



## **DANVILLE CITY COUNCIL WORK SESSION AGENDA**

### **MUNICIPAL BUILDING**

**January 15, 2019**

**7:30 P.M.**

#### **MEETING CALLED TO ORDER**

#### **MINUTES**

- A. Consideration of Approval of Minutes from Regular Work Session held on December 4, 2018.  
Council Letter Number CL - 2057

#### **WORK SESSION ITEMS**

- A. Review of General Fund Financials as of December 31, 2018.  
Council Letter Number CL - 2051
- B. Police Station Site Selection Presentation  
Council Letter Number CL - 2046

#### **PROGRAM UPDATE**

#### **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-2057**

**Meeting Minutes Item #: A.**

**Work Session Meeting**

**Meeting Date:** 01/15/2019

**Subject:** Consideration of Approval of Minutes

**From:** Susan M. DeMasi, City Clerk

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### **COUNCIL ACTION**

Work Session Meeting: 01/15/2019

### **SUMMARY**

Consideration of Approval of Minutes from Regular Work Session held on December 4, 2018.

Council Letter Number CL - 2057

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### **Attachments**

Meeting Minutes

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December 4, 2018

A Regular Work Session of the Danville City Council convened on November 20, 2018 at 7:24 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).

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

Mayor Jones presided.

## **MINUTES**

Upon Motion by Council Member Shanks and second by Council Member Campbell, Minutes from the Special Joint Work Session held on October 30, 2018 were approved as presented. Draft copies were distributed to Council Members prior to the Meeting.

## **CONSIDERATION OF APPOINTMENTS TO BOARDS AND COMMISSIONS**

Vice Mayor Vogler noted the Committee on Appointments met on November 30, 2018, and make the following recommendations:

Building Code Board of Appeals:	Reappoint:	Samuel S. Thomas Jarrett White
	Appoint:	Lawrence Meder
Employee Retirement System:	Reappoint:	Lenard Lackey
Fair Housing Board	Reappoint:	Krystal Farmer
	Appoint:	Matthew Bailey
Planning Commission	Reappoint:	Harold Garrison

Council Agreed to Put the Appointments on an upcoming Business Agenda.

## **WORK SESSION ITEMS**

### **REVIEW OF FISCAL YEAR 2018 AUDIT RESULTS**

City Manager Ken Larking noted he appreciated all the work of the Finance Director and his team getting the information together for the audit and getting it in on time. Norman Yoder, Brown Edwards gave the Audit Report and introduced Julie Moore the Audit Manager who ran this audit. Mr. Yoder noted there were three documents, he would discuss the CAFR and three things in the CAFR. The first was the Opinion; the City had a clean opinion as they have had in the past. The second item deals with a new standard implemented this year by the City and their peers in Virginia and the US, called GASB 75. GASB 68 was adopted several years ago and that brought the pension liability onto the City's books; GASB 75 does the same thing for other post employment benefits. As far as its effect on the City's governmental funds, the largest which is the General Fund, this does not affect that fund accounting. Mr. Yoder noted in the Compliance Section there were four findings, none were material and two have to do with some Social Services specific findings. The Auditor of Public Accounts has the auditors look at very specific

December 4, 2018

things in certain departments and there were two at Social Services. The other two findings the City has had before and are related to the filing of Economic Disclosure Statements which is required in Virginia for certain officials. There were a few that did not get filed timely, and if they were not filed timely, were not recorded with the Commonwealth's Attorney. Mr. Yoder noted that is something to be aware of.

Ms. Moore reviewed the Required Communication with the Board of Governance, that is a standard letter the auditors issue at the end of every audit and gives key points they think the City should be aware of. The letter talks about the implementation of GASB 75 this year and points out some estimates that may be key, such as capital assets, and the laws assigned to those. Other estimates include the pension based on actuary evaluations. The letter also discusses any disagreements with management and if the City consults with another accounting firm, that they are aware of. The second letter is the Management Comments which has only two comments, both are prior comments, and there were no new comments this year. The Finance Department has worked very hard to implement any suggestions the auditors have and try to eliminate any issues. Next year, one of these comments may go away as it states it was resolved.

Council Members thanked Mr. Yoder and his team.

