



DANVILLE CITY COUNCIL REGULAR MEETING AGENDA

MUNICIPAL BUILDING

December 18, 2018

7:00 P.M.

PRESIDING: Alonzo L. Jones, Mayor

CITY COUNCIL MEMBERS: James B. Buckner
L.G. "Larry" Campbell, Jr.
Dr. Gary P. Miller
Sherman M. Saunders
Fred O. Shanks, III
Adam J. Tomer
J. Lee Vogler, Jr., Vice Mayor
Madison J. Whittle

STAFF: Ken F. Larking, City Manager
Earl B. Reynolds, Jr., Deputy City Manager
W. Clarke Whitfield, Jr., City Attorney
Susan M. DeMasi, City Clerk

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

Time and Place of Meeting

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

Communications from Visitors

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

Guidelines for Public Hearings

For Public Hearings the applicant or his or her representative shall be the first speaker(s). There shall be a time limit of ten (10) minutes for the applicant's or his or her representative's presentation. The presiding

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

MEETING CALLED TO ORDER

ROLL CALL

INVOCATION - Dr. Gary P. Miller

PLEDGE OF ALLEGIANCE TO THE FLAG

ANNOUNCEMENTS AND SPECIAL RECOGNITIONS

Certificate of Recognition: Honoring the Former Mayors of the City of Danville
for their Service and Continued Support

COMMUNICATIONS FROM VISITORS

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

CONSENT AGENDA

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

- A. Public Hearing for Budget Items

- B. Consideration of Approval of Minutes from Regular Council Meeting held on November 20, 2018 and Minutes from Special Work Session held on November 8, 2018.
Council Letter Number CL - 2040

- C. Consideration of Amending the Fiscal Year 2019 Budget Appropriation Ordinance for Funds from the Department of Housing and Urban Development and Estimated Program Income in the Amount of \$1,286,284.00.
Council Letter Number CL - 2022

An Ordinance Amending the Fiscal Year 2019 Budget Appropriation Ordinance for Projects to be or Being Undertaken 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 for a Total Appropriation of \$1,286,284.00.

FINAL ADOPTION

- D. Consideration of Amending the Fiscal Year 2019 Budget Appropriation Ordinance for Funds from the Litter Control and Recycling Grant in the Amount of \$9,597.00.
Council Letter Number CL - 2019

An Ordinance Amending the Fiscal Year 2019 Budget Appropriation Ordinance to Anticipate Grant Funds from the Commonwealth of Virginia for Litter Control and Recycling Efforts in the Amount of \$9,597 and Appropriating Same.

FINAL ADOPTION

- E. Consideration of Amending the FY 2019 Budget Appropriation Ordinance for the 2018 Edward Byrne Memorial Justice Assistance Grant Program in the Amount of \$33,274.
Council Letter Number CL - 2021

An Ordinance Amending the Fiscal Year 2019 Budget Appropriation Ordinance by Increasing Revenue for the 2018 Edward Byrne Memorial Justice Assistance Grant (JAG) Program Award in the Amount of \$33,274 to be Used to Implement a Community Bicycle Patrol Project.

FINAL ADOPTION

APPOINTMENTS

- A. Consideration of Appointments to Boards and Commissions
Council Letter Number CL - 2042.

1. A Resolution Reappointing Samuel S. Thomas as a Member of the Building Code Board of Appeals.
2. A Resolution Reappointing Jarrett White as a Member of the Building Code Board of Appeals.
3. A Resolution Appointing Lawrence Meder as a Member of the Building Code Board of Appeals.
4. A Resolution Reappointing Lenard Lackey as a Member of the Employee Retirement System Board of Trustees.
5. A Resolution Reappointing Krystal Farmer as a Member of the Fair Housing Board.
6. A Resolution Appointing Matthew Bailey as a Member of the Fair Housing Board.
7. A Resolution Reappointing Harold Garrison as a Member of the Planning Commission.
8. A Resolution Appointing Sherman M. Saunders as a Member of the Staunton River Regional Industrial Facility Authority.
9. A Resolution Appointing Fred O. Shanks, III, as a Member of the Staunton River Regional Industrial Facility Authority.
10. A Resolution Appointing J. Lee Vogler, Jr., as an Alternate Member of the Staunton River Regional Industrial Facility Authority.

NEW BUSINESS

- A. Review of General Fund Financials as of November 30, 2018.
Council Letter Number CL - 2017

- B. Consideration of Approval of Submission of the City's Comprehensive Economic Development Strategy Projects List.
Council Letter Number CL - 2039

A Resolution Approving the Submission of the Comprehensive Economic Development Strategy Priority Projects for Maintaining Danville's Status as a Redevelopment Area Under the Economic Development Administration's Program.

- C. Declaration of the Opioid Crisis in the City of Danville a Public Nuisance.
Council Letter Number CL - 2041

A Resolution of the Council of the City of Danville, Virginia Declaring the Opioid Crisis in the City of Danville a Public Nuisance Which Must be Abated for the Benefit of Danville and its Residents and Citizens Pursuant to Virginia Code Sections 15.2-900 and 48-5.

- D. Consideration of Approving an Engagement to Represent Agreement to Authorize Employment of Outside Counsel.
Council Letter Number CL - 2043.

A Resolution Authorizing the Employment of James C. Peterson, Esquire, of the Law Firm Hill, Peterson, Carper, Bee & Deitzler, PLLC, to File Suit Against Those Legally Responsible for the Wrongful Distribution of Prescription Opiates and Damages Caused Thereby.

COMMUNICATIONS FROM:

- A. City Manager
- B. Deputy City Manager
- C. City Attorney
- D. City Clerk
- E. Roll Call

ADJOURNMENT

Council Letter

City of Danville, Virginia



CL-2040

Consent Agenda Item #: B.

City Council Regular Meeting

Meeting Date: 12/18/2018

Subject: Consideration of Approval of Minutes

From: Susan M. DeMasi, City Clerk

COUNCIL ACTION

Business Meeting: 12/18/2018

SUMMARY

Consideration of Approval of Minutes from Regular Council Meeting held on November 20, 2018 and Minutes from Special Work Session held on November 8, 2018.

Council Letter Number CL - 2040

Attachments

Meeting Minutes

Meeting Minutes

November 20, 2018

The Second Regular November meeting of the Danville City Council was held on November 20, 2018, at 7:00 p.m. in the Council Chambers located on the Fourth Floor of the Municipal Building. The following Council Members were present: L.G. "Larry" Campbell Jr., Mayor Alonzo L. Jones, Dr. Gary P. Miller, Sherman M. Saunders, Fred O. Shanks, III, Vice Mayor J. Lee Vogler, Jr., Adam J. Tomer and Madison J.R. Whittle (8). James B. Buckner was absent (1).

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

Mayor Jones presided.

APPOINTMENTS

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

RESOLUTION NO. 2018-11.06

APPOINTING AMANDA ALLEN AS INTERIM CITY CLERK FOR THE NOVEMBER 20, 2018 COUNCIL MEETING

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

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

INVOCATION AND PLEDGE OF ALLEGIANCE

The Invocation was given by Council Member L.G. "Larry" Campbell, Jr.; the Pledge of Allegiance to the Flag followed.

MINUTES

Upon **Motion** by Council Member Saunders and **second** by Council Member Whittle, Minutes from the Regular Council Meeting held on October 16, 2018 were approved as presented. Draft copies had been distributed prior to the meeting.

NEW BUSINESS

PUBLIC HEARING – CONSIDERATION OF AUTHORIZING A DEED OF EASEMENT FOR ACCESS ACROSS PARCEL #60207

Mayor Jones opened the floor for a Public Hearing regarding a Deed of Easement. Notice of the Public Hearing was published in the *Danville Register & Bee* on November 13, 2018. No one present desired to be heard and the Public Hearing was closed.

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

November 20, 2018

RESOLUTION NO. 2018-11.07

AUTHORIZING THE CITY MANAGER TO CONVEY AN EASEMENT ACROSS SPECIFIC CITY PROPERTY TO ALLOW ACCESS TO AN ADJACENT LANDLOCKED PARCEL

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

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

AUTHORIZING EXECUTION OF A LEASE AGREEMENT WITH NORFOLK SOUTHERN

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

RESOLUTION NO. 2018-11.08

APPROVING AN AGREEMENT WITH NORFOLK SOUTHERN TO MAINTAIN THE USE OF A PASSENGER BOARDING AREA FOR THE DANVILLE TRANSIT SYSTEM.

The Motion was **seconded** by Vice Mayor Vogler and carried by the following vote:

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

BUDGET AMENDMENT – AMENDING THE FY 2019 BUDGET APPROPRIATION ORDINANCE FOR THE PROCEEDS FROM THE ISSUANCE OF BONDS

Upon **Motion** by Vice Mayor Vogler and **second** by Council Member Miller, an Ordinance entitled:

ORDINANCE NO. 2018-11.01

AMENDING THE FISCAL YEAR 2019 BUDGET APPROPRIATION ORDINANCE FOR THE PROCEEDS FROM THE ISSUANCE OF BONDS AND APPROPRIATING SAME FOR ANTICIPATED EXPENDITURES

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

BUDGET AMENDMENT - AMENDING THE FY 2019 BUDGET APPROPRIATION ORDINANCE - \$120,000 FROM THE DANVILLE REGIONAL FOUNDATION

Upon **Motion** by Council Member Miller and **second** by Council Member Saunders, an Ordinance entitled:

November 20, 2018

ORDINANCE NO. 2018-11.02

AMENDING THE FISCAL YEAR 2019 BUDGET APPROPRIATION ORDINANCE BY INCREASING REVENUES FROM THE DANVILLE REGIONAL FOUNDATION IN THE AMOUNT OF \$120,000 FOR THE CITY'S BUSINESS ATTRACTION STRATEGY AND APPROPRIATING THE SAME

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

BUDGET AMENDMENT – AMENDING THE FY 2019 BUDGET APPROPRIATION ORDINANCE IN THE AMOUNT OF \$612,080 FOR TWO VIRGINIA TOBACCO COMMISSION GRANTS

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

ORDINANCE NO. 2018-11.03

AMENDING THE FISCAL YEAR 2019 BUDGET APPROPRIATION ORDINANCE IN THE AMOUNT OF \$612,080 TO PROVIDE FOR ONE HALF OF THE REQUIRED LOCAL MATCHING FUNDS FOR TWO VIRGINIA TOBACCO REGION REVITALIZATION COMMISSION GRANTS #3301 AND #2264 FOR THE SOUTHERN VIRGINIA MEGASITE AT BERRY HILL AND APPROPRIATING THE SAME

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

COMMUNICATIONS

There were no communications from the City Manager, Deputy City Manager, or City Clerk. City Attorney Clarke Whitfield noted that the first meeting of January will be on Thursday, January 3, 2019. City Code mandates that when January 1st falls on a Tuesday, that the meeting automatically moves to the Thursday.

ROLL CALL

Council Member Saunders noted a Happy Thanksgiving to everyone.

Council Member Shanks wished everyone a Happy Thanksgiving, especially city employees. Mr. Shanks encouraged citizens in the region to support Small Business Saturday, support local businesses on Black Friday and the following weeks to Christmas.

Council Member Tomer wished everyone a Happy Thanksgiving and to enjoy time with family, friends and loved ones.

Vice Mayor Vogler thanked Danville Toyota for once again lending one of their trucks to Danville City Council to ride in, for the Veterans' Day Parade; they are always helpful getting Council a vehicle to ride in. Council had a great time, it was a wonderful parade. As Council gets into the budget season in the next couple of months, he would like Council to give consideration to improvements to the entry corridors into the City, particularly the West

November 20, 2018

Main/Business 29 area. Mr. Vogler wished everyone a Happy Thanksgiving, it is a wonderful time in the City with a lot to be thankful for.

Council Member Whittle questioned the City Manager, to follow up on the family that had problems, that came to the last Council meeting. Mr. Larking noted he had several contacts with that family, first to find out what the issue was and then updating them on what the City planned to do. In that particular case, what they called a reservoir is actually a stormwater retention pond on Nor-Dan; the volume of water was so large that it overwhelmed it and created erosion. The property they are talking about is a private property issue, the City does not have an easement in their backyard. Mr. Larking stated he told the family the City will keep the retention pond as clean as possible, so the drains are open and can flow like they should. That would be good for most storms, but with a storm like Michael that was so large and overwhelmed that retention pond, it may still create issues. Mr. Larking noted he gave them some thoughts and advice on what the City engineers said they should be doing and suggested they contact some experts on their own. Mr. Whittle noted the Veterans' Parade was great, thanked all the Veterans and wished everyone a nice Thanksgiving.

