be required to indemnify and hold harmless the City and its officers, officials, employees, and agents from any personal injury, death, and damage to property, and any other loss, cost, or damage occurring as a result of the actions

or inactions of the sponsor or the failure of the sponsor to comply with this article. Accordingly, the following insurance shall be required for the event:

- (1) *Parades requiring road closure or construction.* The sponsor of a parade which requires a street closure or the construction or placement of a structure shall be required to furnish a general liability and property damage insurance contract insuring the sponsor's liability for personal injury and death and damages to property resulting from its use of public property. The required general liability and property damage insurance, unless waived in whole or in part, shall be provided in an amount not less than one million dollars (\$1,000,000.00), and the insurance policy shall name the City, including its officers, officials, employees, and agents, as additional insured parties to the insurance contract.
 - (2) Reserved.
- (b) *Waiver of insurance requirement.* This insurance requirement may be waived, in whole or in part, by the Police Chief if the cost of the insurance will result in a documented financial hardship to the sponsor, or for a parade that does not pose a high level of liability risk to the City or a material risk to public safety and does not involve any inherently dangerous activity. In making his decision on whether the insurance requirement will be waived in whole or in part, the Police Chief shall consider all relevant factors, including but not limited to whether the parade and planned activities present a risk of personal injury or property damage, whether the parade involves a large number of participants relative to the size of the parade route, whether the parade involves the preparation and sale of food or beverages, the duration of the parade, whether the parade involves transportation or installation of heavy equipment or the installation of a stage or other temporary structure, whether a street closing permit is needed to be issued, whether the parade is of such a nature that it will require diversion of so great a number of police and fire personnel to properly police the event so as to impair the normal protection of the remainder of the City, whether the applicant has designated monitors sufficient to control the orderly conduct of the parade in conformity with such permit, whether the parade hinders or interferes with the movement of public safety equipment and personnel, and whether or not the parade will interfere with another parade, event, or activity for which a permit has been granted by the City. A written request to waive or modify any insurance requirement must be made by the sponsor at the time a permit application is submitted. An approval or denial of the request shall be promptly mailed to the applicant.
 - (c) *Neutrality in determining waiver.* In deciding whether insurance will be required or waived for a parade the Police Chief shall not consider the number of anticipated onlookers or counterdemonstrators, the potential risk of property damage or bodily injury that may be caused by onlookers or counterdemonstrators, nor the possibility that the parade will be controversial in nature.
 - (d) *Liability for cleanup costs.* In addition to the permit fee, the City reserves the right to bill the sponsor of a parade for reimbursement of the cost for clean-up and repair of damage to streets, sidewalks, structures, or other public property, caused by or directly related to the parade. Any sponsor of a parade who fails to pick up trash caused by the parade or fails to prevent damage to public property during such parade may be assessed the cost of such damages plus an administrative fee as prescribed by the Council. All bills must be paid within thirty (30) calendar days of receipt.
 - (e) *Liability for other damages.* The sponsor of a parade shall be solely responsible for any damages or injuries resulting to any person or property arising out of the use of City property for the parade and the sponsor will accept the reserved area as-is, and the City does not warrant that any public property is suitable for the activities to be conducted as part of the parade.

Sec. 24-44. General duties of sponsor.

- (a) *Attendance.* The sponsor of a permitted parade shall comply with all permit directions and conditions and with all applicable laws and ordinances. The sponsor, or a designated agent thereof, shall attend the parade for its duration and shall carry the parade permit upon his person during the conduct of the event and shall upon request make such permit available for public inspection by any City representative during the conduct of the parade.
- (b) *Responsibility for permit compliance.* By accepting a permit issued by the City pursuant to this article, the sponsor represents that all information included or presented as part of the permit application was, to the best of the sponsor's information and belief, complete and correct and that the sponsor will comply with all terms and conditions of the permit and the sponsor will use reasonable means to ensure that persons participating in the parade will comply with all terms and conditions of such permit.
- (c) *Compliance with City employees.* During the conduct of an parade, the sponsor of that parade shall comply immediately with the lawful request of any police officer, firefighter, rescue service person, or City employee, made for public safety or other emergency reasons, to move any structure, vehicle, animal, or person from a street, which has been closed in connection with the permitted parade.