#### **CONSIDERATION OF APPROVAL OF THE SUBMISSION OF THE COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGY PRIORITY PROJECTS LIST**

Assistant Director of Economic Development Corrie Teague Bobe noted the list was included in the agenda packet and is submitted through the Planning District to the EDA every year on priority projects. Most of these are infrastructure improvements and property redevelopment in order to attract economic activity throughout the City of Danville, and shared parks with Pittsylvania County. In order to receive funding or to apply for funding, these projects have to be on the list every year. Ms. Bobe explained just because a project is on the list does not mean the City will move forward with implementing the project that upcoming year nor does it commit the City in spending these funds. Ms. Bobe noted the most recent projects where the City received EDA funding would be for the grading of two lots in Cane Creek Centre and road improvements for the Cyber Park. The City has not received any funding in the past five years.

Council agreed to put this on an upcoming business agenda.

#### **PROGRAM UPDATE**

City Manager Ken Larking noted he forwarded an email from the IT Director to Council asking they take an online training course on cybersecurity. In one of the letters in the audit, it specifically mentioned that the City needs to tighten cybersecurity issues in the City. It is not just Council members, but also City employees have to take the on-line course; it is important that Council members take this course. There has been an uptick in phishing and spoofing campaigns.

Mr. Larking noted with regard to the Colonial Heights Apartments, in his experience, all the times he received a concern or complaint from Ms. Baldwin, the City has been very responsive. Public Works has gone there the same day, if possible, if not the next day, to look at the issue she has a concern about. The City has done what they can within their authority and policy to remedy those situations. As in all cases, when a citizen has a concern about something, the City staff wants to do what is in the best interest of the citizen and the City as whole, adhering to their policies and budget the way they ought to. Mr. Larking stated he is committed to doing that for

December 4, 2018

every interaction with a citizen, has been doing that for this citizen and will do it for every citizen going forward when they have a concern.

### **ECONOMIC DEVELOPMENT UPDATE**

Ms. Bobe reminded Council on December 10<sup>th</sup> at 3:00 p.m., there will be an Economic Development announcement at 187 Cane Creek Boulevard, which is the Essel Propak facility, and noted she hoped Council could attend.

### **COMMUNICATION**

Mr. Saunders noted in terms of gifts or mementos for people who come to the City; he doesn't know what staff has to give them. Mr. Saunders noted he likes the lapel pin with the key surrounding it, asked the City Manager to look at something similar and see what the cost would be, or come up with something to give visitors.

Mr. Tomer asked if the City has been in contact with developers for Coleman Marketplace to confirm the rumored closing. Mr. Larking stated they have not heard any confirmation of that and Ms. Bobe stated she has left multiple messages with the developer in New York, but they have not confirmed.

### **CLOSED MEETING**

At 8:53 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: discussion or consideration of the acquisition and/or disposition of real property for a public purpose where discussion in an open meeting would adversely impact the bargaining position of the City as permitted by Subsection (A)(3) of Section 2.2-3711 of the Code of Virginia, 1950, as amended, more specifically to consider both the acquisition of a specific parcel or parcels of real property as well as the disposition of a specific parcel or parcels of real property; and 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 Tomer and carried by the following vote:

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

Upon unanimous vote at 9:20 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

December 4, 2018

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 Shanks and carried by the following vote:

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

MEETING ADJOURNED AT 9:22 P.M.

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MAYOR

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CITY CLERK

**Council Letter  
City of Danville, Virginia**



**CL-2051**

**Work Session Item #: A.**

**Work Session Meeting**

**Meeting Date:** 01/15/2019

**Subject:** General Fund Financial Report as of December 31, 2018

**From:** Michael Adkins, Director of Finance

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**COUNCIL ACTION**

Work Session Meeting: 01/15/2019

**SUMMARY**

A brief overview of General Fund financial results through December 31, 2018 will be presented. Financial statements are included.