Council Member Campbell wished everyone a happy, safe Thanksgiving, and to enjoy their families.

Council Member Miller noted they attended the Schoolfield accreditation ceremony; there was a lot of excitement with the students, teachers and principals. They worked very, very hard to obtain their accreditation. Danville now has four schools accredited: Park Avenue, Schoolfield, Forest Hills and Galileo, and he looks forward to the day when all the schools are accredited. Dr. Miller encouraged citizens to look out for their neighbors, Danville has had a tough year with storms and hurricanes, and wished everyone a Happy Thanksgiving.

Mayor Jones noted Delegate Danny Marshall was in Chambers, welcomed him and thanked him for his work. Mayor Jones noted he was thankful for all the Council Members, for their support for him and the entire City, and wished everyone a Happy Thanksgiving.

The meeting adjourned at 7:17 p.m.

APPROVED:

MAYOR

ATTEST:

CITY CLERK

November 8, 2018s

A Special Work Session of the Danville City Council convened on November 8, 2018 at 5:30 p.m. in the Conference Room located on the Fourth Floor of the Municipal Building. Council Members present were: James B. Buckner, L. G. "Larry" Campbell Jr., Mayor Alonzo L. Jones, Dr. Gary P. Miller, Sherman M. Saunders, Fred O. Shanks, III, Adam J. Tomer, Vice Mayor J. Lee Vogler, Jr., and Madison J.R. Whittle (9). *Rev. Campbell entered the meeting at 5:32 p.m. and Mr. Shanks entered the meeting at 5:38 p.m.*

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

PRESENTATION ON THE WHITE MILL REDEVELOPMENT MASTER PLAN

Director of Economic Development Telly Tucker introduced Gary Harvey, Principal Senior Architect with Architectural Partners and Brian Goldman, an Architect with Architectural Partners. Mr. Harvey began his power point presentation, *Danville's White Mill Building*, (a copy of which has been retained in Laserfiche, in the City Clerk's folder, Presentations to Council.) Mr. Harvey noted they have partnered with Danville in both the public and private side, and have had successful projects including Cotton, Averett University, Mucho, the restroom facilities at the trailhead, and projects on Craghead Street. Some people may look at the White Mill building and wonder what can be done with it.

Mr. Harvey noted they met with members of Danville's Economic Development Department, Parks & Rec and the Riverfront Association, and discussed some of the possibilities and needs of the community. They had a site visit where they documented the building, and had a structural engineer do a structural analysis. The report came back that the building is in great shape. There are some small areas that need patching and repair, but overall the building is very structurally sound and could facilitate almost any use proposed for it.

In response to Mr. Buckner, Mr. Harvey stated the structural engineer did an analysis of the building and the only pieces he found were some places where some spalling had occurred on the exterior of the building. There was a location on the bottom basement slab where there was some undermining of the existing slab; that is something that could be cut out and patched. The building is very sound, and they saw no evidence of any structural cracking. Mr. Harvey noted the weakest pieces are going to be some of the window units as storms have blown through some of them. The steel frames, over the years, have become rusted and there is some fatigue there, but nothing restoration could not fix. Mr. Whittle asked if they had done hydrostatic testing on the footers and Mr. Harvey stated they have not done that level of testing yet; that would be something the City would do. Their structural engineer said based on how heavy the building is and the fact that there was no differential settling, that there was a pretty good foundation. Mr. Whittle noted the building is actually three buildings, all of them are going to settle to some point. Not seeing those footings especially on the end going toward the bridge that has the columns under it, it looks like they had to go in there, shore everything up and rebuild that corner. Mr. Harvey noted the engineer did not notice anything that was of concern there. Some of the places where it has been shored up was because pieces of equipment that were there in the past and some structural components had been compromised where they created an opening in a floor, took out a column and built a beam over a piece of machinery. Where supplemental shoring has been done on that, those pieces would have to be adjusted or addressed when the actual construction would take place.

Mr. Harvey noted for the soil condition, what they are assuming is not only will there be a lot of rock but also a lot of sand, it is a river basin area. Those soils have a tendency to be more

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of a wet soil. With the age of the building, none of that was a concern. There would have to be more invasive testing to find out how deep the footings go. Mr. Harvey noted some of the footings, based on traditional construction, are four to five feet in the ground; some areas might go as deep as six to eight feet. There was a lot of load that was being transferred down, not only with the building itself but also with the mill equipment; structurally they had very little concern about this building. A lot of the things the structural report addressed were things on the exterior where there has been spalling of parts of the exterior wall or some reinforcement that has been exposed. A reason why that was a concern is because you don't want that steel to continue to be exposed for a long term; that steel will actually rust. As it rusts, it expands and will cause additional spalling of the concrete surface.

Mr. Harvey then showed a video presentation of ideas for the White Mill Building, and explained when they met with the group initially, some of the things that were working well in Danville and some of the draws in Danville are the exterior trails, parks, and citizens and visitors being drawn downtown. As they talked with Parks and Rec, the idea of a destination on the Dan as an adventure destination started to come into play. They looked at some other elements that might be brought with the idea of an adventure designation, such as the whitewater canal that the City has looked into. They discussed climbing facilities, high rope courses, zip lines, and taking advantage of the natural river itself for adventure enjoyment. They also started thinking about what types of housing might be beneficial to continue to draw people down and populate the city core. A lot of developers are meeting that need for loft apartments but there is still a need for luxury loft apartments that is not being addressed. They have seen in other localities, a lot of retired people want to live in apartments where they don't have to maintain a house; they want to move into the city core back into apartments. Mr. Harvey noted it could also support retail that might be adventure based, and hospitality. Danville has some motels, most are considered economy or base scale motels; a boutique or specialty type hotel might be a benefit. Danville can offer a lot of adventure based experiences that might draw people to higher end hospitality. Also, VIR is now a year round race venue that draws people to Danville. Their choices for lodging are in Danville or South Boston and there aren't a lot of options or choices. Another aspect is business or corporation; with Danville's focus being on the technology sector, if they were able to secure a Google type corporate office, that could also bring a lot of jobs to the area.

Mr. Harvey reviewed an aerial site plan of the White Mill Project, showing the main drive entry with the first level being parking, and a secondary drive to the hotel entrance. Mr. Harvey noted there would be an interior street that would take people to the river side of the building where they could go across the bridge and get access to the other side of the Dan River. Mr. Harvey reviewed the outdoor public spaces, boardwalks, an upper outdoor restaurant on the fourth floor, a lazy river type pool for the hotel, outdoor patios for the apartments, climbing tower, rope course, an amphitheater, the whitewater canal, and piers into the Dan. The bottom floor would be used for parking, with about 185 parking spaces. Some would be used for the hotel, some for the private residences and others for parking for the retail space. The next floor would be primarily the public corridor, the retail floor, and the lobby for the hotel. The next floor would be the commercial floor where they recommend the City have a business or technology base type corporation. The fourth floor would be the hotel floor where most of the luxury rooms would be. The next level up would be residential and restaurant level. The apartments would be luxury apartments, each would have a stair as there is room for two floors in each apartment. The final level is the rooftop level, taking advantage of an exterior restaurant overlooking the Dan River, a lazy river pool, and private residential patios.

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Mr. Harvey noted the overall site has 18 acres, three of that is what the building is sitting on; they use fifteen acres in their site costs. The building is five stories plus the roof, the footprint of the building is approximately 840 feet by 142 feet, which gives a floor plan of about 123,082 feet per floor, at five stories, there is a cumulative square footage of 615,412, with another 81,205 square feet on the roof, for a total square footage of 696,645 square feet. Mr. Harvey reviewed costs including \$3,203,465 for acquisition costs, stabilization and some of the additional fees the City has already paid. Construction Costs, including the site, building and environmental give a total \$150,367,645. Some of the soft costs which include the A&E fees, inspections and testing total \$15,036,764.50 (about 10% of construction costs). The FF&E is \$1,000,000 and an 8% allowance for Owner Costs, which is financing, legal fees, management of \$12,029,411.60. The total project costs are \$181,647,286.10, owners costs of \$18,163,728.61 give a grand total \$199,801,014.71. The construction costs are \$222.91 per square foot, the owner's project costs would be \$67.10 with a total project cost of \$290.01 per square foot. Mr. Harvey reviewed some of the opportunities and incentives; including Federal, State and Local Grants. One of the common ones is the Historic Tax Credits, the Federal Tax Credit is about 20% which is \$33,721,574.90, the State Credit is about 25% would be \$42,151,968.63, tax credits alone total about 40% of the overall cost that could be recouped in just Federal and State Historic Tax Credits. Doing preservation revitalization projects could be economically feasible.

Mr. Shanks noted one of the main features was the whitewater component, the slope of the water surface is important, why are they going to the upper level, above the small dam; that is going to affect the whitewater. Mr. Goldman explained the idea would be to build in gate canals so that people could get back out and paddle back up or continue down through if they wanted. There would be a lesser rapid area and then a more rapid-y area as they progressed down. Mr. Shanks stated where the two canals diverge, are they the same elevation, water-wise and Mr. Harvey noted he believed there was a slight difference in elevation because there is a low water dam that is separating the two. Mr. Harvey explained there is a consultant that designs the whitewater canals and would specialize in the development of that. The velocity of the whitewater can be controlled to go from a Class One rapid all the way up to a Class Five depending on the capability of the kayaker.

Mr. Larking explained when they discuss the costs, the Historic Tax Credit costs vary depending on how the developer uses them. If they try to use it themselves, they can capture more of that; if they sell them, they get less. The Federal government has a formula that affects the amount that someone would get for the project as well. Mr. Harvey noted to also understand that the City is already grandfathered in under the previous version of the tax credit program, which is an advantage to the City that means they could secure that entire 20% number. Mr. Tucker noted in the numbers presented, Mr. Harvey also presented costs associated with the landscape and the whitewater included. If Council were interested in seeing the break-out of each phase, staff does have the spreadsheets that breaks out the cost of the building versus the landscaping and the projected cost of the white water.

Dr. Miller noted the video did not show the upper entrance to the whitewater, is that below the Union Dam and how close is it to the dam. Mr. Harvey explained when the whitewater feature is designed, there would be a place where boats would come into that which will be a certain distance away from the dam. At the dam itself is where a lot of water will be captured.

Mr. Tomer asked if the architectural study was paid for through a grant and Mr. Tucker noted it was paid for through a Main Street Grant, Virginia Department of Housing and Community

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Development, a \$25,000 feasibility/conceptual study grant. Ms. Bobe explained the River District Association applied for it on behalf of the City and they were the recipient of it.

Mr. Larking noted the purpose of this is to create a vision for what could happen at the White Mill should a developer be contacted that is willing to do this; it gives them an idea of what it would cost to build this and what the cost per square foot would be. They can take that information and factor that into what they can get for market rate apartments, retail and hotel space. That developer would be able to make a decision whether or not they can make money doing this. Mr. Vogler noted it is important to point out that this is just presenting a vision to show a developer.

Mr. Tomer questioned the capital investment that the City has had in the River District already, and Mr. Tucker noted it was about \$155M. Mr. Tomer stated the City has had about \$155M of investment in the River District; that didn't happen overnight, the City has been working on that for six or seven years. To think that this project would happen overnight, citizens and Council need to understand that probably won't happen; this lays out a vision for possible use of the building. Mr. Shanks noted he likes the report that was put together, it will be a great marketing tool, it has numbers attached to it, and it shows great opportunity to developers.

Mayor Jones thanked Mr. Tucker and his staff; this gives the community a view of what possibly could be. Council Members thanked the staff and consultants for the report.

MEETING ADJOURNED AT 6:43 P.M.

APPROVED:

MAYOR

ATTEST:

CITY CLERK

Council Letter

City of Danville, Virginia



CL-2022

Consent Agenda Item #: C.