Sec. 24-45. Prohibited participation in or promotion of a parade.

- (a) *Conducting unapproved parade.* It shall be unlawful for any sponsor or other person to organize, attend, or participate in any parade that has not been approved by the Police Chief with the required parade permit, or continue to organize, attend, or participate in any parade if the Police Chief has revoked or suspended the permit for the parade.
- (b) *Violating terms of permit.* It shall be unlawful for any sponsor or other person to violate, at the place of any permitted parade or within any designated security perimeter, any of the public safety restrictions enumerated in this article or any additional restrictions specified by the Police Chief in the parade permit.
- (c) *Advertising unapproved parade.* It shall be unlawful for any sponsor or other person to take any action to advertise, promote, or conduct a parade for which a permit is required, without first obtaining a permit, or to take any action to conduct a parade for which a permit has been issued on any day, or at time, or location not authorized by the permit, or to advertise or promote such parade to take place on any day, time, or location not authorized by the permit.

Sec. 24-46. Other conduct prohibited while attending or participating in a parade.

It shall be unlawful for any person to engage in the following conduct while attending or participating in parade, regardless of if such event or assembly is required to have a permit under this article:

- (1) Failure to comply with lawful directions or instructions set forth by a City officer or employee pursuant to his duties or on a sign posted by the City for or in connection with the parade;
- (2) Climbing upon, during a parade, any public tree, wall, fence, barricade, bus shelter, pole, sign, fountain, statue, monument, or other structure or property not specifically intended for climbing purposes;
- (3) Rendering any part of the parade route dangerous or unsafe for use by others;

- (4) Closing any public street, sidewalk, alley, or right-of-way during the parade, or using any public street, sidewalk, alley, or right-of-way in a manner that obstructs vehicular or pedestrian passage during the parade unless such closure is included in the permit;
- (5) Damaging public trees, bushes, flowers, or other landscaping, fountains, monuments, statues, signs, poles, improvements, equipment, property, or structures located on the public property where the parade is being held.

Sec. 24-47. Obstructing, impeding, or interfering with a parade.

- (a) *Obstructing a permitted parade.* No person shall unreasonably hamper, obstruct, impede, or interfere with, any parade or parade assembly or with any person, vehicle, or animal participating or used in a parade.
- (b) *Parking along an approved parade route.* The Police Chief shall have the authority, when reasonably necessary, to prohibit or restrict the parking of vehicles along a street or part thereof constituting a part of the route of a parade for which a permit has been issued pursuant to this chapter. The Police Chief shall have signs posted to such effect, and it shall be unlawful for any person to park or leave unattended any vehicle in violation thereof. No person shall be guilty of violating this Section unless such signs are posted.

Sec. 24-48. Parade floats.

All decorative materials utilized on parade floats shall be flame resistant in accordance with the field test of the Virginia Statewide Fire Prevention Code. Any motorized apparatus utilized for parade floats shall be provided with a portable fire extinguisher, to which the operator shall have ready access. Any parade float utilizing special effects designed to create smoke, flame, heat, or sparking condition shall be approved by the Fire Code Official designated in Chapter 14 of this Code prior to utilization.

Secs. 24-49—24-60. Reserved.

ARTICLE V. – FUNERAL PROCESSIONS

DIVISION 1. – IN GENERAL

Sec. 24-61. – Reserved.

Sec. 24-62. - Participating in a funeral procession.

- (a) *Vehicle operation.* Each participant operating a vehicle shall drive or ride as near to the right-hand edge of the roadway as is practicable and shall follow the vehicle ahead as close as is practicable and safe. Vehicles traveling as part of any funeral procession, whether escorted or unescorted by police, may display high beam headlights or flashing hazard lights to identify themselves as part of the procession. Vehicles traveling as part of a funeral procession escorted by police may proceed through a stop sign or signalized intersection with proper caution and safety unless otherwise directed not to do so by the police.