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**Attachments**

[Financial Statements](#)

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**To: Ken F. Larking, City Manager**

**From: Michael L. Adkins, Director of Finance**

**Date: January 4, 2019**

**Subject: Summary of Preliminary General Fund Financial Results for December 31, 2018**

After completing the first six months of the fiscal year, General Fund revenues compare favorably to the previous year. As of December 31, General Fund revenues were \$48,552,269 which represents 44.8% of the FY 2019 budget. Last year, at this time, we had collected \$46,071,092 or 44.9% 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 months of November and December. Current year real estate tax and personal property tax collections were \$14.4 million at December 31 as compared to \$13.6 million in the previous year. The City was successful in collecting the first half of current real estate taxes, with nearly 51% realized at December 31. We continue to see steady performance in the collection of delinquent real estate taxes compared to the budget this year with \$653,054 realized through December 31. This accounts for 82% of the budget and is an increase of \$190,000 over last December.

Local taxes collected through December 31, were \$11,004,335, or 41% of budget. This also compares favorably to FY 2018, showing an increase of \$842,000. Sales tax collections through December were \$4,474,050 or 51% of budget, an increase of \$192,000 over last year. Meals taxes collected for the six months of the fiscal year amounted to \$4,159,262 or 50.5% of budget, an increase of \$412,000 over last year, and indicative of the rate increase from 6% to 6.5%. Lodging taxes received as of December 31, were \$620,058, or 64.6% of budget, an increase of \$106,000 over the prior year. Increases in revenues 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 December 31 were \$57,406,839, or 49.03% of budget. This is a decrease of \$6.4 million compared to December 31, 2018, primarily resulting from a \$6.2 million timing difference of budgeted transfers to Schools, Capital Projects, and Economic Development offset by a net increase of \$162,178 in departmental expenditures. The departmental increase is within Public Safety (\$303,000) due to

enhanced retirement benefits. With the completion of repayments for Tobacco Commission grants this fiscal year, non-departmental expenditures decreased \$355,000 as compared to the previous year.

Total General Fund expenditures exceeded revenues by \$8,842,268. 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. At this point, the General Fund results are tracking well with the FY 2019 budget.

**CITY OF DANVILLE, VIRGINIA**  
**GENERAL FUND REPORT**  
**50% OF YEAR LAPSED AS OF DECEMBER 31, 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
<b>REVENUES:</b>						
Property Taxes	\$ 31,867,700	\$ 15,645,714	49.10%		\$ 16,221,986	\$ 14,689,510
Other Local Taxes	26,601,000	11,004,335	41.37%		15,596,665	10,162,135
License Permits & Privilege Fees	252,950	103,610	40.96%		149,340	111,226
Fines & Forfeitures	393,550	172,082	43.73%		221,468	160,931
Revenue From Use Money & Property	1,188,150	779,990	65.65%		408,160	535,258
Charges For Services	3,742,950	1,695,522	45.30%		2,047,428	1,722,456
Miscellaneous Revenue	125,100	65,443	52.31%		59,657	53,673
Recovered Cost	5,967,800	2,641,273	44.26%		3,326,527	2,366,147
Non-Categorical Aid	5,976,720	2,879,398	48.18%		3,097,322	2,890,169
Shared Expenses (Categ. Aid State)	5,124,990	2,372,077	46.28%		2,752,913	2,085,188
Categorical Aid (State)	9,359,130	3,754,497	40.12%		5,604,633	3,784,898
Emergency Services (Federal)	5,833	1,631	27.96%		4,202	-
Categorical Aid (Federal)	27,020	-	0.00%		27,020	-
Transfers From Utilities	17,848,000	7,449,000	41.74%		10,399,000	7,509,500
Transfers From Other	-	-			-	-
<b>TOTAL REVENUES</b>	<b>\$ 108,480,893</b>	<b>\$ 48,564,571</b>	<b>44.77%</b>		<b>\$ 59,916,322</b>	<b>\$ 46,071,092</b>
<b>EXPENDITURES:</b>						
General Government Administration	\$ 8,787,253	\$ 4,465,270	50.82%	\$ 78,987	\$ 4,242,995	\$ 4,492,377
Judicial Administration	7,036,142	3,432,641	48.79%	12,779	3,590,722	3,377,118
Public Safety	29,936,333	14,580,579	48.71%	367,794	14,987,960	14,277,231
Public Works	4,399,192	1,907,664	43.36%	234,132	2,257,396	2,041,085
Health, Education, Welfare & Soc. Svc.	9,249,470	3,494,240	37.78%	20,272	5,734,957	3,620,427
Parks, Recreation & Cultural	5,189,642	2,203,021	42.45%	38,468	2,948,152	2,208,167
Community Development	2,170,463	1,314,991	60.59%	99,576	755,895	1,219,824
Non-Departmental	12,755,144	5,399,933	42.34%	5,371	7,349,840	5,755,292
Transfer to Schools - Operating	26,680,085	18,026,161	67.56%	2,255,825	6,398,099	18,956,973
Transfer to Capital Projects	7,775,830	1,858,828	23.91%	-	5,917,002	5,466,450
Transfer to Other Funds	3,098,790	723,510	23.35%	-	2,375,280	2,386,364
<b>TOTAL EXPENDITURES</b>	<b>\$ 117,078,344</b>	<b>\$ 57,406,839</b>	<b>49.03%</b>	<b>\$ 3,113,205</b>	<b>\$ 56,558,300</b>	<b>\$ 63,801,309</b>
Revenue over(under) Expenditures		\$ (8,842,268)	\$ -			\$ (17,730,218)
<b>FUND BALANCE:</b>						
Beginning Fund Balance 07/01/2018		\$ 39,518,570				\$ 42,975,385
Revenue over(under) Expenditures		(8,842,268)				(17,730,218)
Ending Fund Balance 12/31/2018		<b>\$ 30,676,302</b>				<b>\$ 25,245,167</b>
Composition of Fund Balance:						
Reserved for Encumbrances/Designated Funds		\$ 10,423,745				\$ 9,940,195
Unassigned		20,252,557				15,304,972
<b>TOTAL FUND BALANCE 12/31/2018</b>		<b>\$ 30,676,302</b>				<b>\$ 25,245,167</b>