City Council Regular Meeting

Meeting Date: 12/18/2018

Subject: Fiscal Year 2018-19 Community Development Programs

From: Kenneth C. Gillie, Jr., Community Development Director

COUNCIL ACTION

First Reading: 12/04/2018

Final Adoption: 12/18/2018

SUMMARY

The City of Danville is a participating jurisdiction under the U.S. Department of Housing and Urban Development (HUD). Under this designation, the City receives Community Development Block Grant (CDBG) and HOME Investments Partnership Program (HOME) funds annually. The City has received its funding agreement from HUD in the amount of \$1,286,284.00 and needs to appropriate the money to be used for housing related programs.

BACKGROUND

In June, City Council approved a new Fiscal Year 2018-2019 Annual Action Plan, specifying projects and activities that will be funded in the fiscal year. A large majority of the CDBG funds have historically been used for neighborhood revitalization efforts and it is proposed to continue focusing on this effort in the 2018-2019 Plan. In addition, there is a public service category which can be funded with up to 15% of the annual allocation. It provides funding to assist non-profit organizations to carry out programs that benefit low- to moderate-income individuals and/or households.

The City has received the program agreement from HUD for a total budget of \$1,286,284.00 for Fiscal Year 2018-2019, comprised of \$865,416 CDBG funds, \$270,868 HOME funds, and \$150,000 estimated program income generated from loan repayments and the sale of houses currently under City's lease-to-purchase program.

RECOMMENDATION

It is recommended that City Council adopt the attached Budget Appropriation Ordinance appropriating \$1,286,284 from HUD for FY 2018-19 for use in Housing related programs.

Attachments

[Ordinance](#)

PRESENTED: _____

ADOPTED: _____

ORDINANCE NO. 2018-____.____

AN ORDINANCE AMENDING THE FISCAL YEAR 2019 BUDGET APPROPRIATION ORDINANCE FOR PROJECTS TO BE OR BEING UNDERTAKEN 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 FOR A TOTAL APPROPRIATION OF \$1,286,284.00.

WHEREAS, the United States Department of Housing and Urban Development has made available \$865,416 in Community Development Block Grant (CDBG) and \$270,868 in HOME Partnership Program (HOME) Entitlement funds to be used for projects to improve the Danville community; and

WHEREAS, it is projected that an aggregated amount of \$50,000 in CDBG program income and \$100,000 in HOME program income will be generated during the period from July 1, 2018 through June 30, 2019 from the Community Development Block Grant and HOME Entitlement funds which will be used to improve the Danville Community.

NOW THEREFORE, BE IT ORDAINED by the Council of the City of Danville, Virginia, that the estimated/anticipated revenues and appropriation of funds to finance the Budget of the Community Development Block and HOME Partnership Program are hereby, as follows:

CDBG/HOME FUND
ESTIMATED/ANTICIPATED REVENUES

<u>Description</u>		<u>Account No.</u>	<u>Amount</u>
Federal Aid-CDBG:	FY2019	61418000-48025	\$865,416
Federal Aid-HOME:	FY2019	61419000-48030	\$270,868
CDBG Program Income:	FY2019	61418000-44381	\$ 50,000
HOME Program Income:	FY2019	61419000-44361	<u>\$100,000</u>
		GRAND TOTAL:	<u>\$1,286,284</u>

ESTIMATED/ANTICIPATED EXPENDITURES

<u>Description</u>	<u>Account No.</u>	<u>Amount</u>
H & D ADMIN FY 2019		
Salaries & Wages	61420000-51100	\$36,000
FICA Taxes	61420000-51450	\$3,000
Retirement	61420000-51525	\$3,000
Group Hospital	61420000-51600	\$1,000
Group Life Insurance	61420000-51630	\$100
Maintenance Service Contracts	61420000-52225	\$1,700
AVL Service Contracts	61420000-52226	\$200
Outside Services	61420000-52349	\$56,600
Vehicles	61420000-52550	\$1,800
Print Shop – Print Jobs	61420000-52650	\$100
Print Shop – Supplies	61420000-52655	\$1,000
Postal Service	61420000-54050	\$600
Telephone/Internet	61420000-54100	\$100
General Liability Insurance	61420000-54650	\$100
Travel/Training	61420000-54900	\$2,000
	SUB TOTAL:	<u>\$107,300</u>
 CODE ENFORCEMENT FY 2019		
Salaries & Wages	61421000-51100	\$73,500
FICA Taxes	61421000-51450	\$5,500
Retirement	61421000-51525	\$5,600
Group Hospital	61421000-51600	\$8,100
Group Life Insurance	61421000-51630	\$300
Group Hospital Insurance	61421000-51632	\$2,000
Maintenance Service Contracts	61421000-52225	\$900
AVL Service Contracts	61421000-52226	\$500
Vehicles Radio	61421000-52500	\$400
Vehicles	61421000-52550	\$8,000
Print Shop – Supplies	61421000-52655	\$200
Postal Service	61421000-54050	\$6,000
General Liability Insurance	61421000-54650	\$100
	SUB TOTAL:	<u>\$111,100</u>
 CDBG REHAB ADMIN: FY 2019		
Salaries & Wages	61422000-51100	\$190,200
FICA Taxes	61422000-51450	\$13,700
Retirement	61422000-51525	\$14,600
Group Hospital	61422000-51600	\$27,400
Group Life Insurance	61422000-51630	\$500
Legal Services	61422000-52170	\$11,300
Maintenance Service Contracts	61422000-52225	\$400
AVL Service Contracts	61422000-52226	\$200
Advertising	61422000-52275	\$2,000
Outside Services	61422000-52349	\$12,000
Vehicles Radio	61422000-52500	\$200
Vehicles	61422000-52550	\$5,400
Print Shop	61422000-52650	\$100

Print Shop - Supplies	61422000-52655	\$300
Postal Service	61422000-54050	\$200
Telephone	61422000-54100	\$1,000
General Liability Insurance	61422000-54650	\$100
Travel/Training	61422000-54900	\$3,800
Materials & Supplies	61422000-55930	\$500
Books & Subcriptions	61422000-56075	\$500
Dues & Memberships	61422000-56242	\$800
	SUB TOTAL:	<u>\$285,200</u>

REHABILITATION: FY 2019

CDBG Housing Rehab Projects	61423999-50	<u>\$151,316</u>
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HSG L-TO-P PGM FY 2019

Lease to Purchase Program	61424000-50	<u>\$14,000</u>
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FAIR HOUSING FY 2019

Fair Housing Admin	61425000-50	<u>\$28,000</u>
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PUBLIC SERVICE ACTIVITIES (PSA): FY 2019

Head Start/CIC	61432068-55005	\$45,000
College Bound	61432069-55005	\$25,000
Legal Aid	61432415-55005	\$9,000
Telamon Counselling	61432111-55005	\$3,000
Center for Housing Counselling	61432117-55005	\$3,000
Big Brothers/Big Sisters	61432122-55005	\$13,500
Neighbors Helping Neighbors	61432125-55005	\$20,000
Ex-Offenders Program	61432416-55005	\$10,000
	SUB TOTAL:	<u>\$128,500</u>

PRESENT HELP MINISTRIES FACILITIES FY 2019

	61426999-50	<u>\$15,000</u>
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PRT PUBLIC FACILITIES FY 2019

	61430999-50	<u>\$50,000</u>
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TEMP SHLTR SGL PARENTS W/CHILDREN FY 2019
HOME ADMIN FY 2019

	61431999-50	<u>\$25,000</u>
Salaries & Wages	61427000-51100	\$13,500
FICA Taxes	61427000-51450	\$900
Retirement	61427000-51525	\$1,000
Group Hospital	61427000-51600	\$2,200
Group Life Insurance	61427000-51630	\$100
	SUB TOTAL:	<u>\$17,700</u>

HOME REHABILITATION: FY 2019

HOME Housing Rehab Projects	61428999-50	<u>\$308,474</u>
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HOME REHAB CHDO FY 2019

CHDO Set Aside Rehab of Private Property	61429065-52230	\$40,631
CHDO Administration Expense	61429000-55815	<u>\$4,063</u>
	SUB TOTAL:	<u>\$44,694</u>

GRAND TOTAL \$1,286,284

BE IT FURTHER ORDAINED that a flexible budget is hereby authorized whereby appropriations may be increased to the extent that actual revenues from Interest and Program Incomes exceed the original budget amount; and

BE IT FINALLY ORDAINED that all other accounts and provisions of the Fiscal Year 2019 Budget Appropriations Ordinance, as amended, not hereby amended, shall continue in full force and effect unless and until hereafter further amended or repealed.

APPROVED:

MAYOR

ATTEST:

CLERK

Approved as to
Form and Legal Sufficiency:

City Attorney

Council Letter

City of Danville, Virginia



CL-2019

Consent Agenda Item #: D.

City Council Regular Meeting

Meeting Date: 12/18/2018

Subject: Litter Control Grant - Fiscal Year 2019 Appropriation

From: Richard Drazenovich, Public Works Director

COUNCIL ACTION

First Reading: 12/04/2018

Final Adoption: 12/18/2018

SUMMARY

Each year, the City of Danville is awarded a grant from the Virginia Department of Environmental Quality for litter prevention and recycling program activities. The awarded grant amount for Fiscal Year 2019 is \$9,597.00. The funds are placed in a Special Grant Fund and appropriated annually to continue the City's litter prevention and recycling activities. The Litter Prevention and Recycling Grant is used to promote recycling and to provide materials and supplies for educational programs and litter collection. The funds can be used to conduct educational programs, purchase trash receptacles and other small supplies and materials necessary, including equipment and solid waste disposal fees associated with voluntary cleanups.

RECOMMENDATION

It is recommended that City Council approve the attached Budget Appropriation Ordinance appropriating funds from the Litter Control and Recycling Grant.

Attachments

Ordinance

PRESENTED: _____

ADOPTED: _____

ORDINANCE NO. 2018-____.____

AN ORDINANCE AMENDING THE FISCAL YEAR 2019 BUDGET APPROPRIATION ORDINANCE TO ANTICIPATE GRANT FUNDS FROM THE COMMONWEALTH OF VIRGINIA FOR LITTER CONTROL AND RECYCLING EFFORTS IN THE AMOUNT OF \$9,597 AND APPROPRIATING SAME.

NOW THEREFORE, BE IT ORDAINED by the Council of the City of Danville, Virginia, that the fiscal year 2019 budget appropriation ordinance be, and the same is hereby, amended by increasing revenues to the Special Grants Fund from the Litter Control and Recycling Grant for the purpose of paying for equipment, materials, and supplies, such revenues and appropriating to be within the Special Grants Fund and to be as follows:

ANTICIPATED REVENUES

<u>Description</u>	<u>Account No.</u>	<u>Amount</u>
Categorical Aid: Litter Control Grant	60119000-47420	<u>\$9,597.00</u>

ANTICIPATED EXPENDITURES

<u>Description</u>	<u>Account No.</u>	<u>Amount</u>
Litter Control	60119999-50	<u>\$9,597.00</u>

BE IT FURTHER ORDAINED that all other accounts and provisions for the fiscal year 2019 budge 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:

CLERK

Approved as to
Form and Legal Sufficiency:

City Attorney

Council Letter

City of Danville, Virginia



CL-2021

Consent Agenda Item #: E.

City Council Regular Meeting

Meeting Date: 12/18/2018

Subject: United States Department of Justice 2018 Edward Byrne Memorial Justice Assistance Grant Program - Community Bicycle Patrol Project

From: Scott Booth, Police Chief

COUNCIL ACTION

First Reading: 12/04/2018

Final Adoption: 12/18/2018

SUMMARY

The Danville Police Department has been informed it is eligible for a grant of \$33,274 to be used for law enforcement purposes, from the United States Department of Justice 2018 Edward Byrne Memorial Justice Assistance Grant (JAG) Program. Funds from this grant will be used to equip our officers with police bicycles that will enable them to more closely engage with our community. Bicycles offer the advantage of street-level interaction with community members that is often missed in the isolated environment of a passing police car. This opportunity for direct community engagement will allow the Department to more effectively identify issues in neighborhoods and establish the relationships, trust, and lines of communication that are necessary elements of the cooperative effort to reduce crime and improve safety in our City.

RECOMMENDATION

It is recommended that the City Council adopt the attached Ordinance Amending the FY 2019 Budget Appropriation Ordinance by anticipating revenues in the amount of \$33,274 from the United States Department of Justice 2018 Edward Byrne Memorial Justice Assistance Grant (JAG) Program.