- (b) *Other laws still in effect.* Each participant in a funeral procession shall obey all other laws while traveling in a funeral procession, unless otherwise directed by a police officer or public safety official or pursuant to the terms of a permit lawfully issued under this Chapter.

State Law reference— Right-of-way for funeral processions, Code of Virginia, § 46.2-828.

Sec. 24-63. - Driving through funeral or other procession or parade.

No operator of a vehicle, other than an emergency vehicle responding to an emergency, shall join, pass through, or interfere with the passage of a funeral or other authorized procession or parade, except when otherwise directed by a police officer or public safety official.

State Law reference— Interfering with funeral processions, Code of Virginia, § 46.2-828.

Secs. 24-64—24-80. - Reserved.

**Council Letter
City of Danville, Virginia**



CL - 1256

NEW BUSINESS E.

City Council REGULAR MEETING

Meeting Date: April 16, 2024

Subject: Amending the Fiscal Year 2024 Budget Appropriation Ordinance by Anticipating the Proceeds from the Issuance of Utility Revenue Bonds.

From: Henrietta Weaver, Budget Director

COUNCIL ACTION

An Ordinance Amending the Fiscal Year 2024 Budget Appropriation Ordinance to Provide for the Proceeds from the Sale of Utility Revenue Bonds and Appropriating Same.

First Reading

SUMMARY

The City Council has authorized the issuance of Revenue Bonds to finance various utility infrastructure projects. The attached ordinance is a flexible ordinance providing for posting of proceeds from the sale of bonds.

BACKGROUND

On March 19, 2024, City Council approved a Resolution providing for the issuance and sale of utility revenue bonds not to exceed \$13,520,000 to finance various utility infrastructure projects.

RECOMMENDATION

It is recommended that the City Council adopt the attached ordinance Amending the Fiscal Year 2024 Budget Appropriation Ordinance for utility revenue bonds.

Attachments

1. Ordinance
-

PRESENTED: _____

ADOPTED: _____

ORDINANCE NO. 2024-_____.____

AN ORDINANCE AMENDING THE FISCAL YEAR 2024 BUDGET APPROPRIATION ORDINANCE TO PROVIDE FOR THE PROCEEDS FROM THE SALE OF UTILITY REVENUE BONDS AND APPROPRIATING SAME.

WHEREAS, the City of Danville, Virginia has issued revenue bonds in the amount of \$12,500,000 to finance various utility infrastructure; and

WHEREAS, the Council of the City of Danville, Virginia approved on March 19, 2024, a Resolution providing for the issuance and sale of utility revenue bonds not to exceed \$13,520,000.

NOW THEREFORE, BE IT ORDAINED by the Council of the City of Danville, Virginia that the Fiscal Year 2024 Budget Appropriation Ordinance be, and it is hereby, amended by the funds from the sale of bonds and appropriating same, as follows:

ANTICIPATED REVENUE

<u>Description</u>	<u>Account No.</u>	<u>Amount</u>
Water Fund:		
Proceeds from the Sale of Bonds	60053000-43024	\$3,000,000
	TOTAL	<u>\$3,000,000</u>

ANTICIPATED EXPENDITURES

<u>Description</u>	<u>Account No.</u>	<u>Amount</u>
Water Fund:		
Water Line Reconstruction	60053999-50	\$3,000,000
	TOTAL	<u>\$3,000,000</u>

ANTICIPATED REVENUE

<u>Description</u>	<u>Account No.</u>	<u>Amount</u>
Electric Fund:		
Proceeds from the Sale of Bonds		
Cyber Park Substation	61810000-43024	\$4,000,000
New Design Substation Upgrade	61565000-43024	4,000,000
System Reliability and Improvements	61789000-43024	1,500,000
	TOTAL	<u>\$9,500,000</u>

ANTICIPATED EXPENDITURES

<u>Description</u>	<u>Account No.</u>	<u>Amount</u>
Electric Fund:		
Cyber Park Substation	61810999-50	\$4,000,000
New Design Substation Upgrade	61565999-50	4,000,000
System Reliability and Improvements	61789999-50	1,500,000
	TOTAL	<u>\$9,500,000</u>

AND BE IT FURTHER ORDAINED that this appropriation shall be a flexible budget allowing for the posting of the proceeds to the appropriate accounts to accommodate the actual bond issuance costs; and

BE IT FINALLY ORDAINED that all other accounts and provisions of the Fiscal Year 2024 Budget Appropriation Ordinance, as amended, not hereby amended, shall continue in full force and effect unless and until hereafter further amended or repealed.