**City of Danville, Virginia**  
**Summary of Other Local Tax Revenues - PRE-CLOSING - UNAUDITED**  
**For the period ending December 31, 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	\$ 4,474,050	50.55%	\$ 8,750,000	\$ 4,282,296	48.94%
Business Licenses	5,200,000	779,368	14.99%	5,100,000	693,804	13.60%
Meals Tax	8,240,000	4,159,262	50.48%	7,500,000	3,746,779	49.96%
Utility Taxes	963,000	464,400	48.22%	978,000	459,796	47.01%
Vehicle License Fees	1,000,000	226,636	22.66%	1,000,000	214,259	21.43%
Bank Stock Tax	800,000	-	0.00%	790,000	-	0.00%
Recordation Tax	200,000	87,556	43.78%	180,000	82,968	46.09%
Hotel Motel Tax	960,000	620,058	64.59%	990,000	514,359	51.96%
Daily Property Rental Tax	18,000	7,665	42.58%	17,000	10,680	62.82%
Motor Vehicle Tax	150,000	91,604	61.07%	135,000	76,217	56.46%
DMV Fees	220,000	93,735	42.61%	215,000	80,977	37.66%
<b>TOTAL</b>	<b><u>\$ 26,601,000</u></b>	<b><u>\$ 11,004,335</u></b>	<b><u>41.37%</u></b>	<b><u>\$ 25,655,000</u></b>	<b><u>\$ 10,162,135</u></b>	<b><u>39.61%</u></b>

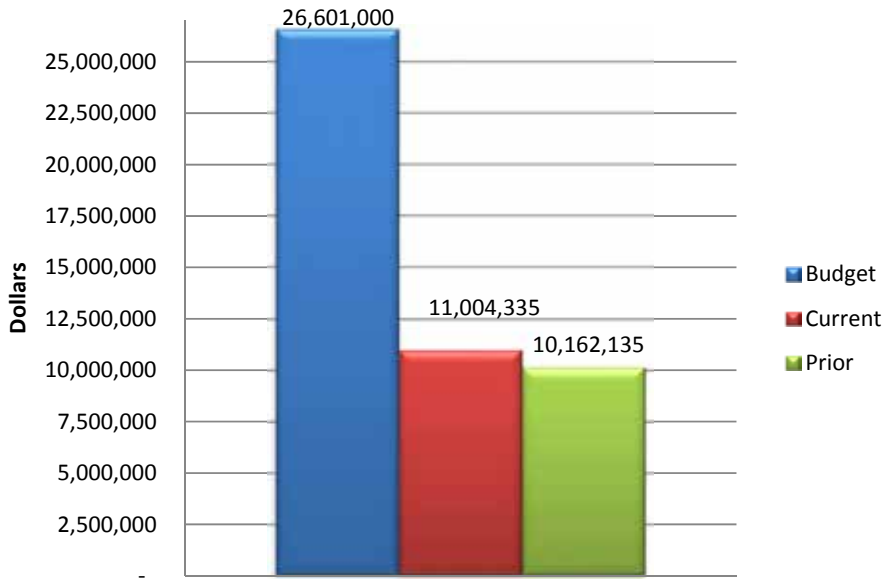
**CITY OF DANVILLE, VIRGINIA  
GENERAL FUND  
COMPOSITION OF FUND BALANCE  
PRELIMINARY - AS OF DECEMBER 31, 2018**