Attachments

Ordinance

PRESENTED: _____

ADOPTED: _____

ORDINANCE NO. 2018-_____._____

AN ORDINANCE AMENDING THE FISCAL YEAR 2019 BUDGET APPROPRIATION ORDINANCE BY INCREASING REVENUE FOR THE 2018 EDWARD BYRNE MEMORIAL JUSTICE ASSISTANCE GRANT (JAG) PROGRAM AWARD IN THE AMOUNT OF \$33,274 TO BE USED TO IMPLEMENT A COMMUNITY BICYCLE PATROL PROJECT.

WHEREAS the City of Danville has been allocated a grant under the United States Department of Justice Fiscal Year 2018 Edward Byrne Memorial Justice Assistance Grant (JAG) program in the amount of \$33,274.00; and

WHEREAS this grant is named in honor of NYPD Officer Edward Byrne, who was murdered in the line of duty on February 26, 1988 while serving on a detail that was protecting a witness who had agreed to testify against local drug dealers; and

WHEREAS the funding from this allocation will be used to implement a community bicycle patrol that will enable our officers to more closely engage with the community; and

WHEREAS the grant will require no matching funds.

NOW THEREFORE, BE IT ORDAINED by the Council of the City of Danville, Virginia, that the Fiscal Year 2019 Budget Appropriation Ordinance be, and the same is hereby, amended by increasing revenues to anticipate the receipt of funds in the amount of \$33,274.00 from the Fiscal Year 2018 Edward Byrne Memorial Justice Assistance Grant (JAG) program:

ANTICIPATED REVENUE

<u>Description</u>	<u>Account No.</u>	<u>Amount</u>
FY 2018 Edward Byrne Memorial JAG Program	61466000-48230	<u>\$33,274</u>

ANTICIPATED EXPENDITURES

<u>Description</u>	<u>Account No.</u>	<u>Amount</u>
FY 2018 Edward Byrne Memorial JAG Program	61466999-50	<u>\$33,274</u>

AND BE IT FURTHER ORDAINED that this appropriation shall be a continuing appropriation and shall carry forward from year to year until expended for the purpose for which appropriated; and

BE IT FINALLY ORDAINED that all other accounts and provisions of the Fiscal Year 2019 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:

CLERK

Approved as to
Form and Legal Sufficiency:

City Attorney

Council Letter

City of Danville, Virginia



CL-2042

Appointments Item #: A.

City Council Regular Meeting

Meeting Date: 12/18/2018

Subject: Consideration of Appointments to Boards and Commissions

From: Susan M. DeMasi, City Clerk

COUNCIL ACTION

Business Meeting: 12/18/2018

SUMMARY

Consideration of Appointments to the Following Boards and Commissions:

1. Building Code Board of Appeals
2. Employee Retirement System
3. Fair Housing Board
4. Planning Commission
5. Staunton River Regional Industrial Facility Authority

Attachments

Resolutions

Resolutions

PRESENTED: _____

ADOPTED: _____

RESOLUTION NO. 2018 - __ . ____

A RESOLUTION REAPPOINTING SAMUEL S. THOMAS AS A MEMBER OF THE BUILDING CODE BOARD OF APPEALS.

BE IT RESOLVED by the Council of the City of Danville, Virginia, that Samuel S. Thomas be, and he is hereby reappointed as a member of the Building Code Board of Appeals to serve as such for a three year term commencing January 1, 2019 and ending December 31, 2021.

APPROVED:

MAYOR

ATTEST:

CITY CLERK

PRESENTED: _____

ADOPTED: _____

RESOLUTION NO. 2018 - __ . ____

A RESOLUTION REAPPOINTING JARRETT WHITE AS A MEMBER OF THE BUILDING CODE BOARD OF APPEALS.

BE IT RESOLVED by the Council of the City of Danville, Virginia, that Jarrett White be, and he is hereby reappointed as a member of the Building Code Board of Appeals to serve as such for a three year term commencing January 1, 2019 and ending December 31, 2021.

APPROVED:

MAYOR

ATTEST:

CITY CLERK

PRESENTED: _____

ADOPTED: _____

RESOLUTION NO. 2018 - __ . __

A RESOLUTION APPOINTING LAWRENCE MEDER AS A MEMBER OF THE BUILDING CODE BOARD OF APPEALS.

BE IT RESOLVED by the Council of the City of Danville, Virginia, that Lawrence Meder be, and he is hereby appointed as a member of the Building Code Board of Appeals to serve as such for a three year term commencing January 1, 2019 and ending December 31, 2021.

APPROVED:

MAYOR

ATTEST:

CITY CLERK

PRESENTED: _____

ADOPTED: _____

RESOLUTION NO. 2018 - __ . __

A RESOLUTION REAPPOINTING LENARD LACKEY AS A MEMBER OF THE EMPLOYEE RETIREMENT SYSTEM BOARD OF TRUSTEES.

BE IT RESOLVED by the Council of the City of Danville, Virginia, that Lenard Lackey be, and he is hereby reappointed as a member of the Employee Retirement System Board of Trustees to serve as such for a two year term commencing January 1, 2019 and ending December 31, 2020.

APPROVED:

MAYOR

ATTEST:

CITY CLERK

PRESENTED: _____

ADOPTED: _____

RESOLUTION NO. 2018 - __ . __

A RESOLUTION REAPPOINTING KRYSTAL FARMER AS A MEMBER OF THE FAIR HOUSING BOARD.

BE IT RESOLVED by the Council of the City of Danville, Virginia, that Krystal Farmer be, and she is hereby reappointed as a member of the Fair Housing Board to serve as such for a three year term commencing January 1, 2019 and ending December 31, 2021.

APPROVED:

MAYOR

ATTEST:

CITY CLERK

PRESENTED: _____

ADOPTED: _____

RESOLUTION NO. 2018 - __ . ____

A RESOLUTION APPOINTING MATTHEW BAILEY AS A MEMBER OF THE FAIR HOUSING BOARD.

BE IT RESOLVED by the Council of the City of Danville, Virginia, that Matthew Bailey be, and he is hereby appointed as a member of the Fair Housing Board to serve as such for a three year term commencing January 1, 2019 and ending December 31, 2021.

APPROVED:

MAYOR

ATTEST:

CITY CLERK

PRESENTED: _____

ADOPTED: _____

RESOLUTION NO. 2018 - __ . __

A RESOLUTION REAPPOINTING HAROLD GARRISON AS A MEMBER OF THE PLANNING COMMISSION.

BE IT RESOLVED by the Council of the City of Danville, Virginia, that Harold Garrison be, and he is hereby reappointed as a member of the Planning Commission to serve as such for a four year term commencing January 1, 2019 and ending December 31, 2022.

APPROVED:

MAYOR

ATTEST:

CITY CLERK

PRESENTED: _____

ADOPTED: _____

RESOLUTION NO. 2018 - _____. ____

A RESOLUTION APPOINTING SHERMAN M. SAUNDERS AS A MEMBER OF THE STAUNTON RIVER REGIONAL INDUSTRIAL FACILITY AUTHORITY.

BE IT RESOLVED by the Council of the City of Danville, Virginia, that Sherman M. Saunders, be, and he is hereby appointed as a member of the Staunton River Regional Industrial Facility Authority for a four year term commencing January 1, 2019 and ending December 31, 2022.

APPROVED:

MAYOR

ATTEST:

CLERK

PRESENTED: _____

ADOPTED: _____

RESOLUTION NO. 2017 – __. __

A RESOLUTION APPOINTING FRED O. SHANKS, III AS A MEMBER OF THE STAUNTON RIVER REGIONAL INDUSTRIAL FACILITY AUTHORITY.

BE IT RESOLVED by the Council of the City of Danville, Virginia, that Fred O. Shanks, III, be, and he is hereby appointed as a member of the Staunton River Regional Industrial Facility Authority for a four year term commencing January 1, 2019 and ending December 31, 2022.

APPROVED:

MAYOR

ATTEST:

CLERK

PRESENTED: December 19, 2017

ADOPTED: December 19, 2017

RESOLUTION NO. 2017 – 12.08

A RESOLUTION APPOINTING J. LEE VOGLER, JR., AS AN ALTERNATE MEMBER OF THE STAUNTON RIVER REGIONAL INDUSTRIAL FACILITY AUTHORITY.

BE IT RESOLVED by the Council of the City of Danville, Virginia, that J. Lee Vogler, Jr., be, and he is hereby appointed as an Alternate Member of the Danville Pittsylvania Regional Industrial Facility Authority for a four year term commencing January 1, 2019 and ending December 31, 2022.

APPROVED:

MAYOR

ATTEST:

CLERK

Council Letter
City of Danville, Virginia



CL-2017

New Business Item #: A.

City Council Regular Meeting

Meeting Date: 12/18/2018

Subject: Financial Report - General Fund Results as of November 30, 2018

From: Michael Adkins, Director of Finance

COUNCIL ACTION

Business Meeting: 12/18/2018

SUMMARY

A brief report will be given on the General Fund financial results through November 30, 2018. Financial Statements are included.

Attachments

[Financial Statements](#)



To: Ken F. Larking, City Manager

From: Michael L. Adkins, Director of Finance

Date: December 7, 2018

Subject: Summary of Preliminary General Fund Financial Results for November 30, 2018

After completing the first five months of the fiscal year, General Fund revenues compare favorably to the previous year. As of November 30, General Fund revenues were \$38,796,344 which represents 35.8% of the FY 2019 budget. Last year, at this time, we had collected \$36,849,581, or 35.9% of budget.

With tax bills for FY 2019 mailed in early November, we saw steady collection activity in the General Property Tax category during the month of November. Current year real estate tax and personal property tax collections were \$7.7 million at November 30 as compared to \$7.4 million in the previous year. We continue to see steady performance in the collection of delinquent taxes compared to the budget this year with \$593,031 realized through November 30. This accounts for 74% of the budget and is an increase of \$236,000 from the previous year. Local taxes collected through November 30, were \$9,262,392, or 35% of budget. This also compares favorably to FY 2018, showing an increase of \$656,000. Sales tax collections through November were \$3,774,071 or 43% of budget, an increase of \$172,243 over last year. Meals taxes collected for the five months of the fiscal year amounted to \$3,478,019 or 42.2% of budget, an increase of \$323,000 over last year, and indicative of the rate increase from 6% to 6.5%. Lodging taxes received as of November 30, were \$532,670, or 55.5% of budget, an increase of \$91,870 over the prior year. Increases over the prior year also resulted from interest rate increases and additional recovered costs. All other revenue categories are performing according to budget at this point.

Expenditures at November 30 were \$49,169,644, or 41.6% of budget. This is a decrease of \$7.4 million compared to November 30, 2017, primarily resulting from a \$7.6 million timing difference of budgeted transfers to Schools, Capital Projects, and Economic Development offset by a net increase of \$548,950 in departmental expenditures. Most of the departmental increase is within Public Safety (\$433,000) due to enhanced retirement benefits. With the completion of repayments for Tobacco Commission grants this fiscal year, non-departmental expenditures decreased \$374,000 as compared to the previous year.

Total General Fund expenditures exceeded revenues by \$10,373,300. This is typical for the first several months of the fiscal year in the General Fund because the timing of the revenue recognition is not matched to expenditures. Next month, I will be able to share tax collection results from our first half billings. At this point, the General Fund results are tracking well with the FY 2019 budget.