Approved:

Mayor

Attest:

City Clerk

Approved as to
Form and Legal Sufficiency:

City Attorney

Council Letter City of Danville, Virginia



CL - 1257

NEW BUSINESS F.

City Council REGULAR MEETING

Meeting Date: April 16, 2024

Subject: Amending the Fiscal Year 2024 Budget Appropriation Ordinance by Anticipating the Proceeds from the Issuance of General Obligation Bonds.

From: Henrietta Weaver, Budget Director

COUNCIL ACTION

An Ordinance Amending the Fiscal Year 2024 Budget Appropriation Ordinance by Anticipating the Proceeds from the Issuance of Bonds and Appropriating Same for Anticipated Expenditures.

First Reading

SUMMARY

The City Council has authorized the issuance of General Obligation Bonds to fund various projects as specified in the Fiscal Year 2024 Capital & Special Projects Plan.

BACKGROUND

The City's Fiscal Year 2024 Capital & Special Projects Plan includes funding in the amount of \$11,193,467 for General Fund projects. The attached ordinance is a flexible ordinance providing for posting of issuance costs and refinancing of previous bonds to be determined upon the issuance of the bonds.

RECOMMENDATION

It is recommended that the City Council adopt the attached ordinance amending the Fiscal Year 2024 Budget Appropriation Ordinance for Capital and Special Projects.

Attachments

1. Ordinance
-

PRESENTED: _____

ADOPTED: _____

ORDINANCE NO. 2024-_____ - _____

AN ORDINANCE AMENDING THE FISCAL YEAR 2024 BUDGET APPROPRIATION ORDINANCE BY ANTICIPATING THE PROCEEDS FROM THE ISSUANCE OF BONDS AND APPROPRIATING SAME FOR ANTICIPATED EXPENDITURES.

WHEREAS, the City Council has authorized the issuance of general obligation bonds to finance various capital projects; and

WHEREAS, City Council desires to appropriate the proceeds to fund the various projects, including, without limitation, parks and recreation facilities and equipment, public safety equipment, Airport improvements, IT infrastructure, public street improvements, and improvements to public building, and estimated bond issuance costs.

NOW THEREFORE, BE IT ORDAINED by the Council of the City of Danville, Virginia, that the Fiscal Year 2024 Budget Appropriation Ordinance be, and it is hereby, amended by appropriating funds from the sale bonds as follows:

ANTICIPATED REVENUES

<u>Description</u>	<u>Account No.</u>	<u>Amount</u>
Capital Projects Fund:		
Building Improvements	61762000-43024	188,000
Fire Apparatus and Equipment Replacement	60184000-43024	835,000
Personal Protective Equipment (PPE)	61865000-43024	32,500
Pre-alerting System	61866000-43024	250,000
Computer Plan	60016000-43024	175,000
Integrated Proximity System	61898000-43024	100,000
American Legion Stadium	60810000-43024	100,000
Facility Improvements	60901000-43024	20,000
Riverwalk Trail	61075000-43024	625,000
Splash Pads	61618000-43024	2,000,000
Adult Detention Parking Lot Paving	61867000-43024	369,000
W. W. Moore, Jr. Parking Lot	61863000-43024	100,000
CCTV Expansion	61436000-43024	15,000
Tasers and BWCs	61347000-43024	262,000
City-Owned Parking Lots	61512000-43024	100,000
Elevator Upgrade - City Buildings	61702000-43024	300,000
Emergency Generators - City Buildings	61703000-43024	850,000
Exterior Painting of City Buildings	61513000-43024	100,000
General Maintenance of Buildings	60027000-43024	250,000