Beginning Total Fund Balance, July 1, 2018	\$ 39,518,569.81
Add: General Fund Revenues	48,564,571.46
Deduct: General Fund Expenditures	<u>(57,406,839.21)</u>
Ending Total Fund Balance, December 31, 2018	<u><u>\$ 30,676,302.06</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	1,000,000.00
Committed to Budget Stabilization	3,000,000.00
Committed transfer of Fund Balance FY2019	2,759,650.00
Assigned to Sheriff's Department	16,223.13
Assigned to Community Development Dept.	4,898.93
Assigned for Encumbrances	3,113,204.98
Nonspendable (Inventory and Prepays)	279,772.59
<b>UNASSIGNED</b>	<b><u>20,252,557.30</u></b>
Total Fund Balance, December 31, 2018	<u><u>\$ 30,676,302.06</u></u>

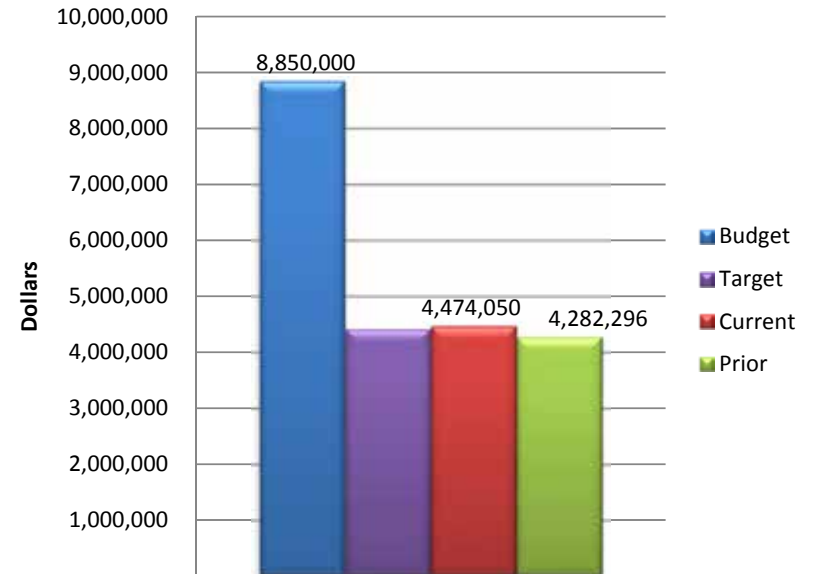
Unassigned fund balance from above	\$ 20,252,557.30
Unassigned Minimum per policy (20% of General Fund Operating Revenues) based on FY 2019 budget	<u>20,455,832.00</u>
Current surplus (deficit) over (under) minimum	\$ (203,274.70)