CITY OF DANVILLE, VIRGINIA

GENERAL FUND REPORT

42% OF YEAR LAPSED AS OF NOVEMBER 30, 2018

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	\$ 31,867,700	\$ 11,308,590	35.49%		\$ 20,559,110	\$ 10,527,913
Other Local Taxes	26,601,000	9,262,392	34.82%		17,338,608	8,605,532
License Permits & Privilege Fees	252,950	90,986	35.97%		161,964	97,543
Fines & Forfeitures	393,550	147,033	37.36%		246,517	119,451
Revenue From Use Money & Property	1,188,150	754,656	63.52%		433,494	449,473
Charges For Services	3,742,950	1,529,181	40.85%		2,213,769	1,553,449
Miscellaneous Revenue	125,100	45,160	36.10%		79,940	40,293
Recovered Cost	5,967,800	2,302,355	38.58%		3,665,445	2,031,037
Non-Categorical Aid	5,976,720	1,969,441	32.95%		4,007,279	1,976,450
Shared Expenses (Categ. Aid State)	5,124,990	1,962,523	38.29%		3,162,467	1,945,669
Categorical Aid (State)	9,359,130	3,206,563	34.26%		6,152,567	3,244,853
Emergency Services (Federal)	5,833	-	0.00%		5,833	-
Categorical Aid (Federal)	27,020	1,631	6.04%		25,389	-
Transfers From Utilities	17,848,000	6,215,833	34.83%		11,632,167	6,257,917
Transfers From Other	-	-			-	-
TOTAL REVENUES	\$ 108,480,893	\$ 38,796,344	35.76%		\$ 69,684,549	\$ 36,849,581
EXPENDITURES:						
General Government Administration	\$ 8,787,253	\$ 3,948,619	44.94%	\$ 70,159	\$ 4,768,475	\$ 3,715,714
Judicial Administration	7,036,142	2,867,527	40.75%	12,789	4,155,826	2,826,063
Public Safety	29,936,333	12,116,151	40.47%	252,424	17,567,758	11,682,740
Public Works	4,399,192	1,596,649	36.29%	229,974	2,572,569	1,703,323
Health, Education, Welfare & Soc. Svc.	9,249,470	2,932,692	31.71%	39,370	6,277,408	3,007,444
Parks, Recreation & Cultural	5,189,642	1,835,885	35.38%	39,076	3,314,681	1,860,818
Community Development	2,170,463	1,197,031	55.15%	115,406	858,026	1,149,503
Non-Departmental	12,755,144	4,712,277	36.94%	5,371	8,037,495	5,086,297
Transfer to Schools - Operating	26,680,085	15,632,793	58.59%	2,255,825	8,791,467	17,739,465
Transfer to Capital Projects	7,775,830	1,858,828	23.91%	-	5,917,002	5,466,450
Transfer to Other Funds	4,185,990	471,191	11.26%	-	3,714,799	2,386,330
TOTAL EXPENDITURES	\$ 118,165,544	\$ 49,169,644	41.61%	\$ 3,020,394	\$ 65,975,506	\$ 56,624,146
Revenue over(under) Expenditures		\$ (10,373,300)				\$ (19,774,565)
FUND BALANCE:						
Beginning Fund Balance 07/01/2018		\$ 39,518,570				\$ 42,975,385
Revenue over(under) Expenditures		(10,373,300)				(19,774,565)
Ending Fund Balance 11/30/2018		\$ 29,145,270				\$ 23,200,820
Composition of Fund Balance:						
Reserved for Encumbrances/Designated Funds		\$ 11,732,361				\$ 10,209,925
Unassigned		17,412,909				12,990,895
TOTAL FUND BALANCE 11/30/2018		\$ 29,145,270				\$ 23,200,820

City of Danville, Virginia
Summary of Other Local Tax Revenues - PRE-CLOSING - UNAUDITED
For the period ending November 30, 2018 (year to date)

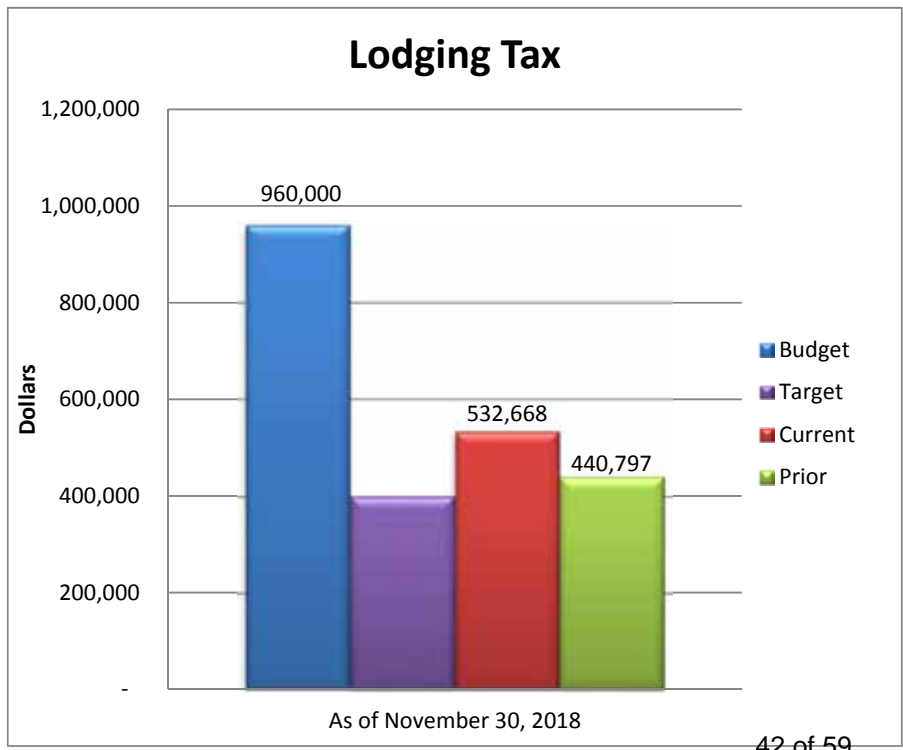
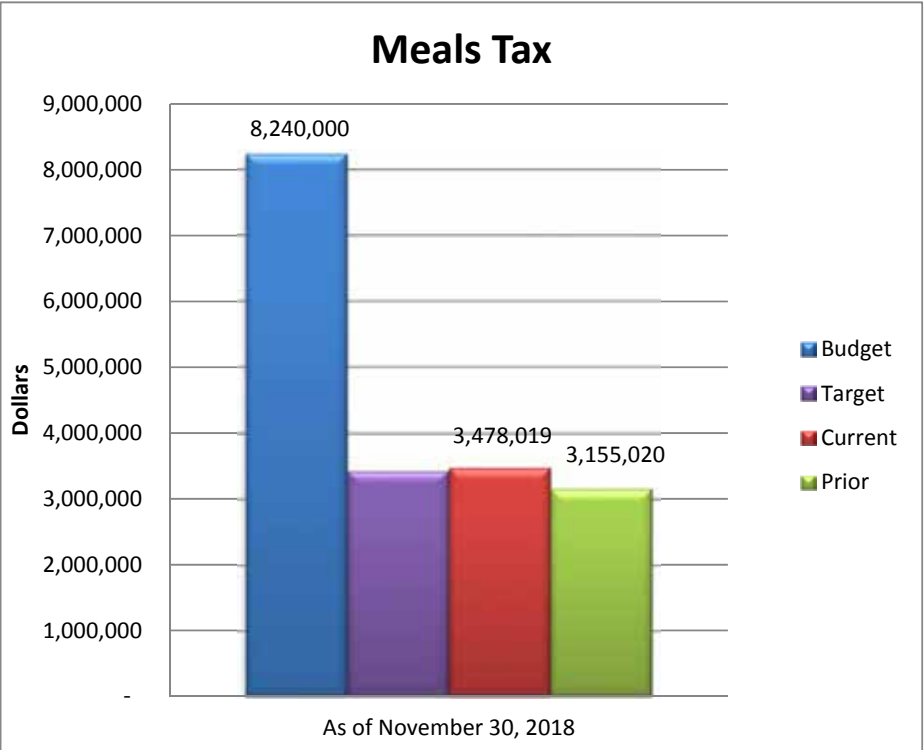
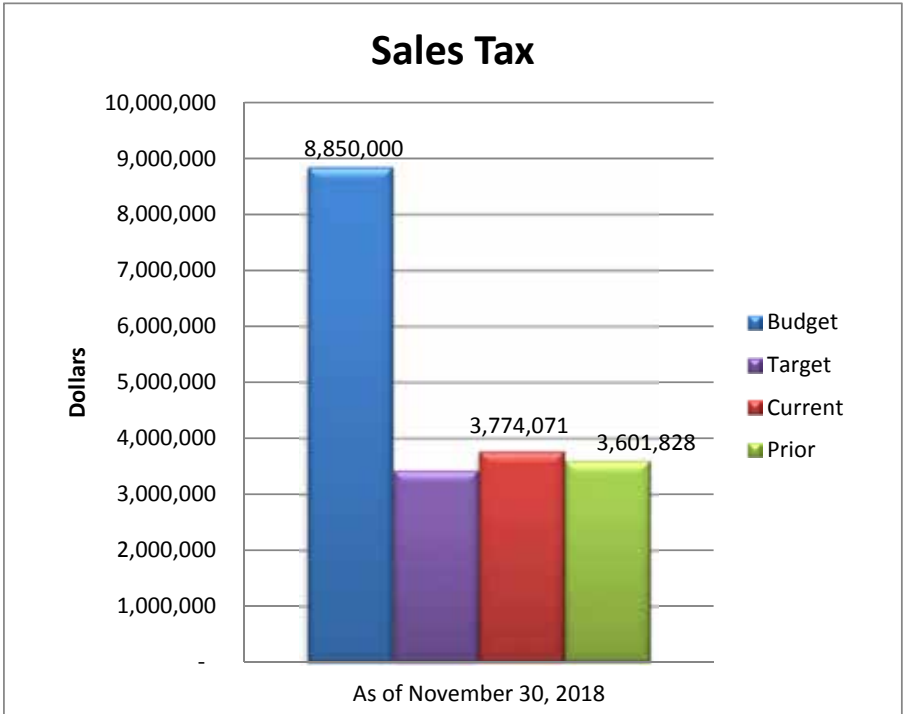
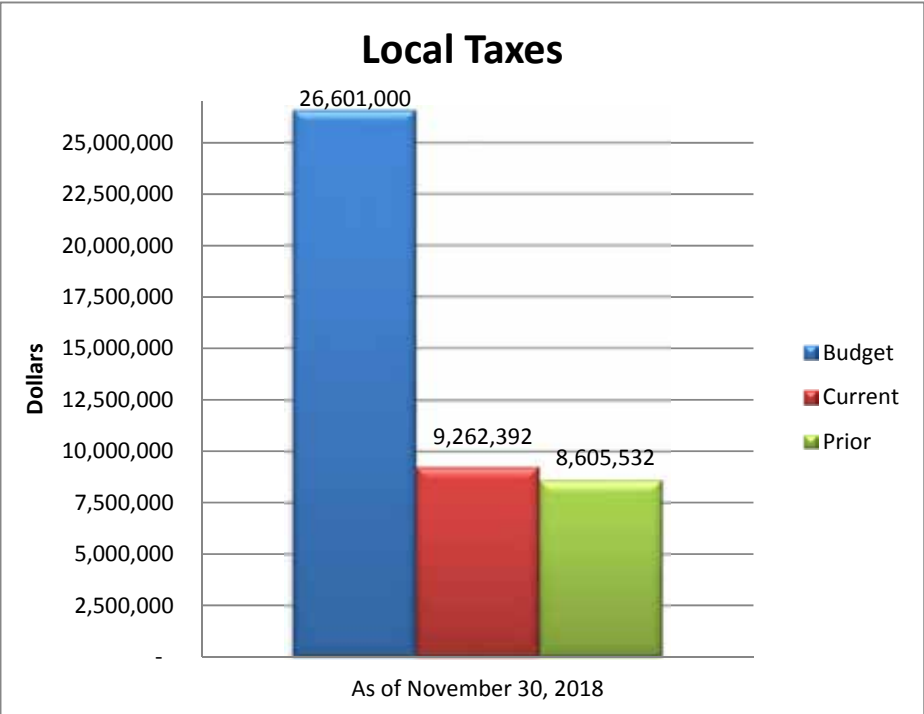
<u>Description</u>	<u>Current Budget</u>	<u>Revenue Realized</u>	<u>Percentage Realized</u>	<u>Prior Year Budget</u>	<u>Prior Year Realized</u>	<u>Percentage Prior Year</u>
Sales Tax	\$ 8,850,000	\$ 3,774,071	42.64%	\$ 8,750,000	\$ 3,601,828	41.16%
Business Licenses	5,200,000	738,695	14.21%	5,100,000	653,224	12.81%
Meals Tax	8,240,000	3,478,019	42.21%	7,500,000	3,155,020	42.07%
Utility Taxes	963,000	314,945	32.70%	978,000	371,392	37.97%
Vehicle License Fees	1,000,000	190,166	19.02%	1,000,000	174,999	17.50%
Bank Stock Tax	800,000	-	0.00%	790,000	-	0.00%
Recordation Tax	200,000	77,458	38.73%	180,000	73,803	41.00%
Hotel Motel Tax	960,000	532,668	55.49%	990,000	440,797	44.52%
Daily Property Rental Tax	18,000	7,665	42.58%	17,000	10,680	62.82%
Motor Vehicle Tax	150,000	75,366	50.24%	135,000	65,003	48.15%
DMV Fees	220,000	73,339	33.34%	215,000	58,786	27.34%
TOTAL	<u>\$ 26,601,000</u>	<u>\$ 9,262,392</u>	<u>34.82%</u>	<u>\$ 25,655,000</u>	<u>\$ 8,605,532</u>	<u>33.54%</u>