<u>Description</u>	<u>Account No.</u>	<u>Amount</u>
HVAC Replacement - City Buildings	61704000-43024	275,000
Interior Painting of City Buildings	61598000-43024	50,000
Roof Replacement - City Buildings	61705000-43024	250,000
Bishop Road Storm Drainage Improvement	61824000-43024	300,000
General Street Improvements	60000067-43024	200,000
Kemper Road Sidewalk Phase 2	61609000-43024	111,000
Neighborhood Street Resurfacing Program	61872000-43024	1,000,000
Pedestrian Improv at Riverside Dr & Piney Forest Rd	61873000-43024	140,200
Pedestrian Improvements Piney Forest Road	61608000-43024	113,000
River District Street Improvements	61281000-43024	500,000
River District Street Landscaping - Non VDOT	60906000-43024	75,000
Safe Streets for All Action Plan (Danville MPO)	61874000-43024	30,000
Stormwater Improvements	60022000-43024	200,000
Access Road to South Ramp	60000022-43024	137,235
Fuel Farm Expansion Design and Construction	61742000-43024	678,282
South Ramp Rehabilitation Construction	61868000-43024	112,250
Terminal Building Roof Repairs	61849000-43024	350,000
TOTAL		<u>\$11,193,467</u>

ANTICIPATED EXPENDITURES

<u>Description</u>	<u>Account No.</u>	<u>Amount</u>
Capital Projects Fund:		
Building Improvements	61762999-50	188,000
Fire Apparatus and Equipment Replacement	60184999-50	835,000
Personal Protective Equipment (PPE)	61865999-50	32,500
Pre-alerting System	61866999-50	250,000
Computer Plan	60016999-50	175,000
Integrated Proximity System	61898999-50	100,000
American Legion Stadium	60810999-50	100,000
Facility Improvements	60901999-50	20,000
Riverwalk Trail	61075999-50	625,000
Splash Pads	61618999-50	2,000,000
Adult Detention Parking Lot Paving	61867999-50	369,000
W. W. Moore, Jr. Parking Lot	61863999-50	100,000
CCTV Expansion	61436999-50	15,000
Tasers and BWCs	61347999-50	262,000
City-Owned Parking Lots	61512999-50	100,000
Elevator Upgrade - City Buildings	61702999-50	300,000
Emergency Generators - City Buildings	61703999-50	850,000
Exterior Painting of City Buildings	61513999-50	100,000
General Maintenance of Buildings	60027999-50	250,000
HVAC Replacement - City Buildings	61704999-50	275,000
Interior Painting of City Buildings	61598999-50	50,000
Roof Replacement - City Buildings	61705999-50	250,000
Bishop Road Storm Drainage Improvement	61824999-50	300,000
General Street Improvements	60000067-6999	200,000
Kemper Road Sidewalk Phase 2	61609999-50	111,000
Neighborhood Street Resurfacing Program	61872999-50	1,000,000

<u>Description</u>	<u>Account No.</u>	<u>Amount</u>
Pedestrian Improv at Riverside Dr & Piney Forest Rd	61873999-50	140,200
Pedestrian Improvements Piney Forest Road	61608999-50	113,000
River District Street Improvements	61281999-50	500,000
River District Street Landscaping - Non VDOT	60906999-50	75,000
Safe Streets for All Action Plan (Danville MPO)	61874999-50	30,000
Stormwater Improvements	60022999-50	200,000
Access Road to South Ramp	60000022-6999	137,235
Fuel Farm Expansion Design and Construction	61742999-50	678,282
South Ramp Rehabilitation Construction	61868999-50	112,250
Terminal Building Roof Repairs	61849999-50	350,000
	TOTAL	<u>\$11,193,467</u>

AND BE IT FURTHER ORDAINED that this is a flexible appropriation as related to refinancing of existing bonds and issuance costs, both to be determined when the bonds are issued; and

BE IT FINALLY ORDAINED that all other accounts and provisions of the Fiscal Year 2024 Budget Appropriation Ordinance, as amended, not hereby amended, shall continue in full force and effect unless and until hereafter further amended or repealed.

Approved:

Mayor

Attest:

City Clerk

Approved as to
Form and Legal Sufficiency:

City Attorney

Council Letter City of Danville, Virginia



CL - 1272

NEW BUSINESS G.