### Local Taxes



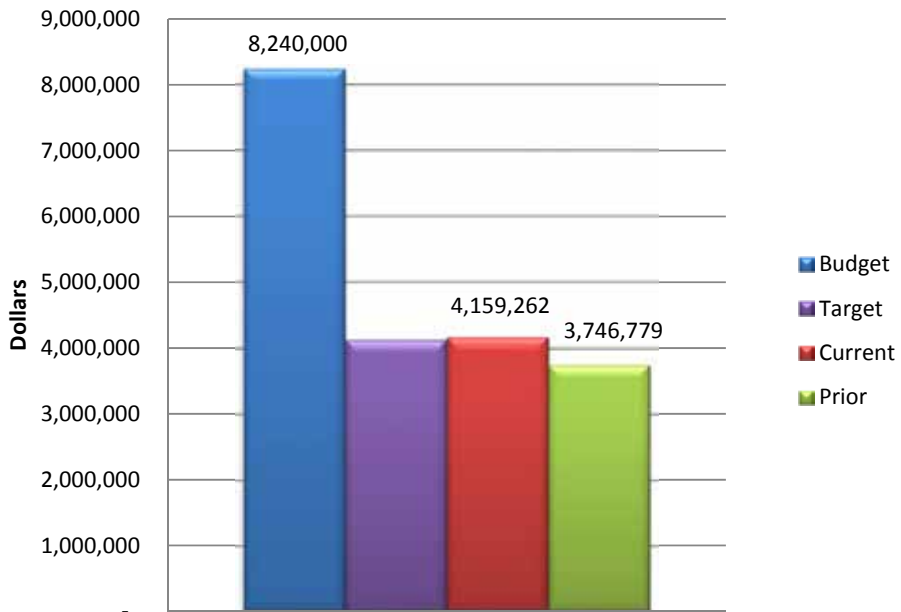
As of December 31, 2018

### Sales Tax



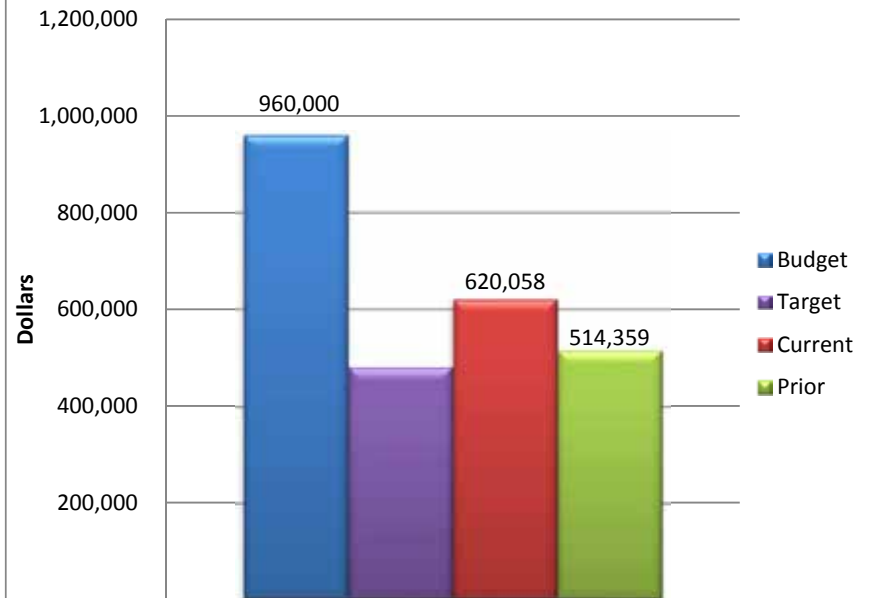