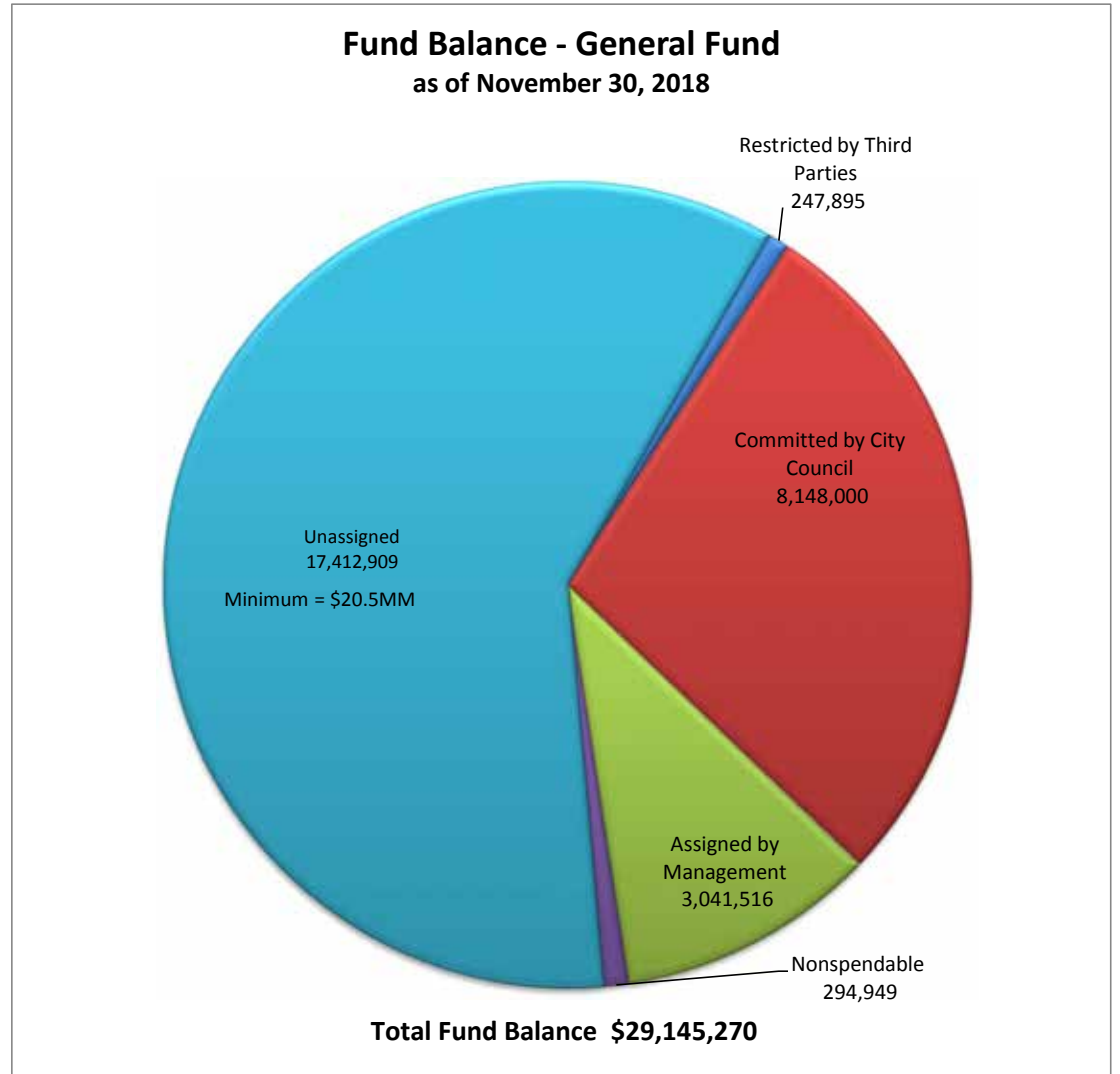
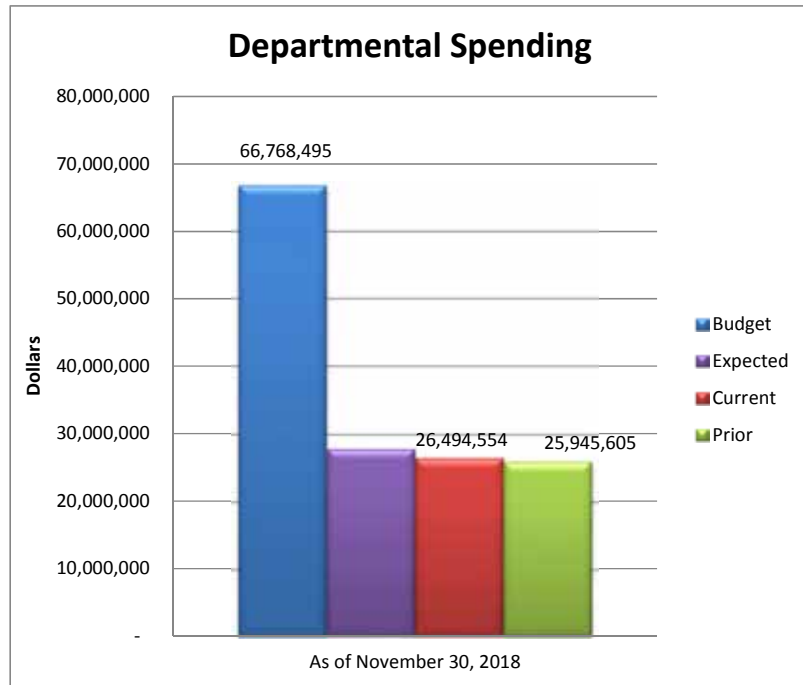
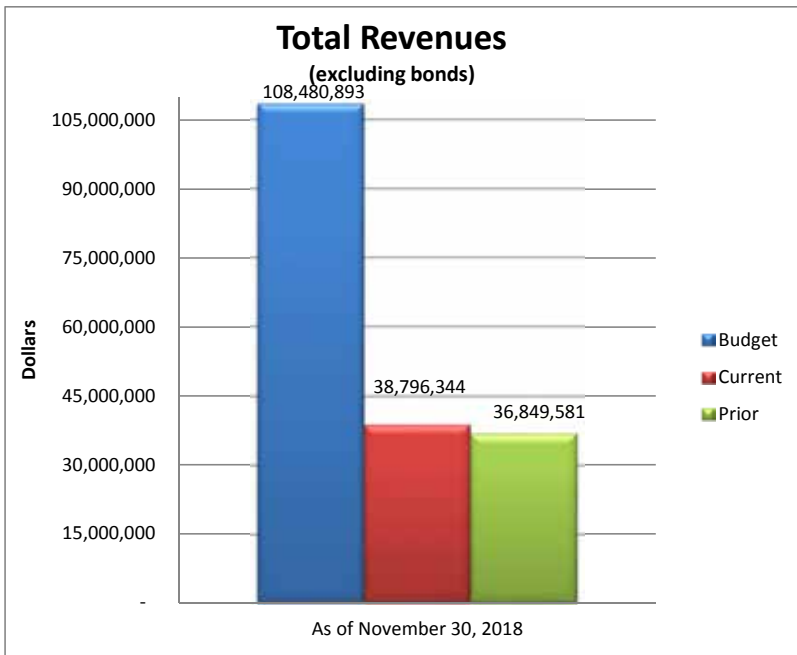
**CITY OF DANVILLE, VIRGINIA
GENERAL FUND
COMPOSITION OF FUND BALANCE
PRELIMINARY - AS OF NOVEMBER 30, 2018**

Beginning Total Fund Balance, July 1, 2018	\$ 39,518,569.81
Add: General Fund Revenues	38,796,344.46
Deduct: General Fund Expenditures	<u>(49,169,644.09)</u>
Ending Total Fund Balance, November 30, 2018	<u><u>\$ 29,145,270.18</u></u>

<u>Composition of Fund Balance:</u>	
Restricted for Commonwealth Attorney	\$ 110,324.22
Restricted for Police Department	47,799.85
Restricted for Fire Department	89,770.99
Committed for Sheriff's Department	2,100.07
Committed to Schools	2,000,000.00
Committed to Budget Stabilization	3,000,000.00
Committed transfer of Fund Balance FY2019	3,145,900.00
Assigned to Sheriff's Department	16,223.13
Assigned to Community Development Dept.	4,898.93
Assigned for Encumbrances	3,020,393.94
Nonspendable (Inventory and Prepaids)	294,949.48
UNASSIGNED	<u>17,412,909.57</u>
Total Fund Balance, November 30, 2018	<u><u>\$ 29,145,270.18</u></u>

Unassigned fund balance from above	\$ 17,412,909.57
Unassigned Minimum per policy (20% of General Fund Operating Revenues) based on FY 2019 budget	<u>20,455,832.00</u>
Current surplus (deficit) over (under) minimum	\$ (3,042,922.43)





Council Letter

City of Danville, Virginia



CL-2039

New Business Item #: B.

City Council Regular Meeting

Meeting Date: 12/18/2018

Subject: 2019-2020 Comprehensive Economic Development Strategy (CEDS)

From: Telly D. Tucker, Economic Development Director

COUNCIL ACTION

Business Meeting: 12/18/2018

SUMMARY

The West Piedmont Planning District Commission's (WPPDC) Comprehensive Economic Development Strategy (CEDS) Priority Projects list provides the basis for the receipt of federal Economic Development Administration (EDA) funds to help underwrite the costs of local projects. The EDA requires that regional plans be updated annually.

BACKGROUND

The West Piedmont Planning District Commission (WPPDC) has started work on the 2019-2020 CEDS update. Due to a shift in the plan development and submission process by the U.S. Department of Commerce, Economic Development Administration, the timeframe to submit the Regional Comprehensive Economic Development Strategy is by March 31, 2019.

RECOMMENDATION

It is recommended that the City Council adopt the attached resolution, which will approve the submission of the City's CEDS Projects List, as shown in the attached document, for 2019-2020. City Council's adoption of the attached resolution also authorizes the City Manager to submit the required letter of endorsement.

Attachments

Resolution

CEDS List 2019-2020

PRESENTED: _____

ADOPTED: _____

RESOLUTION 2018-____.____

A RESOLUTION APPROVING THE SUBMISSION OF THE COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGY PRIORITY PROJECTS FOR MAINTAINING DANVILLE'S STATUS AS A REDEVELOPMENT AREA UNDER THE ECONOMIC DEVELOPMENT ADMINISTRATION'S PROGRAM.

WHEREAS, the City of Danville desires to maintain its status as a redevelopment area under the Economic Development Administration and desires to be covered by the 2019-2020 Comprehensive Economic Development Strategy (CEDS) for the West Piedmont Planning District; and

WHEREAS, the City of Danville would like to submit its list of projects for the CEDS priority projects listing, a copy of which is attached hereto and made a part hereof.

NOW THEREFORE, BE IT RESOLVED by the Council of the City of Danville, Virginia, that the City Manager, Kenneth Larking, be, and he is hereby, authorized and directed to submit Danville's CEDS project list and endorsement letter.