City Council REGULAR MEETING

Meeting Date: April 16, 2024

Subject: Amending the Fiscal Year 2024 Budget Appropriation Ordinance for a Recreation Enrichment Program in the Amount of \$326,615.

From: Charlene Presley, Division Director - Special Recreation

COUNCIL ACTION

An Ordinance Amending the Fiscal Year 2024 Budget Appropriation Ordinance to Provide for Funds in the Amount of \$64,447 for a Recreation Enrichment Program and the Local In-Kind Share of \$262,168 for a Total Appropriation of \$326,615 and Appropriation of Same.

First Reading

SUMMARY

The Danville-Pittsylvania Community Services Board will award funds in the amount of \$64,447 to the City's Department of Parks and Recreation for Fiscal Year 2024, for the Recreation Enrichment Program.

BACKGROUND

The Danville-Pittsylvania Community Services Board will award funds in the amount of \$64,447 to the City's Department of Parks and Recreation; this is a continuation of funding which the City receives each year. With these funds, the Special Recreation Division provides recreation, leisure education, socialization, community engagement, and cultural services for individuals with intellectual impairments. The funds will be matched with in-kind funds of \$262,168 for a total of \$326,615. The in-kind funds are included in the City's Fiscal Year 2024 budget.

RECOMMENDATION

Staff recommends City Council adopt an Ordinance appropriating funds to the City's Department of Parks and Recreation.

Attachments

1. Ordinance
-

PRESENTED:_____

ADOPTED:_____

ORDINANCE NO. 2024-____.____

AN ORDINANCE AMENDING THE FISCAL YEAR 2024 BUDGET APPROPRIATION ORDINANCE TO PROVIDE FOR FUNDS IN THE AMOUNT OF \$64,447 FOR A RECREATION ENRICHMENT PROGRAM AND THE LOCAL IN-KIND SHARE OF \$262,168 FOR A TOTAL APPROPRIATION OF \$326,615 AND APPROPRIATION OF SAME.

NOW THEREFORE, BE IT ORDAINED by the Council of the City of Danville, Virginia, that the Fiscal Year 2024 Budget Appropriation Ordinance be, and the same is hereby, amended by increasing revenues for funds from Danville-Pittsylvania Community Services to the Department of Parks and Recreation Enrichment Program, Special Recreation Division, in the amount of \$64,447 and in-kind services in the amount of \$262,168 for the purpose of operating a Recreation Enrichment Program to provide services for the individuals with intellectual impairments, appropriating same within the Special Grants Fund, such appropriations be as follows:

ANTICIPATED REVENUES

<u>Description</u>	<u>Account No.</u>	<u>Amount</u>
Categorical Aid - State		
Danville-Pittsylvania Community Services	60299000-45620	\$ 64,447
Local Share		
In-Kind Services Recreation Enrichment Program	60300000-44890	<u>262,168</u>
	Total	<u>\$ 326,615</u>

ANTICIPATED EXPENDITURES

<u>Description</u>	<u>Account No.</u>	<u>Amount</u>
Recreation Enrichment	60299999-50	\$ 64,447
Recreation Enrichment – In Kind		
Salaries & Wages	60300000-59500	\$ 208,965
FICA	60300000-59510	15,776
Retirement	60300000-59520	3,630
Insurance	60300000-59530	8,406
Automotive/Motor Pool Rental	60300000-59615	13,032
Utilities	60300000-59625	11,222
Telephone	60300000-59635	1,137
	Sub-total	<u>\$ 262,168</u>
	Total	<u>\$ 326,615</u>

AND BE IT FURTHER ORDAINED, that all other accounts and provisions of the Fiscal Year 2024 Budget Appropriation Ordinance not hereby amended shall continue in full force and effect unless and until hereafter further amended or repealed: and

BE IT FINALLY ORDAINED, that this appropriation shall be continuing appropriation and such appropriation shall carry forward from year to year until such funds are expended for the purpose for which they were appropriated.

Approved:

Mayor

Attest:

City Clerk

Approved as to
Form and Legal Sufficiency:

City Attorney