As of December 31, 2018

### Meals Tax

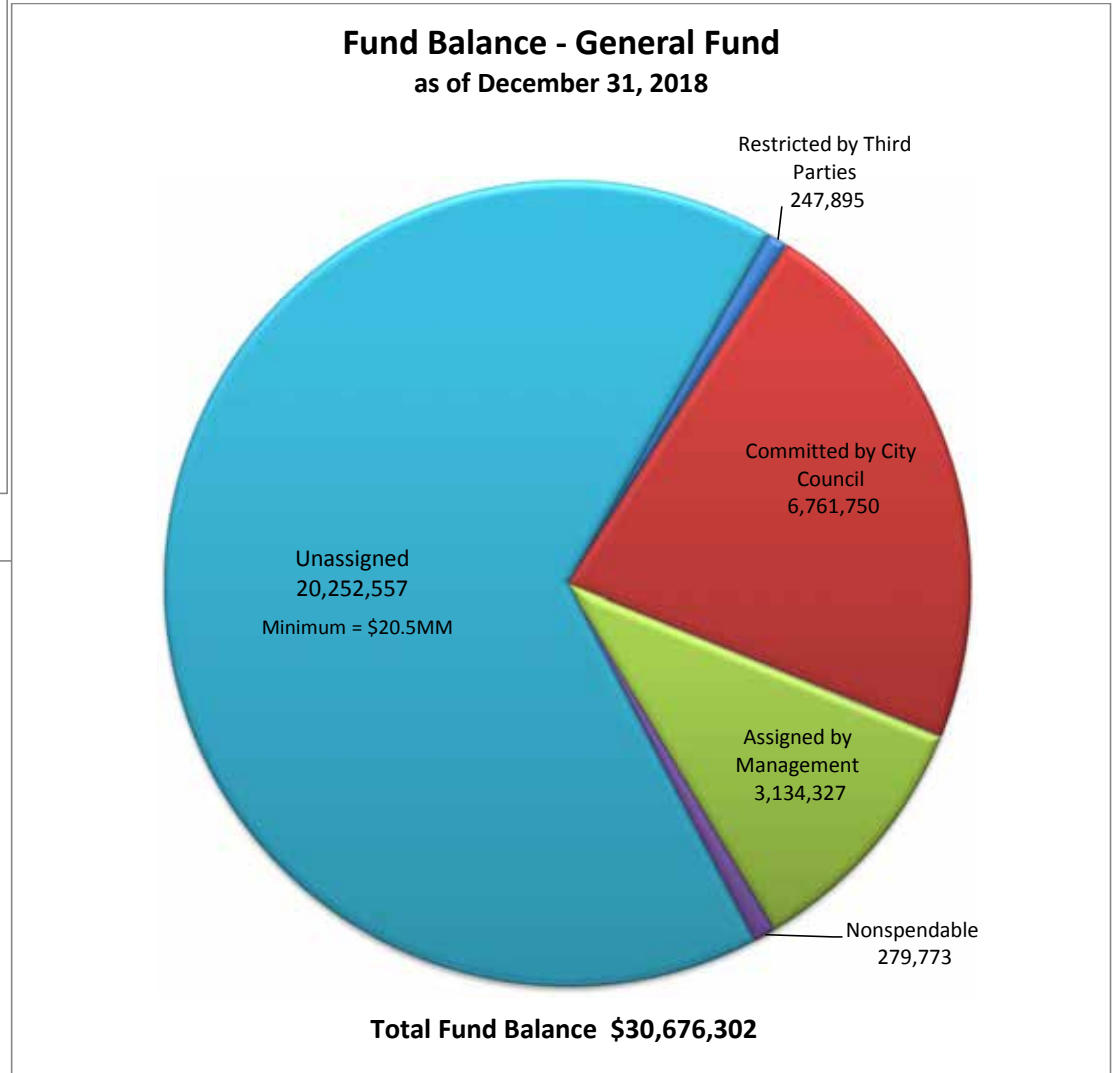
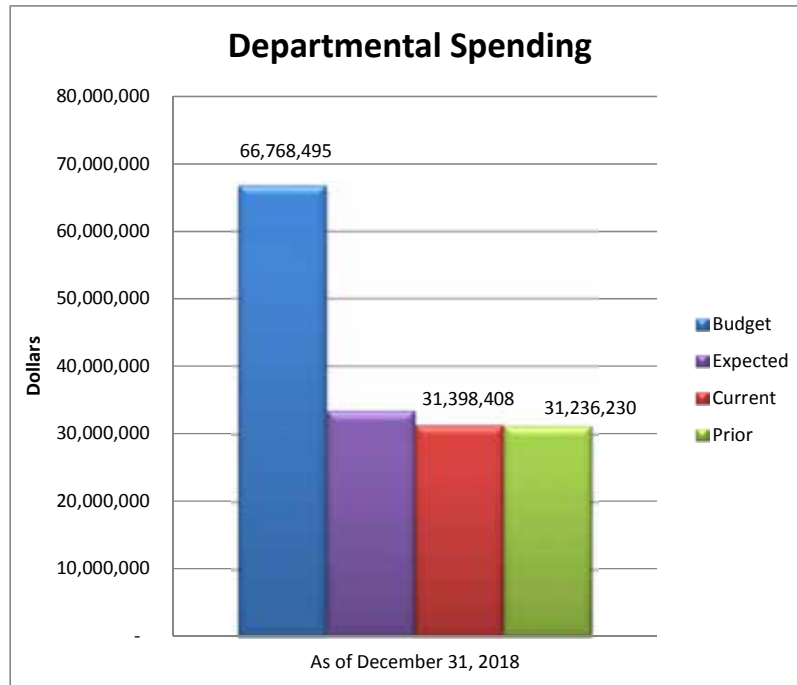
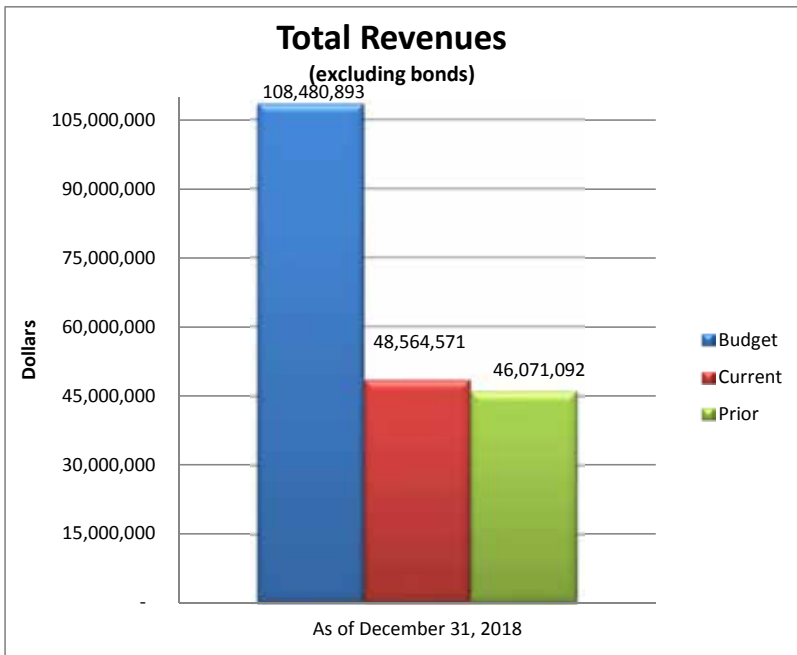