APPROVED:

MAYOR

ATTEST:

CLERK

Approved as to
Form and Legal Sufficiency:

City Attorney

COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGY

PRIORITY PROJECTS

April 1, 2019 - March 31, 2020

Project	Priority /Type	Description	Funding Source	Amount	Total	Environmental Impact	No. of Jobs
Riverview Industrial Park - City of Danville	1/I	Grade a 25+/- acre pad on Lot FF in Riverview Industrial Park for industrial project recruitment	Local EDA	\$ 250,000 \$ 250,000	\$ 500,000		100
Center for Manufacturing Advancement City of Danville	1/I	Construct a new 51,000 sf building within the Cyber Park which will include space for Industry 4.0, a quality lab, space for manufacturing optimization, and three rapid launch high bays for new industry.	EDA State Local Fdtn	\$ 2,500,000 \$ 18,500,000 \$ 4,500,000	\$ 25,500,000	Positive	12 Direct 1,020 Indirect
Industrial Shell Building - Danville & Pittsylvania County	1/II	Construct a new jointly funded City / County 30,000 SF industrial shell building to assist with marketing to industry desiring an expedited location decision and to modify the current inventory of buildings suited for modern manufacturing.	EDA Local VTC	\$ 1,000,000 \$ 1,000,000 \$ 1,000,000	\$ 3,000,000		TBD
Schoolfield Infrastructure Improvements - City of Danville	1/I	Demolition of tunnels, open foundations, and finishing plant	EDA Local	\$ 2,500,000 \$ 2,500,000	\$ 5,000,000		200
White Mill Redevelopment - City of Danville	1/I	Electric transmission lines and substation to accommodate redevelopment of the White Mill, formerly served by Dan River and AEP	EDA Local	\$ 2,500,000 \$ 3,500,000	\$ 6,000,000	Positive	200
River Front Park, White Water Course, and Covered Pedestrian Bridge - City of Danville	1/I	Development of a park area adjacent to the Martin Luther King Jr. bridge in accordance with the River District development program. Complete the engineering of a world-class white water course using an existing canal located in the River District and also connecting it into the Dan River. Complete the design and construction to convert former textile pedestrian bridge into a public amenity, which will connect the White Mill and riverfront park to the north banks of the river. The north banks are well-suited for new development.	Local EDA Local Fdtn State	\$ 3,000,000 \$ 3,950,000 \$ 4,900,000 \$ 500,000	\$ 12,350,000	Positive	Indirect
River District Parking Facility - City of Danville	1/I	Construct a new parking facility with retail and office space to accommodate parking demand in the River District	EDA Local	\$ 9,900,000 \$ 9,900,000	\$ 19,800,000		150 Direct and Indirect
Wilson Street Streetscape City of Danville	1/I	Streetscape improvements from Bridge Street to Lynn Street	VDOT Local EDA	\$ 500,000 \$ 250,000 \$ 250,000	\$ 1,000,000		Indirect

COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGY

PRIORITY PROJECTS

April 1, 2019 - March 31, 2020

Project	Priority /Type	Description	Funding Source	Amount	Total	Environmental Impact	No. of Jobs
Berry Hill Regional Industrial Park Industrial Connector Road - City of Danville and Pittsylvania County	1/I	Construct an industrial access road to improve traffic flow to Berry Hill Regional Industrial Park	FHWA VDOT EDA Local VTC	\$ 6,000,000 \$ 6,000,000 \$ 2,500,000 \$ 13,500,000 \$ 2,000,000	\$ 30,000,000		1,500
Site Improvements at the Coleman Industrial Site - City of Danville	1/II	Site improvements to include grading and sanitary sewer, electrical service and misc. infrastructure development	EDA Local	\$ 4,700,000 \$ 6,495,182	\$ 11,195,182		200
Site Improvements at Cane Creek Centre Industrial Park - City of Danville & Pittsylvania County - Lot 10.	1/II	Site improvements to include access road, grading, and sanitary sewer for Lot 10.	EDA VTC Local	\$ 3,000,000 \$ 1,500,000 \$ 400,000	\$ 4,900,000		300
Berry Hill Regional Industrial Park - Danville & Pittsylvania County	1/II	Extension of electric service to Berry Hill Regional Industrial Park through AEP. Relocation of an existing 69kV line on Lot 4 in order to grade the first pad in the park. To conduct a routing analysis acquire permits, and ROW acquisition for a new electric service to the park.	EDA Local VTC City County	\$ 1,720,200 \$ 250,000 \$ 1,279,800 \$ 525,000 \$ 525,000	\$ 4,300,000		1,500
Berry Hill Regional Industrial Park - Danville & Pittsylvania County	1/II	Natural gas engineering and infrastructure development	EDA Local VTC	\$ 3,000,000 \$ 2,000,000 \$ 1,000,000	\$ 6,000,000		1,500
Riverside Drive and Audubon Road Improvements City of Danville	1/II	Intersection, sidewalk, and drainage improvements	VDOT Local EDA	\$ 216,000 \$ 108,000 \$ 108,000	\$ 432,000		Indirect
South Ramp Improvements at Danville Regional Airport City of Danville	1/II	Reconstruction of the south apron and taxiway repairs	EDA Local	\$ 1,365,000 \$ 1,365,000	\$ 2,730,000		190
Berry Hill Regional Industrial Park on and off-site Rail Construction - Danville & Pittsylvania County	1/III	New on-site rail construction and off-site improvements for Berry Hill Regional Industrial Park	VA-RPT Norfolk Sth VTC EDA Local	\$ 3,125,000 \$ 3,125,000 \$ 625,000 \$ 625,000 \$ 5,000,000	\$ 12,500,000		1,500
Revolving Loan Fund - City of Danville	2/I	Augment existing program given increased demand	EDA IDA	\$ 150,000 \$ 99,000	\$ 249,000		TBD

**COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGY
PRIORITY PROJECTS
April 1, 2019 - March 31, 2020**

Project	Priority	Description	Funding	Amount	Total	Environmental	No. of Jobs
Water & Gas System Improvement - City of Danville	2/I	Elevated water storage tank and pumping station and water and gas mains for South Danville Corridor, an unserved area	EDA Local	\$ 4,500,000 \$ 4,500,000	\$ 9,000,000	Positive	Indirect
City Auditorium Renovations City of Danville	2/II	Complete renovation of the City Auditorium that was built in 1932, housing a 1,000 seat auditorium in the heart of the River District.	EDA Local	\$ 6,650,000 \$ 6,650,000	\$ 13,300,000		TBD
Water Treatment Plant Phase II Improvements - City of Danville	2/II	Construct Phase II Improvements to the City's Water Treatment Plant. Improvements will include sludge removal equipment in the sedimentation basins, new turbine flocculators, particle counters, new filter consoles, etc. Preliminary Engineering report has been completed for this project. In addition, there will be concrete repair, pump replacement, chemical feeder replacement, etc.	EDA Local	\$ 2,750,000 \$ 2,750,000	\$ 5,500,000	Positive	Indirect

Council Letter

City of Danville, Virginia



CL-2041

New Business Item #: C.

City Council Regular Meeting

Meeting Date: 12/18/2018

Subject: Declaration of the Opioid Crisis in the City of Danville as a Public Nuisance

From: W. Clarke Whitfield, Jr., City Attorney

COUNCIL ACTION

Business Meeting: 12/18/2018

SUMMARY

The opioid crisis unreasonably interferes with rights common to the general public of Danville. It significantly interferes with the public health, safety, peace, comfort, and convenience of the residents of Danville. It involves violations of State and Federal drug laws and therefore constitutes a public nuisance. City Council has the authority to take action to protect the public health, safety, and welfare of the residents of Danville by adopting a resolution, pursuant to Virginia Code § 15.2-900 and § 48-5.

BACKGROUND

There exists a serious public health and safety crisis involving opioid abuse, addiction, morbidity, and mortality in Danville. The diversion of opioids into the illicit market causes or contributes to the serious public health and safety crisis involving opioid abuse, addiction, morbidity, and mortality in Danville. The opioid crisis is having an extended and far-reaching impact on the general public health and safety of residents of Danville and needs to be abated.

RECOMMENDATION

It is recommended that City Council adopt the attached resolution pursuant to Virginia Code § 15.2-900 and § 48-5 declaring the opioid crisis in the City of Danville a public nuisance, which must be abated for the benefit of Danville and its residents.

Attachments

[Resolution](#)

PRESENTED: _____

ADOPTED: _____

RESOLUTION NO. 2018-____.____

A RESOLUTION OF THE COUNCIL OF THE CITY OF DANVILLE, VIRGINIA DECLARING THE OPIOID CRISIS IN THE CITY OF DANVILLE A PUBLIC NUISANCE WHICH MUST BE ABATED FOR THE BENEFIT OF DANVILLE AND ITS RESIDENTS AND CITIZENS PURSUANT TO VIRGINIA CODE SECTIONS 15.2-900 AND 48-5.

WHEREAS, the Council of the City of Danville, Virginia has the authority to adopt resolutions with respect to the City affairs of Danville, Virginia, pursuant to Virginia Code § 15.2-900 and § 48-5; and

WHEREAS, the Council of the City of Danville, Virginia has the authority to take action to protect the public health, safety, and welfare of the residents and citizens of Danville; and

WHEREAS, there exists a serious public health and safety crisis involving opioid abuse, addiction, morbidity, and mortality in Danville; and

WHEREAS, the diversion of legally produced controlled substances into the illicit market causes or contributes to the serious public health and safety crisis involving opioid abuse, addiction, morbidity, and mortality in Danville; and

WHEREAS, the opioid crisis unreasonably interferes with rights common to the general public of Danville; involves a significant interference with the public health, safety, peace, comfort, and convenience of citizens and residents of Danville; includes the delivery of controlled substances in violation of State and Federal law and regulations; and therefore constitutes a public nuisance; and

WHEREAS, the opioid crisis is having an extended and far reaching impact of the general public, health, and safety, of residents and citizens of Danville and must be abated; and

WHEREAS, the violation of any laws of the Commonwealth of Virginia, or of the United States of America controlling the distribution of a controlled substance is inimical, harmful, and adverse to the public welfare of the residents and citizens of Danville constitutes a public nuisance; and

WHEREAS, the Council of the City of Danville, Virginia has the authority to abate, or cause to be abated, any public nuisance including those acts that unreasonably interfere with rights common to the general public of Danville and/or involve a significant interference with the public health, safety, peace, comfort, and convenience of citizens and residents of Danville; and

WHEREAS, Danville has expended, is expending, and will continue to expend in the future City funds to respond to the serious public health and safety crisis involving opioid abuse, addiction, morbidity, and mortality within Danville; and

WHEREAS, the Council of the City of Danville, Virginia has received information that indicates that the manufacturers and wholesale distributors of controlled substances have distributed in Danville, Virginia, and surrounding areas, and may have violated Federal and/or State laws and regulations that were enacted to prevent the diversion of legally produced controlled substances into the illicit market.

NOW THEREFORE, BE IT RESOLVED by the Council of the City of Danville, Virginia, assembled on this day at which a quorum is present, that based upon the above the Council of the City of Danville, Virginia hereby declares the opioid crisis in the City of Danville a public nuisance which must be abated for the benefit of Danville and its residents and citizens.

APPROVED:

MAYOR

ATTEST:

CLERK

Approved as to
Form and Legal Sufficiency:

City Attorney

Council Letter

City of Danville, Virginia



CL-2043

New Business Item #: D.

City Council Regular Meeting

Meeting Date: 12/18/2018

Subject: Retention of Outside Legal Counsel

From: W. Clarke Whitfield, Jr., City Attorney

COUNCIL ACTION

Business Meeting: 12/18/2018

SUMMARY

It is the opinion of the City Attorney that outside legal counsel needs to be employed to pursue all civil remedies against those in the chain of manufacture and distribution of prescription opiates responsible for the opioid epidemic, which is plaguing the City of Danville. The City Attorney recommends that the City of Danville employ James C. Peterson, Esquire of the law firm Hill, Peterson, Carper, Bee & Deitzler, PLLC, who shall serve as Lead Counsel in this litigation. Mr. Peterson will associate additional counsel to assist in the just prosecution of the case including the Yanceyville, North Carolina law firm of Daniel Thomas Attorneys at Law and the Danville law firm of Williams, Morrison, Light & Moreau who will be our direct local representatives.

BACKGROUND

There exists a serious public health and safety crisis involving opioid abuse, addiction, morbidity, and mortality in Danville. The opioid crisis is having an extended and far-reaching impact of the general public, health, and safety, of residents and citizens of Danville and must be abated.

RECOMMENDATION

It is recommended that City Council adopt the attached resolution approving the attached Engagement to Represent Agreement and authorizing the City Attorney, on behalf of the City of Danville, to sign the Agreement and to employ, James C. Peterson, Esquire, of the law firm Hill, Peterson, Carper, Bee & Deitzler, PLLC, who will act as Lead Counsel, along with associate counsel including the Yanceyville, North Carolina law firm of Daniel Thomas Attorneys at Law and the Danville law firm of Williams, Morrison, Light & Moreau to pursue all civil remedies, against those in the chain of manufacture and distribution of prescription opiates responsible for the opioid epidemic which is plaguing the City of Danville.

