

September 18, 2018

A Regular Work Session of the Danville City Council convened on September 18, 2018 at 7:51 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, Vice Mayor J. Lee Vogler, Jr., and Madison J.R. Whittle (8). Adam J. Tomer was absent. (1).

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

Mayor Jones presided.

MINUTES

Upon **Motion** by Council Member Buckner and **second** by Council Member Shanks, Minutes from the Regular Work Session held on August 9, 2018, were approved as presented. Draft copies were distributed to Council Members prior to the Meeting.

WORK SESSION ITEMS

GENERAL FUND FINANCIAL RESULTS THROUGH AUGUST 31, 2018.

Director of Finance Michael Adkins reviewed the financial results through August 31, 2018 with two months of the City's fiscal year complete or 17%. Revenues were at \$11.9M and 11.3% of budget, the City is tracking a little better than last year; last year they were at 10.9% at the end of August. For Property Taxes, new tax bills will go out in about seven weeks by November 5th. There was not a lot of activity under Property Tax but there has been some strong collections of delinquent accounts with \$177,000 collected for the first two months, tracking ahead of budget at 22%. Local taxes were strong with Sales Tax at \$1.5M, almost 18% of budget, up \$78,000 from last year and Meals Tax at \$1.4M, almost 17%, on track with budget and \$116,000 more than last year; that is just one month of collections at the new rate. Hotel/Motel is ahead at 20% of budget, \$193,000 collected for the first two months and \$36,000 more than last year. All revenues are tracking similar to last year and there are no concerns at this point.

On the Expenditure side, the City has \$22.9M expended which is 20% of budget. However, included in that number are all transfers to the City's CIP fund that have been made, a little earlier this year than last year. That total transfer was \$3.8M, it was done in September last year, and if that number is backed out, the actual total expenditures for the end of August would be lower than last August, at only about 16.7% of budget. The City does operate at a deficit for the first part of the year until the tax bills go out in November. There are no concerns on Expenditures, everything is going as expected.

Mr. Adkins noted he had shared the preliminary June 30th statements at the last meeting, showing a \$1.3M draw from fund balance and his expectation was that it would be about \$1.5M. All of the closing entries for the General Fund have been done and the City is at \$1.5M coming out of fund balance. The Auditors are on sight for the next six to eight weeks doing their final field work and he will let Council know if they find anything that would change that amount. Mr. Adkins stated about a week ago the City had their credit rating interviews, they did reaffirm the City's AA credit rating and this past Thursday, the City sold its FY19 bonds.

September 18, 2018

CONSIDERATION OF APPOINTMENTS TO BOARDS AND COMMISSIONS

Vice Mayor Vogler noted the Committee on Appointments met earlier this evening and makes the following recommendations:

Danville Redevelopment and Housing Authority: Reappoint: Constance Covington
Appoint: Jermaine Parker

River District Design Commission: Reappoint: John Ranson and Robert P. Keesee.

Council had no objections to the recommendations. Mr. Vogler noted they reappointed Constance Covington and recommended appointing Jermaine Parker. There was a member of the DRHA who was up for reappointment that the Commission received a letter on regarding an issue on the Board; the DRHA asked that member not be reappointed.

PROGRAM UPDATE

City Manager Ken Larking noted they have had one Advisory Committee meeting on the multi-year plan, working through the initiatives, and looking through what they want to recommend. Staff is preparing for certain things, such as the employee benefit related items, and they have forwarded those recommendations to the City's healthcare and benefits consultants; staff is proceeding to possibly implement those. Staff believes, based on some of the recommendations and how things look with health insurance, the City will not see an increase of the health insurance premium for the City next year.

Mr. Larking noted one of the recommendations is going to be very complicated to get through and staff hopes to get assistance from a group that would help the City walk through that process. He would like to get some concurrence from Council on getting an expert on how jails operate to see whether or not transitioning the Adult Detention Center to the Sheriff's department was a good fit for Danville. Mr. Larking noted he feels the City needs more information before it makes a decision and would like to get Council's thoughts going forward. He explained the projected benefit of the move would be the State possibly picking up some of the costs because it would be under a Constitutional Office. The City does not know for sure what that looks like because it has to go through the Compensation Board and get help from the State Legislature. There are a lot of other things that need to be looked at such as what kind of modifications may have to occur at the ADC, and what would the operation look like. Mr. Larking stated he was also concerned with the employees that work there and what effect it will have on them.

Mr. Shanks stated he would like more information before they hire a consultant as he does not think the change is feasible. Mr. Larking noted one of the firms they have been speaking with does have expertise in Virginia and Mr. Shanks noted he thought that would be critical; Mr. Vogler noted his agreement and there were too many unanswered questions prior to hiring a consultant. Mr. Larking noted the NRN did not do a full analysis of what it would take; the potential from what the City heard from the State was that it still could be \$1M a year, which is significant. He did not think staff could give Council adequate information that would help them make a decision on this, give fair treatment to all people involved, and he thinks it is a small investment to get someone.

After further discussion, several Council Members noted they were not opposed to a study, but they needed more information. Mr. Larking noted before they make a final decision, he can send a scope out, provide Council with information staff knows right now, based on what the State is telling them, and staff will come back to Council later.

September 18, 2018

COMMUNICATIONS

Dr. Miller thanked the City Manager for looking into the Piney Forest Road traffic light issue and Mr. Larking explained the work that is being done along Piney Forest affected the signalization timing. Staff was able to go back and figure out there was some issue they hadn't reconnected. It should be working a lot better now.

Vice Mayor Vogler asked staff to look into having a small dog park in the downtown area for those residents.

CLOSED MEETING

At 8:22 p.m., Vice Mayor Vogler **moved** that this meeting of the City Council of Danville, Virginia be recessed and that Council immediately reconvene in a Closed Meeting for the following purposes: to consider an Economic Development discussion and update concerning prospective business or industry where no previous announcement has been made and/or the expansion of an existing business or industry where no previous announcement has been made as permitted by Subsection (A)(5) of Section 2.2-3711 of the Code of Virginia, 1950 as amended, and more specifically to consider the location of a prospective new business or industry to the area and expansion of an existing business or industry.

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

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

Upon unanimous vote at 8:53 p.m., Council reconvened in open session and Vice Mayor Vogler **moved** adoption of the following Resolution:

CERTIFICATE OF CLOSED MEETING

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

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

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

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

VOTE: 8-0-1
AYE: Buckner, Campbell, Jones, Miller, Saunders,

September 18, 2018

Shanks, Vogler and Whittle (8)
NAY: None
ABSENT: Tomer (1)

MEETING ADJOURNED AT 8:54 P.M.

MAYOR

CITY CLERK

DRAFT