As of December 31, 2018

### Lodging Tax



As of December 31, 2018



# Council Letter

## City of Danville, Virginia



**CL-2046**

**Work Session Item #: B.**

**Work Session Meeting**

**Meeting Date:** 01/15/2019

**Subject:** Police Station Site Selection Presentation

**From:** Richard Drazenovich, Public Works Director

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**COUNCIL ACTION**

Work Session Meeting: 01/15/2019

**SUMMARY**

In May 2018, the City of Danville selected Dewberry to evaluate numerous City owned sites for the purpose of the possible construction of a new City Police Station of roughly 56,000 square feet. The new police facility site evaluation is based on the need as identified in the Facility Program for a new Police Building performed by Steve Allan of Solutions for Local Government, Inc. The facility program indicates the need for roughly 5.82 acres of land if a one story facility is designed, but smaller sites can be evaluated assuming a two story structure. Dewberry analyzed multiple sites and determined the top three sites based on a criteria set forth by the Manager's Selection Committee and Dewberry. The criteria highlighted the pros and cons of each site in relation to ease of access; site development costs; location within the City; etc. Dewberry's presentation of the final three sites will include graphic diagrammatic layouts of the proposed building, site parking, fleet vehicle parking and garage, vehicle trailer storage, and impound areas. Each site evaluation will have a statement of probable costs.

**BACKGROUND**

In March of 2016, the City contracted with Solutions for Local Government, Inc. of Charlotte, North Carolina to undertake a citywide space needs assessment of the facilities and building space which it provides for its various operational departments and Constitutional Officers. The study effort that ensued involved the assessment of forty-eight individual buildings that included the work space of twenty-seven City departments, departmental divisions, and the constitutional agency offices. Of the thirty recommendations articulated in the report; the first five, listed in order of priority, were those departments/buildings determined to have the "greatest need." Recommendation number one was: initiate facility programming immediately for a new police facility.

In September 2017, the City retained Solutions for Local Government, Inc. to develop the new Police Station facility program. It was completed in May 2018.

**RECOMMENDATION**

For review and consideration by Council.

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**Attachments**

*No file(s) attached.*