Attachments

[Resolution](#)

[Engagement to Represent Attachment](#)

PRESENTED: _____

ADOPTED: _____

RESOLUTION NO. 2018-____.____

A RESOLUTION AUTHORIZING THE EMPLOYMENT OF JAMES C. PETERSON, ESQUIRE, OF THE LAW FIRM HILL, PETERSON, CARPER, BEE & DEITZLER, PLLC, TO FILE SUIT AGAINST THOSE LEGALLY RESPONSIBLE FOR THE WRONGFUL DISTRIBUTION OF PRESCRIPTION OPIATES AND DAMAGES CAUSED THEREBY.

WHEREAS, there exists a serious public health and safety crisis involving opioid abuse, addiction, morbidity, and mortality in Danville; and

WHEREAS, the opioid crisis is having an extended and far reaching impact on the general public, health, and safety of the residents and citizens of Danville and must be abated; and

WHEREAS, it is the opinion of the City Attorney that outside legal counsel, needs to be employed to pursue all civil remedies, against those in the chain of manufacture and distribution of prescription opiates responsible for the opioid epidemic which is plaguing the City of Danville; and

WHEREAS it is the opinion of the City Attorney that the City of Danville should employ James C. Peterson, Esquire of the law firm Hill, Peterson, Carper, Bee & Deitzler, PLLC, who shall serve as Lead Counsel; and

WHEREAS, the City of Danville authorizes Lead Counsel to employ and/or associate additional counsel to assist in the just prosecution of the case including the Yanceyville, North Carolina law firm of Daniel Thomas, Attorneys at Law and the Danville law firm of Williams, Morrison, Light & Moreau; and

WHEREAS, it is the opinion of the City Attorney that said Engagement to Represent Agreement is reasonable and in the best interests of the City.

NOW THEREFORE, BE IT RESOLVED by the Council of the City of Danville, Virginia, that it hereby accepts the attached Engagement to Represent Agreement, and authorizes the City Attorney, on behalf of the City of Danville to sign the Agreement and to employ, James C. Peterson, Esquire, of the law firm Hill, Peterson, Carper, Bee & Deitzler, PLLC, who will act as Lead Counsel, along with associate counsel including the Yanceyville, North Carolina law firm of Daniel Thomas, Attorneys at Law and the Danville law firm of Williams, Morrison, Light & Moreau to pursue all civil remedies, against those in the chain of manufacture and distribution of prescription opiates responsible for the opioid epidemic which is plaguing the City of Danville.

APPROVED:

MAYOR

ATTEST:

CLERK

Approved as to Form and
Legal Sufficiency:

City Attorney

ENGAGEMENT TO REPRESENT

RE: City of Danville, Virginia, civil suit against those legally responsible for the wrongful distribution of prescription opiates and damages caused thereby.

The City of Danville, Virginia (hereinafter “CLIENT”), by and through its City Attorney, hereby retains the law firms identified below (collectively, “Firm”) pursuant to the Virginia Rules of Professional Conduct on a contingent fee basis, to pursue all civil remedies, against those in the chain of distribution of prescription opiates responsible for the opioid epidemic which is plaguing City of Danville. **James C. Peterson, Esq.** of the law firm HILL, PETERSON, CARPER, BEE, & DEITZLER, PLLC, shall serve as LEAD COUNSEL. CLIENT authorizes lead counsel to employ and/or associate additional counsel, with consent of CLIENT, to assist LEAD COUNSEL in the just prosecution of the case. CLIENT consents to the participation of the following firms (collectively referred to, herein, as “Attorneys”):

BARON & BUDD, PC
3102 Oak Lawn Avenue #1100
Dallas, Texas

LEVIN, PAPANTONIO, THOMAS, MITCHELL, RAFFERTY & PROCTOR, PA
316 South Baylen Street
Pensacola, Florida

GREENE, KETCHUM, FARRELL, BAILEY & TWEEL, LLP
419 11th Street
Huntington, West Virginia

POWELL & MAJESTRO, PLLC
405 Capitol Street, P-1200
Charleston, West Virginia

MCHUGH FULLER LAW GROUP
97 Elias Whiddon Rd.
Hattiesburg, Mississippi

PINTO, COATES, KYRE, & BOWERS, PLLC
3203 Brassfield Road
Greensboro, North Carolina

DONALD R. VAUGHAN & ASSOCIATES
612 W. Friendly Avenue
Greensboro, North Carolina

DANIEL | THOMAS – ATTORNEYS AT LAW
139 E. Main Street
Yanceyville, North Carolina

WILLIAMS, MORRISON, LIGHT, & MOREAU
317 Patton Street
Danville, Virginia

In consideration, CLIENT agrees to pay twenty five percent (25%) of the total recovery (gross) in favor of the CLIENT as an attorney fee whether the claim is resolved by compromise, settlement, or trial and verdict (and appeal). The gross recovery shall be calculated on the amount obtained before the deduction of costs and expenses. CLIENT grants the Firm an interest in a fee based on the gross recovery. If a court awards attorneys' fees, the Firm shall receive the "greater of" the gross recovery-based contingent fee or the attorneys' fees awarded. **There is no fee if there is no successful recovery.** The parties acknowledge and agree that the payment of such fee and reimbursement of any costs requires an appropriation of funds by the City Council per the Virginia Constitution and applicable law.

The Firm(s), hereinafter referred to as the "Attorneys," shall advance all necessary litigation expenses necessary to prosecute these claims. All such litigation expenses, including the reasonable internal costs of electronically stored information (ESI) and electronic discovery generally or the direct costs incurred from any outside contractor for those services will be deducted from any recovery after the contingent fee is calculated. **Total fees and expenses shall in no case exceed thirty-five (35%) of the gross recovery.**

Based on the unanimous vote of the Virginia State Bar, and the Petition of the Virginia State Bar to the Virginia Supreme Court dated October 29, 2018, and subject to the Virginia Supreme Court adopting a rule change for Rule 1.8(e)(1) of the Virginia Rules of Professional Conduct, CLIENT'S obligation to pay twenty five percent (25%) of the total recovery (gross) in favor of the CLIENT as an attorney fee and up to ten percent (10%) of the total recovery (gross) in favor of the CLIENT for reimbursement of advanced litigation expenses is contingent upon CLIENT prevailing and recovering moneys from defendant(s) in resolution of CLIENT'S claims.

CLIENT and Firm recognize that some expenses incurred in furtherance of the litigation may inure to the benefit of many of the Firm's clients in the opioid litigation. If a recovery is made by CLIENT and additional clients of the Firm, Firm agrees that such expenses shall not be borne exclusively by CLIENT, but shall be distributed amongst the additional clients who realized a recovery. CLIENT and Firm expect expenses will be apportioned based upon a pro-rata share of total expenses compared to the amount of the total global recovery. However, CLIENT and Firm recognize that the distribution of common costs among plaintiffs may be governed by Court Order, in which case said Order will govern the distribution of common costs.

The CLIENT acknowledges this fee is reasonable given the time and labor required, the novelty and difficulty of the questions involved, and the skill requisite to perform the legal service properly, the likelihood this employment will preclude other employment by the Firm, the fee customarily charged in the locality for similar legal services, the anticipated litigation expenses and the anticipated results obtained, the experience, reputation, and ability of the lawyer or lawyers performing the services and the fact that the fee is contingent upon a successful recovery. Further, should Attorneys enter into a contingency fee agreement related to opioid litigation with any other governmental entity having a similar population to CLIENT that provides for a contingency fee percentage that is lower than 25% or a combined fees and expenses cap that is lower than 35%, CLIENT'S contingency fee percentage and/or fees and expenses cap will be lowered to match the contingency fee percentage and/or fees and expenses cap of the governmental entity with the similar population.

This litigation is intended to address a significant problem in the community. The litigation focuses on the wholesale distributors and manufacturers and their role in the diversion of millions of prescription opiates into the illicit market which has resulted in opioid addiction, abuse, morbidity and mortality. There is no easy solution and no precedent for such an action against this sector of the industry. Many of the facts

of the case are locked behind closed doors. The billion-dollar industry denies liability. The litigation will be very expensive and the litigation expenses will be advanced by the Firm. The outcome is uncertain, as is all civil litigation, with compensation contingent upon a successful recovery. Consequently, there must be a clear understanding between the CLIENT and the Firm regarding the definition of a “successful recovery.”

The Firm intends to present a damage model designed to abate the public health and safety crisis. This damage model may take the form of money damages and/or equitable remedies (e.g., an abatement fund). The purpose of the lawsuit is to seek reimbursement of the costs incurred in the past fighting the opioid epidemic and/or recover the funds necessary to abate the health and safety crisis caused by the unlawful conduct of the wholesale distributors and manufacturers. The CLIENT agrees to compensate the Firm, contingent upon prevailing, by paying 25% of any settlement/resolution/judgment, in favor of the CLIENT, whether it takes the form of monetary damages or equitable relief. For instance, if the remedy is in the form of monetary damages, CLIENT agrees to pay 25% of the present value of the gross award to Firm as compensation and then reimburse the reasonable litigation expenses, with the total fees and expenses reimbursement being capped at 35% of the gross recovery. If the remedy is in the form of equitable relief (e.g., abatement fund), CLIENT agrees to pay 25% of the present value of the gross award of the portion of the equitable relief attributable to CLIENT to the Firm as compensation and then reimburse the reasonable litigation expenses, with the total fees and expenses reimbursement being capped at 35% of the gross recovery. To be clear, the Firm shall not be paid nor receive reimbursement from public funds unless required by law and subject to appropriation by the City Council. However, any judgment arising from successful prosecution of the case, or any consideration arising from a settlement of the matter, whether monetary or equitable, shall not be considered public funds for purposes of calculating the contingent fee unless required by law. Under no circumstances shall the CLIENT be obligated to pay any attorneys fee or any litigation expenses except from moneys expended by defendant(s) pursuant to the resolution of the CLIENT’s claims. If the defendant(s) expend their own resources to abate the public health and safety crisis in exchange for a release of liability from the CLIENT, then the Firm will be paid the designated contingent fee from the resources expended by the defendant(s) attributable to CLIENT. CLIENT acknowledges this is a necessary condition required by the Firm to dedicate their time and invest their resources on a contingent basis to this enormous project. If the defendant(s) negotiate a release of liability, then the Firm should be compensated based upon the consideration offered to induce the dismissal of the lawsuit.

The division of fees, expenses and labor between the Attorneys will be decided by private agreement between the law firms and subject to approval by the CLIENT. Any division of fees will be governed by the Virginia Rules of Professional Conduct including: (1) the CLIENT is advised of and consents to the participation of all the lawyers involved; (2) the terms of the division of the fee are disclosed to the CLIENT and the CLIENT consents thereto; (3) the total fee is reasonable; and (4) the division of fees and the CLIENT’S consent is obtained in advance of the rendering of legal services, preferably in writing.

LEAD COUNSEL shall appoint a contact person to keep the CLIENT reasonably informed about the status of the matter in a manner deemed appropriate by the CLIENT. The CLIENT at all times shall retain the authority to decide the disposition of the case and personally oversee and maintain absolute control of the litigation.

Upon conclusion of this matter, LEAD COUNSEL shall provide the CLIENT with a written statement stating the outcome of the matter and, if there is a recovery, showing the remittance to the CLIENT and the method of its determination. The closing statement shall specify the manner in which the compensation was determined under the agreement, any costs and expenses deducted by the lawyer from the judgment or settlement involved, and, if applicable, the actual division of the lawyers’ fees with a lawyer not in the same firm, as required in Rule 1.5 of the Virginia Rules of Professional Conduct. The closing statement shall be

signed by the CLIENT and each attorney among whom the fee is being divided.

Nothing in this Agreement and nothing in the Attorneys' statement to the CLIENT may be construed as a promise or guarantee about the outcome of this matter. The Attorneys make no such promises or guarantees. Attorneys' comments about the outcome of this matter are expressions of opinion only and the Attorneys make no guarantee as to the outcome of any litigation, settlement or trial proceedings.

SIGNED, this _____ day of December, 2018.

City of Danville, Virginia

By: _____
W. Clarke Whitfield, Jr., City Attorney

Accepted:

By _____
James C. Peterson, *Lead Counsel*
HILL, PETERSON, CARPER, BEE, & DEITZLER, PLLC
500 Tracy Way
Charleston, West Virginia 25311

Date